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1 chap. Introductory provisions

§ 1 A foundation is formed by

1. appointment according to § 2,
2. appointment according to ch. § 1,

3. appointment in collective agreements according to ch. 11 § 3, or
4. measure for founding a pension foundation or personnel foundation in accordance with the Act (1967: 531) on securing pension commitments etc.

For such foundations as are referred to in the first paragraph 2 and 3, the provisions of this Act apply only to the extent specified in ch. For foundations referred to in the first paragraph 4, only the law on securing pension commitments etc. applies

Section 2 A foundation is formed by separating property according to the appointment of one or more founders in order to be permanently managed as an independent asset for a specific purpose.

The foundation's property shall be deemed to be separate when it has been taken care of by someone who has undertaken to manage it in accordance with the foundation's ordinance.

Section 3 A foundation ordinance shall be in writing and signed by the founder or founders. The provision in section 9 shall not be applied.

A valid testamentary appointment shall be accepted as a foundation appointment in accordance with this Act, notwithstanding the first paragraph. *Lag (2008: 86)* .

Section 4 A foundation may acquire rights and assume obligations as well as bring an action before courts and other authorities.

Only the foundation's assets are liable for a foundation's obligations.

Section 5 A foundation is a parent foundation and another legal entity is a subsidiary, if the foundation

1. holds more than half of the votes for all shares in the legal person,
2. owns shares in the legal person and due to agreements with other shareholders in this has more than half of the votes for all shares,
3. owns shares in the legal person and has the right to appoint or remove more than half of the members of its board or equivalent management body, or
4. owns shares in the legal person and has the right to exercise a controlling influence over it alone due to an agreement with the legal person or due to a regulation in its articles of association, articles of association or comparable articles of association.

Furthermore, a legal person is a subsidiary of the parent foundation, if another subsidiary of the parent foundation or parent foundation together with one or more other subsidiaries or several other subsidiaries together

1. holds more than half of the votes for all shares in the legal person,
2. owns shares in the legal person and due to agreements with other shareholders in it has more than half of the votes for all shares, or
3. owns shares in the legal person and has the right to appoint or remove more than half of the members of its board or equivalent management means.

If a subsidiary owns shares in a legal person and due to an agreement with the legal person or due to a provision in its articles of association, company agreements or comparable articles of association has the right to exercise a controlling influence over the legal person alone, this subsidiary is also the parent foundation.

The parent foundation and subsidiaries together form a group.

For the purposes of this Act, group companies refer to companies in the same group.

Law (1999: 1106) .

Section 5 a In the cases referred to in Section 5, first paragraph 1-3 and the second paragraph, such rights that accrue to someone who acts in his own name but on behalf of another natural or legal person shall be deemed to belong to that person.

In determining the number of votes in a subsidiary, the shares in the subsidiary held by that company itself or by its subsidiaries are not taken into account. The same applies to shares held by the person who trades in his own name but on behalf of the subsidiary or its subsidiaries. *Law (1999: 1106) .*

Section 5 b For the purposes of Sections 5 and 5 a, shares refer to shares and other participations in legal entities. *Law (1999: 1106) .*

Section 6 A foundation shall have a name. The name must contain the word foundation.

No one other than a foundation may use the word foundation or an abbreviation of this word in its name.

Provisions on a foundation's company name are found in Chapter 8.

Lag (2018: 1668) .

Section 7 The provisions of Sections 5-5 b, Section 6, first paragraph and Chapters 2-10.

does not apply in the case of foundations whose assets according to the foundation ordinance may be used only for the benefit of certain natural persons. *Law (1999: 1106) .*

8 § I 9 kap. there are provisions that foundations are under the supervision of a supervisory authority. I 10 kap. there are provisions that foundations must be registered in a foundation register. *Lag (2009: 244) .*

Section 9 A document pursuant to this Act that must be signed may, unless otherwise stated, be signed with such an advanced electronic signature as referred to in Article 3 of Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trusted services for electronic transactions in the internal market and repealing Directive 1999/93 / EC, as amended. *Lag (2016: 645) .*

Chapter 2 Management

General information about the administration

Section 1 The regulations in the foundation ordinance shall be followed in the administration of the foundation's affairs, unless the regulations contravene any provision of this Act.

Section 2 If an undertaking to manage the foundation's property in accordance with the foundation ordinance is made by one or more natural persons, there is its own administration. If such a commitment is made by a legal entity, there is affiliated administration.

The natural person or persons who have undertaken to manage the foundation's property in accordance with the foundation ordinance form the board of the foundation. In such a disposal of property as referred to in ch. Section 2, second paragraph, the foundation may be represented by someone who is to be a member of the board.

The legal person who has undertaken to manage the foundation's property is the trustee of the foundation. If the state has made such an undertaking, it is instead the authority that has made the undertaking on behalf of the state that is the trustee.

Section 3 The board or the trustee is responsible for ensuring that the regulations in the foundation ordinance are complied with.

The first paragraph does not imply liability on the board or the trustee for measures taken in accordance with the foundation ordinance by anyone other than the board in the matter of appointing or dismissing members or chairman of the board or by anyone other than the board or the trustee in the matter of appointing or dismissing auditors in the foundation or to determine the remuneration of the board, the trustee or the auditors.

Nor does the first paragraph entail responsibility for the board or the trustee for the content of an auditor's assignment to the extent that there are regulations to this effect in the foundation's ordinance.

Section 4 To the extent that it does not follow from the foundation's ordinance how the foundation's assets are to be invested, the board or trustee is responsible for ensuring that the assets are invested in an acceptable manner.

Section 5 A foundation may place its assets jointly with other foundations, unless otherwise provided by the foundation ordinance.

Section 6 A foundation may not lend money to or provide security for the benefit of

1. the founder or trustee,
2. the person who alone or together with others represents the foundation in accordance with § 16 or 23 or represents the trustee or, if the foundation is managed

by a trading company, the who is a partner in the company,

3. the person who alone or together with others has the right to represent a subsidiary to the foundation or, if the company is a trading company, is a partner in the company,

4. the person who is married to or is a sibling or relative in law ascending or descending line to a person referred to in 1--3,

5. the person who is disturbed by a person referred to in 1--3 in the correct ascending or descending line or so that one is or has been married to the other's siblings, or

6. a legal person over whose activities someone referred to in 1--5 has a decisive influence.

What is said in the first paragraph 4 and 5 shall also refer to a person who, due to a cohabiting relationship, is in a similar way to a person referred to in the first paragraph 1--3.

The first paragraph 2--5 and the second paragraph do not apply to lending to someone covered by these provisions if the foundation is to promote its purpose by providing money loans to or providing security for individuals and the borrower belongs to the group of persons who are to benefit. The provision in the first paragraph 6 does not apply if the debtor is a subsidiary of the foundation.

Section 7 The board or the trustee shall decide on the name of the foundation, if the foundation ordinance does not contain any regulation on the name of the foundation.

What is said in this Act about regulations in a foundation ordinance also applies to decisions made in accordance with the first paragraph.

Section 8 The board or the trustee is responsible for the foundation fulfilling its accounting obligation, etc. in accordance with the Accounting Act (1999: 1078) or, where applicable, its obligation to keep accounts in accordance with Chapter 3. Section 2 of this Act.

The board or the trustee is responsible for ensuring that the foundation's ordinance and other documents regarding the foundation are stored in an orderly and secure manner. *Law (1999: 1106)* .

Own management

Section 9 The board shall appoint and dismiss members unless otherwise provided by the foundation ordinance.

An assignment as a member of a board with two or more members ends if the member reports it to the person who appointed him or, if he or she cannot be reached, to the board.

An assignment as a member of a board with only one member ceases, if the member reports it to the supervisory authority and to the person who has appointed him, if he can be reached.

Section 10 The board of a foundation may not consist solely of the founder or founders. Anyone who is a minor or bankrupt or who has a trustee according to ch. Section 7 of the Parental Code cannot be a board member.

Section 11 A member of the board shall be the chairman. The chairman shall ensure that meetings are held when necessary. The board shall be convened if a board member so requests.

The chairman shall be elected by the board. In the event of an equal number of votes, the election is decided by drawing lots.

The provisions of the second paragraph apply only unless otherwise provided by the foundation ordinance.

Section 12 The board has a quorum if more than half of the entire number of board members is present. If the foundation ordinance stipulates that more board members must be present, this applies instead. Unless the foundation ordinance prescribes a special majority of votes, the opinion of the board that more than half of those present vote for or, in the event of an equal number of votes, the opinion that the chairman assists applies.

Section 13 Minutes shall be kept of the Board's decisions.

The minutes must be signed by the person who has been the registrar. It shall be adjusted by the chairman, if he has not kept the minutes. *Lag (2009: 244)* .

Section 14 A board member may not handle matters concerning an agreement between him and the foundation. He may also not handle questions about agreements between the foundation and third parties, if he has a significant interest in the matter that may conflict with the foundation's. An agreement is equated with another legal act as well as a trial or other action.

If the board is prevented from representing the foundation in accordance with the first paragraph, the supervisory authority may, at the request of the board, appoint a good man to represent the foundation in place of the board.

Section 15 A board member is entitled to a reasonable fee. Decisions on fees may be made by the board.

The first paragraph applies only unless otherwise provided in the foundation ordinance.

Section 16 The board represents the foundation and signs its name and company name.

When a foundation has been registered in the foundation register, the board may authorize someone else to represent the foundation and sign its name and company name. The Board may revoke such authorization at any time. The provisions of section 14 apply in respect of a person who has received such an authorization even if he or she is not a board member.

Anyone who is a minor or bankrupt or who has a trustee according to ch. Section 7 of the Parental Code may not be authorized to represent the foundation.

A foundation that has been declared bankrupt is represented as a bankruptcy debtor by the board that exists at the beginning of the bankruptcy. However, the provisions of section 9 apply during bankruptcy.

Lag (2009: 244) .

Section 16 a If the foundation does not have a competent representative residing in Sweden, the board shall authorize a person residing here to receive service on behalf of the foundation (special recipient of service). Such authorization may not be granted to anyone who is a minor or who has a trustee in accordance with ch. Section 7 of the Parental Code. *Law (2005: 246) .*

Section 17 If the board or any other representative of the foundation has undertaken a legal act for the foundation and thereby exceeded its authority, the legal act against the foundation does not apply if the person against whom the legal act was performed realized or should have realized that the authority was exceeded.

Section 18 If there are deputies for the board members, the provisions of this Act on board members also apply to the deputies.

Affiliate management

Section 19 An assignment as a trustee terminates, if the trustee notifies the supervisory authority and the person who has appointed him, if he can be reached.

The founder may not be a trustee. A person who has been declared bankrupt may not be a trustee either.

Section 20 Minutes shall be kept of the decisions made by the trustee regarding the foundation. The minutes must be signed by the person who has been the registrar. If a decision is made at a meeting, the minutes shall be adjusted by the chairman, if he has not kept the minutes. *Lag (2009: 244) .*

Section 21 The trustee may not handle matters concerning agreements between him and the foundation. The trustee may also not handle questions about agreements between the foundation and third parties, if the trustee in the matter has a significant interest that may be in conflict with the foundation's. A trial or other action is equated with an agreement.

The first paragraph also applies to representatives of the trustee.

If the trustee is prevented from representing the foundation in accordance with the first paragraph, the supervisory authority may, at the request of the trustee, appoint a good man to represent the foundation in the trustee's place.

Section 22 The trustee is entitled to a reasonable fee in arrears for calendar years. Decisions on fees may be made by the trustee.

The first paragraph applies only unless otherwise provided in the foundation ordinance.

Section 23 The trustee represents the foundation and signs its name and company name.

Once a foundation has been registered in the foundation register, the trustee may authorize someone else to represent the foundation and sign its name and company name. The trustee may revoke such authorization at any time. The provisions of section 21 apply in the case of a person who has received such authorization even if he or she is not a representative of the trustee.

Anyone who is a minor or bankrupt or who has a trustee according to ch. Section 7 of the Parental Code may not be authorized to represent the foundation.

A foundation that has been declared bankrupt is represented as a bankruptcy debtor by the trustee who is at the beginning of the bankruptcy. However, the provisions of section 19 apply during bankruptcy.

Lag (2009: 244) .

Section 23 a If the foundation or its trustee does not have a competent representative residing in Sweden, the trustee shall authorize a person residing here to receive service on behalf of the foundation (special recipient of service). Such authorization may not be granted to anyone who is a minor or who has a trustee in accordance with ch. Section 7 of the Parental Code.

Law (2005: 246) .

Section 24 If the trustee or another representative of the foundation has undertaken a legal act for the foundation and thereby exceeded his authority, the legal action against the foundation does not apply if the person against whom the legal act was performed realized or should have realized that the authority was exceeded.

Chapter 3 Accounting and annual report etc.

Accounting

Section 1 The Accounting Act (1999: 1078) contains provisions on when a foundation is required to keep accounts and whether it shall close the current accounts with an annual report or with an annual report.

If the accounting obligation ceases, this must be reported to the supervisory authority. *Law (1999: 1106)* .

Accounts

Section 2 Foundations that are not required to keep accounts in accordance with the Accounting Act (1999: 1078) shall continuously keep accounts of amounts that have been paid in to or paid out by the foundation. There must be vouchers for deposits and withdrawals. A foundation that has its assets jointly placed with another foundation's assets may, with regard to the jointly placed assets, have accounts that are joint with the other foundation.

The accounts must be concluded with a summary for each financial year. The summary must show assets and liabilities at the beginning and end of the financial year as well as income and expenses during the financial year. The summary must also state the value of the foundation's assets at the end of the financial year.

Documents, microscripts and machine-readable media used to preserve accounting information must be durable and easily accessible. They shall be retained until the seventh year following the end of the calendar year in which the financial year ended.

They must be stored in Sweden, in an orderly condition and in a reassuring and clear manner.

After a special order from the supervisory authority, a copy of the summary referred to in the second paragraph shall be submitted there.

Such an injunction shall be issued when someone so requests. Decisions on injunctions may be combined with fines. The question of the imposition of a fine is examined by the supervisory authority. *Lag (2010: 1511)* .

The value of the foundation's assets

Section 3 When determining the value of the foundation's assets in accordance with section 2, second paragraph, each asset shall be included at a value that corresponds to what the asset can be considered conditional on a sale under normal circumstances. However, properties and buildings that are movable property are included in the assessed value if such a value exists. *Law (1999: 1106)* .

Section 4 has been repealed by *law (1999: 1106)* .

Section 5 New designation Section 2.

Section 6 New designation Section 3

Annual report etc.

Sections 7-12 have been repealed by *law (1999: 1106)* .

Chapter 4 Audit

Section 1 A foundation shall have at least one auditor.

Unless otherwise provided in the foundation ordinance, the auditor is appointed and dismissed in a foundation with its own administration by the board.

Unless otherwise provided in the foundation ordinance, the auditor is appointed and dismissed in a foundation with affiliated administration by

1. the trustee's highest decision-making body,
2. the government or the authority determined by the government, if the trustee is a state authority, or
3. all partners jointly, if the manager is a trading company.

In a foundation referred to in § 2 5 of the Act (2002: 1022) on auditing of government activities, etc., the National Audit Office may appoint one or more auditors to participate in the audit together with other auditors. *Lag (2002: 1033)* .

Section 2 Unless otherwise provided in the foundation ordinance, a foundation may have one or more deputy auditors. The provisions of this Act on auditors also apply to the deputy auditors.

Section 3 A person who is a minor, in bankruptcy or subject to a business ban or who has a trustee in accordance with ch. Section 7 of the Parental Code may not be an auditor.

An auditor shall have the insight and experience of accounting and financial matters that, with regard to the foundation's purposes and the nature and value of the foundation's assets, is required for the performance of the assignment.

A registered auditing company can also be appointed as auditor.

Provisions on who may be primarily responsible for the audit and on the obligation to notify are contained in section 17 of the Auditors Act (2001: 883). The provisions of section 6 of this chapter apply to the principal.

At least one of the parent foundation's auditors should be appointed as an auditor in subsidiaries, if possible. *Law (2001: 887)* .

Section 4 At least one auditor shall be an authorized or approved auditor, if the foundation is obliged in accordance with the Accounting Act (1999: 1078) to prepare an annual report.

At least one auditor must be a certified public accountant, if the foundation fulfills more than one of the following conditions:

1. the average number of employees in the foundation has during each of the last two financial years amounted to more than 50,
2. the foundation's reported total assets for each of the last two financial years amounted to more than SEK 40 million,
3. the foundation's reported net sales with the addition of grants, gifts and other similar income have for each of the last two financial years amounted to more than SEK 80 million.

The second paragraph also applies to a parent foundation in a group if the group meets more than one of the following conditions:

1. the average number of employees in the group has during each of the last two financial years amounted to more than 50,
2. the foundation and the other group companies' reported total assets for each of the last two financial years amounted to more than SEK 40 million,
3. the foundation's and the other group companies' reported net sales with the addition of grants, gifts and other similar income that the foundation has received for each of the two most recent financial years amounted to more than SEK 80 million.

For the application of the third paragraphs 2 and 3, receivables and liabilities between Group companies, as well as internal profits, shall be eliminated. The same applies to income and expenses relating to transactions between Group companies, as well as changes in internal profit.

For a foundation covered by the second or third paragraph, the government or the authority determined by the government may in an individual case decide that a certain approved auditor may be appointed instead of an authorized auditor. Such a decision is valid for a maximum of five years. *Lag (2013: 220)* .

Section 5 In the case of foundations other than those referred to in section 4, first paragraph, the supervisory authority may decide that at least one auditor shall be an authorized or approved auditor.

Section 6 It may not be an auditor who

1. is the foundation's founder or trustee,
2. alone or together with others represents the foundation in accordance with ch. § 16 or 23 or represents the nominee or, if the foundation is managed by a trading company, is a partner in the company,
3. alone or together with others has the right to represent a subsidiary to the foundation or to the nominee or, if the subsidiary is a trading company, is a partner in the company,
4. assists in the keeping of the foundation's accounts or in the management of the foundation's assets or the control of the foundation over them;
5. is employed by or otherwise holds a subordinate or dependent position to the foundation or to the trustee or to someone else referred to in 1-4,
6. is active in the same company as the person who professionally assists the foundation in the basic accounting or bookkeeping according to ch. 3 § 2 or in the foundation's asset management or the foundation's control over it,
7. is married or cohabiting with or is a sibling or relative in the right ascending or descending line to a person referred to in 1-4 or is disturbed by such a person in the right ascending or descending line or so that one is married to the other's siblings, or
8. is in debt to the foundation or the trustee or to a subsidiary of the foundation or to the trustee or has obligations for which the foundation, the trustee or subsidiaries of the foundation or the trustee have provided security.

In the case of foundations referred to in section 4, second or third paragraph, instead of the provision in the first paragraph 6, it may not be an auditor who is active in the same company as the person who professionally assists the foundation in the accounting or bookkeeping according to 3 Cape. § 2 or at the foundation's asset management or the foundation's control over it.

In a subsidiary, it may not be an auditor who according to the first or second paragraph is not authorized to be an auditor in the parent foundation.

An auditor may not hire someone who is not authorized to be an auditor during the audit, in accordance with the first to third paragraphs. If the foundation, the founder, the trustee or a subsidiary has an employee in its service with the task of exclusively or mainly dealing with internal auditing or auditing of a similar nature, the auditor may, however, hire such an employee to the extent that it is in accordance with good auditing practice.

Lag (2006: 401) .

Section 7 An auditor is appointed for a fixed period or until further notice.

An assignment that the auditor terminates,

1. if the auditor reports it to the person who has appointed him or her,
2. if the auditor is dismissed on objective grounds by someone who according to section 1, second or third paragraph has the right to do so, or
3. when a new auditor has been appointed.

If an assignment to be an auditor for a fixed period of time ceases prematurely, the auditor must immediately notify the supervisory authority if the assignment has concerned a foundation which according to the Accounting Act (1999: 1078) is obliged to prepare an annual report. The same applies if an assignment to be an auditor ceases for the time being without a new auditor having been appointed. In the notification, the auditor must provide an account of the observations during the audit that he or she has performed during the part of the current financial year that the assignment has covered. For notification, the provisions of section 11, third and fourth paragraphs on the auditor's report apply in applicable parts. A copy of the application must be submitted to the foundation's board or trustee.

The provision in the third paragraph does not apply if the assignment has applied to such a foundation as is referred to in Chapter 9. Section 10, first paragraph.

If an auditor's assignment terminates prematurely or an assignment to be an auditor terminates indefinitely without a new auditor having been appointed, the auditor and the person who has appointed the auditor shall notify the supervisory authority of the reason for this.

Lag (2009: 567) .

§ 7 a If an auditor's assignment terminates prematurely or an assignment to be an auditor terminates for the time being without a new auditor being appointed or if the provisions in § 6 prevent him or her from being an auditor, the person who according

to § 1 second or third the paragraph has the right to appoint and dismiss the auditor to take measures to appoint a new auditor.

Lag (2009: 567) .

Section 8 The supervisory authority may appoint an auditor for a foundation, if

1. no auditor is appointed,
2. no authorized or approved auditor is appointed when required under section 4 or 5,
3. an appointed auditor may not be an auditor in accordance with what is prescribed in § 3 first paragraph or § 6, or
4. a regulation in the foundation ordinance on the number of auditors or if the auditor's authority has been violated.

In cases referred to in the first paragraph 1--4, the board or the trustee is obliged to report to the supervisory authority, unless correction is made without delay through the person appointing the auditor.

Appointments pursuant to the first paragraph shall be announced after the foundation has been consulted and refer to the time until another auditor has been appointed. When appointing an auditor in cases referred to in the first paragraph 2-4, the supervisory authority shall dismiss the previously appointed auditor.

Section 9 The auditors shall, to the extent that follows good auditing practice, examine the foundation's accounts and annual report, annual accounts or summary in accordance with Chapter 3. § 2 second paragraph and the board or trustee's administration.

If the foundation is a parent foundation that is to prepare consolidated accounts, the auditors must also examine the consolidated accounts and the mutual relationships of the group companies in general.

If the foundation ordinance contains regulations on auditing, these shall be observed, unless they contravene the first or second paragraph or any other provision in this Act.

Law (1999: 1106) .

Section 10 The board or the trustee shall give the auditors the opportunity to carry out the audit to the extent that they deem necessary and provide the information and assistance requested by the auditors. The management and auditors of a subsidiary have the same obligation towards an auditor in the parent foundation.

I 8 kap. Sections 2 and 16 of the Annual Accounts Act (1995: 1554) contain provisions on the time at which the annual accounts and, where applicable, the consolidated accounts must be submitted to the auditor at the latest.

If the foundation is not obliged to prepare an annual report in accordance with the Accounting Act (1999: 1078), the annual accounts or the summary of the accounts specified in ch. Section 2, second paragraph, is submitted to the auditor within four months after the end of the financial year. *Law (2001: 305)* .

Section 11 The auditors shall submit an audit report for each financial year.

In the case of foundations which according to the Accounting Act (1999: 1078) are obliged to prepare annual reports, the auditor's report must contain a statement as to whether the annual report has been prepared in accordance with the Annual Accounts Act (1995: 1554). The statement shall state in particular whether the annual report gives a true and fair view of the foundation's results and position and whether the administration report is compatible with the other parts of the annual report. If the annual report does not contain such information that is to be provided in accordance with the Annual Accounts Act, the auditors must state this and, if possible, provide the necessary information in their report. In the case of such a sustainability report as is referred to in ch. Section 10 of the Annual Accounts Act, the audit report shall instead contain a statement as to whether a report has been prepared or not.

In the auditor's report, it must also be noted whether the auditors in their audit have found that

1. the foundation's assets have been used contrary to the foundation's purpose or that its assets are placed in violation of the foundation ordinance or ch. § 4 or 6,
2. any other measure or negligence means that the regulations in the foundation ordinance or the provisions of this law or the Annual Accounts Act have not been complied with, or
3. what according to 1 or 2 is a board member or trustee to blame or other measure or negligence can give rise to an obligation to pay compensation in accordance with ch. § 1 first sentence or dismissal according to ch. 9 6 §.

If the foundation has carried on business activities during the financial year, section 30, first paragraph, of the Auditing Act (1999: 1079) shall also be taken into account when the audit report is prepared.

In a parent foundation, the auditors must submit a special audit report for the Group. Then the second paragraph and third paragraphs 2 and 3 shall apply. *Lag (2016: 952)* .

Section 12 After the auditors of a foundation which according to the Accounting Act (1999: 1078) is obliged to prepare an annual report has completed the audit, they shall write a reference to the auditor's report on the annual report and, in a parent foundation, on the consolidated accounts. If the auditors find that the balance sheet or income statement is incorrect, they must also record this. In a parent foundation, the same applies to the consolidated balance sheet and the consolidated income statement.

Law (1999: 1106) .

Section 13 The auditors shall submit the audit and consolidated auditor's report and the annual and consolidated accounts, annual accounts or compilation signed by them to the board or the trustee no later than five and a half months after the end of the foundation's financial year.

Section 14 Memoranda that the auditors present to the board or the trustee and that have not been included in the auditor's report, they shall record in minutes or some other document. The document must be submitted to the board or the trustee.

Section 15 The auditors may not unauthorisedly provide information to third parties on such matters of the foundation as they have become aware of in the performance of their duties, if this may be to the detriment of the foundation.

The auditors are obliged to

1. to a co-auditor, a new auditor, the supervisory authority and, if the foundation has been declared bankrupt, the bankruptcy trustee provide the necessary information about the foundation's affairs, and
2. upon request provide information about the foundation's affairs to the investigator during the criminal investigation.

The provision in the second paragraph 1 on the obligation to provide information to the supervisory authority does not apply in the case of such a foundation as is referred to in Chapter 9. Section 10, first paragraph. The same applies to information in such respects where the foundation is exempt from supervision in accordance with ch. 10 a §.

The auditors of a foundation covered by ch. Section 3 of the Public Access to Information and Secrecy Act (2009: 400) is also obliged to provide information on the foundation's affairs to the elected auditors in the municipality, region or in such municipal associations in which the municipality or region is a member.

The auditors of a foundation referred to in section 2 (5) of the Act (2002: 1022) on the audit of government activities, etc. are obliged to provide information on the foundation's affairs to the National Audit Office upon request. *Lag (2019: 889)* .

Section 16 The auditors have the right to receive a reasonable fee from the foundation for their assignment.

Chapter 5 Damages

Section 1 A board member or trustee who, in the performance of his or her assignment, intentionally or through negligence causes damage to the foundation shall compensate the damage. The same applies when the damage is inflicted on someone else by violating the regulations in the foundation ordinance, this law or the Annual Accounts Act (1995: 1554). *Lag (2009: 244)* .

Section 2 An auditor is liable for compensation in accordance with the grounds specified in section 1. The auditor is also responsible for damage that is intentionally or through negligence caused by the auditor's assistant. In cases referred to in ch. 4 Section 15, second paragraph 2 of this Act and Chapter 4 Sections 3 and 6 of the Act (2017: 630) on Measures against Money Laundering and Terrorist Financing,

however, the auditor is only liable for damages due to incorrect information that the auditor or the auditor's assistants have had reasonable grounds to assume were incorrect.

If an auditing company is an auditor, it is the company and the person who is primarily responsible for the audit who are liable for compensation.

Lag (2017: 635) .

§ 3 If someone is liable for compensation according to § 1 or 2, the damages may be adjusted according to what is reasonable with regard to the nature of the document, the size of the damage and the circumstances in general.

Should several persons compensate the same damage, they are jointly and severally liable for the damages to the extent that the liability for damages has not been adjusted for any of them in accordance with the first paragraph. What someone has paid in damages may be claimed back from the others according to what is reasonable in view of the circumstances.

§ 4 An action for damages to the foundation according to § 1 or 2 may be brought, except by the board or trustee, by the

1. founder or, if the founder is deceased, his surviving spouse or cohabitant, heir, heir's descendant, universal testator, executor or executor in the estate of the founder,
2. a board member,
3. the person who, according to the foundation's purpose, may benefit from the foundation,
4. the person who through the foundation ordinance has the right to bring such an action, and
5. the supervisory authority.

An action for damages to the foundation according to § 1 or 2 can also be brought by the foundation's bankruptcy estate.

The person who has brought an action on the basis of the first paragraph 1-5 or the second paragraph is responsible for the legal costs but is entitled to compensation from the foundation for the cost covered by what has benefited the foundation through the trial.

The provision in the first paragraph 5 does not apply in respect of such a foundation as is referred to in ch. Section 10, first paragraph.

§ 5 Such an action on behalf of the foundation according to § 1 or 2 that is not based on crime can not be brought against

1. a board member or trustee has for three years elapsed from the end of the financial year when the decision or measure on which the action was made or taken, or
2. an auditor has elapsed since the audit report reached the board or the trustee three years ago.

Notwithstanding the provisions of the first paragraph, the foundation's bankruptcy estate may bring an action, if the bankruptcy application has been made before the time specified in the first paragraph has expired. After the expiry of the said period, however, such an action may not be brought later than six months from the oath meeting.

Chapter 6 Amendment etc. of regulations in a foundation ordinance

Change etc. after permission from the Chamber of Deputies

1 § The Board or the Trustee may not, without the permission of the Legal amend or repeal or in special cases override the provisions of the Foundation decree concerning the

- first Foundation's purposes,
- 2. how the Foundation's assets will be placed,
- 3. whether the foundation will have its own or its related management,
- 4 by whom a board member or the trustee is dismissed or appointed or how the board is to be composed,
- 5. the board's quorum or voting procedure,
- 6. fees to the board members or the trustee,
- 7. accounts or annual report for the foundation,
- 8. audit, or
- 9. the right to bring an action for damages to the foundation or to apply for dismissal of a board member or trustee.

The regulations may be amended, repealed or in special cases only infringed if they can no longer be complied with due to changed circumstances or have become manifestly useless or manifestly contrary to the founder's intentions.

Regulations referred to in the first paragraph 2-9 may also be amended, repealed or in special cases violated if there are other special reasons. Regulations referred to in the first paragraph 1 may be amended, repealed or in special cases violated if there are special reasons.

When amending regulations on the foundation's purpose, what can be assumed to have been the founder's intention must be taken into account as far as possible. *Lag (2009: 244)* .

Section 2 Questions about permits in accordance with section 1 are examined on application by the board or the trustee. The decision of the Board of Appeal may be appealed to a general administrative court. Permission to appeal is required in an appeal to the Court of Appeal. *Lag (2009: 244)* .

Change etc. after permission by the supervisory authority

Section 3 In cases other than those referred to in section 1, first paragraph, the board or the trustee may not, without the permission of the supervisory authority, amend, repeal or in a special case override a regulation in the foundation ordinance. In this case, section 1, second paragraph, first and second sentences shall be applied.

Permission shall be granted if the decision of the board or the trustee does not contravene this law.

Questions about permits are examined on application by the board or the trustee. *Lag (2009: 244)* .

Change etc. without permission

Section 4 If the founder in the foundation ordinance has expressly prescribed that the board or trustee may, without permission from an authority, amend, repeal or override specifically specified regulations in the foundation ordinance that relate to an issue other than those specified in section 1, first paragraph 1, what has been prescribed in the foundation ordinance without prejudice to §§ 1 and 3.

The board or the trustee shall notify the supervisory authority of decisions referred to in the first paragraph.

The decision is valid from the day when three months have elapsed since the notification was received by the supervisory authority, unless this has prohibited the board or the trustee from applying the decision during the three-month period. Prohibition by the supervisory authority may be based only on the fact that the decision is contrary to this law. *Lag (2009: 244)* .

Change etc. in the case of state foundations

§ 4 a In the case of a foundation that has been formed by the state, the government may, with regard to that foundation, even without the consent of the board or trustee and despite what is stated in § 1, amend or repeal regulations in the foundation ordinance concerning matters specified in 1 § first paragraph 2-9.

The Government may consider questions of amendment or repeal in accordance with the first paragraph without an application. *Lag (1996: 1207)* .

Termination of a foundation in a certain case

Section 5 The board or the trustee may decide to consume the foundation's assets for the purpose for which they are intended or for a purpose that corresponds as closely as possible to this, if

1. the foundation was formed more than 20 years ago,
2. the foundation has not been able to promote its purpose during the last five years,
3. the value of the assets, valued with application of ch. § 3, at the end of the last three financial years has been less than a limit amount that corresponds to ten times

the then applicable price base amount according to ch. Sections 6 and 7 of the Social Insurance Code, and the 4th Foundation have no debts.

The provisions of section 3 on permission by the supervisory authority are applied to decisions pursuant to the first paragraph. *Lag (2010: 1260)* .

Chapter 7 Liquidation and dissolution

Conditions for liquidation etc.

Section 1 The board or trustee of a foundation that carries on business activities shall without delay prepare a special balance sheet as soon as there is reason to assume that the value of the foundation's assets is less than the sum of the foundation's liabilities.

The same obligation arises if the foundation upon enforcement according to ch. the Enforcement Code has been found to have no foreclosure assets.

If the balance sheet shows that the value of the assets is less than the sum of the liabilities, the board or the trustee must apply to the district court for the foundation to be put into liquidation. Such an application can also be made by a board member or auditor.

Section 2 When calculating the value of the foundation's assets, the balance sheet referred to in section 1 shall provide information on the increase in the total value of the assets that would follow if they were reported at sales value less sales costs. However, such fixed assets that are subject to continuous depreciation must be included in the acquisition value less necessary depreciation and write-downs, if this results in a higher value.

When calculating the sum of the foundation's debts, debts due to state aid for which the repayment obligation depends on the foundation's financial position shall not be taken into account, if the aid, in the event that the foundation goes bankrupt or goes into liquidation, shall be repaid only after other debts has been paid in full. *Lag (2015: 816)* .

Section 3 If the board members or the trustee fail to fulfill what is incumbent on them in accordance with section 1, they and others who, with knowledge of this failure, act on behalf of the foundation are jointly and severally liable for the obligations that arise for the foundation. However, a board member or trustee avoids liability if he shows that the failure is not due to negligence on his part.

Liability under the first paragraph does not apply to obligations that arise after the liquidation issue has been referred to court or the balance sheet referred to in section 4 has been reviewed by the auditors and approved by the supervisory authority.

Section 4 The district court shall decide that the foundation shall enter into liquidation, unless it is proven during the proceedings in the court that a balance sheet, showing that the foundation has assets to a value exceeding the sum of the debts, has been audited by the auditors and approved by the supervisory authority.

Proceedings before the Court

§ 5 If an application for liquidation is made in accordance with § 1, the court shall immediately call the foundation and creditors who wish to comment in the case to appear before the court on a specific day, when the question of the foundation's obligation to enter liquidation shall be considered. The notice shall be served on the foundation, if the service can take place in another way than in accordance with Sections 38 and 47-51 of the Service Act (2010: 1932). The summons shall be published by the court in Post- och Inrikes Tidningar at least two and at most four months before the date of cancellation. *Lag (2010: 1964)* .

§ 6 If the applicant has had costs for service or announcement and for expeditions in a case according to § 1, the costs shall be paid from the foundation's funds, if the foundation is obliged to go into liquidation or if the court otherwise finds it reasonable.

Implementation of the liquidation

Section 7 A court that decides that a foundation shall enter into liquidation shall at the same time appoint one or more liquidators.

The liquidators take the place of the board or the trustee and have the task of carrying out the liquidation.

The liquidators must immediately register a decision on liquidation and appointment of a liquidator for registration in the foundation register.

The provisions of this Act on boards and board members apply to the liquidators, insofar as nothing else follows from this chapter. A liquidator is always entitled to a reasonable fee.

A foundation is always liable for bookkeeping during liquidation.

An assignment to be an auditor does not end when the foundation goes into liquidation. The provisions in ch. 4 applied during the liquidation. The auditor's report shall contain a statement as to whether, in the opinion of the auditors, the liquidation is unnecessarily delayed.

Section 8 When the foundation has entered into liquidation, the board or the trustee shall immediately submit an account of its management of the foundation's affairs during the period for which accounting documents have not previously been submitted to the auditors.

The report shall be submitted to the auditors as soon as possible.

The provisions on the annual report and auditor's report shall apply.

If the time also covers the previous financial year, a special report must be submitted for this year. In a parent foundation, this special report shall also include consolidated accounts.

Section 9 The liquidators shall immediately apply for summons to the foundation's unknown creditors.

Section 10 The liquidators shall, as soon as possible through a sale at a public auction or in another suitable manner, transform the foundation's assets into money, to the extent necessary for the liquidation, and pay the foundation's debts. The foundation's business activities may be continued if necessary for a purposeful closure or for the employees to have a reasonable time to acquire new employment.

Section 11 When the application period determined in the summons to the foundation's unknown creditors has expired and all known debts have been paid, the liquidators shall use the remaining assets for the purpose for which they are determined or for a purpose that corresponds as closely as possible to this. If it is not possible to use the assets in this way, they must be handed over to the General Heritage Fund. However, if any amount of debt is disputed or not due for payment or for some other reason cannot be paid, as much of the surplus shall be retained as may be required for this payment.

Section 12 When the liquidators have completed their assignment, they shall, as soon as possible, submit a final report for their administration through an administration report concerning the liquidation in its entirety. To the report, they must attach accounting documents for the entire liquidation period. The report and accounting documents must be submitted to the auditors. These shall, within one month thereafter, submit to the liquidators an audit report on the final accounts and administration during the liquidation. The liquidators shall then immediately send a copy of the audit and management reports to the supervisory authority.

Section 13 When the liquidators have sent the audit and administration reports to the supervisory authority, the foundation is dissolved. This relationship must be immediately reported by the liquidators for registration in the foundation register.

If the liquidators find that the foundation is insolvent and cannot pay the liquidation costs, they must apply for the foundation to be declared bankrupt.

Section 14 If, after the dissolution of the foundation in accordance with section 13, it turns out that the foundation has assets or if an action is brought against the foundation or there is a need for a liquidation measure for some other reason, the liquidation shall continue. This must be reported immediately by the liquidators for registration in the foundation register.

Section 15 If a liquidation decision has been revoked by a decision of a court that has gained legal force, the foundation's previous board or trustee replaces the liquidators. The liquidators must immediately notify the decision for registration in the foundation register.

When liquidation has ceased in accordance with the first paragraph, section 12 shall apply.

Liquidation after bankruptcy

Section 16 If a foundation that carries on business activities has been declared bankrupt and this is terminated with a surplus, the board or trustee shall within one month from the end of the bankruptcy decide that the foundation shall go into liquidation and immediately report this to the district court. He shall then appoint one or more liquidators without delay.

If the foundation was in liquidation when it was declared bankrupt, the liquidation shall be continued in accordance with section 14.

Section 17 If no such decision is made as is referred to in section 16, first paragraph, the district court shall decide that the foundation shall enter into liquidation.

The question of liquidation pursuant to the first paragraph is examined on notification by the supervisory authority or on the application of a board member or a creditor.

If the supervisory authority or the applicant has incurred costs for service or announcement as well as for expeditions in a case pursuant to the second paragraph, the costs shall be paid from the foundation's funds.

Dissolution without liquidation

Section 18 In cases referred to in Chapter 6 Section 5, the foundation is dissolved when the assets have been used up.

When a foundation's bankruptcy has been completed without a surplus, the foundation is dissolved.

Article 48 (2) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings contains a specific provision on when a legal person or an undertaking is to be deemed to be dissolved. *Lag (2017: 480)* .

Chapter 8 The foundation's company name

Section 1 A foundation's company name shall clearly differ from other company names that have previously been entered in the foundation register. A company name that differs from the name of the foundation may not include the word foundation or an abbreviation of this word. In other respects, there are provisions on registration in the Act (2018: 1653) on company names. *Lag (2018: 1668)* .

Section 2 The Act (2018: 1653) on company names contains provisions on the prohibition of the use of a company name and on the cancellation of a registration of a company name. *Lag (2018: 1668)* .

Section 3 If a company name specified in the foundation ordinance cannot be registered, the board's or the trustee's decision on a new company name may be applied without the provisions in ch. observed. *Lag (2018: 1668)* .

Section 4 Written documents issued for a foundation in its business activities should be signed stating the foundation's company name. When stating a company name that does not coincide with the name of the foundation, it must always be stated in an appropriate manner that it is a foundation that holds the company name.

If the board or the trustee or any other representative of the foundation has issued a document without a signature and it is not clear from the content of the document that it has been issued on behalf of the foundation, those who have signed the document are jointly and severally liable for the obligation under the document. This does not apply, however, if

1. it was clear from the circumstances at the time the document was created that the document was issued to the foundation, and
2. the co-contractor has received an authorization signed by the foundation without undue delay after either a request for such approval has been made or personal liability has been asserted against the signatories. *Lag (2018: 1668)* .

Chapter 9 Supervision etc.

Introductory provisions

Section 1 A foundation with its own administration is under the supervision of the county administrative board which is the supervisory authority in the county where the foundation's board has its seat or, if the seat is not determined, where the administration is mainly exercised. A foundation with affiliated administration is under the supervision of the county administrative board which is the supervisory authority in the county where the administrator has its registered office or, if the registered office is not determined, where the administrator's own administration is mainly exercised or, if a trading company is the administrator.

The government issues regulations on which county administrative board is the supervisory authority in a county.

The government or the authority determined by the government may in an individual case decide that an authority other than that which follows from the first paragraph shall be the supervisory authority for a foundation.

That special provisions on supervision apply to certain foundations is stated in sections 10 and 10 a. *Lag (2009: 244)* .

Section 2 The Government or the authority determined by the Government may issue regulations on fees for the activities of the supervisory authorities in accordance with this Act.

The meaning of supervision etc.

Section 3 The supervisory authority shall intervene if it can be assumed that the foundation's administration or audit of the foundation is not exercised in accordance with the foundation ordinance or the provisions of this Act or that a board member or trustee otherwise mismanages his assignment.

The supervisory authority shall provide the foundations with advice and information.

Section 4 The supervisory authority may

1. request documents or information from the foundation,
2. convene and participate in meetings with the foundation's board or trustee, and
3. if there is a special reason, carry out an inspection at the foundation at a time and manner determined by the authority.

In cases referred to in the first paragraph 3, the foundation's board or trustee is obliged to keep the foundation's cash, securities and other assets as well as accounting materials and minutes available to those who carry out the inspection.

Section 5 The supervisory authority may

1. separate a board member from his assignment if he is unauthorized in accordance with ch. § 10 or according to the Act (2014: 836) on business bans and separate a trustee who is unauthorized according to ch. § 19 second paragraph from the assignment,
2. order one or more board members or the trustee to fulfill their duties,
3. prohibit one or more board members or the trustee to enforce a decision or, if the decision has been enforced, order one or more board members or the trustee to do correction if it can be done.

That the supervisory authority also has other powers is stated in Chapter 4. 5 and 8 §§ and ch. 5 4 §.

Decisions on injunctions or prohibitions pursuant to the first paragraph 2 and 3 may be combined with a fine. The supervisory authority shall consider the question of imposing a fine imposed in accordance with the first paragraph 2, if the injunction only concerns the obligation to submit one or more documents to the supervisory authority. In other cases, the issue is tried by the administrative court in accordance with the Act (1985: 206) on fines. *Lag (2014: 843)* .

Section 6 If a board member or the trustee mismanages his or her assignment, he or she may be dismissed by a general court.

The dismissal may be limited to a certain time.

In the case of who has the right to apply for dismissal, Chapter 5 applies. Section 4, first and fourth paragraphs.

If the supervisory authority has applied for dismissal of a board member or the trustee, the supervisory authority may dismiss him for the time being until the court has finally tried the matter or decided otherwise.

Lag (2009: 244) .

Section 7 In a foundation with its own administration, the supervisory authority shall appoint

1. a new board member, if this is necessary for the board to have a quorum,
2. chairman of the board in cases where someone other than the board shall appoint a chairman but does not, and
3. a special service recipient residing in Sweden, when such a service recipient is to be present in accordance with ch. § 16 a but has not been appointed.

An appointment pursuant to the first paragraphs 1 and 2 shall apply until a new member or chairman has been appointed in the appropriate order. If the former member has been dismissed for a certain period, the appointment of the new member applies for the period to which the dismissal relates.

An ordinance pursuant to the first paragraph 3 applies until the supervisory authority has decided that the ordinance shall no longer apply. The supervisory authority shall notify such a decision, if there are no longer grounds for retaining the appointment.

Law (2005: 246) .

Section 8 The supervisory authority shall appoint

1. a new trustee for a foundation with affiliated administration, if the foundation does not have a trustee, and
2. a special service recipient residing in Sweden, when one is to exist in accordance with ch. § 23 a but has not been appointed.

An appointment pursuant to the first paragraph 1 applies until further notice. If the previous trustee has been dismissed for a certain period, however, the appointment of the new trustee applies for the period to which the dismissal relates.

An ordinance pursuant to the first paragraph 2 applies until the supervisory authority has decided that the ordinance shall no longer apply. The supervisory authority shall notify such a decision, if there are no longer grounds for retaining the appointment.

Law (2005: 246) .

Section 9 If a testamentary foundation order cannot be executed because there is no such obligation as is referred to in ch. Section 2, second paragraph, the County Administrative Board shall, at the request of someone who manages the estate, work to ensure that such an undertaking is made. The County Administrative Board may then decide on a different form of administration than that prescribed by the founder.

The competent county administrative board is the county administrative board in the county where the founder was domiciled.

The meaning of supervision in the case of certain foundations

Section 10 The provisions of Section 3, first paragraph, Section 4 and Section 5, first paragraphs 2 and 3 do not apply in the case of foundations which according to the founder's order shall be exempt from supervision under this Act and which have not been exercised during the current or the three immediately preceding financial years. business or has been a parent foundation.

However, in the case of foundations referred to in the first paragraph, the provisions of section 3, first paragraph, section 4, first paragraph 1 and 2 and section 5, first paragraphs 2 and 3 apply if it can be assumed that

1. the foundation has no name,
2. the foundation has not established annual or consolidated accounts or has not submitted annual or consolidated accounts, annual accounts or a compilation of the accounts to the auditor;
3. the foundation does not keep the annual or consolidated accounts or audit or group audit report available to anyone;
5. the question arises as to whether such a decision as referred to in ch. 5 §.

Lag (2009: 244) .

Section 10 a The Chamber of Deputies may decide that a foundation shall, in a certain limited respect, be exempted from supervision, if the foundation ordinance provides support for such an exemption and there are special reasons. The Board of Appeal may revoke a decision on an exemption, if there are no longer grounds for the exemption.

Questions about exemptions are examined on application by the board or the trustee. Questions about the revocation of an exemption are examined on application by the supervisory authority or when there are otherwise reasons for it.

The decision of the Chamber of Deputies may be appealed to the government.
Law (2001: 305) .

Appeal

Section 11 The supervisory authority's decision pursuant to this Act may be appealed to a general administrative court. However, this does not apply to decisions to bring an action in accordance with ch. § 4 first paragraph or to apply for dismissal according to ch. 9 § 6 first paragraph or decision according to ch. 9 Section 6, third paragraph.

The supervisory authority's decision according to ch. 8 §, 6 chap. Section 3 or 4 or Section 5, second paragraph, Chapter 9 Section 5, first paragraph 3, insofar as the decision relates to a prohibition on enforcement, or Chapter 9 Section 7 or 8 applies even if they are appealed.

If the supervisory authority's decision is appealed, the supervisory authority shall bring an action before the public. If the court's decision is appealed by the supervisory authority, the appeal must have been received within three weeks from the date on which the appealed decision was announced.

The County Administrative Board's decision pursuant to section 9 is appealed to a general administrative court. The provisions in the third paragraph on the supervisory authority and its decision apply in such a case to the county administrative board and its decision.

Permission to appeal is required in an appeal to the Court of Appeal.
Lag (2009: 244) .

Section 12 Has been repealed by *law (2013: 435)* .

Chapter 10 Registration

General provisions on registration

Section 1 A foundation must be registered.

The registration authority for a foundation is the county administrative board that the government in accordance with ch. § 1 second paragraph has determined is the supervisory authority in the county.

A foundation register must be kept with the registration authority for registrations in accordance with this Act. If a county administrative board is the registration authority in several counties, that county administrative board shall keep a common register for registrations in these counties.

The government or the authority determined by the government may issue regulations on fees for registration in the foundation register.

The Government or the authority appointed by the Government shall issue more detailed regulations on the submission of notifications in registration matters. *Lag (2009: 244)* .

Section 2 A foundation's board or trustee shall notify the foundation for registration in the foundation register no later than six months after the foundation was formed.

The notification must contain information about

1. the foundation's postal address and telephone,
2. the board members' names, social security numbers, residential addresses, postal addresses and telephone or the trustee's name or company name, organization number , postal address and telephone, 3. the auditor's name, social security number and postal address and, if the auditor is a registered auditing company, who is primarily responsible for the audit and the company's organization number.

In the case of own administration, the notification must also contain information about the place where the board has its seat or, if the seat is not determined, where the administration is mainly exercised. In the case of affiliated management, information shall instead be provided about the place where the manager has its

registered office or, if the registered office is not determined, where the manager's own administration is mainly exercised or, if the manager is a trading company, where the company has its head office.

A notification of the foundation ordinance must be attached to the application, if possible. Does the board or the trustee according to ch. § 7 made a decision on the name of the foundation, the notification shall also contain information about the name. *Lag (2018: 1668)* .

Section 3 Notification for registration in the foundation register shall be made immediately

1. when a regulation in the foundation ordinance has been amended or repealed in accordance with the provisions of ch. or on the basis of such a provision as is referred to in section 10 of the Act (1994: 1221) on the introduction of the Foundations Act (1994: 1220),
2. when a change has occurred in any circumstance referred to in section 2, second and third paragraphs,
3. when someone has been authorized to represent the foundation according to ch. § 16 second paragraph or § 23 second paragraph or to receive service according to ch. 16 a or 23 a §, and
4. when the foundation is dissolved.

In cases referred to in the first paragraph 3, information shall be provided about the name, social security number, residential address, postal address and telephone number of the representative or the special recipient of service.

If the board or the trustee has decided that the right to represent the foundation and to sign its name and company name may only be exercised by two or more in association, this must also be reported for registration in the foundation register. No other restriction on the right to represent the foundation and to sign its name and company name may be registered.

When the notification in accordance with the first paragraph 2 concerns a change of trustee, the notification shall be made by the new trustee. In cases referred to in the first paragraph 4, notification shall be made by the resigning board or trustee. If the supervisory authority has appointed a special recipient of service in accordance with ch. § 7 or 8, the notification shall be made by the recipient of the service. In other cases, notification must be made by the board or the trustee.

Lag (2009: 244) .

Section 4 If a foundation is declared bankrupt or a decision on corporate reorganization pursuant to the Corporate Reorganization Act (1996: 764) is notified to the foundation, the district court for registration shall notify the registration authority of the decision and who has been appointed bankruptcy trustee.

When a bankruptcy has been completed or a corporate reorganization according to the Corporate Reorganization Act has ceased, the district court shall immediately notify the registration authority for registration and in the former case state whether there is any surplus or not. The district court shall also notify the registration

authority for registration when a higher court has revoked a decision to put the foundation into bankruptcy or a decision on corporate reorganization. *Lag (2009: 244)* .

Section 5 A registration shall be dismissed if it has been declared by a judgment that has become final that a registration should not have taken place, that a decision that has been registered is invalid or that a certain circumstance that has been registered does not exist.

The court shall send a copy of the judgment to the registration authority.

Special provisions for foundations which intend to carry on or which carry on business activities

Section 6 Before a foundation begins to carry on business activities, the board or trustee shall submit information for registration in the foundation register on

1. the company name under which the business is to be conducted, and
2. the nature of the business.

The foundation may also be registered in a foundation register with the registration authority for another or other counties, if the activity is intended to be carried out there. *Lag (2018: 1668)* .

Section 7 If a foundation ceases to carry on business activities or changes any other information that has been registered about a foundation that carries on business activities, the foundation's board or trustee shall immediately report this for registration in the foundation register.

Section 8 The registration authority shall without delay publish in Post- och Inrikes Tidningar what has been entered in the foundation register in respect of a foundation that carries on business activities. However, this does not apply to registration of notifications pursuant to section 4.

A notice concerning a change in a situation that has previously been entered in the register shall only state the nature of the change.

Section 9 What has been published in Post- och Inrikes Tidningar according to section 8 shall be deemed to have come to the knowledge of a third party, unless it is clear from the circumstances that he neither knew nor should have known what has been published.

Section 10 The Act on Company Names (2018: 1653) contains provisions on the deregistration of a company name after a judgment to revoke the registration of the company name has become final. *Lag (2018: 1668)* .

On the intervention of the registration authority etc.

Section 11 The registration authority shall intervene if it can be assumed that a foundation does not comply with the provisions of this Act or other statutes in respect of notification for registration in the foundation register.

The registration authority may request documents or information from the foundation and may order one or more members of the foundation's board or trustee to submit the requested documents or information to the registration authority or to make a report for registration in the foundation register.

Decisions on injunctions may be combined with fines.

The registration authority shall consider the issue of the imposition of a fine.

Section 12 The County Administrative Board of Stockholm County may prohibit anyone who uses the word foundation in violation of ch. § 6 second paragraph to continue with it. The ban may be combined with a fine.

Section 13 The registration authority's decision pursuant to this Act and decisions of the County Administrative Board of Stockholm County pursuant to section 12 may be appealed to a general administrative court. However, a decision by the registration authority to refuse registration of a company name is appealed to the Patent and Market Court.

Permission to appeal is required in an appeal to the Court of Appeal. *Lag (2018: 1668)* .

Chapter 11 Fundraising foundations and collective agreement foundations

§ 1 A fundraising foundation is formed by

1. one or more founders ordering that money, which flows in after a call from them, shall as an independent asset promote a specific and lasting purpose, and
2. someone undertakes to receive the money for administration in accordance with the decree.

The foundation ordinance must be in writing and signed by the founder or founders. The provision in ch. Section 9 shall not be applied by *Act (2008: 86)* .

Section 2 The following provisions apply to a fundraising foundation in

1 chap. (introductory provisions): §§ 4-5 b, § 6, first paragraph, first sentence and § 9,

Chapter 2 (management): all provisions,

Chapter 3 (accounting and annual report etc.): § 1,

Chapter 4 (revision): §§ 1-4, § 6, § 7 first-third and fifth paragraphs, 7 a-14 §§, § 15 first and second paragraphs and § 16,

Chapter 5 (damages): §§ 1-3, § 4 first-third paragraphs and § 5,

Chapter 6 (amendment etc. of regulations in a foundation ordinance): all provisions,
ch. 7 (liquidation and dissolution): all provisions,
ch. 8 (foundation's company name): all provisions,
ch. 9 (supervision, etc.): §§ 1-9, 11 and 12, and

Chapter 10 (registration): all provisions.

The name of a fundraising foundation must contain the word fundraising foundation.

A fundraising foundation is dissolved if it has lacked assets for a continuous period of two years.

The provisions in ch. Sections 5-5 b, Section 6, first paragraph, Chapters 2-10. and the second paragraph of this section does not apply in the case of fundraising foundations whose assets according to the founding ordinance may be used only for the benefit of certain natural persons. *Lag (2018: 1668)* .

Section 2 a A fundraising foundation shall, for a period of three consecutive financial years, use at least three quarters of its income for the foundation's purposes, unless there are special reasons. *Lag (2009: 244)* .

Section 3 A collective agreement foundation is formed by

1. an employer organization and a central employee organization in a collective agreement ordering that money provided by the employer in accordance with a collective agreement or other agreement shall, as an independent asset, promote a specific and lasting purpose, and
2. someone undertakes to receive the money for administration in accordance with the ordinance.

Section 4 For a collective agreement foundation, the following provisions apply in

1 chap. (introductory provisions): §§ 4-5 b, § 6, first paragraph, first sentence and § 9,

Chapter 2 (management): all provisions,

Chapter 3 (accounting and annual report etc.): § 1,

Chapter 4 (revision): §§ 1-4, § 6, § 7 first, second and fifth paragraphs and § 7 a-16,

Chapter 5 (damages): §§ 1-3, § 4 first paragraph 1-4, second and third paragraphs and § 5,

Chapter 6 (amendment etc. of regulations in a foundation ordinance): all provisions,

Chapter 7 (liquidation and dissolution): all provisions,

ch. 8 (foundation's company name): all provisions,

ch. 9 (supervision, etc.): Sections 1 and 2, Section 3, second paragraph, Section 5, first paragraph 1, Section 6, first and second paragraphs, Sections 7 and 8, Section 10, second paragraph and Sections 11 and 12, and

Chapter 10 (registration): all provisions.

Despite the provisions in ch. 6 the founders and the foundation may, by written agreement, amend or revoke the foundation ordinance. What is stated in Chapters 2-10. in the case of regulations in a foundation ordinance, in the case of a collective agreement foundation, regulations for the foundation that have been announced through such an agreement shall also apply.

The name of a collective agreement foundation must contain the word collective agreement foundation.

When applying ch. 4 Section 15, a collective agreement foundation shall be treated as such a foundation as is referred to in Chapter 9. Section 10, first paragraph.

A collective agreement foundation is dissolved if it has lacked assets for a continuous period of two years.

Lag (2018: 1668) .

Transitional provisions

1994: 1220

Regulations on the entry into force of this Act are issued in the Act (1994: 1221) on the introduction of the Foundations Act (1994: 1220).

1998: 306

1. This Act shall enter into force on 1 July 1998.
2. A foundation which at the time of the entry into force of the Act shall already be registered no later than 31 December 1998 such information on personal and organization numbers as specified in Chapter 10. § 2 second paragraph and § 3 second paragraph in the new wording of the paragraphs.

1999: 1106

This Act shall enter into force on 1 January 2000 and shall apply for the first time for the financial year beginning immediately after 31 December 1999.

2005: 246

1. This Act shall enter into force on 1 July 2005.
2. A foundation that is registered when the Act enters into force shall notify the auditor who has been appointed before the entry into force for registration. Such notification must be made before the end of December 2005 if the foundation has affiliated administration and before the end of June 2006 if the foundation has its own administration.

2006: 401

1. This Act enters into force on 1 January 2007.
2. Older provisions apply if the professional counsel who would otherwise give rise

to a dispute for an auditor refers to a financial year that has begun before 1 January 2007.

2006: 870

1. This Act enters into force on 1 January 2007.
2. A person who has been appointed auditor of a foundation before the entry into force and who according to the new wording of ch. Section 4 can no longer be the auditor of the foundation alone, but may still remain as auditor until the end of 2008.

2007: 133

1. This Act enters into force on 1 May 2007.
2. A person who has been appointed auditor of a foundation before the entry into force and who according to the new wording of ch. § 4 can no longer be the auditor in the foundation alone, may still remain as auditor until the end of April 2009.

2009: 244

1. This Act enters into force on 1 January 2010.
2. The provisions in ch. Section 2, third paragraph, is applied for the first time for the financial year that begins immediately after 31 December 2009.
3. If a foundation's board or trustee before the entry into force has decided to amend, repeal or in a special case override a regulation in the foundation ordinance, the Board of Appeal's review 6 Cape. § 1 second paragraph in its older wording.
4. Older provisions apply in respect of an appeal against the decision of the Chamber of Deputies in accordance with ch. § 1, if the decision has been announced before the entry into force.
5. A notification according to ch. 6 Section 4 that has been received by the supervisory authority before the entry into force is handled in accordance with older provisions.
6. If a foundation's board or trustee has decided to consume the foundation's assets before the entry into force, ch. 6 applies in the supervisory authority's review. § 5 first paragraph in its older wording.
7. A company that has been registered before the entry into force may remain unchanged. If foundations can thereby be confused in the maintenance of the register, the registration authority may enter in the register a distinctive place indication or other clarification.
8. For a foundation that is not registered at the time of entry into force, in the case of registration according to ch. older provisions in that chapter until the end of 2015, unless the foundation chooses to apply for registration.
9. For a fundraising foundation that has been formed before the entry into force, Chapter 11 applies. § 2 a only if this is compatible with the foundation ordinance.

2010: 836

1. This Act enters into force on 1 November 2010.
2. The provisions in Chapter 4 Section 4 is applied for the first time for the financial year that begins immediately after 31 October 2010.

2010: 1964

1. This Act enters into force on 1 April 2011.
2. Older provisions apply if a document has been sent or submitted before 1 April 2011.

2015: 816

1. This Act enters into force on 1 January 2016.
2. The Act is applied for the first time for the financial year that begins immediately after 31 December 2015.

2016: 210

1. This Act enters into force on 1 September 2016.
2. Older provisions still apply to cases that have been initiated in a general administrative court before the entry into force.

2016: 952

1. This Act enters into force on 1 December 2016.
2. The Act is applied for the first time for the financial year that begins immediately after 31 December 2016.



All public power in Sweden is based
on the people and the Riksdag is the
people's main representative.