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## FEDERAL LAW

### NO. 7-FZ OF JANUARY 12, 1996 ON NON-COMMERCIAL ORGANIZATIONS

(with the Amendments and Additions of November 26, 1998, July 8, 1999, March 21, 2002, December 28, 2002, December 23, 2003, January 10, February 2, November 3, December 30, 2006, March 2, May 17, June 26, November 29, December 1, 2007, May 13, July 22, 23, 2008, June 3, July 17, 2009, April 5, May 8, 19, July 22, December 29, 2010, June 4, July 11, 18, November 6, 16, 2011, July 20, 28, December 30, 2012, February 11, July 2 (172-FZ), July 2 (185-FZ), December 28 (396-FZ), December 28, 2013 (413-FZ), February 21, June 4, July 21, October 14, November 4, November 24, December 22, December 31, 2014, March 8, April 6, May 2, July 13, November 28, December 30, 2015, January 31, 2016)

Adopted by the State Duma on December 8, 1995

#### Chapter I. General Provisions

##### Article 1. The Object of Regulation and the Sphere of Effect of the Present Federal Law

1. The present Federal Law determines the characteristics of the civil-legal status of non-commercial organizations of certain legal forms, kinds and types, as well as the possible forms of support to non-commercial organizations by the bodies of State Power and the local self-government bodies

2. The present Federal Law is applicable with respect to all non-commercial organizations which have been or are being created on the territory of the Russian Federation unless otherwise laid down by the present Federal Law and any other federal laws.

2.1. The present Federal Law determines a procedure for the establishment and functioning on the territory of the Russian Federation of structural subdivisions of foreign non-profit non-governmental organizations

2.2. The provisions of the present Federal Law that determine a procedure for the establishment and functioning on the territory of the Russian Federation of structural subdivisions of foreign non-profit non-governmental organizations shall apply to structural subdivisions of international organizations (associations), insofar as they do not contravene international treaties made by the Russian Federation

3. The present Federal Law shall not extend to consumer cooperatives, partnerships of apartment owners, fruit gardens, vegetable gardens and allotment garden non-profit associations of citizens.

4. Item 6 of Article 2, Articles 13 - 19, 21 - 23, 28 - 30, 32 of this Federal Law shall not extend to religious associations registered in the established procedure.

4.1. The operation of Article 13.1, Items 1, 1.1-1.3 of Article 15, Articles 23 and 23.1, Paragraph One of Item 2 of Article 24 (as regards acquisition and sale of securities and participation in limited partnerships as a depositor), Item 1 of Article 30, Items 3, 3.1, 5, 7 and 10 of Article 32 of the present Federal Law shall not extend to budget-financed institutions

**4.2.** The operation of Article 13.1, Items 1, 1.1-1.3 of Article 15, Articles 18, 19, 20, 23 and 23.1, Paragraph One of Item 2 of Article 24 (as regards acquisition and sale of securities and participation in limited partnerships as a depositor), Item 3 and Item 4 (except for paragraph four) of Article 24, Item 1 of Article 30, Items 3, 3.1, 5, 7, 10 and 14 of Article 32 of this Federal Law shall not extend to state institutions.

**5.** The operation of this Federal Law shall not extend to state power bodies, other state bodies, managerial bodies of state non-budgetary funds, local self-government bodies, as well as to autonomous institutions, if not otherwise established by a federal law.

**6.** Item 6 of Article 2 and Paragraph Three of Item 1 of Article 32 of this Federal Law shall not extend to state corporations and state companies, as well as to the non-commercial organizations, state and municipal (in particular budget-financed) institutions established by them.

**7.** Item 6 of Article 2 of this Federal Law shall not extend to associations of employers and chambers of commerce and industry registered in the procedure established by law.

## **Article 2. A Non-Commercial Organization**

**1.** A non-commercial organization is one not having profit-making as the main objective of its activity and not distributing the earned profit among the participants.

**2.** Non-commercial organizations may be created for achieving social, charitable, cultural, educational, scientific and managerial goals, for the purposes of protecting the health of citizens, developing the physical culture and sports, satisfying the spiritual and other nonmaterial requirements of citizens, protecting the rights and legitimate interests of citizens and organizations, settling disputes and conflicts, rendering legal aid, and also for any other purposes directed towards the achievement of public weal.

**2.1** As socially oriented non-commercial organizations shall be deemed non-commercial organizations established in the forms provided for by this Federal Law (except for state corporations, state companies and public associations which are political parties) and exercising activities aimed at solving social problems, development of civil society in the Russian Federation, as well as other kinds of activities provided for by Article 31.1 of this Federal Law.

**3.** Non-commercial organizations may be created in the form of social or religious organizations (combinations), communities of the aboriginal small peoples of the Russian Federation, Cossack communities, non-commercial partnerships, institutions, autonomous non-commercial organizations, social, charitable and any other funds, associations and unions, and also in any other forms stipulated by the federal laws.

**4.** A foreign non-commercial non-governmental organization in this Federal Law shall mean an organization for which profit making is not the principal goal of its activities, which does not distribute derived profits to participants thereof, which is established outside the Russian Federation in compliance with the legislation of a foreign state, which is not founded by state bodies and in which they do not participate.

**5.** A foreign non-commercial non-governmental organization shall exercise its activities on the territory of the Russian Federation through its structural subdivisions, that is, branches, affiliates and representative offices.

**A structural subdivision** which is a branch of a foreign non-commercial

non-governmental organization shall be deemed a form of a non-commercial organization and shall be subject to state registration in the procedure provided for by Article 13.1 of this Federal Law.

**Structural subdivisions** which are affiliates and representative offices of foreign non-commercial non-governmental organizations shall become legally capable on the territory of the Russian Federation as of the date of entering to the register of affiliates and representative offices of international organizations and foreign non-commercial nongovernmental organizations data of the appropriate structural subdivision in the procedure provided for by Article 13.2 of this Federal Law.

6. A non-commercial organization exercising the functions of a foreign agent means in this Federal Law a Russian non-commercial organization which receives monetary assets and other property from foreign states, their state bodies, international and foreign organizations, foreign persons, stateless persons or from the persons authorized by them and/or from Russian legal entities receiving monetary assets and other property from the cited sources (except for public joint-stock companies with state participation and their branch companies) (hereinafter referred to as foreign sources) and which participates, in particular in the interests of foreign sources, in political activities exercised in the territory of the Russian Federation.

A non-commercial organization, except for a political party, shall be deemed participating in political activities exercised in the territory of the Russian Federation, if, regardless of the purposes and tasks cited in the constituent entities thereof, it participates (in particular by way of providing finances) in arranging and conducting political actions for the purpose of influencing the adoption by the state bodies of decisions aimed at changing the state policy pursued by them, as well as in forming public opinion for the cited purposes.

As political activities shall not be deemed the activities in the field of science, culture, arts, public health care, citizens' preventive treatment and health protection, citizens' social support and protection, protection of motherhood and childhood, social support to disabled people, promotion of healthy lifestyle, physical exercises and sports, protection of flora and fauna, charitable activities, as well as the activities aimed at assisting charitable and volunteers' activities.

### **Article 3. Legal Status of Non-Commercial Organization**

1. A non-commercial organization shall be deemed to have been created as a juridical person from the moment of its state registration in the statutory procedure, it shall have separate property in ownership or in operating management, it (except as provided for by law) shall be liable with that property for its obligations, may in its name acquire and exercise property and nonproperty rights, perform duties, sue and be sued in court.

A non-commercial organization must have an independent balance and/or estimate.

2. A non-commercial organization shall be created without limitation of the period of activity, unless otherwise laid down by the constituent documents of the non-commercial organization.

3. A non-commercial organization may in the established procedure open

accounts at banks on and outside the territory of the Russian Federation, except as established by federal law.

4. A non-commercial organization shall have a seal with the full designation of the said non-commercial organization in the Russian language.

A non-commercial organization may have stamps and forms with its designation.

5. The noncommercial organizations have the right to have symbols - emblems, coats of arms and other heraldic signs, flags and anthems, the description of which should be contained in the founding documents.

The symbolism of non-commercial organizations must comply with the requirements of the legislation of the Russian Federation on the protection of intellectual property.

The symbolism of non-commercial organizations should not coincide with the state symbols of the Russian Federation, the state symbols of the subjects of the Russian Federation, symbols of municipalities, federal bodies of state power, bodies of state power of the subjects of the Russian Federation, the Armed Forces of the Russian Federation, other troops, military formations and bodies, in which the Federal law provides for military service, the symbols of foreign states and with international organizations symbols.

Emblems and other symbols, the description of which was previously included in the statutes of political party existing in the Russian Federation, as well as logos and other symbols of organizations whose activities on the territory of the Russian Federation is prohibited cannot be used as symbols of the non-commercial organization.

The symbolism of non-commercial organizations should not denigrate the State Flag of the Russian Federation, the State Emblem of the Russian Federation, the national anthem of the Russian Federation, flags, emblems and anthems of the subjects of the Russian Federation, municipalities, foreign governments, religious symbols, as well as to offend racial, national or religious feelings.

#### **Article 4. Designation and Location of a Non-Commercial Organization**

1. A non-commercial organization shall have a name containing a reference to its organizational legal form and the character of activities.

The name of a non-commercial organization formed as a state or municipal institution may include a reference to the type thereof.

1.1. A non-commercial organization whose name has been registered in the established procedure has the exclusive right of using it.

2. The location of a non-commercial organization shall be determined by the place of its State registration.

3. The designation and the location of a non-commercial organization shall be indicated in its constituent documents.

4. Using in the name of a non-commercial organization of the official name of Russian Federation or Russia, as well as any words derived therefrom, is permitted by a permit issued according to the procedure established by the Government of the Russian Federation (unless otherwise provided by this Federal Law and other Federal laws).

5. Official name of Russian Federation or Russia, as well as words derived from this name, are used without permission, as specified in item 4 of this Article, in the names of: 1) Centralized religious organizations whose structures acted on the territory of the

Russian Federation on legal grounds for at least fifty years by the moment of appealing of this religious organization for state registration;

2) Non-commercial organizations established under Federal laws and in accordance with the acts of the President of the Russian Federation or the Government of the Russian Federation;

3) All-Russia public associations;

4) Structural units of the All-Russia public associations in case of use in the designations of the said structural units of the complete name of this public association;

5) Non-commercial organizations, a sole founder of which is a legal entity established under acts of the President of the Russian Federation, acts of the Government of the Russian Federation, or legal entity that uses in its name the official name Russian Federation or Russia, and also words derived from this name, by operation of law or in accordance with the permit obtained in accordance with the procedure established by the Government of the Russian Federation, in the case of use in the designations of these non-commercial organizations of a completed designation of parent legal entity.

**6.** The right to use in the name of a non-commercial organization of the official name of Russian Federation or Russia, as well as any words derived therefrom, is terminated in connection with: 1) The withdrawal of the authorization referred to in item 4 of this Article, on the grounds established by the Government of the Russian Federation;

2) The termination of the legal entity - the sole founder of non-commercial organizations referred to in sub-item 5 of item 5 of this Article;

3) The termination of the right of a legal entity - the sole founder of non-commercial organizations referred to in sub-item 5 of item 5 of this Article, to use in its name the official name Russian Federation or Russia, as well as any words derived therefrom.

**7.** In case of termination of the right to use in the name of the non-commercial organization of the official name of Russian Federation or Russia, as well as words derivative from this name, a non-commercial organization is required to make appropriate changes to their constituent documents within three months from the date of occurrence of the circumstances specified in item 6 of this article.

#### **Article 5. Affiliate and Representative Offices of a Non-Commercial Organization**

1. A non-commercial organization may create affiliate offices and open representative offices on the territory of the Russian Federation in accordance with the legislation of the Russian Federation.

2. An affiliate office of a non-commercial organization shall be deemed to be its isolated unit situated outside the location of the non-commercial organization and performing all its functions or a part thereof, including the functions of a representative office.

3. A representative office of a non-commercial organization shall be deemed to be an isolated unit situated outside the location of the non-commercial organization which represents the interests of the non-commercial organization and carries out its protection.

4. An affiliate and a representative office of a non-commercial organization shall not be juridical persons, they shall be vested with the property of the non-commercial

organization which has created them and shall act on the basis of the Regulations approved by the said organization. The property of the affiliate or representative office shall be recorded on a separate balance sheet and on the balance sheet of the non-commercial organization which has created them.

The heads of an affiliate and a representative office shall be appointed by the non-commercial organization and shall act on the basis of a proxy issued by the non-commercial organization.

5. An affiliate and a representative office shall carry out activity in the name of the non-commercial organization which has created them. The responsibility for the activity of its affiliate and representative office shall be borne by the non-commercial organization which has created them.

## **Chapter II. Forms of Non-Commercial Organizations**

### **Article 6. Public and Religious Organizations (Associations)**

1. Public and religious organizations (associations) shall be deemed to be voluntary associations of citizens who have united in the statutory procedure on the basis of the community of their interests for the satisfaction of their spiritual or any other nonmaterial requirements.

Public and religious organizations (associations) may carry on business activity corresponding to the objectives for the achievement of which they have been created.

2. The founders, the participants (members) of public and religious organizations (associations) shall not retain the rights to the property transferred by them in ownership to the said organizations, including the right to the membership fees. The founders, the participants (members) of public and religious organizations (associations) shall not be liable for the obligations of the said organizations (associations), and the latter shall not be liable for the obligations of their founders, participants (members).

3. The peculiarities of the legal status of public organizations (associations) shall be determined by other federal laws.

4. The peculiarities of the legal status, formation, reorganization and liquidation of religious organizations, the management of religious organizations shall be defined by a federal law on religious associations.

### **Article 6.1. The Communities of the Aboriginal Small Peoples of the Russian Federation**

1. The communities of the aboriginal small peoples of the Russian Federation (hereinafter referred to as the community of small peoples) shall be recognised to mean the forms of the self-organization of the persons relating to native small peoples of the Russian Federation, and united according to the blood relationship (family or kind) and/or territorial and neighborhood principles, for the purpose of protecting their long-standing habitat, conserving and developing the traditional way of life, economic management, sea fishery or fur trade and culture.

2. The community of small peoples shall have the right to engage in business that meets the purposes for the attainment of which it was set up.

3. The members of the community of small peoples shall have the right to receive

a part of its property or the compensation of the value of such a part when they leave the community of small peoples or when it is liquidated.

The procedure for determining a part of the property of the community of small peoples or the compensation of the value of this part shall be established by the legislation of the Russian Federation on the communities of small peoples.

4. The special aspects of the legal status of the communities of small peoples, of their creation, reorganization or liquidation and the management of the communities of small peoples shall be determined by the legislation of the Russian Federation on the communities of small peoples.

## **Article 6.2. Cossack Communities**

1. Cossack communities are deemed to be forms of self-organization of citizens of the Russian Federation who have united on the basis of common interests for the purpose of reviving the Cossacks, protecting their rights and preserving the traditional way of life, management and culture of the Russian Cossacks. Cossack communities shall be created in the form of khutor (farmstead), stanitsa (village), town, district (yurt), circuit (division) and army Cossack communities, whose members assume, in the established procedure, obligations to undertake state or other service. Cossack communities shall be subject to entry into the State Register of Cossack Communities in the Russian Federation.

2. A Cossack community may carry out business activity conforming to the purposes for whose achievement it has been created.

3. Property transferred to a Cossack community by its members and also property acquired at the expense of incomes from its activity, shall be the property of the Cossack community. Members of a Cossack community shall not be responsible for its liabilities and the Cossack community shall not be responsible for the liabilities of its members.

4. The peculiarities of the legal status of Cossack communities, of their creation, reorganization and liquidation, and of the management of Cossack communities, shall be determined by the legislation of the Russian Federation.

## **Article 7. Funds**

1. For purposes of the present Federal Law, a fund shall be deemed to be a non-membership non-commercial organization set up by citizens and/or juridical persons on the basis of voluntary property contributions and pursuing social, charitable, cultural, educational or any other socially useful objectives.

The property transferred to the fund by its founder(s) shall be the fund's ownership. The founders shall not be liable for the obligations of the fund created by them, and the fund shall not be liable for the obligations of its founders.

2. The fund shall use the property for the objectives determined by the charter of the fund. The fund may engage in business activity corresponding to the said objectives and necessary for achieving the socially useful objectives for the sake of which the fund has been created. To carry on the business activity, the funds may create economic societies or participate therein.

The fund must publish annually reports on the use of its property.

3. The Board of Trustees of the fund shall be a body of the fund and shall supervise the fund's activity, the adoption of decisions by the other bodies of the fund



and the ensuring of their execution, the use of the fund's means, and the observance of the legislation of the fund.

The fund's Board of Trustees shall carry on its activity on a voluntary basis.

The procedure for the formation and activity of the fund's Board of Trustees shall be determined by the fund's charter approved by its founders.

4. Specific features of the setting up and operation of individual funds may be established under federal laws on those funds.

#### **Article 7.1. State Corporation**

1. The "state corporation" is a non-commercial organization without membership founded by the Russian Federation on the basis of a property contribution and set up to pursue social, managerial and other functions of public use. The state corporation shall be set up under a federal law.

The assets handed over to the state corporation by the Russian Federation shall be property of the state corporation.

The state corporation shall not be liable for the obligations of the Russian Federation and the Russian Federation shall not be liable for the obligations of the state corporation, except as otherwise provided in the law whereby the state corporation is formed.

In the cases and in the procedure which are set up by the Federal Law providing for the establishment of a state corporation, the authorized capital thereof may be formed on account of a part of its property. The authorized capital shall define the minimum rate of a state corporation's property guaranteeing its creditors' interests.

2. The state corporation shall use property for the purposes specified by the law whereby the state corporation is formed. The state corporation may pursue entrepreneurial activity only insofar as it serves the attainment of the goals for which it has been set up and insofar as it complies with these goals.

The state corporation shall publish annual reports on the uses of its assets in keeping with the law whereby the state corporation is formed, if not otherwise provided for by the cited law.

Annual accounting reports/statements of a state corporation are subject to compulsory auditing to be carried out by an audit firm selected on the basis of the results of a public tender and approved by the supreme managerial body of the state corporation.

An annual report of a state corporation published subject to the requirements of the legislation of the Russian Federation on state secrets must contain information about implementation of the strategy of activities exercised by the state corporation, other information provided for by the legislation of the Russian Federation and must be endorsed at the latest on July 1 of the year following the accounting year. The Government of the Russian Federation is entitled to establish additional requirements for the content of an annual report of a state corporation, in particular as regards the investment activities thereof.

An annual report of a state corporation shall be put on the state corporation's official Internet site subject to the requirements of the legislation of the Russian Federation on state secrets and commercial secrets at the latest in two weeks as from the date when the state corporation's supreme official body adopts the decision on the

approval of this report, unless another time is fixed by the federal law providing for the state corporation's establishment.

The strategy of a state corporation's activities, procedure for purchasing commodities, carrying out works and rendering services for meeting the state corporation's needs shall be put on the official Internet site of the state corporation.

**3.** The peculiarities of the legal status of the state corporation shall be defined by the law whereby the state corporation is formed. To set up a state corporation no constituent documents shall be needed as required by Article 52 of the Civil Code of the Russian Federation.

The law whereby a state corporation is formed must provide the name of the state corporation, goals of its activities, place where it is located, procedure for managing its activities (including the managerial bodies of the state corporation and procedure for setting up these bodies, procedure for appointing and dismissing the officials of the state corporation), procedure for reorganizing and liquidating the state corporation and procedure for using the assets of the state corporation in the event of the liquidation thereof.

**3.1.** The federal law providing for the establishment of a state corporation shall stipulate the formation of the board of directors or supervisory board of the state corporation (hereinafter referred to as the supreme managerial body of a state corporation).

The supreme managerial body of a state corporation may have members within its composition who are not civil servants. The Government of the Russian Federation shall establish a procedure for participation of members of the Government of the Russian Federation and of civil servants in the supreme managerial bodies of state corporations.

The following shall be within the scope of authority of the supreme managerial body of a state corporation:

- endorsement of long-term programs of activities and development of the state corporation providing for the attainment of the production, investment and fiscal targets and/or of some other document on long-term planning defined by the federal law providing for the establishment of the state corporation (the strategy of activities of the state corporation);

- endorsement of the system of labor remuneration of employees of the state corporation that provides for the dependence of its employees' labor wages on the attainment of the basic targets for efficiency in its activities;

- determination of the procedure for using the state corporation's profit;

- adoption of the decision on the transfer of a part of the state corporation's property to the state treasury of the Russian Federation.

The federal law providing for the establishment of a state corporation may also refer other matters to the scope of authority of the supreme managerial body of the state corporation.

The supreme managerial body of a state corporation is entitled to establish commissions and committees to deal with the matters referred to the scope of authority thereof for their preliminary consideration and preparation. The procedure for the operation of such committees and commissions, as well as their personal composition, shall be established by decisions on establishing commissions and committees.

**3.2.** Temporarily available assets of a state corporation shall be invested on the basis of the principles of repayment, profitability and liquidity of the assets acquired by it (of investment media). The Government of the Russian Federation is entitled to establish a list of permitted assets (investment media), a procedure for and terms of investing temporarily available assets of a state corporation, procedures for exercising control over the investing of these assets, a procedure for making transactions of investing temporarily available assets of state corporations, forms of reports on investing temporarily available assets of state corporations, a procedure for filing and disclosing these reports.

The limit of temporarily available assets of a state corporation to be invested and a procedure for making decisions on investing temporarily available assets of a state corporation shall be determined by the supreme managerial body of the state corporation. The supreme managerial body of a state corporation is entitled to impose additional limitations and to establish additional requirements in respect of the operations of investing temporarily available assets of the state corporation.

**3.3.** Decisions on borrowings in foreign currency shall be adopted by a state corporation in the procedure established by the Government of the Russian Federation.

**3.4.** The Audit Chamber of the Russian Federation and other governmental bodies in compliance with the legislation of the Russian Federation are entitled to exercise control over the activities of state corporations.

**4.** The provisions of the present Federal Law shall apply to the state corporation, except as otherwise provided in the present article or the law whereby the state corporation is formed.

## **Article 7.2. The State Company**

**1.** The state company is a non-commercial organization which has no membership and is formed on the basis of property contributions for the purpose of providing state services and carrying out other functions through the use of state property on the basis of trust management. A state company shall be formed under a federal law.

**2.** The federal law that envisages the formation of a state company shall define the objectives of its formation and also the types of property in respect of which the state company may carry out trust management.

**3.** The property transferred to the state company by the Russian Federation as property contributions and also the property created or acquired by the state company as the result of the state company's own activities, except for the property created at the expense of incomes received from the pursuance of trust management shall be deemed assets of the state company, unless otherwise established by a federal law.

**4.** A state company is not liable for obligations of the Russian Federation, and the Russian Federation is not liable for the obligations of the state company, except as otherwise envisaged by the federal law envisaging the formation of the state company.

**5.** A state company shall use assets for the purposes defined by the federal law envisaging the formation of the state company. The state company may pursue entrepreneurial activities in as much as it is conducive to the attainment of the objectives for the sake of which it has been formed and is in line with such objectives. The state company shall publish reports on its activities in the procedure established by the federal

law envisaging the formation of the state company.

6. The federal law envisaging the formation of a state company shall define the name of the state company, the objectives of its operation, the procedure for directing its activities, the procedure for the state financing of the state company, the procedure for its re-organization and liquidation and the procedure for the use of the state company's assets in the event of its liquidation.

7. The federal law providing for the establishment of a state company shall stipulate the formation of the board of directors or supervisory board of the state company (hereinafter referred to as the supreme managerial body of a state company).

The supreme managerial body of a state company may have members within its composition who are not civil servants. The Government of the Russian Federation shall establish a procedure for participation of members of the Government of the Russian Federation and of civil servants in the supreme managerial bodies of state companies.

The following shall be within the scope of authority of the supreme managerial body of a state company:

- endorsement of a long-term program of activities of the state company providing for the attainment of the production, investment and fiscal targets (hereinafter referred to as the strategy of activities of a state company);

- endorsement of the system of labor remuneration of employees of the state company that provides for the dependence of its employees' labor wages on the attainment of the basic targets for efficiency in its activities;

- determination of the procedure for using the state company's profit;

- adoption of the decision on the transfer of a part of the state company's property to the state treasury of the Russian Federation.

The federal law providing for the establishment of a state company may also refer other matters to the scope of authority of the supreme managerial body of the state company.

The supreme managerial body of a state company is entitled to establish commissions and committees to deal with the matters referred to the scope of authority thereof for their preliminary consideration and preparation. A procedure for such committees and commissions exercising activities, as well as their personal composition, shall be established by decisions on establishing commissions and committees.

8. Annual accounting reports/statements of a state company are subject to compulsory auditing to be carried out by an audit firm selected on the basis of the results of a public tender and approved by the supreme managerial body of the state company.

An annual report of a state company published subject to the requirements of the legislation of the Russian Federation on state secrets must contain information about implementation of the strategy of activities exercised by the state company, other information provided for by the legislation of the Russian Federation and must be endorsed at the latest on May 1 of the year following the accounting year. The Government of the Russian Federation is entitled to establish additional requirements for the content of an annual report of a state company, in particular as regards the investment activities thereof.

An annual report of a state company shall be inserted on the state company's official Internet site subject to the requirements of the legislation of the Russian

Federation on state secrets and commercial secrets at the latest in two weeks as from the date when the state company's supreme managerial body adopts the decision on the approval of this report, unless another time is fixed by the federal law providing for the state company's establishment.

The strategy of a state company's activities, a procedure for purchasing commodities, carrying out works and rendering services for meeting the state company's needs shall be inserted in the official Internet site of the state company.

9. Temporarily available assets of a state company shall be invested on the basis of the principles of repayment, profitability and liquidity of the assets acquired by it (of investment media). The Government of the Russian Federation is entitled to establish a list of permitted assets (investment media), the procedure for and terms of investing temporarily available assets of a state company, the procedures for exercising control over these assets' investing, the procedure for making transactions of investing temporarily available assets of state companies, forms of reports on investing temporarily available assets of state companies, the procedure for filing and disclosing these reports.

The limit of temporarily available assets of a state company to be invested and the procedure for making decisions on investing temporarily available assets of a state company shall be determined by the supreme managerial body of the state company. The supreme managerial body of a state company is entitled to impose additional limitations and to establish additional requirements in respect of the operations of investing temporarily available assets of the state company.

10. Decisions on borrowings in foreign currency shall be adopted by a state company in the procedure established by the Government of the Russian Federation.

11. The Audit Chamber of the Russian Federation and other governmental bodies in compliance with the legislation of the Russian Federation are entitled to exercise control over the activities of state companies.

## **Article 8. Non-Commercial Partnerships**

1. A non-commercial partnership shall be deemed to be a membership-based non-commercial organization set up by citizens and/or juridical persons for assisting its members in the conduct of the activity directed towards the achievement of the objectives stipulated by Item 2 of Article 2 of the present Federal Law.

The property transferred to a non-commercial partnership by its members shall be the partnership's ownership. The members of a non-commercial partnership shall not be liable for its liabilities, and a non-commercial partnership shall not be liable for the obligations of its members, if not otherwise established by federal law.

2. A non-commercial partnership may carry on business activity corresponding to the objectives for the achievement of which it has been created, except if a non-commercial partnership has acquired the status of a self-regulating organization.

3. The members of a non-commercial partnership may:

- participate in managing the affairs of the non-commercial partnership;
- receive information on the activity of the non-commercial partnership in the procedure established by the constituent documents;
- leave the non-commercial partnership at their own discretion;
- unless other established by the federal law or by the constituent documents of the

non-commercial partnership, receive, when leaving the non-commercial partnership, a part of its property or the cost thereof within the limits of the cost of the property transferred by the members of the non-commercial partnership to its ownership, with the exception of the membership fees, in the procedure stipulated by the constituent documents of the non-commercial partnership;

receive, in case the non-commercial partnership is liquidated, a part of its property remaining after the settlements with the creditors, or the cost of the said property within the limits of the cost of the property transferred by the members of the non-commercial partnership in its ownership, unless otherwise stipulated by the federal law or the constituent documents of the non-commercial partnership.

4. A member of a non-commercial partnership may be expelled therefrom by a decision of the remaining members in the cases and in the procedure which have been stipulated by the constituent documents of the non-commercial partnership, except if a non-commercial partnership has obtained the status of a self-regulating organization.

A member of a non-commercial partnership expelled therefrom may receive a part of the property of the non-commercial partnership or of the cost of the said property in accordance with paragraph five of Item 3 of the present Article, except if a non-commercial partnership has obtained the status of a self-regulating organization.

5. The members of a non-commercial partnership may also have certain other rights stipulated by its constituent documents and not contrary to the legislation.

#### **Article 9. Private Institutions**

1. As a private institution shall be recognized a non-commercial institution created by the owner (by a citizen or by a legal entity) for the discharge of managerial, socio-cultural or other functions of non-commercial character.

2. The property of a private institution is kept by it by the right of operative management in conformity with the Civil Code of the Russian Federation.

3. The procedure for the financial provision for the private institution's activity and the private institution's rights to the property assigned to it by the owner, as well as to the property acquired by the private institution, shall be defined in conformity with the Civil Code of the Russian Federation.

#### **Article 9.1. State-Run and Municipal Institutions**

1. As state-run or municipal institutions shall be deemed those which are established by the Russian Federation, a constituent entity of the Russian Federation and municipal entity.

2. As types of state-run and municipal institutions shall be deemed autonomous, budget-financed and government institutions.

3. The functions and powers of the founder in respect of a state-run institution established by the Russian Federation or a constituent entity of the Russian Federation, of a municipal institution established by a municipal entity, if not otherwise established by federal laws and regulatory legal acts of the President of the Russian Federation or the Government of the Russian Federation, shall be exercised accordingly by an authorized federal executive power body, executive power body of a constituent entity of the Russian Federation and local authority (hereinafter referred to as the body exercising the founder's functions and authority).

## **Article 9.2. A Budget-Financed Institution**

1. As a budget-financed institution shall be recognized a non-commercial organization established by the Russian Federation, a constituent entity of the Russian Federation or municipal entity for carrying out works and rendering services for the purpose of ensuring the exercise of the powers provided for by the legislation of the Russian Federation of accordingly state power bodies (state bodies) or local authorities in respect of science, education, public health care, culture, social protection, employment of the population, physical training and sports, as well as in other fields.

2. Budget-financed institutions shall exercise their activities in compliance with the subject and purposes of their activities defined in compliance with federal laws, other regulatory legal acts, municipal legal acts and the charter thereof.

3. State (municipal) tasks for a budget-financed institution in compliance with the basic kinds of activities provided for by the constituent documents thereof shall be set and endorsed by the appropriate body exercising the founder's functions and authority.

A budget-financed institution shall exercise the activities connected with carrying out works and rendering services pertaining to its basic kinds of activities in the areas which are cited in Item 1 of this Article in compliance with state (municipal) tasks and/or commitments in respect of the insurer under obligatory social insurance.

A budget-financed institution is not entitled to reject the implementation of a state (municipal) task.

The subsidy granted for implementation of a state (municipal) task shall be only reduced within the time period of its implementation in the event of the appropriate alteration of the state (municipal) task.

4. A budget-financed institution is entitled, in excess of the state (municipal) task set, as well as where it is determined by federal laws, within the limits of the state municipal task set, to carry out works and render services pertaining to its basic kind of activities in the areas cited in Item 1 of this article for citizens and legal entities on a payable basis and under the terms which are the same for a given kind of services. The procedure for fixing the cited payment shall be established by the appropriate body exercising the founder's functions and authority, if not otherwise provided for by federal law.

A budget-financed institution is entitled to exercise other kinds of activities that do not belong to the basic kinds of activities thereof, insofar as it serves the purposes of its establishment and that are in keeping with the cited purposes, provided that such activities are mentioned in the constituent documents thereof.

5. A budget-financed institution shall exercise, in the procedure defined by the Government of the Russian Federation, the supreme executive state power body of a constituent entity of the Russian Federation or the local administration of a municipal entity, the authority of accordingly a federal state power body (state body), an executive state power body of a constituent entity of the Russian Federation or local authority as to the discharge of public commitments towards a natural person which are to be discharged in monetary terms.

6. Financial support of the accomplishment of a state (municipal) task by a budget-financed institution shall be rendered in the form of subsidies from an appropriate budget of the budget system of the Russian Federation.

Financial support for the accomplishment of a state (municipal) task shall be rendered subject to the outlays on the maintenance of the immovable property and especially precious movable property assigned to a budget-financed institution or acquired by a budget-financed institution on account of the assets allocated thereto by its founder for acquisition of such property, outlays on payment of taxes for which appropriate property is recognized as the object of taxation, including land plots.

In the event of letting on lease (with the founder's approbation) immovable property and especially precious movable property assigned to a budget-financed institution by the founder or acquired by a budget-financed institution on account of the assets allocated thereto by the founder for acquisition of such property, financial support of such property's maintenance shall not be rendered by the founder.

Financial support of the exercise by budget-financed institutions of the authority of a federal state power body (state body), a state power body of a constituent entity of the Russian Federation or a local authority as to the discharge of the public commitments provided for by Item 5 of this article shall be rendered in the procedure established accordingly by the Government of the Russian Federation, the supreme executive state power of a constituent entity of the Russian Federation or the local administration of a municipal entity.

7. The procedure for forming a state (municipal) task and the procedure for rendering financial support for the accomplishment of this task shall be defined:

1) by the Government of the Russian Federation in respect of federal budget-financed institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation in respect of budget-financed institutions of a constituent entity of the Russian Federation;

3) the local administration in respect of municipal budget-financed institutions.

8. A budget-financed institution shall make operations in the assets received by it in compliance with the legislation of the Russian Federation through personal accounts opened with a regional agency of the Federal Treasury or with the fiscal body of a constituent entity of the Russian Federation (municipal entity) in the procedure established by the legislation of the Russian Federation (except as established by federal law).

9. The property of a budget-financed institution shall be assigned thereto by the right of operative management in compliance with the Civil Code of the Russian Federation. The owner of the property of a budget-financed institution shall be accordingly the Russian Federation, a constituent entity of the Russian Federation or a municipal entity.

The land plot required for the accomplishment by a budget-financed institution of the statutory tasks thereof shall be allotted thereto on the basis of the right of its permanent (termless) use.

Cultural heritage units (historical and cultural monuments) of the peoples of the Russian Federation, cultural valuables, natural resources (except for land plots) whose use in civil circulation is limited or which are withdrawn from civil circulation shall be assigned to a budget-financed institution under the terms and in the procedure defined by federal laws and other regulatory legal acts of the Russian Federation.

The right of operative management of a budget-financed institution to cultural



heritage units of religious purpose, in particular to those whose use in civil circulation is limited or which are withdrawn from civil circulation, that have been allotted to religious organizations for gratuitous use (as well as when transferring such units to religious organizations for gratuitous use) shall be terminated for the reasons provided for by federal law.

**10.** A budget-financed institution is not entitled without approbation of the owner thereof to dispose of the especially precious movable property assigned to it by the owner or acquired by the budget-financed institution on account of the assets allocated to it by the owner for acquisition of such property, as well as of immovable property.

A budget-financed institution is entitled to independently dispose of the rest of the property it holds by the right of operative management, if not otherwise provided for by Items 13 and 14 of this article or by Paragraph Three of Item 3 of Article 27 of this Federal Law.

**11.** For the purposes of this Federal Law, especially precious movable property means the movable property whose absence considerably impedes the exercise by a budget-financed institution of its statutory activities. A procedure for classifying property as pertaining to the category of especially precious movable property shall be established by the Government of the Russian Federation. Such property may be defined by:

1) the federal executive power bodies exercising the functions of formulation of the state policy and normative legal regulation in respect of the federal budget-financed institutions which are subordinate to these bodies or are subordinate to the federal services or agencies subordinate to these bodies, by the federal state power bodies (state bodies) whose activities are administered by the President of the Russian Federation or the Government of the Russian Federation in respect of the federal budget-financed institutions which are subordinate to them;

2) in the procedure established by the supreme executive state power body of a constituent entity of the Russian Federation in respect of budget-financed institutions of the constituent entity of the Russian Federation;

3) in the procedure established by the local administration in respect of municipal budget-financed institutions.

**12.** The lists of especially precious movable property shall be defined by the appropriate bodies exercising the founder's functions and authority.

**13.** A major transaction may be only made by a budget-financed institution with the preliminary approbation of the appropriate body exercising the functions and authority of the budget-financed institution's founder.

For the purposes of this Federal Law, as a major transaction shall be deemed a transaction or several interrelated transactions connected with the disposal of monetary assets, alienation of other property (which a budget-financed institution is entitled to independently dispose of), as well as with the transfer of such property for use or for putting in pledge, provided that the price of such transaction or the value of the property to be alienated or transferred exceeds 10 per cent of the balance sheet value of the budget-financed institution's assets estimated on the basis of its accounting reports/statements as of the last reporting date, if the budget-financed institution's charter does not provide for a smaller extent of a major transaction.

A major transaction made with a failure to satisfy the requirements of Paragraph

One of this item may be declared invalid at the suit of a budget-financed institution or the founder thereof, where it is proved that the other party to the transaction learnt or could learn that there was no preliminary approbation of the budget-financed institution's founder.

The head of a budget-financed institution shall be liable to the budget-financed institution in the amount of losses caused to the budget-financed institution as a result of making a major transaction with a failure to satisfy the requirements of Paragraph One of this item, regardless of whether this transaction has been declared invalid or not.

14. Budget-financed institutions are not entitled to deposit monetary assets with credit institutions, or to make transactions in securities, if not otherwise provided for by federal laws.

### **Article 10. Autonomous Non-Commercial Organization**

1. As an autonomous non-commercial organization shall be deemed a non-membership non-commercial organization set up for the purpose of granting services in the field of education, public health care, culture, science, law, physical training and sports, as well as in other fields. An autonomous non-commercial organization may be set up as a result of its establishment by citizens and/or legal entities on the basis of voluntary property contributions. Where it is provided for by federal laws, an autonomous non-commercial organization may be established by way of transformation of a legal entity having a different organization legal form.

The property transferred to an autonomous non-commercial organization by its founder(s) shall be the ownership of the said non-commercial organization. The founders of the autonomous non-commercial organization shall not retain the rights to the property transferred by them in ownership of the said organization. The founders shall not be liable for the obligations of the non-commercial organization created by them, and the organization shall not be liable for the obligations of its founders.

2. An autonomous non-commercial organization may carry on business activity corresponding to the objectives for the achievement of which the said organization has been created.

3. The activity of autonomous non-commercial organization shall be supervised by its founders in the procedure stipulated by its constituent documents.

4. The founders of an autonomous non-commercial organization may use its services only on equal conditions with any other persons.

5. Where the founder of an autonomous non-commercial organization is the Russian Federation, a constituent entity of the Russian Federation or a municipal entity, a procedure for participation of their representatives in managerial bodies of the non-commercial organization shall be established by the Government of the Russian Federation, a state power body of the constituent entity of the Russian Federation or local authority.

### **Article 11. Associations (Unions)**

1. Legal entities and/or individuals are entitled to establish, for the purpose of representing and protecting common interests, in particular professional ones, for attaining socially useful aims, as well as other ones which are not at variance with the law and are of a non-commercial nature, alliances in the form of associations (unions),

these being non-commercial organizations based on membership.

2. Abrogated by Federal Law No. 8-FZ of February 11, 2013.

3. The members of an association (union) shall retain their independence and their rights.

4. An association (union) shall not be liable for the obligations of its members. The members of an association (union) shall bear subsidiary responsibility for the obligations of the said association (union) at the rate and in the procedure stipulated by its constituent documents.

5. The designation of an association (union) must contain an indication of the main object of the activity of the members of the association (union) with the inclusion of the words "association" or "union".

**Article 12.** Abrogated by Federal Law No. 8-FZ of February 11, 2013..

### **Chapter III. Creation, Reorganization and Liquidation of a Non-Commercial Organization**

#### **Article 13.** Creation of a Non-Commercial Organization

1. A non-commercial organization may be created as a result of establishing it or as a result of re-organizing another non-commercial organization of the same organizational legal form and, where it is provided for by federal laws, as a result of re-organization in the form of transformation of a legal entity having a different organizational legal form.

2. The decision on the creation of a non-commercial organization as a result of its establishing shall be rendered by the founders (founder) thereof. In respect of a budget-financed or government institution such decision shall be rendered in the procedure established by:

1) the Government of the Russian Federation - in respect of federal budget-financed or government institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of constituent entities of the Russian Federation;

3) the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

#### **Article 13.1.** State Registration of Non-Commercial Organizations

1. A non-commercial organization shall be subject to state registration in compliance with Federal Law No. 129-FZ of August 8, 2001 on the State Registration of Legal Entities and Individual Businessmen (hereinafter referred to as the Federal Law on State Registration of Legal Entities and Individual Businessmen) taking into account the procedure for state registration of non-commercial organizations established by this Federal Law.

2. A decision on state registration (on the refusal to effect state registration) of a non-commercial organization shall be rendered by the federal executive body authorized in the area of registration of non-commercial organizations (hereinafter

referred to as the authorized body) or by a territorial body thereof.

3. Data on the establishment, reorganization and liquidation of non-commercial organizations, as well as other data provided for by the federal laws, shall be entered to the Unified State Register of Legal Entities by the federal executive body authorized in compliance with Article 2 of the Federal Law on State Registration of Legal Entities and Individual Businessmen (hereinafter referred to as the registering body) on the basis of a decision on state registration rendered by the authorized body or by a territorial agency thereof. Forms of the documents required for the appropriate state registration shall be determined by the federal executive body authorized by the Government of the Russian Federation.

4. The documents required for state registration of a non-commercial organization shall be submitted to the authorized body or to a territorial agency thereof at the latest in three months as of the date of rendering a decision on the establishment of such organization.

5. The following documents shall be submitted to the authorized body or to a territorial body thereof for state registration of a non-commercial organization when establishing it:

1) an application signed by an authorized person (hereinafter referred to as an applicant) with his family name, first name and patronymic, place of residence and contact telephones indicated therein;

2) three copies of the constituent documents of the non-commercial organization; 3) two copies of the decision on the establishment of the non-commercial organization and on the approval of the constituent documents thereof with the composition of its elected (appointed) bodies indicated therein;

4) information on the founders thereof in two copies;

5) the document proving payment of the state duty;

6) data on the address (location) of the permanent body of the non-commercial organization used for communication with the non-commercial organization;

7) in case a non-commercial organization uses in its name a name of a citizen, symbols protected by the legislation of the Russian Federation on the protection of intellectual property, as well as the complete name of other legal person as part of its own name - the documents confirming the right to their use;

8) an extract from the register of foreign legal entities of the appropriate country of origin or the document of equal legal force that prove the legal status of the founder which is a foreign legal entity.

9) an application for including the non-commercial organization in the registry of non-commercial organizations exercising the functions of a foreign agent provided for by Item 10 of this Article - for non-commercial organizations exercising the functions of a foreign agent.

5.1. The authorized body or its territorial body may not demand the submission of any documents other than those mentioned in Item 5 of this Article.

6. A decision on the state registration of a branch of a foreign not-for-profit non-governmental organization shall be rendered by the authorized body. The said decision shall be rendered on the basis of the documents submitted in compliance with Item 5 of this Article and attested by an authorized body of the foreign not-for-profit non-governmental organization, as well as on the basis of copies of the constituent

documents, the registration certificate or other right-proclaiming documents of the foreign not-for-profit non-governmental organization.

7. The documents of foreign organizations must be submitted in the state (official) language of the appropriate foreign state, translated into Russian, properly certified.

8. In the absence of the grounds for the refusal of the state registration or for suspension of the state registration of a non-commercial organization established by Article 23.1 of this Federal Law, the authorized body or a territorial agency thereof at the latest in fourteen working days as of the date of receiving required documents shall decide on state registration of the non-commercial organization and shall send to the registering body the data and documents required for the exercise by the registering body of its functions of keeping the Unified State Register of Legal Entities. The registering body on the basis of the said decision and the data and documents submitted by the authorized body or a territorial agency thereof shall make at the latest in five working days as of the date of receiving these data and documents the appropriate entry to the Unified State Register of Legal Entities and at latest on the working day following the date of making such entry shall report it to the body that has decided on the state registration of the non-commercial organization. The body that has decided on state registration of a non-commercial organization at the latest in three working days as of the date of receiving from the registering body information on making an entry on the non-commercial organization to the Unified State Register of Legal Entities shall issue to the applicant the state registration certificate.

The interaction of the authorized body or its territorial body with the registering body on the issues of state registration of a non-commercial organization shall be carried out in the procedure established by the authorized body in agreement with the registering body.

9. A state duty shall be recovered for state registration of a non-commercial organization in the procedure and in the amount that are provided for by the legislation of the Russian Federation on taxes and fees.

10. The data contained in the documents of a non-commercial organization exercising the functions of a foreign agent which are filed for state registration shall constitute the registry of non-commercial organizations exercising the functions of a foreign agent which shall be kept by an authorized body. A procedure for keeping the cited registry shall be established by the authorized body.

### **Article 13.2. Notification on the Establishment on the Territory of the Russian Federation of an Affiliate of a Representative Office of a Foreign Non-Commercial Non-Governmental Organization**

1. A foreign non-commercial non-governmental organization within three months as of the date of deciding on the establishment on the territory of the Russian Federation of its affiliate or representative office shall notify the authorized body of it.

2. A notification on the establishment on the territory of the Russian Federation of an affiliate or representative office of a foreign non-commercial non-governmental organization (hereinafter also referred to as the notification) shall be attested by the authorized body of the foreign non-commercial non-governmental organization and shall contain data on the founders thereof and on the address of its permanent governing body. The form of the notification shall be established by the federal executive body

charged with exercising the functions of normative and legal regulation in the area of justice.

3. The following documents shall be attached to the notification:

1) the constituent documents of the foreign non-commercial nongovernmental organization;

2) a decision of the governing body of the foreign non-commercial nongovernmental organization on establishing an affiliate or a representative office of the foreign non-commercial non-governmental organization;

3) the regulations on the affiliate or representative office of the foreign non-commercial non-governmental organization;

4) a decision on appointing the head of the affiliate or representative office of the foreign non-commercial non-governmental organization;

5) a document stating the aims and tasks of establishing the affiliate or representative office of the foreign non-commercial non-governmental organization.

4. The notification and the documents attached thereto must be submitted in the state (official) language of the appropriate foreign state, translated into Russian and properly certified.

5. The data contained in the notification and the documents attached thereto shall form part of the register of affiliates and representative offices of international organizations and foreign non-commercial non-governmental organizations (hereinafter also referred to as the register) which is kept by the authorized body.

6. The authorized body at the latest in thirty days as of the date of receiving the notification shall issue to the head of the appropriate affiliate or representative office of the foreign non-commercial nongovernmental organization an extract from the register whose form shall be established by the federal executive body charged with exercising the functions of normative and legal regulation in the area of justice.

7. A foreign non-commercial non-governmental organization may be denied entering data on an affiliate or representative office thereof to the register for the following reasons:

1) if the data or documents provided for by this Article are incomplete or these documents are not properly drawn up;

2) if it is found that the constituent documents submitted by the foreign non-commercial non-governmental organization contain unreliable information;

3) if the goals and tasks of establishing the affiliate or representative office of the foreign non-commercial non-governmental organization contravene the Constitution of the Russian Federation and the legislation of the Russian Federation;

4) if the goals and tasks of establishing the affiliate or representative office of the foreign non-commercial non-governmental organization pose a threat to the sovereignty, political independence, territorial integrity and national interests of the Russian Federation;

5) if the affiliate or representative office of the foreign non-commercial non-governmental organization that have been previously included into the register, are excluded from it in connection with a gross violation of the Constitution of the Russian Federation and the legislation of the Russian Federation.

8. In the event of a refusal to enter to the register data on an affiliate or representative office of a foreign non-commercial non-governmental organization for the

reasons provided for by Subitems 1-3, 5 of Item 7 of this Article, the applicant shall be notified thereof in writing with an indication of the specific provisions of the Constitution of the Russian Federation and the legislation of the Russian Federation whose violation has entailed the refusal, and, in the event of refusal to enter to the register data on an affiliate or representative office of a foreign non-commercial non-governmental organization for the reasons provided for by Subitem 4 of Item 7 of this Article, the applicant shall be informed of the causes of the refusal.

9. A refusal to enter to the register data on an affiliate or representative office of a foreign non-commercial non-governmental organization may be appealed against with a superior body or court.

10. A refusal to enter to the register data on an affiliate or representative office of a foreign non-commercial non-governmental organization shall not be an obstacle for a repeated submission of a notification, provided that the reasons for the refusal have been eliminated.

11. An affiliate or representative office of a foreign non-commercial non-governmental organization shall become legally capable from the date of entering to the register data on the appropriate structural subdivision of the foreign non-commercial non-governmental organization.

12. The head of this structural subdivision shall be obliged at the latest in twenty days as of the date of entering to the register data on the appropriate structural subdivision of a foreign non-commercial nongovernmental organization to notify the authorized body of the address (location) of the affiliate or representative office and of the contact telephone numbers thereof.

13. Notifications on changes in the data contained in a notification on the establishment on the territory of the Russian Federation of an affiliate or representative office of a foreign non-commercial non-governmental organization and in the documents attached thereto, as well as on changes in the data stated in Item 12 of this Article, shall be submitted in the procedure provided for by this Article.

#### **Article 14. Constituent Documents of a Non-Commercial Organization 1.**

The constituent documents of non-commercial organizations shall be:

the charter endorsed by the founders (participants, the property's owner) for a public organization (association), fund, non-commercial partnership, autonomous non-commercial organization, private or budget-financed institution;

the charter or, where it is established by law, regulatory legal acts of the President of the Russian Federation or the Government of the Russian Federation, regulations endorsed by the appropriate body exercising the functions and authority of the founder, for a government institution;

the constituent agreement concluded by their members and the charter approved by them, for an association or union;

The founders (participants) of non-commercial partnerships, and also of autonomous non-commercial organizations may conclude a constituent agreement.

In the cases stipulated by the law a non-commercial organization may act on the basis of the general regulations on the organizations of a given type and kind.

1.1. The charter of a budget-financed or government institution shall be endorsed in the procedure established by:

1) the Government of the Russian Federation - in respect of federal budget-financed or government institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of a constituent entity of the Russian Federation;

3) the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

2. The requirements of the constituent documents of a non-commercial organization shall be obligatory for execution by the non-commercial organization itself and by its founders (participants).

3. The constituent documents of a non-commercial organization must determine the non-commercial organization's designation containing an indication of the character of its activity and the legal organizational form, the location of the non-commercial organization, the procedure for the management of the activity, the object and objectives of the activity, the data on the branches and representative offices, the rights and duties of the members, the conditions and procedure for joining the non-commercial organization and withdrawing therefrom (if the non-commercial organization has membership), the sources of the formation of the property of the non-commercial organization, the procedure for amending the constituent documents of the non-commercial organization, the procedure for using the property in case of liquidation of the non-commercial organization, and any other provisions stipulated by the present Federal Law and by any other federal laws.

In the constituent agreement the founders shall undertake to create a non-commercial organization, shall determine the procedure for the joint activity in creating the non-commercial organization, the conditions for the transfer thereto of its property and for the participation in its activity, and the conditions and procedure for the founders (participants) to withdraw therefrom.

The charter of a fund must also contain the fund's designation excluding the word "fund", and the data on the fund's objective; the indications of the fund's bodies, including of the Board of Guardians, and of the procedure for their formation, of the procedure for appointing and dismissing the fund's officials, of the fund's location, and of the destiny of the property of the fund in case of the latter's liquidation.

The constituent documents of an association (union) or a non-commercial partnership must also contain the conditions of the composition and competence of their management bodies, of their decision-making procedure, including on the issues to be decided unanimously or by a qualified majority of votes, and of the procedure for the distribution of the property remaining after the liquidation of the association (union) or the non-commercial partnership.

The charter of a budget-financed or government institution shall also contain the institution's denomination, reference to the type thereof of institution, data on its property's owner, an exhaustive list of the kinds of activities which the budget-financed or government institution is entitled to exercise in compliance with the goals for whose attainment it has been established, indications as to the structure and competence of the institution's managerial bodies, procedure for forming them, the term of authority of such bodies and a procedure for the exercise of activities by them.

The constituent documents of a non-commercial organization may also contain



any other provisions which are not contrary to the legislation.

4. The charter of a non-commercial organization may be amended by decision of its supreme management body, with the exception of the charter of a budget-financed or government institution, the charter of a fund, which may be amended by a fund's bodies if the charter of the fund stipulates the possibility of amending that charter in such procedure.

The charter of a budget-financed or government institution shall be amended in the procedure established by:

the Government of the Russian Federation - in respect of federal budget-financed or government institutions;

the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of a constituent entity of the Russian Federation;

the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

If the conservation of the charter of a fund in an unchanged form entails certain consequences which are unforeseeable when the fund is being set up and the possibility of amending its charter has not been stipulated or the charter is not amended by the authorized persons, the right of making amendments in accordance with the Civil Code of the Russian Federation belong to the court by application of the bodies of the fund or of the body authorized to supervise the fund's activity.

#### **Article 15. The Founders of a Non-Commercial Organization**

1. Fully capable citizens and/or juridical persons may act as founders of a non-commercial organization depending on its legal organizational forms.

1.1. Foreign citizens and stateless persons lawfully staying on the territory of the Russian Federation may be founders (participants in, or members of) non-commercial organizations, except for the instances provided for by international treaties made by the Russian Federation or by the federal laws.

1.2. As the founder (participant in, or member) of a non-commercial organization may not be deemed:

1) the foreign citizen or stateless person in respect of whom a decision is rendered in the procedure established by the laws of the Russian Federation on undesirability of their staying (residence) on the territory of the Russian Federation;

2) the person included into the list under Item 2 of Article 6 of Federal Law No. 115-FZ of August 7, 2001 on Resistance to Legalization (Laundering) of Monetary Funds Derived Illegally and to Financing of Terrorism;

3) the public association or religious organization whose activities are suspended in compliance with Article 10 of Federal Law No. 114-FZ of July 25, 2002 on Combating Extremist Activities;

4) a person in respect of whom it is established by an effective court decision that in his actions there are signs of extremists activity.

5) a person who does not conform to the requirements, set for the founders (participants, members) of a non-commercial organization, of the federal laws determining the legal status and the procedure for the creation, activity, reorganization and liquidation of non-commercial organizations of certain types.

1.2-1. The person, who earlier was a head or was a part of the governing body of a public or religious association or other organization in respect of which on the grounds stipulated by the Federal Law on Combating Extremist Activities or Federal law of March 6, 2006 No. 35-FZ on Combating Terrorism, the court issued a decision which came into force in regard to liquidation or ban of the activities, cannot be the founder of a non-commercial organization for ten years from the date of entry into force of the relevant court decision.

**1.3.** The number of founders of a non-commercial organization is not limited, if not otherwise established by federal law.

A non-commercial organization may be established by a single person, except when non-commercial partnerships and associations (unions) are established and except as provided for by federal law.

**2.** The founder of a budget-financed or government institution shall be:

1) the Russian Federation - in respect of a federal budget-financed or government institution;

2) a constituent entity of the Russian Federation - in respect of a budget-financed or government institution of a constituent entity of the Russian Federation;

3) a municipal entity - in respect of a municipal budget-financed or government institution.

**3.** Unless otherwise provided by Federal law, the founders (participants) of non-commercial corporations, founders of funds and autonomous non-commercial organizations shall be entitled to withdraw from the founders and (or) participants of the specified legal entities at any time without the consent of other shareholders and (or) by sending in accordance with the Federal law on State Registration of Legal Entities and Individual Entrepreneurs information about withdrawal to the registration authority. In case of withdrawal from the founders and (or) the participant of the last or the single founder and (or) participant, he is obliged, before sending information about his withdrawal, to transfer his founder and (or) participant rights to another person in accordance with the Federal law and the charter of the legal entity.

The rights and obligations of the founder (participant) of the non-commercial corporation or the rights and obligations of the founder of the fund or autonomous non-commercial organization in case of withdrawal from the founders and (or) participants are terminated from the day of making changes in information about the legal entity contained in the Unified State Register of Legal Entities. The founder (participant) who withdrew from the founders (participants) shall be obliged to send a notification, the relevant legal entity at the date of the information on withdrawal from the founders (participants) to the registering authority.

**4.** Unless otherwise provided by Federal law and the charter of the legal entity, physical and (or) legal entities have the right to enter into the composition of the founders (participants) of a non-commercial corporation, the founders of fund and autonomous non-commercial organization with the consent of other founders and (or) participants.

## **Article 16.** Reorganization of a Non-Commercial Organization

**1.** A non-commercial organization may be reorganized in the procedure stipulated by the Civil Code of the Russian Federation, the present Federal Law and any other federal laws.

**2.** The reorganization of a non-commercial organization may be carried out in the form of a merger, affiliation, separation, split-off and transformation.

**2.1.** The decision on re-organization of budget-financed or government institutions shall be adopted and such institutions shall be re-organized, if not otherwise

established by an act of the Government of the Russian Federation, in the procedure established by:

- 1) the Government of the Russian Federation - in respect of federal budget-financed and government institutions;
- 2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of a constituent entity of the Russian Federation;
- 3) the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

2.2. When a government institution is being re-organized, a creditor is not entitled to demand early discharge of an appropriate commitment, as well as termination of commitments and reimbursement of the losses connected with it.

3. A non-commercial organization shall be deemed to have been reorganized, with the exception of the cases of a reorganization in the form of affiliation, from the moment of the State registration of the newly emerged organization(s).

In the case of a reorganization of a non-commercial organization in the form of the affiliation thereto of another organization, the first one of these shall be deemed to have been reorganized from the moment of introducing into the Single State Register of Juridical Persons an entry about the termination of the activity of the affiliated organization.

4. The State registration of an organization (organizations) that has (have) newly arisen as a result of a reorganization and the introduction into the Single State Register of Juridical Persons of an entry about the termination of the activity of the reorganized organization(s) shall be carried out in the procedure established by the federal laws.

#### **Article 17. Transformation of a Non-Commercial Organization**

1. A non-commercial partnership may be transformed into a fund or an autonomous non-commercial organization, as well as into a company in the instances and in the procedure established by federal laws.

2. A private institution may be transformed into a fund, an autonomous non-commercial organization or an economic society. The transformation of state or municipal institutions into non-commercial organizations of other forms or into an economic society shall be permissible in the cases and in the procedure which have been laid down by the law.

3. An autonomous non-commercial organization may be transformed into a fund.

4. An association (union) is entitled to transform itself into a non-commercial organization having one of the organizational legal forms cited in Item 5 of Article 121 of the Civil Code of the Russian Federation.

5. The decision to transform a non-commercial partnership shall be taken by the founders unanimously, and the decision to transform an association (union) shall be taken by all the members that have concluded the agreement on creating it.

The decision to transform a private institution shall be taken by its owner.

The decision to transform an autonomous non-commercial organization shall be taken by its supreme management body in accordance with the present Federal Law in the procedure stipulated by the charter of the non-commercial organization.

6. When transforming a non-commercial organization, the newly arising

organization shall take over the rights and duties of the reorganized non-commercial organization in accordance with the transfer deed.

**Article 17.1. Alteration of the Type of a State or Municipal Institution**

1. The alteration of the type of a state or municipal institution shall not be deemed its re-organization. When the type of a state or municipal institution is changed, appropriate amendments shall be made in the constituent entities thereof.

2. The type of a budget-financed institution shall be changed for the purpose of establishing a government institution, as well as the type of a government institution shall be changed for the purpose of creating a budget-financed institution, in the procedure established by:

1) the Government of the Russian Federation - in respect of federal budget-financed or government institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed or government institutions of a constituent entity of the Russian Federation;

3) the local administration of a municipal entity - in respect of municipal budget-financed or government institutions.

3. The type of an already existing budget-financed or government institution shall be changed for the purpose of establishing an autonomous institution, as well as the type of an already existing autonomous institution shall be changed for the purpose of establishing a budget-financed or government institution, in the procedure set up by Federal Law No. 174-FZ of November 3, 2006 on Autonomous Institutions.

4. When its type is changed, a state or municipal institution is entitled to pursue the kinds of activity envisaged by its charter under licenses, a certificate of state accreditation and other permits issued to that institution prior to the change of its type until the end of the effective term of such documents. In this case there is no need for re-issuing the documents confirming the availability of licenses in accordance with the legislation on licensing specific types or activity or re-issuing other permits.

**Article 18. Liquidation of a Non-Commercial Organization**

1. A non-commercial organization may be liquidated on the basis and in the procedure stipulated by the Civil Code of the Russian Federation, the present Federal Law and any other federal laws.

1.1. An application for liquidation of a non-commercial organization shall be filed with court by the prosecutor public of the appropriate subject of the Russian Federation in the procedure provided for by the Federal Law on the Public Prosecutor's Office (in the wording of Federal Law No. 168-FZ of November 17, 1995) by the authorized body or by a territorial body thereof.

2. The decision to liquidate a fund may be adopted only by the court upon application of the interested persons.

A fund may be liquidated:

if the fund's property is insufficient for accomplishing its objectives and the probability of obtaining the necessary property is unreal;

if the fund's objectives are unattainable and the necessary amendments of the funds' objectives cannot be made;

if the fund deviates in its activity from the objectives stipulated by its charter; in any other cases stipulated by the Federal Law.

**2.1.** A branch of a foreign not-for-profit non-governmental organization on the territory of the Russian Federation shall be likewise liquidated:

1) in case of liquidation of the appropriate foreign not-for profit non-governmental organization;

2) in the event of non-submission of the data indicated in Item 4 of Article 32 of this Federal Law;

3) if its activities do not comply with the goals provided for by the constituent documents thereof, as well as with the data presented in compliance with Item 4 of Article 32 of this Federal Law.

**3.** The founders (participants) of a non-commercial organization or the body that has adopted the decision to liquidate the non-commercial organization shall appoint a liquidation commission (liquidator) and shall, in accordance with the Civil Code of the Russian Federation and the present Federal Law, establish the procedure and the time for the liquidation of the non-commercial organization.

**4.** From the moment of the appointment of the liquidation commission the latter shall take over the powers in managing the affairs of the non-commercial organization. The liquidation commission shall appear in court on behalf of the non-commercial organization being liquidated.

**5.** The decision on liquidation of a budget-financed institution shall be adopted and it shall be liquidated in the procedure established by:

1) the Government of the Russian Federation - in respect of federal budget-financed institutions;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed institutions of a constituent entity of the Russian Federation;

3) the local administration of a municipal entity - in respect of municipal budget-financed institutions.

#### **Article 19.** Procedure for the Liquidation of a Non-Commercial Organization

**1.** The liquidation commission shall place in the organs of the press, which publish the data on the State registration of juridical persons, a publication on the liquidation of the non-commercial organization and on the procedure and time for the creditors to lodge their claims. The time period for the creditors to lodge their claims may not be less than two months from the day of the publication about the liquidation of a non-commercial organization.

**2.** The liquidation commission shall take measures to reveal the creditors and obtain the creditor indebtedness, and shall also notify the creditors in written form about the liquidation of the non-commercial organization.

**3.** Upon the termination of the period for the creditors to lodge their claims, the liquidation commission shall draw up an interim liquidation balance sheet which shall contain the data on the composition of the property of the non-commercial organization being liquidated, a list of the claims lodged by the creditors, and also the results of their consideration.

The interim liquidation balance sheet shall be approved by the founders

(participants) of the non-commercial organization or by the body that has adopted the decision on its liquidation.

4. If the monetary funds of a liquidated non-commercial organization (with the exception of private institutions) are insufficient for satisfying the creditors' claims, the liquidation commission shall make a sale of the property of the non-commercial organization at a public auction in the procedure established for the execution of court judgments.

If the monetary funds of a liquidated private institution are insufficient for satisfying the claims of the creditors, the latter may apply to court with an action for satisfying the remaining part of the claims at the expense of the owner of the said institution.

5. The payment of the money amounts to the creditors of a liquidated non-commercial organization shall be made by the liquidation commission in the order of the priority established by the Civil Code of the Russian Federation in accordance with the interim liquidation balance sheet beginning on the day of its approval, with the exception of the creditors of the third and fourth turn, the payments to whom shall be made upon the expiration of a month as from the day when the interim liquidation balance sheet is approved.

6. After the completion of the settlements with the creditors the liquidation commission shall draw up a liquidation balance sheet, which shall be approved by the founders (participants) of the non-commercial organization or by the body that has adopted the decision to liquidate the non-commercial organization.

#### **Article 19.1. Specifics of a Government Institution's Liquidation**

1. The decision on liquidation of a government institution shall be adopted and it shall be liquidated in the procedure established by:

1) the Government of the Russian Federation - in respect of a federal government institution;

2) the supreme executive state power body of a constituent entity of the Russian Federation - in respect of a government institution of a constituent entity of the Russian Federation;

3) the local administration of a municipal entity - in respect of a municipal government institution.

2. When a government institution is being reorganized, a creditor is not entitled to demand early discharge of an appropriate commitment, or termination of commitments and reimbursement of the losses connected with it.

#### **Article 20. The Property of a Non-Commercial Organization That Is Being Liquidated**

1. In the liquidation of a non-commercial organization the property remaining after the satisfaction of the creditors' claims, unless otherwise provided for by the present Federal Law and any other federal laws, shall be assigned in accordance with the constituent documents of the non-commercial organization to the objectives, in whose interests it has been created, or to charitable objectives. If it is impossible to use the property of the liquidated non-commercial organization in accordance with its constituent documents, the said property shall be turned in the revenue of the State.

2. In the liquidation of a non-commercial organization the property remaining after

the satisfaction of the creditors' claims shall be subject to distribution among the members of the non-commercial partnership in accordance with their property contribution, whose rate does not exceed the rate of their property contributions, unless otherwise provided for by the federal laws or the constituent documents of the non-commercial partnership.

The procedure for using the property of the non-commercial partnership, whose cost does not exceed the rate of the property contributions of its members, shall be determined in accordance with Item 1 of the present Article.

3. The property of a private institution remaining after the satisfaction of the creditors' claims shall be transferred to its owner, unless otherwise provided for by the laws and any other legal acts of the Russian Federation or by the constituent documents of such institution.

4. The property of a budget-financed institution left after allowing creditors' claims, as well as the property against which execution may not be levied in connection with the budget-financed institution's commitments, shall be transferred by the liquidation commission to the owner of appropriate property.

**Article 21.** The Completion of the Liquidation of a Non-Commercial Organization The liquidation of a non-profit organization shall be considered completed and the non-profit organization as having ceased to exist after a relevant entry thereto has been made in the Unified State Register of Juridical Persons.

**Article 22.** Removed by Federal Law No. 31-FZ of March 21, 2002.

**Article 23.** The State Registration of the Amendments to the Constituent Documents of a Non-Commercial Organization

1. State registration of amendments to be made to the constituent documents of a non-commercial organization shall be effected in the same procedure and at the same time as state registration of a non-commercial organization.

2. The amendments to the constituent documents of a non-commercial organization shall enter into force from the day of their registration.

3. A state duty shall be recovered for state registration of amendments to be made to the constituent documents of a non-commercial organization in the procedure and amount provided for by the legislation of the Russian Federation on taxes and fees.

4. Amendments made to the data specified in Item 1 of Article 5 of the Federal Law on State Registration of Legal Entities and Individual Entrepreneurs shall enter into legal force as of the date of their entry to the Unified State Register of Legal Entities.

**Article 23.1.** Denial of State Registration of a Non-Commercial Organization

1. A non-commercial organization may be denied state registration for the following reasons:

1) if the constituent documents of the non-commercial organization contravene the Constitution of the Russian Federation and the laws of the Russian Federation;

2) if a non-commercial organization bearing the same name has been previously registered;

3) if the name of the non-commercial organization insults the morality and

outrages the national and religious feelings of citizens;

4) if the documents required for state registration which are stipulated by this Federal Law are not provided in full, or are submitted to an improper body;

5) if the person acting as the founder of the non-commercial organization may not be the founder thereof under Item 1.2 of Article 15 of this Federal Law.

6) if the decision on reorganizing or liquidating a non-commercial organization, or on amending its constituent documents or on changing the information mentioned in Item 1 of Article 5 of the Federal Law on State Registration of Legal Entities and Individual Businessmen has been taken by a person (or persons) not authorized thereto by a federal law and/or constituent documents of the non-commercial organization;

7) if it has been established that there is unreliable information in the documents submitted for state registration;

8) in the instance stipulated by paragraph two of Item 1.1 of this Article.

1.1. In the event that the documents submitted for state registration and stipulated by this Federal Law have been unduly drawn up, the authorized body or its territorial body may decide to suspend the state registration of the non-commercial organization until the applicant has eliminated the grounds which have caused the suspension of state registration but for not more than three months. When it is decided to suspend the state registration of a non-commercial organization, there shall be interrupted the running of the period established by Item 8 of Article 13.1 of this Federal Law. The part of such period which had expired before it was decided to suspend the state registration of the non-commercial organization shall not be included in the new period, whose running shall start from the day of submission of the documents which have been duly drawn up.

The failure by the applicant to eliminate the reasons which have caused the suspension of state registration of the non-commercial organization within the period established by the decision shall be grounds for taking by the authorized body or by its territorial body of a decision on refusing state registration.

2. A branch of a foreign not-for-profit non-governmental organization may be also denied state registration for the following reasons:

1) if the goals of establishing the branch of the foreign not-for-profit non-governmental organization contravene the Constitution of the Russian Federation and the laws of the Russian Federation;

2) if the goals of establishing the branch of the foreign not-for-profit non-governmental organization pose a threat to the sovereignty, political independence, territorial integrity, and national interests of the Russian Federation;

3) if a branch of the foreign not-for-profit non-governmental organization, previously registered on the territory of the Russian Federation, has been liquidated in connection with a gross violation of the Constitution of the Russian Federation and the laws of the Russian Federation.

3. The decision on refusing state registration or suspending state registration by a not-for-profit organization must be taken within fourteen working days as from the day of receipt of the submitted documents.

In the event of refusal or suspension of state registration of a not-for-profit organization, the applicant shall be informed thereof in written form within three working days from the day of adoption of the relevant decision with an indication of the grounds stipulated by this Article which have caused the refusal or suspension of state



registration of the not-for-profit organization.

4. In the event of denial of state registration of a branch of a foreign not-for-profit non-governmental organization for the reason provided for by Subitem 2 of Item 2 of this Article, the applicant shall be informed of the reasons for the denial.

5. A denial of state registration of a not-for-profit organization may be appealed against with a superior body or court.

6. A denial of state registration of a not-for-profit organization shall not be an obstacle to a repeated submission of documents for state registration, provided that the grounds for the denial have been eliminated. A repeated submission of an application for state registration of a not-for-profit organization and adoption of a decision concerning this application shall be effected in the procedure provided for by this Federal Law.

## **Chapter IV. Activity of a Non-Commercial Organization**

### **Article 24. Types of Activity of a Non-Commercial Organization**

1. A non-commercial organization may carry out one type of activity or several types of activity which are not prohibited by the legislation of the Russian Federation and which correspond to the objectives of the activity of the non-commercial organization stipulated by its constituent documents.

As the principal type of activity of budget-financed and government institutions shall be deemed the activity directly aimed at achieving the goals they are established for. An exhaustive list of the kinds of activities which budget-financed and government institutions may exercise in compliance with the aims they are established for shall be defined by the constituent documents of the institutions.

The legislation of the Russian Federation may impose restrictions as to the kinds of activities which non-commercial organizations of certain kinds are entitled to exercise and, as regards institutions, also of certain types thereof.

Some kinds of activities may be only exercised by non-commercial organizations on the basis of special permits (licenses). A list of such activities is defined by law.

The materials issued by a non-commercial organization exercising the functions of a foreign agent and/or distributed by it, in particular through mass media and/or with the use of the Internet, must have an indication that these materials are issued and/or distributed by a non-commercial organization exercising the functions of a foreign agent.

2. A non-commercial organization may conduct business and other profitable activities so far as this serves the achievement of the objectives for the sake of which it has been created and corresponds to the cited objectives, provided that such activities are cited in the constituent documents thereof. Such activity shall be deemed to be a profitable production of goods and services corresponding to the objectives of the creation of the non-profit organization, and also the acquisition and realization of securities, property rights and nonproperty rights, the participation in economic societies and the participation in limited partnerships in the capacity of an investor.

The legislation of the Russian Federation may establish certain restrictions on the business and other profitable activities of non-commercial organizations of certain kinds and, as regards institutions, also of certain types.

3. A non-commercial organization shall keep the records of the proceeds and expenses in the business and other profitable activities.

**3.1.** The legislation of the Russian Federation may establish restrictions on making donations by non-commercial organizations to political parties, regional branches thereof, as well as to election funds and referendum funds.

**4.** In the interests of achieving the objectives stipulated by the charter of a non-commercial organization it may create other non-commercial organizations and join associations and unions.

A budget-financed institution is entitled by approbation of the owner to transfer to non-commercial organizations in the capacity of their founder (participant) monetary assets (if not otherwise established by the terms of their provision) and other property, except for especially precious movable property assigned to them by the owner or acquired by the budget-financed institution on account of the assets allocated thereto by the owner for such property's acquisition, as well as for immovable property.

The state budget-financed institutions which are state academies of science are entitled to exercise on the behalf of the Russian Federation the authority of founders of state unitary enterprises, state institutions and owners of the federal property assigned thereto in the instances and in the procedure which are provided for by federal laws.

In the instances and in the procedure provided for by federal laws, a budget-financed institution is entitled to contribute the property cited in Paragraph Two of this item to the authorized capital of economic companies or to transfer this property to them in some other way in the capacity of their founder (participant).

A government institution is not entitled to act as the founder (participant) of legal entities.

#### **Article 25. The Property of a Non-Commercial Organization**

**1.** A non-commercial organization may have, in ownership or in operating management, buildings, installations, housing stock, equipment, appliances, monetary funds in roubles and in foreign currency, securities and any other assets. A non-commercial organization may have land plots under its ownership or by another right in accordance with the legislation of the Russian Federation. A federal law can establish the right of a non-commercial organization (except for a government institution) to form endowment in the composition of its property and also the features of the legal status of non-commercial organizations forming endowment.

**2.** A non-commercial organization shall be liable for its obligations with that of its property which is recoverable according to the legislation of the Russian Federation.

#### **Article 26. The Sources of the Formation of the Property of a Non-Commercial Organization**

**1.** The sources of the formation of the property of a non-commercial organization in monetary or any other forms shall be:

regular and lump sum receipts from the founders (participants, members); voluntary property contributions and donations;  
receipts from the marketing of goods, works and services;  
dividends (yield, interest) received on shares, bonds or any other securities and deposits;  
returns received from the property of the non-commercial organization; any other receipts unprohibited by the law.

Laws may establish certain restrictions on the sources of the returns of non-commercial organizations of certain kinds and, as regards institutions, also of certain types.

The sources of the formation of the property of a state corporation may represent the regular and/or lump-sum receipts (contributions) from the juridical persons whose duty to make these contributions is determined by the federal law.

2. The procedure for the regular receipts from the founders (participants, members) shall be determined by the constituent documents of a non-commercial organization.

3. The profit received by a non-commercial organization shall not be subject to distribution among the participants of the non-commercial organization.

4. The provisions of this article shall apply to government and budget-financed institutions subject to the specifics established by this Federal Law for the given types thereof.

#### **Article 27. Conflict of Interests**

1. For the purposes of the present Federal Law the persons interested in the making by a non-commercial organization of certain acts, including transactions, with any other organizations or citizens (hereinafter referred to as the interested persons) shall be deemed to be the head (deputy head) of the non-commercial organization, and also the person comprising the composition of the management bodies of the non-commercial organization or of the bodies supervising its activity, if the indicated persons have labor relations with the said organizations or citizens, are participants or creditors of the said organizations, or are in close family relations with the said persons or are creditors of the said persons. Besides, the said organizations or citizens are suppliers of goods (services) for the non-commercial organizations, major consumers of the goods (services) produced by the non-commercial organization, have certain property fully or partly formed by the non-commercial organization or may derive a profit from the use or disposal of the property of the non-commercial organization.

The interest in the performance by a non-commercial organization of certain acts, including in the performance of transactions, shall entail a conflict of interests of the interested persons and the non-commercial organization.

2. The interested persons must observe the interests of a non-commercial organization, first of all with respect to the objectives of its activity, and must not use the possibilities of the non-commercial organization or permit their use for purposes other than those stipulated by the constituent documents of the non-commercial organization.

By the term "the possibilities of a non-commercial organization", per purposes of the present Article, there shall be understood the non-commercial organization's assets, property rights, nonproperty rights, possibilities in the field of business activity, and information on the activity and plans of the non-commercial organization that is valuable therefor.

3. Where an interested person is interested in a transaction to which a non-commercial organization is or intends to be a party, and also there is another clash of interests of the said person and the non-commercial organization with respect to an existing or supposed transaction:

he must inform about his interest the management body of the non-commercial

organization or the body supervising its activity prior to the moment when the decision is taken to conclude the transaction (in a budget-financed institution - the appropriate body exercising the founder's functions and authority);

the transaction must be approved by the management body of the non-commercial organization or by the body supervising its activity (in a budgetary institution - by the appropriate body exercising the founder's functions and authority).

4. A transaction in the making of which there is interest and which has been made with the violation of the requirements of the present Article may be invalidated by a court.

An interested person shall be liable before a non-commercial organization at the rate of the losses inflicted by him on the non-commercial organization. If losses have been inflicted on a non-commercial organization by several interested persons, the latter shall be jointly liable before the non-commercial organization.

## **Chapter V. Management of a Non-Commercial Organization**

### **Article 28. Bases of the Management of a Non-commercial Organization**

1. The structures, the competence, the procedure for the formation and the term of powers of the management bodies of a non-commercial organization, the procedure for them to take decisions and to act in the name of the non-commercial organization shall be laid down by the constituent documents of the non-commercial organization in accordance with the present Federal Law and any other federal laws and, as regards a government or budget-financed institution, also in compliance with regulatory legal acts of the President of the Russian Federation, the Government of the Russian Federation, the supreme executive state power body of a constituent entity of the Russian Federation, the local administration of a municipal entity or, where it is established by a federal law, a law of a constituent entity of the Russian Federation or a regulatory legal act of the representative body of the local government, with regulatory legal acts of other state power bodies (state bodies) or local authorities.

2. Other federal laws can stipulate the formation of management bodies of a non-commercial organization not stipulated by this Federal Law, as well as some other distribution of powers among managerial bodies of a non-commercial organization.

3. If the founder of an autonomous non-commercial organization is the Russian Federation, the act of the Government of the Russian Federation on its establishment and the statutes thereof may provide for the following:

1) a different procedure for forming and a different term of authority of governing bodies of the autonomous non-commercial organization;

2) the autonomous non-commercial organization's governing bodies which are not provided for by this Federal Law;

3) the distribution of powers between governing bodies of the autonomous non-commercial organization other than the one provided for by this Federal Law.

### **Article 29. Supreme Management Body of a Non-Commercial Organization**

1. The supreme management body of non-commercial organization in accordance with their constituent documents shall be:

a collective supreme management body for an autonomous non-commercial organization;

a general meeting of members for a non-commercial partnership or association (union).

The procedure for managing a fund shall be deed by its charter.

The composition and competence of the management bodies of social ~~and~~ **religious** organizations (combinations) shall be established in accordance with the laws on such organizations (combinations).

2. The main function of the supreme management body of a non-commercial organization shall be to ensure the observance by the non-commercial organization of the objectives in whose interests it has been created.

3. Unless otherwise stipulated by this Federal law or other federal laws, the exclusive competence of the supreme management body of a non-commercial organization include the following:

the determination of priority directions of activity of the non-commercial organization, principles of formation and use of its property;

the amendment of the charter of the non-commercial organization;

the determination of the procedure of admission to the founders (participants, members) of non-commercial organization, and expulsion from the founders (participants, members), except if such procedure is determined by federal laws;

the formation of the bodies of the non-commercial organization and the termination of their powers ahead of time;

the approval of the annual report and accounting (financial) statements of a non-commercial organization, unless the charter of a non-commercial organization in accordance with Federal laws is not within the competence of other collegial bodies of a non-commercial organization;

the decision of non-commercial organization on creation other legal entities, on participation of non-commercial organization in other legal entities, on creation of affiliate offices and opening of representative offices of non-commercial organizations;

the decision on reorganization and liquidation of non-commercial organization (with the exception of fund), on the appointment of liquidation commission (liquidator) and on approval of liquidation balance sheet;

the approval of audit organization or individual auditor of non-commercial organization.

Federal laws and charter of non-commercial organization may attribute to the exclusive competence of the supreme management body of non-commercial organization solution of other issues.

The issues referred by this Federal law and other federal laws to the exclusive competence of the supreme management body of non-commercial organization cannot be transferred by it to other bodies of non-commercial organization, unless otherwise provided by this Federal law or other federal laws.

4. A general meeting of the members of a non-commercial organization or a session of a supreme collegial body of a non-commercial organization shall be competent if the said meeting or session is attended by more than a half of its members.

A decision of the said general meeting or session shall be adopted by a majority vote of the members attending the meeting or session. A decision of a general meeting or session on the issues of the exclusive competence of the supreme management body of a non-commercial organization shall be adopted unanimously or by a qualified

majority vote in accordance with the present Federal Law, other federal laws and the constituent documents.

4.1. The provisions of this paragraph shall apply, unless otherwise provided by federal laws.

The decision of the supreme management body of a non-commercial organization may be taken without a meeting or session by absentee voting (by poll), except for decisions on issues specified in paragraphs the second - the ninth of Item 3 of this Article. Such a vote may be held by exchanging documents by mail, telegraph, teletype, telephone, electronic or other communication that ensures the authenticity of transferred and received messages and their documented confirmation.

The procedure of holding absentee voting shall be governed by the charter of the non-commercial organization, which shall provide for the obligatory notification of all founders (participants, members) of a non-commercial organization or the members of the collegial supreme management body of a non-commercial organization on the proposed agenda, the opportunity for all of the founders (participants, members) of a non-commercial organization or members of the collegial supreme management body of the non-commercial organization to review before the vote all necessary information and materials, the opportunity to make proposals for inclusion in the agenda of additional issues, the necessity of informing all the founders (participants, members) of a non-commercial organization or the members of the collegial supreme management body of the non-commercial organization prior to the vote about the amended agenda, as well as the completion of the voting procedure.

The Protocol on the results of absentee voting shall contain:

the date by which documents containing information about the voting of the supreme body of a non-commercial organization were accepted;

information about the persons who took part in voting;

the voting results on each issue on the agenda;

information about the persons who conducted the counting of votes; information about the persons who signed the Protocol.

5. For an autonomous non-commercial organization the persons who are workers of the non-commercial organization may not compose more than one third of the total number of the members of the collective supreme management body of the autonomous non-commercial organization.

A non-commercial organization may not make the payment of the remuneration to the members of its supreme management body for the performance by them of their incumbent functions, with the exception of the compensation for the expenses directly connected with the participation in the work of the supreme management body.

### **Article 30. Executive Body of a Non-Commercial Organization**

1. The executive body of a non-commercial organization may be collegial and/or individual. It shall exercise the current leadership of the activity of the non-commercial organization and shall be accountable to the supreme management body of the non-commercial organization.

2. The competence of the executive body of a non-commercial organization shall comprise the solution of all issues which do not constitute the exclusive competence of other management bodies of the non-commercial organization determined by the

present Federal Law, any other federal laws and the constituent documents of the non-commercial organization.

**Article 30.1. Restrictions on the Participation of Certain Categories of Persons in the Activities of Foreign Not-for-Profit Non-Governmental Organizations**

The following persons shall not sit on the managerial bodies, boards of trustees or supervisory boards or other bodies of foreign not-for-profit non-governmental organizations and their structural units operating on the territory of the Russian Federation: persons holding state or municipal offices and also state or municipal service offices, unless otherwise envisaged by an international treaty or the legislation of the Russian Federation. These persons are not entitled to engage in a paid activity financed exclusively with funds of foreign states, international and foreign organizations, foreign citizens and stateless persons, unless otherwise envisaged by an international treaty of the Russian Federation or the legislation of the Russian Federation.

**Chapter VI. Support for Non-Commercial Organizations. Control over the Activities of Non-Commercial Organizations**

**Article 31. Economic Support for Non-Commercial Organizations by the State Power Bodies and Local Authorities**

1. State power bodies and local authorities may, within the scope of their authority established by this Federal Law and other federal laws, render economic support to non-commercial organizations.

2. Economic support of non-commercial organizations shall be rendered, in particular, in the following forms:

1) procurement of goods, works, services for state and municipal needs from non-commercial organizations in the order established by the legislation of the Russian Federation on contract system in procurement of goods, works, services for state and municipal needs;

2) granting privileges in payment of taxes and fees in accordance with the legislation on taxes and fees to citizens and legal entities rendering material support to non-commercial organizations;

3) granting other privileges to non-commercial organizations.

3. It shall not be allowed to grant privileges in payment of taxes and fees on an individual basis to some non-commercial organizations, as well as to some citizens and legal entities, rendering material support to these non-commercial organizations.

4. State power bodies and local authorities shall render support in the first-priority to socially oriented non-commercial organizations in compliance with this Federal Law.

**Article 31.1. Support of Socially Oriented Non-Commercial Organizations by the State Power Bodies and Local Authorities**

1. The state power bodies and local authorities in compliance with the scope of authority thereof established by this Federal Law and other federal laws may render support of socially oriented non-commercial organizations if they are engaged in the following kinds of activities provided for by the constituent documents thereof:

1) social support and protection of citizens;

2) preparing the population for overcoming the aftermath of natural calamities, ecological, man-caused or other disasters, for prevention of accidents;

3) rendering aid to victims of natural calamities, ecological, man-made or other disasters, of social, national and religious conflicts, to refugees and forced migrants;

4) environmental and wildlife protection;

5) protection and maintenance in compliance with the established requirements of facilities (in particular buildings, structures) and territories of historical, hieratic, cultural or ecological importance and of burial places;

6) rendering legal aid on a gratuitous basis or on easy terms to citizens and non-commercial organizations, as well as legal education of the population and activities aimed at the protection of human and civil rights and freedoms;

7) prevention of citizens' socially dangerous behavior;

8) charitable activities, as well as activities promoting charity and volunteering;

9) activities in the area of education, enlightenment, science, culture, arts, public medical care, prophylaxis and citizens' health protection, health lifestyle promotion, improvement of citizens' morals, physical training and sports and assistance to the cited kinds of activities, as well as assistance to the spiritual development of people.

10) forming in the society intolerance with respect of corrupt behavior;

11) developing interethnic cooperation, preservation and protection of the originality, culture, languages and traditions of peoples of the Russian Federation.

12) activities involved in patriotic upbringing of the citizens of the Russian Federation, including military-patriotic education;

13) carrying out search operations aimed at identifying unknown military graves and unburied remains of the defenders of the Fatherland, the establishment of the names of the dead and missing in the defense of the Fatherland;

14) participation in prevention and (or) suppression of fires and carrying out rescue operations;

15) social and cultural adaptation and integration of migrants;

16) activities related to medical rehabilitation and social rehabilitation, social and labor reintegration of persons engaged in illegal use of narcotic drugs or psychotropic substances;

17) promotion of mobility of labor resources.

2. For recognizing non-commercial organizations as socially oriented federal laws, laws of constituent entities of the Russian Federation, regulatory legal acts of representative bodies of municipal entities may establish, along with the kinds of activities provided for by this article, other kinds of activities aimed at solving social problems and development of civil society in the Russian Federation.

3. Support shall be rendered to socially oriented non-commercial organizations in the following forms:

1) financial, material, informational and consulting support, as well as support in respect of training, retraining and raising the qualifications of employees and volunteers of socially-oriented non-commercial organizations;

2) granting privileges to socially oriented non-commercial organizations in the payment of taxes and fees in compliance with the legislation on taxes and fees;

3) procurement of goods, works, services for state and municipal needs from socially-oriented non-commercial organizations in the order established by the



legislation of the Russian Federation on contract system in procurement of goods, works, services for state and municipal needs;

4) granting privileges to legal entities that render material support to socially oriented non-commercial organizations in payment of taxes and fees in compliance with the legislation on taxes and fees.

4. The constituent entities of the Russian Federation and municipal entities, along with the forms of support specified by Item 3 of this article, shall be entitled to render support to socially oriented non-commercial organizations in other forms on account of budget appropriations of budgets of constituent entities of the Russian Federation and local budgets respectively.

5. Financial support to socially oriented non-commercial organizations may be rendered on account of budget appropriations from the federal budget, budgets of constituent entities of the Russian Federation and local budgets by granting subsidies. Budget appropriations from the federal budget for financial support to socially oriented non-commercial organizations (in particular, for keeping the register of socially oriented non-commercial organizations receiving support), including subsidies to budgets of constituent entities of the Russian Federation, shall be provided in the procedure established by the Government of the Russian Federation.

6. Material support to socially oriented non-commercial organizations shall be rendered by the state power bodies and local authorities by transferring state or municipal property to such non-commercial organizations for possession and/or use. The cited property may be only used for its purpose.

7. Federal executive power bodies, executive power bodies of constituent entities of the Russian Federation and local administrations shall be entitled to approve lists of property which is free of third persons' rights (except for property rights of non-commercial organizations). The state and municipal property included into the cited lists may be only used for providing it to socially oriented non-commercial organizations for possession and/or use on a long-term basis (in particular, at reduced rental rates). These lists shall be published without fail in the mass media, as well as put on the Internet information telecommunication network, on official sites of the federal state power bodies, executive power bodies of constituent entities of the Russian Federation and local administrations that have approved them.

8. The procedure for keeping and mandatory publication of the lists provided for by Item 7 of this article, as well as the procedure for and terms of providing for possession and/or use of the state or municipal property included therein, shall be established by regulatory legal acts of the Russian Federation, regulatory legal acts of constituent entities of the Russian Federation and municipal legal acts respectively.

9. The state and municipal property included into the lists provided for by Item 7 of this article shall not be subject to alienation for private ownership, in particular for ownership by the non-commercial organizations obtaining it on a leasehold basis.

10. It shall be prohibited to sell the state and municipal property transferred to socially oriented non-commercial organizations, to assign the rights to its use, to put the rights to use it in pledge and to contribute the rights to use such property to the authorized capital of any other economic agents.

11. The federal executive power bodies, executive power bodies of constituent entities of the Russian Federation and local administrations that have rendered material

support to socially oriented non-commercial organizations shall be entitled to make a claim with an arbitration court for termination of the rights to possession and/or use by socially oriented non-commercial organizations of the state or municipal property provided to them, if it is used for an proper purpose and/or in defiance of the bans and restrictions established by this article.

12. Information support shall be rendered to socially oriented non-commercial organizations by state power bodies and local authorities by creating federal, regional and municipal information systems and information telecommunication networks, as well as ensuring their functioning for the purpose of implementation of the state policy in respect of rendering support to socially oriented non-commercial organizations.

### **Article 31.2. Registers of Socially Oriented Non-Commercial Organizations Receiving Support**

1. The federal executive power bodies, executive power bodies of constituent entities of the Russian Federation and local authorities rendering support to socially oriented non-commercial organizations shall form and keep federal, state and municipal registers of socially oriented non-commercial organizations receiving such support.

2. The following data on a non-commercial organization shall be included in the register of socially oriented non-commercial organizations:

1) full and shortened (if any) denomination and address (location) of the permanent body of a socially oriented non-commercial organization, the state registration number of the entry on the state registration of a non-commercial organization (basic state registration number);

2) taxpayer's identification number;

3) form and size of the support rendered;

4) time of rendering support;

5) denomination of the state power body or local self-government body that has rendered support;

6) date of the decision on rendering support or of the decision on stopping rendering support;

7) information about the kinds of activities exercised by a socially oriented non-commercial organization that has been supported;

8) information (if any) about the violations made by a socially oriented non-commercial organization that has received support, in particular about the use of the provided funds and property for an improper purpose.

3. The procedure for keeping registers of socially oriented non-commercial organizations receiving support and for keeping the documents presented by them, the requirements for technological, software, linguistic, legal and organizational means for ensuring the use of the cited registers shall be established by the authorized federal executive power body.

4. The information contained in registers of socially oriented non-commercial organizations receiving support shall be public and shall be provided in compliance with Federal Law No. 8-FZ of February 9, 2009 on Providing Access to Information about the Activities of the State Bodies and Local Authorities.

### **Article 31.3. Authority of the State Power Bodies of the Russian Federation, State**

## Power Bodies of Constituent Entities of the Russian Federation and Local Authorities in Respect of Resolving the Issues of Rendering Support to Socially Oriented Non-Commercial Organizations

1. The authority of state power bodies of the Russian Federation in respect of resolving the issues of rendering support to socially oriented non-commercial organizations shall extend to the following:

1) formulation and implementation of state policy with respect to socially oriented non-commercial organizations;

2) development and implementation of federal programs of support to socially oriented non-commercial organizations;

3) monitoring and analysis of financial, economic, social and other indices of the activities of socially oriented non-commercial organizations;

4) forming a united information system for the purpose of implementation of the state policy in respect of support to socially oriented non-commercial organizations;

5) financing scientific research and development works concerning the problems of activities and development of socially oriented non-commercial organizations on account of budget appropriations from the federal budget for rendering support to socially oriented non-commercial organizations;

6) promulgation and popularization of the activities of socially oriented non-commercial organizations;

7) assistance to regional programs of support to socially oriented non-commercial organizations;

8) arranging of official statistical recording of socially oriented non-commercial organizations, defining a procedure for random statistical observations of their activities in the Russian Federation;

9) preparing and publishing in the mass media annual reports on the activities and development of socially oriented non-commercial organizations in the Russian Federation, which must contain data on the use of the budget appropriations from the federal budget for supporting socially oriented non-commercial organizations, analysis of the financial, economic, social and other indices describing the activities of socially oriented non-commercial organizations, assessment of the efficiency of measures aimed at development of socially oriented non-commercial organizations in the Russian Federation, a forecast of their further development.

10) methodological support to state power bodies of constituent entities of the Russian Federation, local authorities and rendering of assistance thereto in the development and exercise of the activities aimed at supporting socially oriented non-commercial organizations in constituent entities of the Russian Federation and on the territories of municipal entities;

11) establishing the procedure for keeping registers of socially oriented non-commercial organizations receiving support, as well as establishing the requirements for technological, software, linguistic, legal and organizational means for ensuring the use of the cited registers;

12) forming an infrastructure for rendering support to socially oriented non-commercial organizations.

2. The authority of state power bodies of constituent entities of the Russian Federation in respect of resolving the issues of support to socially oriented

non-commercial organizations shall extend to the following:

- 1) participation in implementation of state policy in respect of rendering support to socially oriented non-commercial organizations;
- 2) development and implementation of regional and inter-municipal programs of rendering support to socially oriented non-commercial organizations subject to the socio-economic, ecological, cultural and other specifics;
- 3) financing scientific research and development works concerning the problems of activities and development of socially oriented non-commercial organizations on account of budget appropriations from the budgets of constituent entities of the Russian Federation for rendering support to socially oriented non-commercial organizations;
- 4) assistance to the development of inter-regional cooperation of socially oriented non-commercial organizations;
- 5) promulgation and popularization of the activities of socially oriented non-commercial organizations on account of budget appropriations from budgets of constituent entities of the Russian Federation for an appropriate year;
- 6) assistance to municipal programs of support to socially oriented non-commercial organizations;
- 7) analysis of financial, economic, social and other indices of the activities of socially oriented non-commercial organizations, assessment of the efficiency of activities aimed at development of socially oriented non-commercial organizations in constituent entities of the Russian Federation, a forecast of their further development;
- 8) methodological support to local authorities and rendering assistance to them in the development and exercise of the activities aimed at rendering support to socially oriented non-commercial organizations on the territories of municipal entities.

3. The authority of local self-government bodies in respect of rendering support to socially oriented non-commercial organizations shall extend to the creation of conditions for the activities of socially oriented non-commercial organizations, including the following:

- 1) development and implementation of municipal programs for rendering support to socially oriented non-commercial organizations subject to local socio-economic, ecological, cultural and other specifics;
- 2) analysis of financial, economic, social and other indices describing the activities of socially oriented non-commercial organizations, assessment of the efficiency of the activities aimed at the development of socially oriented non-commercial organizations on the territories of municipal entities.

### **Article 32. Control over the Activity of a Non-Commercial Organization**

1. A non-commercial organization shall keep accounting and statistical reporting in the procedure established by the legislation of the Russian Federation. The annual accounting (financial) reports/statements of a non-commercial organization exercising the functions of a foreign agent and (if not otherwise provided for by an international treaty made by the Russian Federation) the annual (accounting) financial reports/statements of a structural unit of a foreign not-for-profit non-governmental organization are subject to mandatory auditing.

A non-commercial organization shall furnish information about its activity to the bodies of state statistics and to the tax bodies, to the founders and any other persons in

accordance with the legislation of the Russian Federation and the constituent documents of the non-commercial organization.

Non-commercial organizations receiving monetary assets and other property from foreign sources shall keep separate records of incomes (expenses) received (made) within the framework of receipts from foreign sources and of the incomes (expenses) received (made) within the framework of other receipts.

**2.** The rates and the structure of the incomes of a non-commercial organization, and also the data on the rates and composition of the property of the non-commercial organization, on its expenses, the number and composition of workers, on the remuneration of their labor, on the use of gratuitous labor of citizens in the activity of the non-commercial organization may not be an object of commercial secrecy.

**3.** Non-commercial organizations, except for those cited in Item 3.1 of this Article, are bound to file with the authorized body the documents containing a report on the activities thereof, about the personal composition of the governing bodies, documents on the purposes of spending the monetary assets and of using other property, in particular of those received from foreign sources, while the non-commercial organizations exercising the functions of a foreign agent, are obliged to file an audit statement as well. With this, the documents presented by non-commercial organizations exercising the functions of a foreign agent must contain data on the purposes of spending the monetary assets and other property received from foreign sources, about their actual spending and use. The forms for presenting the cited documents (except for an audit statement) and the time for their presentation with due regard to the time provided for by paragraph two of this item shall be determined by the authorized federal executive power body.

Non-commercial organizations exercising the functions of a foreign agent shall file with the authorized body the documents containing a report on their activities and on the personal composition of the governing bodies thereof once every six months, the documents on the purposes of spending monetary assets and of using other property, in particular those received from foreign sources, on a quarterly basis and an audit statement shall be submitted by them on an annual basis.

**3.1.** Non-commercial organizations whose founders (participants, members) are not foreign citizens and/or organizations or stateless persons that had not for a year received any property and monetary means from foreign sources, in the event that the receipts of property and monetary means amounted up to three million rubles, shall submit to the authorized body or to its territorial body an application confirming their conformity to this Item and information in an arbitrary form about the continuation of their activity within the time periods to be determined by the authorized body.

**3.2.** Non-commercial organizations, except for those mentioned in Item 3.1 of this Article, must annually, and non-commercial organizations exercising the functions of a foreign agent - once every six months, place in Internet or give the mass media for publication a report about their activity in the volume of the information submitted to the authorized body or its territorial body.

Non-commercial organizations mentioned in Item 3.1 of this Article must annually place in Internet or give the mass media for publication a communication about the continuation of their activity.

The procedure and time for placing such reports and communications shall be

determined by the authorized federal body of executive power.

**3.3.** A state (municipal) institution shall ensure the openness and accessibility of the following documents:

- 1) constituent documents of the state (municipal) institution, including the amendments made therein;
- 2) state registration certificate of the state (municipal) institution;
- 3) founder's decision on establishing the state (municipal) institution;
- 4) founder's decision on appointing the head of the state (municipal) institution;
- 5) regulations on affiliate and representative offices of the state (municipal) institutions;
- 6) plan of financial and economic activities of the state (municipal) institution drawn up and endorsed in the procedure defined by the appropriate body exercising the founder's functions and authority and in compliance with the requirements established by the Ministry of Finance of the Russian Federation;
- 7) annual accounting reports/statements of the state (municipal) institution;
- 8) data on the control activities exercised in respect of the state (municipal) institution and about the results thereof;
- 9) state (municipal) task as to rendering services (carrying out works);
- 10) report on the results of its activities and on the use of the state (municipal) property assigned thereto which is drawn up and endorsed in the procedure defined by the appropriate body exercising the founder's functions and authority and in compliance with the general requirements established by the federal executive power body exercising the functions of formulation of the state policy and normative legal regulation of budgetary, tax, insurance, currency and banking activities.

**3.4.** State, budget-financed and autonomous institutions shall ensure the openness and accessibility of the documents cited in Item 3.3 of this Article, subject to the requirements of the legislation of the Russian Federation on the protection of state secrets.

**3.5.** The data defined by Item 3.3 of this Article shall be posted by the federal executive power body exercising law enforcement functions in respect of cash servicing of the administration of budgets of the budget system of the Russian Federation on the official Internet site on the basis of the information supplied by a state (municipal) institution.

The information shall be supplied by a state (municipal) institution, it shall be posted on the official Internet site and the mentioned site shall be kept in the procedure established by the federal executive power body exercising the functions of formulation of the state policy and normative legal regulation of budgetary, tax, insurance, currency and banking activities.

**4.** A structural unit of a foreign not-for-profit nongovernmental organization shall inform the authorized body of the amount of monetary funds and other property received by this structural unit, on the supposed distribution thereof, on the aims of their spending and use and on their actual spending and use, on the programs to be implemented on the territory of the Russian Federation, as well as on spending the said monetary funds by natural persons and legal entities to which they are granted, and on the use of the property provided to them, in the form and at the time that are established by the authorized federal executive body.

A structural unit of a foreign not-for-profit organization shall present on an annual basis to the authorized body the audit statement received from a Russian audit firm (from a Russian individual auditor), if not otherwise provided for by an international treaty made by the Russian Federation.

The authorized body shall post on its official site in the Internet the data presented by a structural unit of a foreign not-for-profit non-governmental organization or shall present them to the mass media for publication.

**4.1.** Control over compliance by non-commercial organizations of the requirements of the legislation of the Russian Federation and attainment of the goals provided for by the constituent documents thereof shall be exerted while exercising federal state supervision over the activities of non-commercial organizations, except for budget-financed and state-run institutions, and the departmental control over the activities of budget-financed and state-run institutions.

Federal state supervision over the activities of non-commercial institutions shall be exercised by an authorized federal executive body according to the scope of authority thereof in the procedure established by the Government of the Russian Federation.

The provisions of Federal Law No. 294-FZ of December 26, 2008 on the Protection of Legal Entities' and Individual Entrepreneurs' Rights During State Control (Supervision) and Municipal Control shall apply to the relations connected with the exercise of the federal state supervision over the activities of non-commercial organizations and holding inspections of non-commercial organizations, subject to the specifics of organizing and holding the unscheduled inspections cited in Items 4.2 - 4.5 of this Article.

**4.2.** The grounds for conducting an unscheduled inspection of a non-commercial organization are:

1) the expiration of the term for elimination of violations contained in the warning earlier issued by the authorized body or its territorial body to a non-commercial organization;

2) the receipt by an authorized body or its territorial body of information from state bodies, bodies of local self-government about violation by a non-commercial organization of the legislation of the Russian Federation in the sphere of its activity and (or) the presence in its activity of signs of extremism;

3) the receipt by an authorized body or its territorial body of the information of the electoral commission on conducting the inspection in accordance with Item 4 of Article 35 of the Federal law from July 11, 2001 No. 95-FZ on Political Parties, Item 13 of Article 59 of the Federal law of June 12, 2002 No. 67-FZ on Basic Guarantees of Electoral Rights and the Right to Participate in Referendum of Citizens of the Russian Federation";

4) the availability of an order (instruction) of the head of the authorized body or its territorial body issued in accordance with the instructions of the President of the Russian Federation or the Government of the Russian Federation or on the basis of requirements of the Prosecutor about carrying out unscheduled inspection within the framework of supervision of execution of laws on the base of materials and appeals received by Prosecutor's office;

5) the receipt by the authorized body or its territorial body of information from state bodies, local government bodies, citizens or organizations regarding the implementation

by a non-commercial organization of activities as non-commercial organization performing functions of a foreign agent that has not applied for inclusion in the registry of non-commercial organizations performing functions of a foreign agent provided in Item 10 of Article 13.1 of this Federal law;

6) the receipt by the authorized body or its territorial body of application from non-commercial organizations included in the registry of non-commercial organizations performing the functions of a foreign agent regarding the exclusion of this non-commercial organization from the specified registry in connection with the termination of its activities as non-commercial organization performing functions of a foreign agent.

**4.3.** An unscheduled inspection for the reasons cited in Subitem 3 and 6 of Item 4.2. of this Article is held by the authorized body immediately, with the body of the prosecutor's office to be notified thereof in the procedure established by Part 12 of Article 10 of Federal Law No. 294-FZ of December 26, 2008 on the Protection of Legal Entities' and Individual Entrepreneurs' Rights During State Control (Supervision) and Municipal Control.

**4.4.** It is not permitted to notify a non-commercial organization in advance of an unscheduled inspection due to the presence in its activity of signs of extremism is not allowed.

**4.5.** Planned inspections of a non-commercial organization performing the functions of a foreign agent shall be held at the most once a year.

Unscheduled inspections of a non-commercial organization performing the functions of a foreign agent, shall be held on the grounds specified in Item 4.2 of this Article, and subject to the provisions of Items 4.3 and 4.4 of this Article.

**4.6.** Repealed by Federal Law No. 18-FZ of February 21, 2014

**5.** In respect of a non-commercial organization, an authorized body and the officials thereof are entitled to carry out the following in the procedure established by the legislation of the Russian Federation:

1) to request the governing bodies of the non-commercial organization for the constituent documents thereof, except for documents containing information which may be obtained in accordance with Subitem 2 of this Item;

2) to obtain on demand information on the financial and economic activities of non-commercial organizations from the bodies in charge of state statistics, the federal executive body authorized to exercise control and supervision in the area of taxes and fees, and from other bodies of state control and supervision, as well as from credit and other financial organizations;

3) to send its representatives for participation in the events held by the non-commercial organization;

4) conduct inspections of the conformity of the activity of a noncommercial organization, including with regard to the spending of monetary means and the use of other property, to the purposes stipulated by its constituent documents. Such inspections may be held in respect of a structural unit of a foreign not-for-profit non-governmental organization, except for the structural units of a foreign non-governmental not-for-profit organization which are immune from the cited actions;

5) in the event of detecting a breach of the legislation of the Russian Federation or



in the event of committing by the non-commercial organization actions that are at variance with the goals provided by the constituent documents thereof, to issue a written warning thereto with an indication of the breach made and the time period for elimination thereof constituting not less than one month. The warning issued to a non-commercial organization may be appealed against with a superior body or court.

6) Abrogated by Federal Law No. 147-FZ of June 4, 2014.

**5.1.** Control over the activities of budget-financed and government institutions shall be exercised by:

1) the federal executive power bodies exercising the founder's functions and authority - in respect of budget-financed and government institutions;

2) in the procedure established by the supreme executive state power body of a constituent entity of the Russian Federation - in respect of budget-financed and government institutions of the constituent entity of the Russian Federation;

3) in the procedure established by the local administration of a municipal entity - in respect of municipal budget-financed and government institutions.

**5.2.** Control over the activities of the government and budget-financed institutions subordinate to the federal state power bodies (state bodies), where military service or service equated to it is provided for by law, shall be exercised subject to the requirements of the legislation of the Russian Federation on the protection of state secrets.

**6.** In the event of detecting a breach of the legislation of the Russian Federation or committing by an affiliate or a representative office of a foreign not-for-profit non-governmental organization actions contravening the declared goals and tasks, the authorized body shall be entitled to issue to the head of the appropriate structural unit of the foreign not-for-profit non-governmental organization a written warning with an indication of the breach made and the time period for elimination thereof constituting not less than one month. A warning issued to the head of the appropriate structural unit of a foreign not-for-profit non-governmental organization may be appealed against with a superior body or court.

**6.1.** Abrogated by Federal Law No. 147-FZ of June 4, 2014.

**7.** Non-commercial organizations shall be obliged to inform the authorized body of amending the data indicated in Item 1 of Article 5 of the Federal Law on State Registration of Legal Entities and Individual Entrepreneurs, except for the information on obtained licenses, within three days as of the date of occurrence of such amendments and to submit the appropriate documents for rendering a decision on their sending to the registering body. A decision on sending the appropriate documents to the registering body shall be rendered in the same procedure and at the same time as a decision on state registration. With this, a list and form of the documents that are required for making such amendments shall be determined by the authorized federal executive body.

A non-commercial organization intending after its state registration to exercise its activities as a non-commercial organization exercising the functions of a foreign agent is bound before starting such activities to file with the authorized body an application for its inclusion in the registry of non-commercial organizations exercising the functions of a foreign agent provided for by Item 10 of Article 13.1 of this Federal Law.

In case of identification of a non-commercial organization operating as a non-commercial organization performing functions of a foreign agent, which did not

apply for inclusion in the registry of non-commercial organizations performing functions of a foreign agent, according to Item 10 of Article 13.1 of this Federal Law, the authority includes this non-commercial organization the said register.

The decision to include a non-commercial organization in the registry of non-commercial organizations performing functions of a foreign agent may be appealed in court.

**8.** In the event of failure of an affiliate or a representative office of a foreign not-for-profit non-governmental organization to present at the established time the information provided for by Item 4 of this Article, the appropriate structural unit of the foreign not-for-profit non-governmental organization may be excluded from the register of affiliates and representative offices of international organizations and foreign not-for-profit non-governmental organizations on the basis of the authorized body's decision.

**9.** If the activities of an affiliate or representative office of a foreign not-for-profit non-governmental organization do not comply with the goals stated in the notification, as well as with the data presented in compliance with Item 4 of this Article, such structural unit may be excluded from the register of affiliates and representative offices of international organizations and foreign not-for-profit non-governmental organizations on the basis of a decision of the authorized body.

**10.** A repeated failure of a non-commercial organization to present at the established time the data provided for by this Article shall serve as a ground for filing by the authorized body or by a territorial body thereof an application for liquidation of this non-commercial organization.

**11.** The authorized body shall render a decision on the exclusion of an affiliate or representative office of a foreign not-for-profit nongovernmental organization from the register in connection with liquidation of the appropriate foreign not-for-profit non-governmental organization.

**12.** The authorized body shall send to a structural subdivision of a foreign not-for-profit non-governmental organization a reasoned decision in writing to prohibit implementation on the territory of the Russian Federation of the program, declared for implementation on the territory of the Russian Federation, or of its part. The structural unit of a foreign not-for-profit non-governmental organization that has received the said decision shall be obliged to terminate its activities connected with implementation of this program, insofar as it is indicated in the decision. A failure to execute the said decision shall entail exclusion of the appropriate affiliate or representative office of the foreign not-for-profit non-governmental organization from the register and liquidation of the branch of the foreign not-for-profit non-governmental organization.

**13.** For the purpose of protection of the fundamentals of the constitutional system, morals, health, rights and legitimate interests of other persons, ensuring the defence of the country and security of the State, the authorized body shall be entitled to issue to a structural unit of a foreign not-for-profit non-governmental organization a reasoned decision in writing prohibiting allocation of monetary funds and provision of other property to certain recipients of the said funds and other property.

**14.** The federal bodies charged with the exercise of fiscal control, the federal executive body authorized with respect to control and supervision in the area of taxes and fees shall establish the compliance of spending monetary funds and using other

property by non-commercial organizations with the aims provided for by the constituent documents thereof, and by affiliates and representative offices of foreign not-for-profit non-governmental organizations with the declared goals and tasks, and shall report the results to the body that has decided on registration of the appropriate not-for-profit organization and on the inclusion into the register of the affiliate or representative office of the foreign not-for-profit non-governmental organization and in respect of budget-financed institutions - to the appropriate bodies exercising the founder's functions and authority.

**14.1.** The federal executive power body authorized to exercise the functions of resistance to legalization (laundering) of incomes derived illegally and to financing of terrorism shall analyze the information about operations of non-commercial organizations received on the basis of Federal Law No. 115-FZ of August 7, 2001 on Countering the Legalization of Illegal Earnings (Money Laundering) and the Financing of Terrorism and, where there are grounds to believe that the cited information is incomplete and/or unreliable or that a non-commercial organization does not satisfy or does not satisfy in full the requirements of the legislation of the Russian Federation, shall notify of it the body that has adopted the decision on the state registration of this non-commercial organization either by request of the cited body or in its own initiative.

**15.** A foreign not-for-profit non-governmental organization shall be entitled to appeal against actions (omission to act) of state bodies with court at the location of the state body whose actions (omission to act) are appealed against.

**16.** The authorized body annually submits to the State Duma of the Federal Assembly of the Russian Federation report on the activities of non-commercial organizations performing the functions of a foreign agent, containing information about their involvement in political activities on the territory of the Russian Federation, on the receipt and expenditure of funds, as well as the results of monitoring of their activities.

## **Chapter VII. Final Provisions**

### **Article 33. Responsibility of Non-Commercial Organization**

A non-commercial organization, in case of the violation of the present Federal Law, shall bear responsibility in accordance with the legislation of the Russian Federation.

### **Article 34. Entry into Force of the Present Federal Law**

**1.** The present Federal Law shall enter into force from the day of its official publication.

**2.** To recommend the President of the Russian Federation and assign the Government of the Russian Federation to bring their legal acts in conformity with the present Federal Law.

President of the Russian Federation  
Moscow, the Kremlin  
January 12, 1996

Boris Yeltsin