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# Finnish Associations Act

(Unofficial translation)

No. 503 of 26 May 1989, as amended by Acts No. 1331 of 29 December 1989, No. 1426 of 18 December 1992, No. 1614 of 30 December 1992, No. 941 of 28 October 1994, No. 1177 of 13 December 1994, No. 1380 of 8 December 1995, No. 685 of 21 May 1999, No. 894 of 1 November 2002, No. 1398 of 22 December 2009, No. 389 of 14 May 2010, No. 678 of 16 July 2010, No. 508 of 28 June 2013, No. 1098 of 12 December 2014, No. 1210 of 18 September 2015, No. 497 of 29 June 2016, and No. 628 of 12 August 2016.

## Chapter 1

### General provisions

### Section 1

#### Application

An association may be founded for the common realisation of a non-profit purpose. The purpose may not be contrary to law or proper behaviour.

Associations are governed by this Act.

### Section 2

#### Restrictions for application

This Act shall not apply to a corporation whose purpose is to attain profit or other direct financial benefit for a member or whose purpose or activities otherwise are primarily financial.

This Act shall apply to a corporation which has been founded by statute for a special purpose only if specifically so provided.

Religious communities are governed by separate provisions.

### Section 3

#### Prohibited associations

An association which due to the obedience required of members, to the division into units or groups, or to the equipping with arms is to be deemed, in full or in part, militarily organised, shall be prohibited.

## Section 4

### **Associations subject to permission**

An association whose activities include training in the use of firearms and whose sole purpose is not hunting, may only be founded with the permission of a regional state administrative agency.

## Section 5

### **Economic activities**

An association may only practice a trade or other economic activity that has been provided for in its rules or that otherwise relates to the realisation of its purpose or that is to be deemed economically insignificant.

## Section 6

### **Legal effects of registration**

An association may obtain rights, make commitments and appear before a court or other authority as a party if it has been registered in accordance with the provisions of this Act.

The members of a registered association shall not be personally liable for the commitments of the association.

## Chapter 2

### **Founding of associations**

## Section 7

### **Charter**

A charter shall be drawn up on the founding of an association and the rules of the association shall be annexed thereto. The charter shall be dated and be signed by three or more persons joining the association. A natural person as a founder shall be 15 years of age or over.

## Section 8

### **Rules**

The rules of an association shall state:

1. the name of the association;
2. the municipality in Finland where the association is based (the domicile of the association);
3. the purpose and forms of activity of the association;
4. any obligation of the member to pay membership and other fees to the association;
5. the number, or the minimum and maximum number, of the members of the executive committee, the auditors and the operations inspectors, and their term of office;
6. the accounting period of the association;
7. the time for electing the executive committee, the auditors and the operations inspectors, and for adopting the annual accounts and deciding on discharging from liability for the accounts;
8. the manner in which and the period within which a meeting of the association shall be convened; and
9. the manner in which the assets of the association shall be used if the association is dissolved or terminated.

## Section 9

### **Bilingual associations, name of the association**

The rules of an association may lay down that the association is both Finnish and Swedish-speaking. An association of this kind may, under conditions prescribed in section 51, be entered in the register as a bilingual one.

In addition to what follows from the provisions of paragraph 1, the rules of any association may contain a provision that the association has a Finnish, Swedish and Sami language name, or a name in two of the said languages, in which case any of those names may be used as the name of the association.

## Chapter 3

### **Membership**

## Section 10

### **Members**

An association may have private individuals, corporations and foundations as members.

If the primary purpose of the association is to exercise influence over State affairs, it may have as members only Finnish citizens, foreigners residing in Finland and associations whose members or whose direct or indirect member association members are Finnish citizens or foreigners residing in Finland.

Subsection 3 was repealed by Act 1614/1992 of December 30, 1992.

## Section 11

## List of members

The executive committee must keep a list of the members of the association. For each member the full name and domicile shall be entered in the list.

Members of the association shall, on request, be reserved an opportunity to acquaint themselves with the information referred to in subsection 1. Provisions on other delivery of the information contained in the list are given in the Finnish Personal Data Act (Henkilötietolaki 523/99). Decisions concerning delivery may be made by the executive committee of the association.

## Section 12

### Joining an association

A person wishing to join an association must inform the association of his or her intention. Decisions concerning admission of members shall be taken by the executive committee, unless the rules lay down otherwise.

## Section 13

### Resigning from an association

A member is entitled to resign from an association at any time by informing the executive committee or its chairperson thereof in writing. A member may also resign by giving a notice thereof at a meeting of the association for entry in the minutes. A provision may be taken in the rules that the resignation will not enter into force until after a specified period of time has passed from the submitting of the notice of resignation. Such period of time may not exceed one year.

## Section 14

### Expulsion from an association

An association may expel a member on a ground stated in the rules. Nevertheless, the association invariably has the right to expel a member who:

1. has failed to fulfil the obligations to which he or she has committed himself or herself by joining the association;
2. by his or her action within or outside the association has substantially damaged the association;
- or
3. no longer meets the conditions for membership laid down by law or the rules of the association.

## Section 15

### Expulsion procedure

A decision to expel a member shall be taken by the association in its meeting, unless otherwise laid down by the rules. The reason for expulsion must be given in the decision. A member is not

disqualified from voting in a case concerning his or her expulsion from the association at a meeting of the association.

Before a decision is taken, the member concerned must be reserved an opportunity to give an explanation in the matter, except where the reason for expulsion is failure to pay the membership fee.

If, according to the rules, decisions concerning expulsion shall be taken by the executive committee, a provision may be included in the rules to the effect that the member is entitled, within a time limit laid down by the rules, to bring his or her expulsion to a meeting of the association for a decision.

The rules may contain a provision that the meeting may deem a member to have resigned from the association if the member has failed to pay the membership fee for a period specified in the rules.

## Chapter 4

### Power of decision

## Section 16

### Making of decisions

Decisions of an association shall be made by its members. The rules may nevertheless lay down that decisions shall, in a manner to be specified below, be made by:

delegates of the association;

private individuals who are members of the association or of associations either direct or indirect members thereof, in a federation vote.

## Section 17

### Power of decision of members

The members exercise their power of decision at the meetings of the association.

The rules may contain a provision to the effect that members may, under the conditions referred to in the rules, attend a meeting by post, using data connection or some other technical means during the meeting or before the meeting. In such case, the association must be able to ensure that the right to attend and the correctness of vote count can be established in a way that is comparable to that used in ordinary meetings of the association. If the primary purpose of the association is to exercise influence over State affairs, the right to attend will only apply during the meeting.

The rules may contain a provision to the effect that, in matters specified by the rules, the members make decisions without a meeting in separately organised votes, by post, or using data connection or some other technical means. The provision may not however refer to matters mentioned in section 23(1).

If the members are unanimous, they may make decisions which must be made at the meeting of the association, without a meeting. The decision must be in writing and dated, and signed by the members of the association. Otherwise, the provisions concerning the records kept at the meeting of the association apply to a decision in writing.

## Section 18

### **Power of decision of delegates**

If delegates are given power of decision, the rules must specify the number of delegates, or the manner in which the number is determined, as well as their term, manner of election and duties.

The rules may also stipulate that the seats of the delegates or part of these must be divided among the members or groups formed by the members of the association on grounds specified by the rules. In such case it may also be provided that the delegates must be elected among candidates appointed by those particular members or groups. If one of them has failed to appoint candidates, the delegates may be elected among the candidates put up by the others.

The delegates exercise their power of decision at meetings.

## Section 19

### **Federation vote**

The rules may contain provisions concerning the exercise of power of decision in a federation vote in an association which in accordance with its rules only has associations, or both associations and private individuals, as members. The rules must specify the matters in which or the conditions under which the power of decision is exercised in the federation vote. The federation vote may not concern matters referred to in section 23(1).

A federation vote is organised to take place as separate votes, by post, or using data connection or some other technical means.

## Chapter 5

### **Taking decisions**

## Section 20

### **Meetings of associations**

A meeting of an association must be organised at a date determined by the rules. If it has not been convened, every member of the association has the right to demand that a meeting be held.

An extraordinary meeting of an association must be organised when a meeting of the association so decides, or the executive committee considers it justified, or at least one tenth of the members of the association entitled to vote so demands for the handling of a matter notified by them. If the

association, according to its rules, may have only associations or both associations and private individuals as members, it may be provided for by the rules that the minority that is entitled to demand an extraordinary meeting to be held shall be smaller or greater than one tenth. The rules of other types of associations may only provide for a smaller majority.

A demand that a meeting be held is to be submitted in writing to the executive committee of the association. The committee must immediately on receipt of the demand convene the meeting. If it fails to do so, or it has not been possible to present the demand to the committee, a regional state administrative agency shall, at the request of the member who demanded that a meeting be held, authorise the applicant to convene the meeting at the cost of the association or oblige the committee to do so under penalty of a fine.

## Section 21

### **Meeting of delegates**

The provisions of this Act in respect of a meeting of the association, shall mutatis mutandis apply to meetings of delegates. An extraordinary meeting of delegates must nevertheless only be held where the delegates so decide, or the executive committee considers it justified, or the number of delegates stated in section 20(2) so demands for the handling of a matter they shall notify.

## Section 22

### **Organisation of other forms of decision-making**

If a matter specified in the rules is to be decided on by the association at a specified date without a meeting on separate voting occasions, by post, or using data connection or some other technical means, and that has not been the case, any member of the association is entitled to demand in writing that the executive committee organise this kind of decision-making opportunity. If the executive committee, despite the request, has failed to organise an opportunity for the decision-making or it has not been possible to present the demand to the executive committee, a regional state administrative agency shall, at the request of the member who demanded that an opportunity be organised, authorise the applicant to organise the voting event, postal voting, or voting by technical means, at the cost of the association or oblige the executive committee to do so under penalty of a fine.

## Section 23

### **Matters to be decided at meetings**

Matters to be decided on by a meeting of the association or, if so provided for by the rules, a meeting of the delegates, include:

1. any amendments to the rules of the association;
2. assignment or mortgaging of real estate or assignment of other property of significance to the activities of the association;

3. voting and election rules referred to in section 30;
4. election or expulsion of the executive committee or its member, or an auditor or an operations inspector;
5. adoption of the annual accounts and discharging from liability for the accounts; and
6. dissolution of association.

The rules may contain a provision that the executive committee may decide on selling, exchanging or mortgaging property of the association.

## Section 24

### **Invitations to meetings**

A meeting of the association must be convened in a manner set out in the rules. The invitation to the meeting shall state the date and place of the meeting.

If members may attend a meeting by post or using data connection, or some other technical means, this must be stated in the invitation to the meeting. If members attending a meeting by post or by technical means have a restricted right to speak, this must also be stated in the invitation.

A matter referred to in section 23, and other comparable matter, may not be decided on at the meeting, unless the matter has been stated in the invitation.

## Section 25

### **Voting rights of members**

Unless otherwise provided in the rules, each member of 15 years or over has the right to vote and each member entitled to vote has one vote. A private person may not use his or her voting right through a representative, unless so provided in the rules.

The rules may contain a provision that a member who has failed to pay the membership fee for a specified period, may not use his or her voting right. The rules may provide that, to have the right to vote at a meeting, a member has to inform the association in advance of his or her participation in the meeting, no later than by a date given in the invitation to the meeting.

## Section 26

### **Disqualification at meetings of associations**

At a meeting of an association, members shall neither vote nor propose any decision when a decision is to be taken on a contract between them and the association or on other matter where there is a conflict of interest between them and the association.

A member of the executive committee or other person entrusted with a function in the administration of the association shall not vote when a decision is taken in respect of electing or expelling an auditor

or an operations inspector, adopting the annual accounts, or discharging from liability for the accounts, if the matter relates to the administration for which he or she is accountable.

The provisions concerning disqualification of persons referred to in subsection 1 and 2, shall also apply to their agents or representatives.

## Section 27

### Rules for decision-making

Unless otherwise provided for in the rules, the motion to be carried by the association shall be:

1. the motion supported by more than half of the votes cast;
2. in the case of a tie, the motion supported by the chairperson of the meeting, or, if the decision is taken without a meeting in separately organised votes, by post or using data connection or some other technical means, the result obtained by drawing lots; and
3. in a case relating to amendment of the rules, dissolution of the association or assignment of the main part of the association's property, the motion supported by at least three quarters of the votes cast.

A decision to amend the rules in a manner referred to in section 17(2), or in section 19(1), or by replacing the majority vote system by the proportional electoral system, shall nevertheless be valid if more than half of the votes cast have supported the motion and the decision has in other respects been taken in compliance with the provisions or regulations concerning amendment of rules.

Notwithstanding the provisions below on voidness of decisions, a decision to amend the rules that relates to the manner of carrying out elections, the number of votes of a member, composition of a body, or a member's liability to pay, shall be valid even if the amendment would result in infringing a special interest guaranteed him or her in the rules or the equality of members, if the decision, in cases referred to at item 3 of subsection 1, or in subsection 2, has been taken in the manner laid down in said subsection.

If the association according to its rules is a member of another association, the rules may provide that amendment of the rules also requires the approval of the association in which the association is directly or indirectly a member.

## Section 28

### Elections

In an election to be held at a meeting, a majority vote system shall be followed, unless the election of persons is unanimous or unless otherwise provided for in the rules. In an election organised to take place without a meeting in separately organised votes, by post or using data connection, or some other technical means, a proportional electoral system shall be followed, unless otherwise provided for in the rules. The right to participate in appointing candidates for the election shall be reserved to everyone entitled to make decisions.

## Section 29

### Holding an election

When a majority vote system is applied, candidates given the highest numbers of votes will be elected, unless other provisions on the majority required have been given in the rules.

Where an election under law or the rules has to be held as a proportional one, the rules shall contain provisions on the manner in which the election in that case shall be arranged.

The rules may stipulate that a proportional election be arranged:

1. by using lists of candidates in such a manner that each vote is given to the list of candidates in its entirety, whereby the candidate occupying the first position on the list is given the total vote given to the list as his or her comparative index, the candidate occupying the second position is given half of the total vote, the candidate occupying the third position one third of the total vote, and so on, and the persons who become elected will be determined by the order of the comparative indexes of the candidates;
2. by using lists of candidates, but in such a manner that each vote is given to one of the candidates on the list, whereby on each list the candidate with the highest vote is given the total vote as his or her comparative index, the candidate occupying the second position is given half of the total vote, the candidate occupying the third position one third of the total vote, and so on, and the persons who become elected will be determined by the order of the comparative indexes of the candidates;
3. without using lists of candidates in such a manner that in the vote each vote given is divided among the candidates marked on the ballot paper so that the candidate occupying the first position is given one whole vote, the candidate occupying the second position half of a vote, the candidate occupying the third position a third of a vote, and so on, and the persons who become elected will be determined by the order of the number of votes obtained by each candidate;
4. or in any other manner specified by the rules.

A proportional election shall be carried out by a secret ballot, or using some other similar technical method if data connection or some other technical means is used. In the case of a tie, appointments shall be cast by drawing lots.

## Section 30

### Voting and election rules

If power of decision in an association is exercised in separately organised votes, by post, or using data connection or some other technical means, the association must for this purpose establish voting and election rules, in which shall be included any regulations on voting and elections needed to supplement the provisions of this Act and the rules of the association.

## Section 31

## **Drawing up of records**

The chairperson of a meeting shall see to it that a record is drawn up of the resolutions adopted at the meeting. The record must be signed by the chairperson of the meeting and examined by at least two persons elected for that purpose at the meeting or by the association itself.

If decisions have been taken without a meeting in separately organised votes, by post or using data connection, or some other technical means, the executive committee of the association shall see to it that a record dated and signed by the chairperson of the executive committee is drawn up of the procedure applied in taking decisions, of vote counting and the result thereof and of the resolution adopted.

A member of the association is entitled, on request, to inspect the records referred to in subsection 1 and 2.

## **Section 32**

### **Voidability of resolutions**

Any member, the executive committee or any member of the executive committee of the association may contest a resolution of the association through a legal action brought against the association, if the resolution has not been taken in the proper order and the error may have influenced the contents of the resolution or otherwise influenced the rights of a member of the association, or the resolution is, in other respects, contrary to this Act or the rules of the association. A person who has contributed to the adoption of the resolution at the meeting has no right to bring a legal action for annulment.

The action has to be brought within three months of adopting the resolution, or, if the resolution has been adopted without a meeting in separately organised votes, by post or using data connection, or some other technical means, within three months of the date of the record concerning the resolution. If no action is brought within the time limit, the resolution is to be deemed valid.

If the executive committee of the association has brought action, a meeting of the association must be convened without delay to elect a representative to answer for the association.

## **Section 33**

### **Voidness of resolutions**

Notwithstanding any action for annulment, a resolution shall be void, if it violates the right of a third party.

Subject to section 27(3), a resolution shall likewise be void if it diminishes the special benefit that a member according to the rules enjoys in the association or if its contents or the procedure followed in adopting it essentially violates the equality of a member.

Any member, the executive committee, or any member of the executive committee of the association may bring action against the association to have a resolution of the association confirmed to be void.

## Section 34

### **Ban on enforcement**

When an action has been brought against an association, the court may ban the enforcement of a resolution of the association or order that it be interrupted. Such ban or order may also be lifted.

A resolution referred to in subsection 1 above may not be appealed against separately.

## Chapter 6

### **Administration of an association**

## Section 35

### **Executive committee**

An association shall have an executive committee which shall consist of no less than three members. The executive committee shall carefully attend to the affairs of the association in compliance with the law, the rules, and resolutions adopted by the association. The executive committee shall see to it that the association's bookkeeping conforms to the law and that its financial management has been organised in a reliable manner. The association shall be represented by the executive committee.

The executive committee shall have a chairperson. The chairperson may not be a person lacking legal competence. Other members of the committee shall be 15 years of age or over. A person who is bankrupt may not function as a member of the executive committee.

The chairperson of the executive committee shall be resident in Finland, unless the Finnish Patent and Registration Office grants an exception of this provision.

## Section 36

### **Persons entitled to sign the name of the association**

The chairperson of the executive committee has the right to sign the name of the association, unless this right has been limited in the manner referred to in subsection 3 below.

The rules of the association may stipulate that the name of the association may also be signed by:

1. one or more members of the executive committee;
2. other person on the basis of his or her position; or
3. a person specifically authorised to do so by the executive committee.

A person who lacks legal competence or is bankrupt may not represent the association nor sign its name. The right to sign the name of the association may be limited in such manner that two or more persons may only sign the name of the association jointly. No other limitations may be entered in the Register of Associations.

The signature of the association shall contain the name of the association and the signature in own hand of the person or persons authorised to sign the name.

A summons or other communication shall be deemed to have reached the association when it is served upon a person authorised to sign name of the association either by himself or herself or together with another person.

## Section 37

### **Disqualification**

A member of the executive committee or an official of the association shall not participate in the handling of a contract between them and the association, nor shall they participate in the handling and deciding of any other issue in which their private interest may be in conflict with the interest of the association.

## Section 38

### **Audit**

The audit of an association shall be governed by the provisions of this Act and the Finnish Auditing Act (Tilintarkastuslaki 1141/2015).

## Section 38 a

### **Operations inspection**

An association shall have an operations inspector, if the association does not have an auditor. If only one operations inspector has been appointed, a deputy operations inspector shall also be appointed, and the provisions applicable to the operations inspector apply also to the deputy operations inspector.

The operations inspector shall be a natural person. The operations inspector shall possess financial and legal knowledge to a degree to be deemed necessary in view of the association's operations in order to carry out the operations inspection task. The following cannot act as an operations inspector: persons without legal capacity, persons in bankruptcy, or persons with restricted legal competency. The operations inspector must be independent while inspecting operations.

If an operations inspector has not been appointed in accordance with this Act or the rules of the association, a regional state administrative agency shall, at request, appoint an operations inspector in accordance with the provisions of Chapter 2, section 8(3) and (4) of the Finnish Auditing Act (Tilintarkastuslaki 1141/2015) concerning the appointment of an auditor.

The operations inspector must inspect the finances and the administration of the association to the extent required by the association's operations, and submit an operations inspector's report, in writing, to the meeting of the association or the meeting of delegates deciding on the annual accounts. The operations inspector shall make a note in the report if the inspection shows that

damage has been caused to the association, or if this Act or the rules of the association have been violated.

The provisions about auditors in Chapter 3, section 9 and 10 and Chapter 4, section 8 of the Finnish Auditing Act apply to the obligation of the executive committee of an association to assist an operations inspector, to the operations inspector's presence in meetings, and to the confidentiality obligation of an operations inspector.

## Section 39

### **Liability to pay damages**

A member of the executive committee, an official of an association and an operations inspector shall be liable to compensate all damage they have in office either wilfully or negligently caused to the association. The same shall apply to damage caused to any member of the association or a third party by an act against this Act or the rules of the association. The liability in damages of an employee shall be governed by specific provisions. Chapter 10, section 9 of the Finnish Auditing Act (Tilintarkastuslaki 1141/2015) sets out the liability in damages of auditors.

The adjustment of damages as well as the allocation of the liability in damages among two or more persons liable for the damages shall be governed by the provisions of Chapters 2 and 6 of the Finnish Damages Act (Vahingonkorvauslaki 412/74).

An action for compensation of damage caused to the association may also be brought in the court of the municipality where the association is based (the domicile).

## Chapter 7

### **Dissolution**

## Section 40

### **Liquidation proceedings based on a resolution of the association**

When a meeting of the association has decided to dissolve the association, the executive committee must attend to the liquidation measures caused by the dissolution referred to in subsection 2, unless the meeting of the association has appointed one or more other liquidators for the task to replace the executive committee. However, liquidation measures are unnecessary if, upon deciding on dissolution, the meeting of the association has simultaneously approved a final account, drawn up by the executive committee, according to which the association has no debts.

The purpose of the liquidation measures is to establish the association's financial standing, to convert the necessary assets into money, to pay any debts and to spend the remaining assets in compliance with the provisions laid down in the rules of the association and in this Act.

The economic activity of an association that has decided on dissolution may be continued only to the extent required by the appropriate liquidation proceedings. The liquidators are entitled to request a

public summons for the association's creditors. If the assets of an association are inadequate for the repayment of the association's debts, the liquidators shall apply for the bankruptcy of the association. If the assets remaining after the repayment of the debts cannot be used in the manner stipulated by the association's rules, the liquidators must surrender them for the pursuit of a purpose closely related to that of the activity of the association. The liquidators shall, without undue delay, draw up a final account of the dissolution, which includes an account of the repayment of debts and the use of the remaining assets alongside financial statements, annual reports, auditors' reports and operations inspector's reports, if any, from the liquidation period. The liquidators shall call the members of the association to a meeting of the association to inspect the final account, unless this is unnecessary due to the insignificance of the association's assets and other issues. The liquidators must ensure the safekeeping of the final account in accordance with the provisions laid down in the Accounting Act (1336/1997) on the safekeeping of the balance sheet book. If the association is obliged, by law or its rules, to appoint an auditor or an operations inspector, the final account must, correspondingly, be subjected to an audit or operations inspection. The provisions laid down in this Act on the executive committee and members of the executive committee shall apply to the liquidator, unless otherwise provided in this Chapter. The liquidator's term of office shall continue until further notice.

If the debts of a dissolving association have not been repaid before the assets have been used in accordance with subsection 2, those receiving assets shall be liable for the payment of the debts of the association up to the amount that they have received.

An association shall be regarded as dissolved when an entry to this effect has been made in the Register of Associations.

## Section 41

### **Ordering the dissolution of an inactive association**

If an association has become inactive and the association has not been dissolved, its member or any other party involved may request the registration authority to order the dissolution of the association. The association shall be reserved the opportunity to be heard on account of such a request. The request shall be granted if it is proven that the association has become inactive. Unless otherwise proven, an association shall be deemed inactive if ten years have passed since the filing of the latest notice to the Register of Associations. If an association is declared active or the dissolution in accordance with a decision of the registration authority is opposed, the registration authority must nevertheless postpone the processing of the matter if the applicant proves, within one month of the notice by the registration authority, that he or she has brought a legal action, in the court of the association's domicile, seeking to confirm the prerequisites for the dissolution of the association.

Upon receiving the application, the registration authority must, in the appropriate manner, exhort the association to make a notification that it remains active. If the association fails to notify that it remains active, the exhortation must be sent to the association in writing, with the accompanying request indicating that the association may be ordered dissolved unless a notification of continuing

operations is made by the due date. At the same time, members and creditors wishing to make remarks regarding the dissolution order are requested to do so in writing by the due date. This exhortation shall be published in the Official Gazette no later than five months before the due date. The matter may be decided even if no proof is available of the association having received the exhortation. The registration authority shall register the exhortation ex officio. An association may be ordered dissolved unless it is proven, before the matter is resolved, that there are no grounds for dissolution.

On granting the request, the registration authority and the court shall also, if necessary, appoint the applicant or other person as the liquidator attending to the liquidation measures. In such a case, the provisions in section 40 (2–5) shall apply to the liquidation measures. Moreover, the liquidator must ensure that the final account is kept accessible for the association and any other parties to whose rights the dissolution of the association pertains. An inactive association shall be deregistered if its assets are inadequate for covering the costs of liquidation, if there is no information on the assets, or a member, creditor or third party does not undertake to bear the costs of the liquidation measures.

## Section 41a

### **Dissolution and deregistration of an association based on the motion of an authority**

The registration authority may order an association to be deregistered if at least twenty years have passed since the filing of the latest notice to the Register of Associations, and there is otherwise no reason to assume that the association's activities will continue.

Before making a decision referred to in subsection 1 on the deregistration of an association, the Finnish Patent and Registration Office shall publish a public notice in the Official Gazette exhorting all associations referred to in subsection 1, mentioning them by name, to notify the Finnish Patent and Registration Office in writing within five months about the continuation of their activities. In addition, the Finnish Patent and Registration Office must keep information on the names and registration numbers of the associations subject to the procedure available for the public on its website in machine-readable format.

If no notification has been made that the association will continue its activities and there is no reason for otherwise assuming that its activities will continue, the association shall be deregistered after the expiry of the deadline. For five years from the decision to deregister an association, the Finnish Patent and Registration Office must keep information about the names and registration numbers of the deregistered associations available for the public on its website in machine-readable format.

On its own initiative or based on an application, the registration authority may order an association dissolved if the association does not have a competent chairperson of its executive committee entered in the register. Such an order must be issued unless it is proven, before the matter is resolved, that there are no longer grounds thereto. The association must be heard before the order is issued. Section 41 shall apply to the party entitled to submit an application, hearing the association, appointing a liquidator, the liquidation proceedings and to the liquidator.

## Section 41b

### Legal effects of deregistration

An association is deregistered when the decision thereon has been entered in the register.

The assets of a deregistered association may not be used without the liquidation measures referred to in sections 40 and 41. However, the representatives of the association may, five years after deregistration, use the assets in accordance with section 40, subsections 2 and 3, provided that the association's assets do not exceed EUR 8,000 and the association does not have any known debts. Those who have received assets shall be liable for the payment of the association's debts up to the amount they have received.

If, after deregistration, liquidation measures are needed, the registration authority shall order the association into liquidation, in accordance with section 40, subsections 2–4, upon the application of the party to whose rights the matter pertains. In such a case, the registration authority may, on its own initiative, order the association to be liquidated.

However, an order referred to above in subsection 3, shall not be issued, if the assets of the association are not adequate for covering the costs of liquidation, and no one undertakes to bear such costs. In such a case, any assets remaining after the repayment of known debts will be remitted to the State. The State Treasury may decide that the assets received by the State will be surrendered for the pursuit of a purpose closely related to that of the activity of the association.

## Section 42

### Contesting liquidation measures

If a member of an association or other party whose right is affected by the dissolution of the association, wishes to contest a measure taken by the liquidators, he or she must bring action against the liquidators within six months of the entry of the dissolution in the Register of Associations. The action must be brought before the court of the municipality where the association is based (the domicile).

## Chapter 8

### Terminating of associations

## Section 43

### Terminating and issuing a caution

The court of first instance of the municipality where the association is based (the domicile) may on the basis of an action brought by a prosecutor, the Finnish National Police Board, or a member of the association declare the association terminated:

1. if the association acts substantially against law or good practice;
2. if the association acts substantially against the purpose defined for it in its rules; or
3. if the association acts in violation of the permission referred to in section 4 or the provision of section 35(3).

If the public interest does not require termination of the association, the association may be cautioned instead of being terminated.

If the association is declared terminated or is cautioned, an association which is its direct or indirect member and which has been summoned to court may also be declared terminated or be cautioned, if that association has contributed to the action referred to in subsection 1 of the first mentioned association.

If the use of the assets of the terminated association in the manner laid down by the rules is impossible or such use would be against the law or good practice, the assets of the association shall be declared forfeit to the State.

## Section 44

### **Provisional prohibition of activities**

When legal proceedings have been taken to have an association terminated, the court may in handling the matter, at the request of the interested party, provisionally prohibit the activities of the association, if there is likelihood that the association is acting in violation of the provisions of section 43(1).

In response to a demand of a prosecutor or the Finnish National Police Board, the prohibition referred to in subsection 1 may already be issued before the legal proceedings to have the association terminated have been taken, if there is likelihood that the association essentially acts in violation of the law or good practice, or illegally continues the activities of a terminated association. Such prohibition shall lapse if a summons for the termination of the association has not been requested within 14 days of issuing the prohibition and shall not be in force any longer than until the case is taken up at a court session.

If the court has issued a provisional prohibition of activities, every time it handles the case, it has to decide on whether or not the prohibition is in force. A decision concerning a prohibition of activities may not be appealed from separately.

If a temporary prohibition of activities has been issued under item 1 of section 43(1), a new association may not be founded to continue the activities of the association.

## Section 45

### **Termination of activities; liquidators**

When an association is declared terminated or its activities are provisionally prohibited, the association shall immediately terminate its activities. The executive committee of the association may

nevertheless continue the trade or other economic activity carried on by the association and manage the property of the association until the decision to terminate the association has become final, unless otherwise ordered by the court.

If the court does not permit the executive committee to manage the association's property in the period referred to in subsection 1, the court shall appoint at least one person, in the capacity of a trustee, to manage the property of the association.

On declaring the association terminated the court shall, where necessary, appoint one or more liquidators. In such case the provisions of this Act in respect of liquidation and contesting of liquidation measures in the dissolving process of an association shall apply *mutantis mutandis*.

## Section 46

### Competent Court

An action for termination of an association shall be considered in the court of the municipality where the association is based (the domicile). This court may at the same time also hear any question concerning termination of the association referred to in section 43(3).

## Chapter 9

### Entering in the Register of Associations

## Section 47

### Authorities

The Register of Associations is maintained by the Finnish Patent and Registration Office.

The Register of Associations, with related documents, is available to the public. Anyone is entitled to obtain extracts and certificates from the register and the related documents in the manner prescribed in the Finnish Act on the Openness of Government Activities (Laki viranomaisten toiminnan julkisuudesta 621/1999).

## Section 48

### Basic Notice

A notice for the registration of an association (basic notice) shall be filed in writing with the Finnish Patent and Registration Office.

The Basic Notice, which shall be accompanied by the charter and the rules of the association, shall give the full name, address, domicile and personal identity code of the chairperson of the association's executive committee and of the person authorised to sign the name of the association as well as a limitation concerning the right to sign the name of the association, referred to in section

36, subsection 3, if any. If such a person has no Finnish personal identity code, his or her date of birth shall be given. All other members of the executive committee may also be listed in the Basic Notice.

The chairperson of the executive committee of the association or another competent member of the executive committee, entered in the register, shall sign the notice and give an affirmation that the provisions of this Act are complied with when establishing the association.

## Section 49

### **Processing of Basic Notices and registration of associations**

In respect of a Basic Notice, the Finnish Patent and Registration Office shall check that:

1. it is drawn up in the manner prescribed in section 48;
2. the name of the association clearly differs from the names of associations previously entered in the register, and that it is not misleading;
3. there are no obstacles under Chapter 1 to registration; and
4. there is no other obstacle based on the law to registration.

If, under subsection 1, there exists an obstacle to registration, but the notice is nevertheless not deemed inadmissible or registration is not refused immediately, the person filing the notice shall be reserved an opportunity to supplement or correct the notice or submit his or her comments. This must take place within the time limit laid down by the Finnish Patent and Registration Office, and on pain that failure to do so shall result in the lapse of the case, unless special reasons exist to the contrary. If an obstacle to registration continues to exist even after the notice has been supplemented or corrected or comments have been filed, registration is to be refused. The person filing the notice may nevertheless be given a new time limit if reasons thereto exist.

If no obstacle is found to registration, the association shall be entered in the register without delay.

## Section 50

### **Note indicating registration**

When an association has been entered in the register, the words "rekisteröity yhdistys" or the abbreviation of these words, "ry", or, if the rules of the association are in Swedish, the words "registrerad förening" or the abbreviation of these, "rf", are added to its name.

If the association, in accordance with section 9, has both a Finnish and a Swedish name, the said note is added to its Finnish name in the Finnish form and to the Swedish name in the Swedish form. If the association also has a name in the Sami language, the words "registrerejuvvon searvi" or their abbreviation, "rs", is added to that name.

## Section 51

## **Registration of bilingual associations**

An association shall be entered in the register both in Finnish and Swedish language, if the rules of the association are drawn up and the register notice is filed in both of the languages. On filing a Basic Notice or a notice concerning an amendment to the rules, or within a time limit to be laid down by decree, a certificate provided by an authorised translator to the effect that the contents of the rules are identical shall also be submitted.

## **Section 52**

### **Amendment Notice**

A notice (Amendment Notice) shall be filed with the register in respect of any amendment to the rules of an association and of any change of chairperson of the executive committee, of another member of the executive committee entered in the register, and of the person authorised to sign the name of the association, which in the case of an amendment of the rules must be accompanied by the amended rules. The provisions in section 48 concerning the filing and signature of a Basic Notice shall apply to the filing and signature of the notice. An amendment notice may also be signed by a person authorised by the person responsible for filing the notice. In addition, anyone who has resigned from a position entered in the Register of Associations, or whose position entered in the register has ceased, may file a notice thereof him- or herself.

An amendment of rules enters into force once it is entered in the register.

When a change in the identity of the chairperson of the executive committee or of persons entitled to sign for the association has been entered in the register, knowledge of the change shall be deemed to have become available to a third party, except if it is found out that the third party neither had nor was obliged to have knowledge thereof. Prior to entering the change in the register, it may not be referred to except against a person who is shown to have had knowledge thereof.

## **Section 53**

### **Notice of Dissolution**

A notice of the dissolution of an association (Notice of Dissolution) shall be filed with the register by the chairperson of the executive committee or a liquidator, and it shall state the persons who have acted as liquidators as well as the fact that the liquidation measures have been completed.

## **Section 54**

### **Handling of Amendment Notices and Notices of Dissolution**

The provisions laid down on checking and entering in the register of a Basic Notice shall *mutatis mutandis* apply to the checking and entering in the register of Amendment Notices and Notices of Dissolution.

## Section 55

### Preliminary checks

At the request of an association or its founders, the Finnish Patent and Registration Office may carry out a preliminary check of the rules or amendments to them (preliminary check) where the size of the association, the significance of the amendment to the rules, or other similar reasons justify it. The request may also concern the rules of an association that is or is meant to be a direct or indirect member of the association. (13.12.1994/1177)

The provisions laid down above on the checks of Basic Notices and Amendment Notices shall be applicable to a preliminary check. A decision given in respect of a preliminary check shall be binding, except if the association has amended the rules or amendments to the rules that have been the subject of a preliminary check in a manner that makes a new check necessary. Such decision shall be in force for two years from the date on which it was given.

Despite of any preliminary check, Basic Notices and Amendment Notices must be filed as laid down above and they shall also disclose any decision relating to a preliminary check and the parts, if any, in which the rules have been amended after the preliminary check.

The association may decide that an amendment to the rules which has been the subject of a preliminary check and which has been approved in the association without any changes must be complied with in the internal activities of the association although the amendment has not yet been entered in the register.

## Section 56

### Appeal procedure and revocation of entries in the register

Specific provisions shall apply to the procedure of appealing against a decision taken by the Finnish Patent and Registration Office under this Act. A decision to the effect that no preliminary check referred to in section 55 will be carried out may nevertheless not be appealed against.

Any person who considers that the name of an association or other entry in the register infringes his or her right is entitled to bring an action against the association in the court of the municipality where the association is based (the domicile) to have the register entry revoked.

## Section 57

### Further provisions

Further provisions concerning the Register of Associations, the entries to be made in it and the processing of notices as well as preliminary checks shall be given by Government decree where necessary.

## Chapter 10

## **Unregistered associations**

### **Section 58**

#### **Liability for obligations**

An association that is not entered in the register may not acquire rights or undertake obligations, nor sue or be sued in its own name.

Liability for an obligation caused by an act on behalf of an unregistered association rests with the persons who took part in the act or decided on it personally and jointly and severally. Other members of the association shall not be personally liable for such obligation.

### **Section 59**

#### **Acting on behalf of an association**

In a case concerning an unregistered association before a court of law or other authority, the chairperson of the association or of its executive committee or other person attending to its affairs may act on behalf of the association. A communication meant for the association may also be served upon such person.

An action to have an unregistered association terminated may be brought against one or more members of the association or of its executive committee. The action must be brought before the court of the municipality where the defendant or one of defendants is domiciled.

In other respects, unregistered associations shall mutatis mutandis be governed by the provisions of sections 1-5, 10, 11, 43, 44, 60 and 62.

## **Chapter 11**

### **Miscellaneous provisions**

### **Section 60**

#### **Obligation of the court to notify**

The court shall notify the Finnish Patent and Registration Office of surrendering the assets of an association in bankruptcy and of the end of the bankruptcy proceedings in the court, of a decision it has taken under section 41, 43, 44, 44 or 45, as well as of a final decision by which an entry in the register has been revoked or which states that a decision taken by the association which shall be reported for entry in the register is invalid, or which orders a ban on the enforcement of such decision or revocation of such ban.

Separate provisions regarding the obligation of the court to notify of its decisions, referred to in subsection 1, by making entries of them in the register of decisions and notices of decisions in the

national information system of judicial administration, or by delivering said information to the Finnish Legal Register Centre for forwarding to the Finnish Patent and Registration Office, shall be issued, when necessary, by a decree of the Ministry of Justice. The provisions of the Finnish Act on the National Information System of Judicial Administration (Laki oikeushallinnon valtakunnallisesta tietojärjestelmästä 372/2010), and other provisions issued under the Act, apply to the making of the entries and the delivery of information.

## Section 61

### **Surrendering assets in bankruptcy**

Decision on surrendering the assets of an association in bankruptcy shall be taken by the executive committee of the association.

## Section 62

### **Penal provision**

Any person who in violation of the provisions of this act by representing the association or by acting on behalf of it; or by taking new members into the association or by organizing a meeting of the association or in any other such manner continues the activities of an association which has been declared terminated or on which an interim prohibition of activities has been ordered, shall be sentenced, unless a more severe penalty is prescribed elsewhere in law, to a fine for carrying out unlawful association activity.

Any person who gives the Finnish Patent and Registration Office a false notice or affirmation referred to in this act shall be punishable as provided for by the Penal Code.

## Chapter 12

### **Entry into force and transitory provisions**

## Section 63

### **Entry into force**

This Act shall enter into force on January 1, 1990. This Act repeals the Finnish Act on Associations issued on January 4, 1919, with subsequent amendments.

## Section 64

### **Provisions in violation of this Act**

If the rules of an association registered before the entry into force of this Act contain provisions in violation of this Act, the provisions of this Act shall apply instead, unless otherwise laid down below.

## Section 65

## **Handling of register notices**

If a notice for registration of an association or a notice for entry of amendments in the register is filed before the entry into force of this Act, the notice shall be handled and decided on under the earlier Act. Even if a notice for entry of amendment of the rules of an association is made after the entry into force of this Act, the earlier Act shall be applicable in respect of entering it into the register, if the decision to amend the rules was taken before the entry into force of this Act and the chairperson of the executive committee of the association notified this in the notice.

Notwithstanding the provisions of subsection 1, an association may after the ratification of the Act amend its rules in compliance with the provisions of this Act and file an Amendment Notice with the register before the entry into force of the Act. Such amendment of rules shall be recorded in the register after the Act has entered into force.

## **Section 66**

### **Provision on foreigners**

Repealed by Act No. 1177 of 13 December 1994.

## **Section 67**

### **Provisions on qualified minority**

The provisions on a required qualified minority of section 20(2), shall not be applicable to an association the rules of which before the entry in the force of this Act have provided for other qualified minority.

## **Section 68**

### **Mode of election**

If the rules of the association at the time this Act enters into force contains provisions to the effect that a federation vote or proportional election system is to be followed in elections, but no provisions concerning the mode of election to be adopted in a federation vote or the manner of holding proportional elections, the procedure decided on by the association shall be followed in the federation vote and in holding proportional elections, until provisions in respect of the matter have been taken in the rules.

## **Section 69**

### **Composition of the executive committee**

The composition of an executive committee elected before the entry into force of this Act shall be brought to conform to the provisions of section 35 within two years from the entry into force of this Act.

## Section 70

### **Limitations to the right to sign the name of the association**

Notwithstanding the provisions on limitations to the right to sign the name of the association laid down in section 36(3), any other limitation included in the rules of a registered association and entered in the Register of Associations shall also be valid until the limitation is changed.

#### **Note.**

The provision in section 48, subsection 2 concerning the notice to register members of the executive committee other than the chairperson, and the person authorised to sign the name of the association, and the provision in section 48, subsection 3 concerning the obligation of other members of the executive committee entered in the register to sign the register notice will, however, not enter into force until a time provided for in a Government Decree.

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