



ASSOCIATIONS
Creating a non-profit in Portugal

Any group of people who meet with common interests can form an association. Typically, these organizations are nonprofit. The following are the basic steps that need to be followed:

1. Draft Statutes

The founders of the association should have an informal meeting with the aim of defining the following aspects:

1.1 Collective Purpose

The objectives should be determined as well as any goods and services that the association will provide. This is one of the most important aspects to establish since the organization may not engage in activities which are not directly related to its objectives.

In this sense, the social purpose tends to be much broader than just the original intention of the Association, leaving room for future members to extend the eventual scope without having to change this point in the text of the statutes.

1.2 Name of Association

The founders must choose five possible names for the association to assure against the case of an organization already existing with the same name.

You can use the National Patent Office (“INPI”) search facility at:

<http://www.marcaspatentes.pt>

Through this online service, you can make up a search for the name of the legal entity that you are seeking to establish and know immediately if there is already some entity with the same name.



1.3 ***Choose the Association Seat*** (headquarters)

The seat should also be one of the defining elements, since it has to be stipulated in the text of the statutes. Typically, the headquarters refers to the location where the core administration functions of the Association will take place, but an alternative address may also be selected.

1.4 ***Other Aspects***

The statutes should also describe the rights and obligations of members, conditions of entry, exit or exclusion of members, as well as the powers of the organs of the Association and, finally, the terms of strike off of the Association when the appropriate time occurs.

To draft the articles, the founders may use pre-existing models that can and should be altered. It may prove useful to consult the Civil Code regarding Associations (Chapter II, Section II, art. 167° to 184°). Legal advice is also strongly recommended.

2) **The first General Assembly meeting**

The founders of the Association shall convene a meeting of the General Assembly within a minimum of 15 days. This first Assembly can not make decisions without the presence of at least half of its members.

The meeting should accomplish the following agenda:

2.1 ***Approval of the Draft Statute***

The draft of the statutes must be approved by the General Assembly. The statutes are deemed to be approved by a simple majority, ie 50% plus one of the founding members present must vote in favour.

2.2 ***Election of the Governing Organs***

This meeting shall also elect members to each of the bodies of the Association. Associations are composed of three organs: a) the General Assembly, b) Board of Directors and c) Supervisory Board.



- a) The General Assembly is directed by a Board of three elected officials (a president, a secretary and an officer), whose functions are: the approval of the business plan, the statutes, balance sheet, replacement of members from any of the Association's organs, and the eventual closing of the Association.
- b) The Board of Directors consists of three people (a president, a secretary and a treasurer) and is responsible for the management of the Association.
- c) The Supervisory Board, also with a minimum of three members (a president, a secretary and a scribe), audits the accounts of the Association.

Decisions taken at the meeting must be recorded in a Book of Minutes. This book consists of single sheets, sequentially numbered and initialled by representatives of the Board to which they belong. Each organ must use its own Book of Minutes to record the minutes of each meeting. The Book of Minutes follow charter and must be filed with the Tax Office to pay the appropriate Stamp Duty.

2.3 Additional Information

At the General Assembly, all members may attend, unless the statutes define exceptions. The convening of the General Assembly shall be made by the Board at least once a year to approve the annual budget, although the statutes may establish more meetings and even determine dates. Other meetings may be called by a group of members with equal numbers to one fifth of the total membership. However, the statutes may define a lesser number.

The announcement of the meeting of the General Assembly must be posted and sent to each of the members of the members with a minimum of eight days in advance, specifying the date, time, place and agenda.



All decisions are taken by majority vote members present, except for deliberations related to the amendment to the Statutes or the dissolution and extension of the legal person which requires the affirmative vote of three-fourths of the members present at the meeting.

3) Requesting a Certificate of Admissibility

Once the statutes are drafted and approved, the founders must request the Certificate of Admissibility in person at the National Register of Legal Persons; or any of its offices operating in the Commercial Registry Registries (except Lisbon); through the Internet at the Company Portal or the IRN website , or via mail, send to Apartado 4064, 1501-803 Lisboa.

To make requests, founders need the following materials:

- Identity Card of applicants and the elements chosen for the governing bodies of the Association;
- Minutes of the General Assembly which approved the statutes;
- Statutes approved;
- In the case of posting via CTT, the Model 1 - RNPC must be completed and submitted. The issuing of the card can take up to 15 days, although the normal period is between three to five days.

A Certificate of Admissibility is valid for three months for the conclusion of the public deed.

4) Completing the Public Deed

Having fulfilled all the previous steps, it is now possible to complete the deed. For this, the founders must go to the local Notary where the head office of the Association is located.



The documents to be submitted is as follows:

- Approved Statutes;
- Certificate of Admissibility;
- Minutes of the General Assembly approving the statutes.
- Identification documents of all members elected to the organs;

In accordance with Article nº 158 of the Civil Code, only associations established by deed have legal personality.

Once the deed has been completed, the notary must notify the appropriate authorities (Civil Government Association and the Public Prosecutor) and send the articles for publication in the *Diário da República* (the official State Gazette).

5) **Requesting the “Incorporation Card”** (“*Cartão de Pessoas Colectivas*”)

The next step is to apply for an “Incorporation Card” with the NIPC - Tax Identification Number (usually corresponds to NIF - Fiscal Identification Number) and NISS - Social Security Identification Number.

The Card of Incorporation can be ordered via the Internet at the Company Portal or the site of IRN, or in person at RNPC in the Commercial Registry Offices.

The new document is always available in electronic format, being viewable by introducing an access code, and can also be made available in print, at the request of members. If the request is made via the Internet, you can track the progress of the process with the consultation request: *Cartão de Pessoas Colectivas*.



6) **Submitting the “Declaration of Opening of Activity”**

Finally, the Declaration of Business Activity (“*Declaração de Início de Actividade*”) should be delivered in person at the Tax Office in the headquarter’s area, or via Internet at the Finanças Portal, to regularise tax obligations.

After Forming the Association, members can start working on other issues. Creating a website disclosing the Association might be one of the next steps.

© - *All rights reserved*

29 March 2018



euroFINESCO s.a.

HEADQUARTERS

Rua do Sol, 4
8200-448 GUIA (Algarve)
tel: +351 289 561 333
fax: +351 289 562 061

Madeira Branch

Rua do Aljube, 61, 2º Dtº
9000-067 FUNCHAL (Sé)
tel: +351 291 221095

Lisbon Branch

Rua A.M. Cardoso, 15, 4ºD
1200-273 LISBOA (Chiado)
tel: +351 21 342 4210
fax: +351 21 342 4212

Internet

e-mail: info@eurofinesco.com

www.eurofinesco.com

PORTUGAL