I. GENERAL PROVISIONS

Field of application

Article 1

(1) This Law shall regulate the founding, organizing, legal order and dissolution of associations as well as the registration and termination of activities of foreign associations in the Republic of Croatia, unless otherwise regulated by a special law.

(2) Provisions of this Law shall not apply to political parties, religious communities, unions and employers’ associations.

Notion of association and legal personality

Article 2

(1) An association for the purpose of this Law shall be any form of voluntary association of natural or legal persons which, in order to protect and promote issues of public or mutual interest, environmental, economic, humanitarian, informative, cultural, ethnic and national, educational, social, professional, sports, technical, health care, scientific and other interests and goals as well as their beliefs, and without the intention of gaining profit, submit themselves to the rules that regulate organizations and activities of that form of association.

(2) An association acquires legal personality upon registration in registry book of associations.

Association without legal personality

Article 3.

The provisions on partnership shall apply to the forms of associations that are not legal entities.

Membership

Article 4

(1) Any natural and legal person with capacity to act may, under the same conditions established by this Law and the statute of the association, become a member of an association.
(2) Persons with or without limited capacity to act may become members of an association without decision-making power in the association’s bodies. The manner in which they may participate in the work of the association’s bodies shall be prescribed by the statute of the association.

(3) An association shall keep a record of its members.

Activities of an association

Article 5

(1) An association may from the moment of its establishment perform those activities that serve the realization of its statutory goals.

(2) In addition to the activities mentioned in paragraph 1 of this Article an association may engage in activities for the purpose of gaining profit, in accordance with law.

(3) An association is independent in the realization of its statutory goals.

(4) An association shall not perform activities described in Paragraphs 1 and 2 of this Article for the purpose of gaining profit for the association’s members or a third person. If in performing its activities the association gains profit, such a profit shall be used exclusively for the performance and furtherance of the association’s activities that serve the realization of its statutory goals.

Management of an association and bodies of the association

Article 6

(1) Members govern their association directly or through their elected representatives in the association’s bodies, in the manner prescribed by the statute.

(2) The representative of the legal person, who is a member of the association, shall be appointed by the authorized representatives of the legal persons.

(3) The internal rules of organization of the association shall be based on the principle of democratic representation and democratic expression of the will of its members.

(4) An association shall have an assembly as its highest body. The statute may use a different name for the assembly as the highest body

(5) Apart from bodies in par. 2, the statute of the association may design other bodies.

(6) The Assembly shall designate one or more persons as authorized representatives of the association.

Umbrella organizations and branch offices of associations

Article 7

(1) Two or more associations may form an umbrella organization and freely decide on the name of an umbrella organization. That umbrella organization may have a legal personality and the provisions of this Law shall adequately apply on it.

(2) Associations may become members of international associations.
(3) An association may have its organizational forms (offices, branches, clubs, etc.) in accordance with its statute. The organizational forms may have a legal personality and the provisions of this Law shall adequately apply on it.

Foreign associations

Article 8

(1) A foreign association is, for the purpose of this Law, an association or other organizational form established without the intention of gaining profit, which fulfills the conditions prescribed by this Law, and which was established in accordance with the legal rules of the foreign state.
(2) A foreign association may conduct its activity in the Republic of Croatia after it is entered into the registry book of foreign associations by the ministry competent for the field of general state administration.
(3) In the Republic of Croatia a foreign association shall conduct its activity in accordance with this Law.

Publicity of the work

Article 9

(1) The method of implementation of the publicity of work shall be determined in the association’s statute.
(2) The association shall inform the members of the activities of the association in accordance with the general act of the association.

II. FOUNDING OF ASSOCIATION

Founding of an association

Article 10

(1) An association may be established by at least three founders.
(2) Founders of an association, for the purpose of this Law, may be natural persons with the capacity to act or legal persons.

Statute of the association

Article 11

(1) An association shall have a statute.
(2) A statute is the basic general act of an association passed by the assembly. Other acts of an association, if there are any, must comply with the statute. An association may use a different name for a statute.
The statute of an association shall contain the provisions regulating:
- name and the seat of the association,
- representation,
- aims,
- activities for the realization of aims,
- membership,
- bodies of the association, method of their election, their powers, their quorum and voting rule, and duration or their mandate,
- dissolution of the association

The statute may contain the following provisions:
- area of its activity,
- property and acquiring and use of property,
- modes of resolving disputes and conflicts of interest within the association,
- disciplinary responsibility of members,
- distribution of property after dissolution
- the logo of the association,
- other question of importance for the association.

Name of the association

Article 12

(1) The name of an association shall be in Croatian language and in Latin letters.
(2) The name of the non-governmental organization may contain certain words in a foreign language if those words represent a name of the international organization of which the association is a member of, if those words are commonly used in the Croatian language, if there are no equivalent words for them in the Croatian language, or if they are part of the language which is no longer in use.
(3) An association whose aim is to protect and promote the interests of members of an ethnic or national community or minority may, together with its name in Croatian language and in Latin letters, have its name in the language and letters of the ethnic or national community or minority.
(4) The name of an association, if it is so envisaged by the Statute, may be entered into the registry book in one or more foreign languages. The name in the official language shall be entered first.
(5) Along with its full name, an association may also use an abbreviated name, which must include a characteristic part of the full name. The abbreviated name shall be entered into the registry book.
(6) An association shall use its name and abbreviated name in the form and content entered into the registry book.
(7) If the name or abbreviated name translated into a foreign language is entered in the registry book, along with the name and abbreviated name in the official language, an association may use its name or abbreviated name in the foreign language only together with the name or abbreviated name in the official language.
(8) The registering authority shall reject the registration request if the name of association does not clearly distinguish itself, at least by the seat used in the name, from the name of an association already registered with the competent state administration authority.
(9) If two or more associations submit a request for registration under the same name and seat used in the name, the request that has been submitted first shall be approved.

Use of name and symbols of the Republic of Croatia

Article 13
(1) The word “Croatia” in any language, derived words, parts of the coat of arms and flag of the Republic of Croatia, the names of the other states or the municipalities or the regions, parts of their coat of arms and flag as well as the names of the international organizations and the names of the natural persons, may be in the association’s name or logo in the manner that emphasizes their honor and dignity.
(2) An association whose aim is to protect and promote the interests of members of a national minority may include the name of the national minority and its derived words.

III. REGISTRATION OF ASSOCIATIONS

Registration of associations

Article 14
(1) Registration in the registry book is voluntary and shall be conducted upon the request of the founders of the association.
(3) Registration shall be conducted by the competent body of state administration in whose territory the seat of association is located.
(4) The registry book of associations is kept by the counties’ offices for general administration (hereafter: county office).
(5) The registry book of associations is kept in electronic form, uniformly for all the associations in the Republic of Croatia.
(7) The Minister competent for general state administration shall issue regulations on the forms and manner of keeping the registry book of associations and the registry book of foreign associations, as well as application forms for registering into registry books and entering changes into the registry books of the associations and of the foreign associations.
Entry into registry book

Article 15.

(1) Along with the application for entry into the registry book of associations, the following documents shall be enclosed:
- minutes on the decisions of the founding assembly,
- decision on initiating registration procedure,
- statute,
- list of founders,
- names of persons empowered to represent the association,
- copy of registration from court’s or other registry book for legal person,
- consent or approval of competent state administration body for conducting of certain activities, when prescribed by special laws as a condition for registration,
- photocopy of identification card of founders and persons empowered to represent the association.

(2) Application for entry into the registry book must be submitted within three months after the founding assembly. Application made after that period shall be rejected by an act against which there is a special appeal.

(3) Application for entry into the registry book shall be submitted by the person empowered to represent the association.

Procedure upon the application for the registration

Article 16

(1) The county office has a duty to make a decision on registration within 30 days from the date of application for the registration.

(2) If the county office establishes that the statute of association is not in accordance with this Law, or if the required documents listed in Art. 15 par. 1 are not submitted, it shall notify the applicant by an act to that effect and shall set a period for compliance which cannot be shorter than 15 days nor longer than 30 days. There is no right to appeal against this act.

(3) The decision on entry into the registry book of an association includes: name, seat and date of the entry, the registry number of the entry, basic aims of association’s activities, statement that the association acquires its legal personality upon registration and the names of legal representatives of the association.

(4) An appeal against a decision on entry into the registry book of associations shall not postpone the execution of the decision.

(5) The county office has a duty to send a copy of the decision on registration to the association, to the other county body with competence over the stated aims of the association, to the ministry competent for general administration and to the state body competent for supervision of public revenues.

(6) A copy of the statute certified by the county office shall be sent to the association.
Presumption of registration

Article 17

(1) If the county office fails to bring the decision within 30 days of the submitting of a complete application, registration shall be considered complete on the first day following the expiration of this period.

(2) Provision of par. 1 of this Article does not apply in case of Art. 16 par. 2 of this Law.

(3) In the case of par. 1 of this Article, the county office shall, upon the association request, within 8 days, issue an act, which shall be by its content identical to the decision as regulated in Art. 16 par. 3 of this Law.

Rejection of registration

Article 18

Application for entry into registry book shall be rejected if the statutory goals and activities are prohibited in the Constitution or law or if the applicant does not comply with requirement formulated in Article 16 paragraph 2 of this Law.

Application for modification

Article 19

(1) The person empowered to represent the association has a duty to submit to the county office an application for entry into registry book changes that relate to:
- statute,
- name,
- address of the seat,
- election of the persons empowered to represent association,
- dissolution of association.

(2) The application should enclose a record of the work of the bodies that have statutory competence for deciding the issue for which the change into the registry book has been sought, decision on changes and the new statute or its changes and additions as well as the copy of the ID card of the persons empowered to represent the association.

(3) The registering body decides on the entry of changes into the registry book to which paragraphs 3 and 4 of Article 16 adequately applies.

(4) Along with the decision from par. 4 of this Article, the association shall be sent a copy of the new statute or changes and additions to the statute, certified by the county office, if the application was made due to a change in the statute.

(5) The association shall not act in legal transactions in accordance with the changes and shall not use the changed data from paragraph 1 of this Article before they are entered into the registry book of the associations.
Entry into registry book of foreign association

Article 20

(1) Along with the application for entry into registry book of foreign associations, the following documents shall be enclosed:
- copy from the registry book of the foreign country on whose territory the foreign association is seated and registered, not older than six months, showing who is empowered to represent the foreign association and which activities it may conduct,
- decision on the establishment of the foreign associations certified with public notary, if under the laws of the country where the foreign association was established the registration is not required,
- decision on appointment of the empowered representative of the foreign association in the Republic of Croatia,
- certified translation into Croatian language and Latin letters of the statute or any other act which contains provisions on the activities of the foreign association,
- certified translation into Croatian language and Latin letters of the documents from subparagraph. 1, 2 and 3 of this Article,
- photocopy of identity card of the person empowered to represent the association,
- other proofs if a special law requires additional conditions for entry into registry book of foreign associations of the Republic of Croatia.

(2) Application for entry into registry book of foreign associations shall submit the person empowered to represent foreign association.

(3) Provisions of Article 16 paragraph 1 and 2, Article 17, Article 18 and Article 19 of this Law are adequately applicable to foreign associations.

(4) The decision on entry into the registry book of foreign associations includes: name, seat and date of the entry of foreign association, the registry number of the entry, basic content of foreign association’s activities, and the names of its legal representatives in the Republic of Croatia.

Right to appeal

Article 21

(1) The ministry competent for general state administration decides on the appeal against decisions of county office.

(2) There is no appeal against the decision of ministry according to par.1 of this Article, but a judicial review may be sought.
IV. PROPERTY AND RESPONSIBILITY OF ASSOCIATIONS FOR OBLIGATIONS

Property of an association

Article 22

(1) The property of an association may include membership fees, voluntary contributions and gifts, revenue from its lawful activities, financial subsidies from state budget, local (regional) government units’ budgets and funds, its tangible and intangible property, as well as other property rights.

Budgetary donations

Article 23

(1) The Government of the Republic of Croatia, based on a contest, provides budgetary subsidies to the associations whose projects and programs are of the exceptional public interest in the Republic of Croatia.

(2) The amount of state budgetary subsidies is determined every year. In accordance with the adopted Program of Cooperation between the Government of Republic of Croatia and the not-for-profit sector in Republic of Croatia, the Croatian Parliament based on proposal of the Government of the Republic of Croatia will enact a code of good practices, standards and measures for providing financial support to the programs and projects of the associations.

(3) Only the associations that are entered in the registry book may apply for the subsidies from the state budget.

(4) Provisions of this Article are adequately applicable to subsidies from local government units’ budgets.

Responsibility for obligations

Article 24

(1) An association is responsible for its obligations concerning all of its property.

(2) Bankruptcy law applies to associations.

Financial records

Article 25

Associations have a duty to keep business books and to prepare financial reports in compliance with applicable laws that regulate financial management of nonprofit organizations.
V. ADMINISTRATIVE AND INSPECTORATE SUPERVISION

Competent supervisory bodies

Article 26

(1) Members of the association shall supervise the activities of the association. If a member of the association notices shortcomings in the association’s complying with its statute he/she may inform the authorized body of the associations, or in case that the statute does not envisage such body, the Assembly of the association. If the information is not considered by the statutory body or the Assembly within 30 days from the moment it was received and the shortcomings remained, the members have a right to file a suite with the competent county court in order to protect his/hers membership rights.

(2) Administrative supervision of the enforcement of this Law and regulations issued according to the Law shall be carried out by the ministry competent for general state administration.

(3) Inspectorate supervision shall be carried out by the county.

Procedure of inspectorate supervision

Article 27

(1) If state official empowered for inspectorate supervision over associations establishes that association has violated this Law or other laws, he may:
   1. order the elimination of detected shortcomings and irregularities in specified time-limit,
   2. instigate offence proceedings.

(2) State official of county office shall immediately inform the body of state administration in whose jurisdiction fall statutory goals of association of the taken measures in accordance with paragraph 1. If the official of the competent state administrative takes measures from the competence of that body, or if it starts offence procedure, he has a duty to immediately inform the county office.

VI. DISSOLUTION OF ASSOCIATION

Decision on dissolution and removal from the registry book

Article 28

(1) An association is dissolved:
   1. if the competent body of association decided to dissolve it,
   2. the association ceased to operate,
   3. if the final court decision prohibits its activities,
   4. in case of bankruptcy.
(2) It shall be considered that the association has ceased to operate if the association has fewer members than number needed for the establishment or if the Assembly did not meet in twice as long as period as provided in the statute.

(3) The facts from paragraphs 1 and 2 of this Article, upon the proposal of the competent body of the association, members of the association, other interested persons or on its own initiative, determines the county office by decision in *ex officio* procedure.

(4) County office shall make decision on dissolution of the association from the reasons enumerated in paragraph 1 subparagraph. 1 and 2 of this Article and shall sent this decision to the competent court, in order to conduct the bankruptcy procedure.

(5) On the basis of the final decision of the competent court by which the activity of the association is prohibited and the decision of the county office from paragraph 4 of this Article, the competent court shall start bankruptcy procedure *ex officio*, without prior procedure.

**Liquidation of the association**

Article 29.

(1) The decision of the competent body of the association on dissolution of the association shall include:
- the mode of liquidation,
- the person empowered to conduct liquidation,
- fee to be paid to the empowered person,
- the mode of informing the competent body about the process of liquidation.

(2) The liquidator shall submit 6 months reports to the competent body of the association and to the county office where the association has seat.

(3) After the liquidation procedure is completed, the liquidator shall submit the final report to the competent body of the association and to the county office where the association has seat and shall also submit the proposal on distribution of the remaining property in accordance with Article 34, paragraphs 1, 2 and 3 of this Law.

(4) After the process of distribution of the remaining property is over, the county office where the association has a seat shall enact decision on dissolution of the association and shall abolish it from the registry book of associations.

Article 30.

Before the release of the final report from Article 29 paragraph 3 of this Law the competent body of the association may decide to cease the procedure of liquidation. In that case county office where the association has seat shall enact the decision on cessation of the liquidation procedure.

Article 31.

(1) The county office where the association has seat regulates by its decision to initiate the liquidation procedure the following issues:
- the mode of liquidation,
- the person empowered to conduct liquidation,
- fee to be paid to the empowered person,
- the mode of informing the competent body about the process of liquidation

(2) Empowered person shall conduct procedure and submit the final report to county office where the association has seat in accordance with Article 29, paragraphs 2 and 3 of this Law.

(3) After the liquidation procedure is finished the empowered person shall submit the final report to the competent body of the association and to the county office where the association has seat and submits the proposal on distribution of the remaining property in accordance with Article 34, paragraphs 1, 2 and 3 of this Law.

(4) After the process of distribution of the remaining property is over, the county office where the association has a seat shall enact decision on dissolution of the association and shall abolish it from the registry book of associations.

**Article 32**

(1) The county office where the association has a seat shall without delay enact decision on initiation of liquidation procedure after receipt of the decision on prohibition of the association from Article 37.

(2) Along with decision from paragraph 1 county office where the association has a seat regulates:
- the mode of liquidation,
- the person empowered to conduct liquidation,
- fee to be paid to the empowered person.

(3) The empowered person shall submit 6 months reports to the county office where the association has seat.

(4) After the liquidation procedure is finished the empowered person shall submit the final report to the county office where the association has seat.

(5) Empowered person shall comply with by the decision of the competent court on distribution of the remaining property.

(6) After the distribution of the remaining property, the county office shall enact decision on dissolution of the association and abolishment from the registry book of the associations.

**Article 33.**

(1) County office shall abolish the association from the registry book on the basis of the final report on liquidation procedure.

(2) By abolishment from the register book the association ceases to exist.
Distribution of the association’s property in case of dissolution

Article 34

(1) After all its debts and court and administrative fees are settled, the remaining association’s property shall be distributed in accordance with the provisions of its statute.
(2) If the association received subsidies in accordance with Article 23 paragraphs 1 and 4, the remaining subsidies shall be returned to the original budget.
(3) If the statute does not contain provisions on the distribution of the remaining property the property is transferred to the county, whose office registered the association.
(4) If the association was prohibited the court may decide, if the reasons exist which justify it based on particular circumstances of the case, to transfer the property of the association to the particular institution, endowment, foundation or association that has similar goals and activities as prohibited association.

VII. PROHIBITION OF AN ASSOCIATION

Grounds for prohibition

Article 35

An association shall be prohibited:
1. if its activities violently endanger democratic constitutional order, independence, unity and territorial integrity of the Republic of Croatia,
2. if it conducts other activities that are prohibited by the Constitution and law,
3. if it conducts the activities different from those envisaged by the Statute (Article 5, par. 1),
4. if it is necessary for the protection of rights and freedoms of others,
5. if it is necessary for the protection of health and public morals.

Procedure before the court

Article 36

(1) Everyone can apply to the competent public prosecutor, according to the association’s seat, pointing out the reasons for prohibition of an association.
(2) If the competent public prosecutor establishes that there are grounds listed in art. 35 of this Law, he shall start court proceedings before a competent court according to the association’s seat.
(3) The Law on Civil Procedure is applicable to the court proceedings for the prohibition of an association, unless otherwise regulated by this Law. Proceedings for the prohibition of an association are emergent.
Proceedings before the first instance court

Article 37

(1) The court will immediately send the proposal for prohibition of an association, according to Article 36 paragraph 2. of this Law, to the person who was at the time when the proposal was submitted empowered to represent the association, or, if that person cannot receive the proposal or cannot regularly represent the association, to any other member of association’s body. If the proposal cannot be delivered to any of the members of association’s bodies, or they inform the court that they do not intend to represent the association, the court shall appoint a temporary representative.

(2) Public proceeding for the prohibition of an association has to take place within 15 days after the association’s representative, according to par. 1 of this article, has received the proposal. The court shall announce in daily newspapers the time and place at least 3 days before start of public proceedings.

(3) Every member of the association has the right to interfere in the proceeding on the side of association. If more than two members express their intent to interfere, they have the duty to appoint their common representative. If they do not agree on the person who will represent them, the presiding judge will appoint them a representative from among lawyers working on the court’s territory, on their expense.

(4) Court may proceed and decide even if the duly summoned persons do not come to the public proceedings, and they are informed of that possibility in the summons.

(5) On the basis of public proceedings the court decides to prohibit the association or to reject the proposal.

(6) The court decides and publicly announces its decision immediately after the public proceedings.

(7) The decision shall include reasons for prohibition.

(8) The decision shall include provision on the property of the association.

(9) The decision has to be made in written form and its certified copy has to be sent to the parties within three days after it has been brought.

(10) The Decision shall be published in the “People’s Gazzete”.

(11) The expenses of the procedure are covered by the court budget and shall be compensated through *ex officio* procedure from the property of the association if liquidation is ordered.

Appeal

Article 38

(1) Public prosecutor, person empowered to represent the association, or the person who is substituting the legal representative, and every member of the association that interfered in the proceedings before the first instance court may appeal to the Supreme Court of the Republic of Croatia against the court’s decision on the proposal of prohibition of the association within 8 days from the receipt of the decision.

(2) The appeal does not suspend enforcement of the decision.
(3) The appeal is sent for an answer. The time-limit for the answer is eight (8) days.
(4) The court will send timely and admissible appeal to the Supreme Court of Croatia along with the whole file within three days after the receipt of answer to appeal or after the expiration of period for its submitting.
(5) The Supreme Court of Croatia shall decide on the appeal within 8 days from the receipt of the appeal and court file.

VIII. PUNITIVE PROVISION

Offences

Article 39

(1) A fine of at least 1.000,00 but not exceeding 10.000,00 kunas shall be imposed on the association which:
   1. does not keep record of its members (Article 4 paragraph 3),
   2. performs activities that do not serve the realization of its statutory goals (Article 5 paragraph 1),
   3. does not use its name and abbreviated name in the form and content entered into registry book (Article 12 paragraphs 6 and 7),
   4. act in legal transactions in accordance with the changes and use the changed data before they have been entered into the register book of the associations (Article 19 paragraph 5).
(2) A fine between 500.00 and 5.000.00 shall be imposed on the legal representative for the offences from paragraph 1 of this Article.

IX. TRANSITIONAL AND FINAL PROVISIONS

Application of this Law

Article 40

(1) After the entry into force of this Law, associations continue to exist in compliance with their statute and this Law.
(2) Ministry competent for general state administration shall within 30 days of entry into force of this Law transfer collections of associations’ documents registered in registry book of the Republic of Croatia to the competent county offices.
(3) Competent county office within 30 days after transfer of the collections of associations’ documents shall ex officio enter these associations into the registry book.
(4) By the day this Law comes into effect the competent ministry shall cease to keep the registry book of the associations of the Republic of Croatia in accordance with Article 15 paragraph 1, subparagraph. 2. Of the Law on associations (“Peoples’ Gazette” No. 70/97, 106/97 and 20/00).
Regulations on the registry book

Article 41

Ministry competent for general state administration shall enact regulations from Article 14 paragraph 30 of this Law within 30 days of entry into force of this Law.

Procedures that have not been completed

Article 42

(1) Procedures started according to the Law on Associations (“People’s Gazette” 70/97, 106/97 and 20/00) that have not been completed by the day this Law comes into effect, shall be completed in compliance with the provisions of this Law.
(2) Social organizations and citizens’ associations that have not been reregistered in compliance with the Law on Associations (“People’s Gazette” 70/97, 106/97 and 20/00) by the day this Law comes into effect, shall be considered abolished from the registry book.
(3) The foreign associations that have not been reregistered in compliance with the Law on Associations (“People’s Gazette” 70/97, 106/97 and 20/00) by the day this Law comes into effect, shall be considered abolished from the registry book.

Article 43.

(1) Property that the association has a right to use before the enactment of Law on Associations (“People’s Gazette” 70/97, 106/97 and 20/00) except property of the trade union associations on which provisions of Article 38, paragraphs 3 and 4 of Law on associations applies, by the day this Law comes into effect become property of the associations which is its legal successor.
(2) Property of the associations which have ceased to exist and which have no legal successor, by the day this Law comes into effect become property of the municipality where the association had a seat.
(3) On request of the interested municipalities, the decision on the property rights from paragraph 2 of this Article shall be made by the county office, which shall submit its decision to the public prosecutor as a basis for the submission of the request for transfer of the property to the municipalities.

Regulations that cease to be in force

Article 44

(1) On the day this Law comes into effect, the Law on Associations (“People’s Gazette” 70/97, 106/97 and 20/00) ceases to be in force.
(2) Regulations that have been issued with the authorization of the Law on Associations (“People’s Gazette” 70/97, 106/97 and 20/00) shall remain into force until the issuance of the regulations in accordance with art. 14 par. 4 of this Law.
Entry into force

Article 45

This Law shall come into effect on the eight day from the day of its publication in the “People’s Gazette”, and shall be applied as of January 1, 2002.