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1980  
Mai  
23  
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## Oversettelse av norske lover

Lovens tittel: Lov om stiftelser m.m.

Dato og nr.: 23. mai 1980 Nr. 11

Utenriksdepartementets  
dokumentasjonssenter

14 APR 1999

Eventuelt korttittel: Stiftelsesloven

Lovens fulle tittel på engelsk: Act of 23 May 1980 No. 11 relating to  
Foundations etc.

Eventuelt korttittel: Foundations Act

Oppdragsgiver: Miljøverndepartementet

Dato for oversettelsen: Høsten 1998

**The Foundations Act (No. 11 of 23 May 1980)**

**Chapter 1            General rules**

**Section 1**            This Act applies to private and public foundations, cf. sections 2 and 14. The rules of Chapter VI concerning conversion of foundations also apply to conditions mentioned in section 38.

**Section 2**            A foundation is formed through the independent endowment of capital - by will, gift or other legal act - for a particular purpose of a non-profit, humanitarian, social, educational, financial or other nature.

Independent charitable trusts, institutions and funds established by private parties are also regarded as foundations.

**Section 3**            Foundations wholly or partly established by public agencies come under this Act unless the King makes an exception in the particular case.

Public funds (i.e. funds which public agencies have set aside for a particular purpose) come under this Act only to the extent provided by the public agency in question. The same applies to institutions established by public agencies, or which are regarded as public institutions on other grounds.

The provisions of this Act do not apply to:

- 1) Churches and churchyards and other assets owned by a congregation or religious community.
- 2) Occupational pension schemes pursuant to section 44, first paragraph, k, of the Tax Act (No. 8 of 18 August 1911).
- 3) Savings banks.
- 4) Entailed estates.
- 5) Assets owned by business organisations, co-operative societies or associations.

**Section 4** A foundation is established once the legal commitment on which it is based has become binding on the person having made the commitment. From this point onwards the person in question no longer has disposal of the foundation and its assets.

## **Chapter II Operation and management of foundations**

**Section 5** All foundations shall have an executive board. The board represents the foundation in its external affairs and is responsible for ensuring that the foundation and its concerns are managed in a satisfactory manner. A foundation's statutes may provide that the foundation shall also have other bodies.

The county governor may appoint an executive board for a foundation when it is without a board and there is no-one who, under the statutes, can elect or appoint the board.

When a new foundation is established by will, the probate court shall notify the county governor accordingly. The county governor or whoever he designates represents the foundation during administration and division of the estate until a board is established.

**Section 6** If statutes for a foundation are not established in the legal commitment on which the foundation is based, the foundation's executive board shall frame such statutes. The statutes shall in all cases mention the foundation's purpose, basic capital and how the executive board shall be constituted.

**Section 7** Board members serve for four years, unless otherwise stipulated in the foundation's statutes. A person who is not of full age may not serve on the board or act as business manager of the foundation.

A member of the board, observer or business manager is disqualified from participating in proceedings concerning, or from reaching a decision on, a matter that is of such great

significance to himself or someone with whom he is closely associated that he must be said to have a prominent personal or financial interest in the matter. He is also disqualified if he holds a post or position of trust in a private or public institution, organisation or undertaking which has a financial or other prominent interest in the matter, or if he has previously dealt with the matter in such a capacity. He is nonetheless not disqualified by holding a public post or position of trust in matters essentially concerning use of public funds.

**Section 8** Remuneration to a board member, observer or business manager in a foundation shall be in reasonable proportion to the work and the responsibility entailed by the post. The county governor may reduce remuneration that is unreasonably high.

A board member, observer or business manager in a foundation may not, without the county governor's consent, hold a loan from the foundation. Security furnished for the financial commitments of a board member, observer or manager is considered equivalent to a loan.

**Section 9** The executive board shall adopt its resolutions while in session. Resolutions are adopted by simple majority of board members present. If the voting results in a tie, the chairman has the casting vote. In the chairman's absence the person presiding over the meeting has the casting vote.

The board shall keep minutes of its proceedings. The pages shall be numbered consecutively.

The minutes shall contain the resolutions adopted by the board in matters concerning the foundation. The time and place for the meeting shall be set out in the minutes, likewise differences of opinion between the board members present. The minutes shall be signed by those board members who are present.

These rules do not apply to foundations controlled by a single

individual. The rules of the first paragraph second, third and fourth sentence may be set aside in the foundation's statutes.

**Section 10** Under the provisions of the Accounting Act (No. 35 of 13 May 1977), all foundations are legally required to keep accounting records.

The annual accounts and the auditor's report shall be submitted to the county governor within one month of the deadline stated in section 16, last paragraph, of the Accounting Act. This submission requirement does not apply to foundations which are not required under section 18 to be registered by the county governor. If the annual accounts do not provide sufficient information, the board shall itself submit an annual report on the operations of the foundation.

The ministry may issue regulations containing special rules on annual accounts and the submission requirement for private, non-trading foundations whose total assets do not exceed NOK 500,000.

**Section 11** Under the provisions of the Auditors Act (No. 2 of 14 March 1964), all foundations are legally required to conduct audit procedures.

The audit requirement pursuant to the first sentence does not apply to foundations which are not required under section 18 to be registered by the county governor. The ministry may issue special rules for the audit requirement for private, non-trading foundations whose total assets do not exceed NOK 500,000.

The auditor shall, by dated endorsement, confirm that the foundation's annual accounts are in accordance with law, regulations and the purpose of the foundation. Moreover, the auditor shall confirm that the information given in the board's annual report pursuant to section 28 is consistent with the annual accounts.

If board members or employees of the foundation, or close

associates of the latter, or the foundation's founder or close associates of the latter, have received loans or other payments from the foundation, the auditor shall certify that such payments are in accordance with law, regulations and the purpose of the foundation.

The auditor shall review the conduct of the audit in the auditor's report. The report shall state whether obligations pursuant to law or regulations have been complied with, and whether the foundation's bookkeeping is satisfactory.

The auditor shall have in his safekeeping auditor's records as mentioned in section 8, fourth paragraph, of the Auditors Act. A copy of the auditor's comments in the said records shall be sent successively to the county governor.

The auditor shall be elected by the person/persons or body/bodies designated by the statutes to elect or appoint the members of the board.

The county governor may ask the auditor to give a detailed account of specific circumstances in the foundation. The rules governing the auditor's secrecy obligation do not apply in relation to the county governor.

If the auditor fails to carry out his duties pursuant to this Act, the person/persons or body/bodies designated by the statutes to elect or appoint the members of the board may relieve the auditor of his assignment and shall in such event elect a new auditor. In such cases the county governor may relieve the auditor of his assignment and appoint a new auditor if the designated body omits to do so. The same applies if the designated body omits to appoint an auditor, or the person elected does not meet the requirements for being an auditor. An auditor appointed by the county governor serves until another auditor is elected in the prescribed manner.

If one or more municipalities or a county municipality wields substantial control in relation to a foundation, through the right to elect or appoint the board or a majority of the board

or by other means, the municipal or county audit department may be elected as the foundation's auditor. The same applies where the foundation's activity is essentially based on grants or appropriations from a municipality or county municipality as mentioned. The rules of this section otherwise apply.

If the central government or a central government agency has been assigned a substantial control function in a foundation, the Office of the Auditor General may be elected as auditor. The same applies where the foundation's activity is essentially based on a central government grant or appropriation.

**Section 12** The assets of a foundation shall be kept separate from other funds when such funds are not administered by the public guardian's office pursuant to the Guardianship Act section 91, first paragraph. The county governor may permit funds from more than one foundation to be placed under joint management.

Provided it does not conflict with provisions in the foundation documents, the management of securities shall be entrusted to a bank approved for the purpose under the Guardianship Act section 65, first paragraph. Cash balances shall be held in a bank account, apart from moneys needed for day-to-day payments. The county governor may depart from the provisions of the first and second sentence when management by other means is considered satisfactory. If the funds are managed by the public guardian's office, section 65, first paragraph, fifth sentence of the Guardianship Act applies correspondingly.

**Section 13** A board member is obliged to pay compensation for damage that he wilfully or negligently inflicts on the foundation or other parties. Liability for damages under the previous sentence may be modified when it is considered reasonable to do so in view of the degree of blame involved, the extent of the damage, financial capacity and other factors.

The first paragraph applies correspondingly to others who hold posts in the foundation or are authorised to act on the foundation's behalf.

The county governor may on the foundation's behalf institute proceedings against its board members and others holding posts in the foundation, demanding that the person be dismissed from his position by court judgment.

The county governor may on the foundation's behalf request public prosecution of criminal offences committed by persons mentioned in the first and second paragraph.

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#### **Chapter IV        Special rules for private foundations**

**Section 18**        Private foundations shall be notified to the county governor when their total assets amount to NOK 500,000 or more. The county governor shall maintain a register of notified foundations.

Responsibility for notification rests with the foundation's board.

**Section 19**        The notification shall contain:

- 1) A certified transcript of the legal commitment forming the basis for the foundation.
- 2) The foundation's statutes.
- 3) A list of the foundation's board members and their addresses.
- 4) A statement of the foundation's assets and liabilities.

Any change in items mentioned in the first paragraph, subparagraph 1, 2 or 3 shall be notified to the county governor.

**Section 20**        (Revoked)

**Section 21**        (Revoked)

**Section 22** The county governor or whoever he authorises has the right to inspect the foundation's minutes and accounts. The purpose of such inspection is to clarify whether the foundation is administered in accordance with law, regulations and the foundation's statutes.

The foundation's board, business manager and auditor are obliged to supply the information needed for the inspection. The same applies to members of other of the foundation's bodies with independent decision-making or controlling authority.

Comments and representations resulting from the inspection shall be made in writing.

**Section 23** In the event of inspection pursuant to section 22 the county governor may order the foundation to defray all or part of the public authorities' outlays in connection with the inspection.

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## **Chapter VI** Alteration of foundations, etc.

**Section 32** The King may alter foundations, etc. (cf, section 38) pursuant to the rules of this chapter.

**Section 33** An application for alteration shall be submitted by the founder or by the foundation's board.

Before a resolution regarding conversion is adopted, a statement shall be obtained from the founder, if he is alive, and from the foundation's board. If the founder is dead, a statement should be obtained from relatives and others who have been closely associated with him, and from organisations, public authorities and others whom the question of conversion naturally concerns.

**Section 34** The right to conversion encompasses any provision of the legal commitment that forms the basis for the

foundation, or of the foundation's statutes. Provisions of previous conversion resolutions may also be converted.

**Section 35** Conversion may be undertaken when, owing to changed circumstances, a provision as mentioned in section 34:

- 1) can no longer be complied with; this also applies when the foundation's capital has become insufficient to promote its purpose in a reasonable manner,
- 2) has become manifestly superfluous,
- 3) has come into conflict with the intention of the legal commitment forming the basis of the foundation; this also includes cases where the founder's premises for the provision are no longer present, or
- 4) has become manifestly detrimental or manifestly irrational.

If the provision in question does not concern the purpose of the foundation, and it must otherwise be assumed that significant importance was not attached to it when the foundation was established, conversion may take place when, due to changed circumstances, the provision turns out to be detrimental or inappropriate.

Conversion may also be undertaken when circumstances as mentioned in this section have not changed, but were already present when the foundation was established. In such case a condition is that the establishment of the foundation is not rendered invalid by the circumstances mentioned.

**Section 36** A provision as mentioned in section 34 may be amended or revoked in connection with conversion.

Conversion may also entail dissolution of a foundation, *inter alia* by:

- 1) allowing the basic capital to be used for the foundation's purpose,
- 2) merging the foundation with one or more other foundations with essentially similar purposes, or

An application as mentioned in section 33 may also be submitted by the party having disposal of the funds in question. An application for conversion pursuant to the first paragraph, subparagraph 5, may be submitted by the party on whom the obligation rests or by the rights holder.

**Chapter VII**      **Coming into force. Transitional provisions.**  
**Revocation of older provisions and amendments**  
**to other Acts**

**Section 39**      This Act shall come into force as and when the King decides.

**Section 40**      The provisions of section 16 do not apply to foundations that have received official affirmation before this Act comes into force.

The provision of section 25, first paragraph, does not apply to foundations that have commenced business operations before this Act comes into force. Registration under section 26 shall take place within six months of the Act's commencement.

For foundations subject to the notification requirement pursuant to section 18 when this Act comes into force, notification shall be given within six months of commencement. The submission requirement pursuant to section 20 only applies with effect from that point in time.

The rules of this Act also apply to foundations, etc., established before the Act comes into force.

**Section 41**      Functions assigned by statutes to the governing body of the diocese shall be performed by the county governor concerned provided significant importance can not be assumed to be attached to participation by the bishop.

**Section 42**      The following shall be repealed upon the commencement of this Act: - - -

The following shall be amended as from the same date: - - -

*Handwritten: Section 42*

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