

Simple Associations, Civil Associations and Foundations

Law 340 Civil Code

Book I. Of people.

Section I. Of people in general.

Title I. Of juridical persons.

Article 30. Persons are considered all entities able to obtain rights or to contract obligations.

Article 31. Persons are of an ideal existence or of a visible existence. They can acquire the rights or contract the obligations that this Code regulates in those cases, by the manner and in the form that it determines. Its ability or inability is founded in this power that in the given cases, are granted or denied by the laws.

Article 32. All entities susceptible to acquire rights or contract obligations, that are not of a visible existence, are persons of ideal existence, or juridical persons.

Article 33. The juridical persons can be of public or private character.

Those that are of public character:

- 1) The National State, the Provinces and the Municipalities.
- 2) The entities AUTARQUICAS
- 3) The Catholic Church.

Those that are of private character:

- 1.) The associations and foundations that have a principal objective of common good, possess their own patrimony, are capable through their statutes to acquire goods, they do not survive exclusively from allowances of the State, and obtain authorization to function.
- 2.) The civil and commercial societies or entities that conform to the Law, have the capacity to acquire rights and contract obligations, however, they do not require expressed authorization from the State to function. (Text conforming to Law 17.711.).

Article 34. Juridical persons are also the foreign States, every one of their provinces or municipalities, the establishments, corporations, or associations existent in foreign countries, and that exist in them according to the same conditions as those in previous article.

Article 35. Juridical persons can, to achieve the goals of the institution, acquire the rights that this law establishes, and exercise the acts that are not prohibited by the laws or statutes that their representatives have formed.

Article 36. Acts of the juridical persons will be not be reputed when their legal representatives are acting within the limits of their ministry. And when the acts do exceed their ministry, they only will be effective in respect to the agents.

Article 37. If the powers of the agents had not been specifically designated in the respective statutes, or in the documents that authorize it, the validity of the acts will be governed by the rules of mandate.

Article 38. It is implied law of the associations with character of juridical person to admit new members in place of ones who have died or left their position, and only when they will not exceed the number specified in the statutes.

Article 39. The corporations, associations, etc. will be considered entirely distinct from their members. The goods that pertain to the associations, do not pertain to any of their members, and no one of the members, nor are all of the members obligated to satisfy the debts of the corporation, if they had not specifically been obligated by bonding with it.

Article 40. The respective rights of the members of an association with the character of juridical person, are regulated by the contract, by the objective of the association, or by the disposition of the statutes.

Article 41. With respect to the third parties, the establishments or corporations with character of juridical person, in general enjoy the same rights that the simple private associations enjoy to acquire goods, to have and maintain the possession of them, to form real employees, to receive usufruct of another's property, to receive the inheritance of a will, to receive donations from living people, to create obligations and to develop a measure of law for civil or criminal actions.

Article 42. Juridical persons can be defendants in civil actions, and their goods can be foreclosed upon.

Article 43. The juridical persons respond to the damages that they cause to those they manage, in the practice of their functions. They also respond to the damages that their subordinates cause or the things, in the conditions established in the title: "Of the obligations that are founded in illegal acts that are not crimes". (Text conforming to Law 17.711).

Article 44. The national juridical persons or foreigners, that have domicile in the place in which they are located, or where their principal administrations or directors function, are not the case of special competition.

## Chapter I.

### Of the origin of the existence of the juridical person

Article 45. The existence of a corporation, association, establishment, etc., with the character of juridical person, begins the day in which they were authorized by the Law or by the Government, with the approval of their statutes, and conformation of the prelate on behalf of the religious part.

The administrative decisions in this material can be judicially revoked by a summary proceeding in the case of illegitimacy. (Paragraph added by the Law 17.711).

In the event that a foundation's statutes do not foresee a process for their reform, the Executive Power will arrange their modification in order to make possible the fulfillment of the end goal of the entity. In this case, the governing bodies of the foundation will interpose the recourses mentioned in the previous paragraph. (Paragraph added by the Law 17.711.).

#### Article 46. Simple Association.

Associations that do not have legal existence as juridical persons, will be considered as simple civil or religious associations, according to the goals of the institution. They are subject to law, after the constitution and designation of authority is accredited through public document or private documents of authenticity certified by a notary public. All the founding members of the association and their administrators assume sole responsibility for the actions of the organization. Also, they will manage the associations referred to in this article according to the norms of a civil society. (Text conforming to Law 17.711).

Article 47. In the cases when the legal authorization of the establishments was after their founding, their existence will remain legitimate as a juridical person, with retroactive effect to the time in which they prove the founding.

#### Chapter II.

The end of the existence of the juridical persons.

Article 48. The juridical persons that need authorization expressed by the state to function end:

incise 1. By dissolution in virtue of the decision of their members, approved by the competent authority;

incise 2. By dissolution in virtue of the Law, notwithstanding the desire of their members, or for having abused or incurred transgressions of the conditions or clauses of the respective authorization, or because the fulfillment of the statutes would be impossible or because their dissolution was necessary or in the best interests of the public;

incise 3. By the closure of the goods destine to sustain them.

The administrative decision of the retirement of the legal capacity or intervention of the entity will give reason to the recourse previously seen in Article 45. The judge can arrange the provisional suspension of the effects of the decision.

Article 49. The existence of juridical person will not be terminated due to death of the members, unless it would reduced the institution to a number in which they could not fulfill the objectives of the institution. Corresponding to the Government, if the statutes have not stated it, to declare the corporation dissolved or to determine the method of restoration for the institution.

Article 50. The goods and actions that pertain to a dissolved or ended association with juridical person, will have the destination previously seen in their statutes; and if it had not been stated in them, the goods and actions will be considered as vacant and applied to the objects that the Legislative Body arranges, excepting all damage to third parties and to the existing members of the corporation.