

*This is an English translation.*

*The original Icelandic text, as published in the Law Gazette (Stjórnartíðindi), is the authoritative text. Should there be discrepancy between this translation and the authoritative text, the latter prevails.*

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## Company Law - Act No 33/1999 respecting Foundations Engaging in Business Operations, as amended (1 November 2006)

[Translation from Icelandic]  
(g/jonogm/sjalfseignarst.log.thyding.1.11.2006)

### SECTION I

#### Scope of application

##### Art. 1

The present Act applies to Foundations engaging in business operations.

The Minister of Commerce deals with affairs relating to Foundations in accordance with the present Act, other than those pertaining to the registration of the Foundations, such matters being dealt with by the Minister of Finance. "Minister" in the present Act denotes the Minister of Commerce, unless the Minister of Finance be specified.

Foundations other than those to which the present Act applies are subject to the Act respecting Funds and Establishments functioning in accordance with a Confirmed Charter or another Act as applicable.

##### Art. 2

A Foundation in accordance with the present Act originates in such a manner that cash or other financial values are delivered irrevocably by means of a Last Will and Testament, gift or other act for appropriation in favour of a specified aim, provided that the delivery will in other respects meet the provisions of the Act.

##### Art. 3

A Foundation is deemed to be engaging in business operations if it:-

- (a) derives earnings from the sale of goods and services and the like or engages in activities being in the main similar to those of other associations or individuals engaging in business operations;
- (b) wields the majority of votes in a Public or Private Limited Company or other Companies or does in another manner wield comparable control.

A Foundation is, however, not deemed to engage in business operations within the meaning of the present Act if the operation as per para. 1 is considered to be limited as compared with other activities of the Foundation or if it merely concerns a small part of the Foundation's capital and reserves (equity).

A Foundation not engaging in business operations comes within the applicability of the Act as and when it is deemed to engage in business operations as per para. 1.

##### Art. 4

The present Act does not apply to the following:-

- (a) Foundations functioning on the basis of special legislation or which are established by means of Acts or a decision by the Althingi (Legislative Assembly) or authority contained in a Treaty which are subject to the supervision of the Icelandic State or another State;
- (b) Foundations established entirely by Municipalities or to which these contribute funds for the purpose of meeting their direct lawful duties;
- (c) old age institutions.

Art. 5

A Foundation's Registry, cf. para. 1, Art. 37, will determine as to whether a specific Foundation comes within the framework of the present Act.

Art. 6

Foundations under the present Act shall contain the word "Foundation" in their name or the abbreviation "ses". In other respects the name of a Foundation is subject to the provisions of the Act respecting Firms as appropriate.

SECTION II

**Establishment and Articles of Association**

Art. 7

The Board of Directors of a Foundation intended to engage in business operations in accordance with Art. 3 shall give notice thereof for registration with the Foundation Registry prior to commencing operations, but no later, however, than six months as of the date of the Memorandum of Association.

Notice of a Foundation established by means of a Last Will and Testament shall be given immediately following upon the completion of administration.

Art. 8

A Foundation under the present Act which has not been registered with the Foundation Registry can neither acquire rights nor be subject to duties. Neither can it be a party to Law Court Cases.

The provisions of para. 1 do not apply to the Foundations which do not engage in business operations upon the entry into force of the present Act, but commence these subsequently.

Those performing legal acts for and on behalf of a Foundation prior to its registration shall be personally responsible for obligations in accordance therewith. Upon notification of registration as per Art. 41 obligations will, however, be transferred to the Foundation.

Foundations shall be handled in the same way as Companies with limited liability as applicable.

Art. 9

The following items shall be specified in the Articles of Association (Organizational Charter) of the Foundation:-

- (a) name;
- (b) domicile and headquarters;
- (c) object;
- (d) founders and their contribution funds;

- (e) establishment funds of the Foundation;
- (f) as to whether the Foundation shall accept other financial valuables than cash in connection with the establishment;
- (g) as to whether founders or others shall enjoy special rights within the Foundation;
- (h) the number of Directors and conceivable members of the Representative Council; i.a. Reserves and Auditors (or Auditing Companies) or Inspectors, their tenure of office and how they shall be selected as well as how to arrange the choice of a new member of the Board of Directors or Representative Council to fill a vacant position;
- (i) which shall be the fiscal year;
- (j) how profit shall be appropriated or loss shall be handled in case this occur in the operation of the Foundation;
- (k) who will be qualified to determine amendments to the Articles of Association, liquidation of a Foundation or merging thereof with another, as well as how to dispose of assets upon the dissolution thereof.

Documents to which reference is made in the Articles of Association, but not incorporated therein, shall attach thereto.

### SECTION III

#### **Establishment Funds**

##### Art. 10

The establishment funds of a Foundation engaging in business operations shall amount to a minimum of ISK 1,000,000. The Minister may amend this minimum amount in conformity with the changes to the consumer price index. The amendment shall enter into force in the beginning of a year, provided that notification thereof has been given at the latest by 15 December during the previous year. The amount shall, however, not be amended unless reasons have developed therefore amounting to at least twenty per cent as of the time the latest amendment was effected. The minimum amount shall also at all times be an entire one hundred thousand ISK.

In case a Foundation meets a requirement for a minimum amount when this is established it will not be in duty bound subsequently to raise establishment funds in conformity with the revised minimum amount in accordance with the present Article.

##### Art. 11

In case establishment funds are paid by means of valuables other than cash or a Foundation shall in connection with its establishment accept such valuables against a counter-disbursement there shall upon registration accompany a statement from an Auditor concerning the way in which assets are assessed financially or as to whether the arrangement be of a normal nature.

The payment of establishment funds may not consist of the duty to undertake work or render service.

The payment of establishment funds shall be effected prior to notification of the Foundation to the Foundation Registry being effected in accordance with Art. 7.

##### Art. 12

The Board of Directors of a Foundation may determine to raise its establishment funds:-

- (a) by means of transfer from free funds of the Foundation and unappropriated profit according to the latest audited annual accounts;

(b) by means of inheritance, gifts or other contributions which the Foundation has accepted for the raising of establishment funds.

The Board of Directors will effect the requisite amendments to the Foundation's Articles of Association on account of the raising of establishment funds. The Board shall give the Minister at least one month's advance notice of a contemplated rise.

In case a rise be determined by means of transfer from funds in accordance with clause (a) of para. 1 the Auditors or Inspectors of the Foundation shall issue a declaration prior to the implementation thereof to the effect that its financial status be such that these funds still remain at hand.

In case a rise be determined by means of inheritance, gifts or other contributions the provisions of para. 1 and 2, Art. 11 shall apply.

Notification of the implementation of a rise of establishment funds shall be given to the Foundation Registry within a month as of the decision concerning a rise. The raising of establishment funds shall be implemented prior to notification and will not become valid until notice is given. In case notification of a rise has not been given within a year it is invalidated.

#### Art. 13

The Board of Directors of a Foundation is not authorized to reduce establishment funds, e.g. for the purpose of meeting loss during previous years, unless the Minister's permit be at hand along with a declaration from an Auditor or an Inspector of the Foundation to the effect that it undoubtedly possess sufficient funds to meet all claims.

The Board of Directors shall undertake all requisite amendments to the Articles of Association due to the reduction of establishment funds and notification of the reduction shall be given to the Foundation Registry within a month as of the time it was approved. A reduction will not become valid until notification is given. In case notification of a decision concerning a reduction has not been given within a year it is invalidated.

Reduction of establishment funds shall be announced in the "Legal Gazette".

It is not permissible to reduce establishment funds below the amount referred to in Art. 10.

### SECTION IV

#### **Board of Directors and Management**

#### Art. 14

The Board of Directors of a Foundation shall consist of a minimum of three persons and at least one Reserve. The term of office shall be four years, unless an alternative arrangement be determined in the Articles of Association.

In case there are no stipulated provisions in the Articles of Association as to how the choice of a Board of Directors shall be arranged the Representative Council shall select a Board if such an administrative unit is at hand, but alternatively the Directors shall select new persons to take seats on the Board. Upon the selection of Directors a simple plurality shall decide, unless otherwise stipulated in the Articles of Association. In case of even votes being cast lots shall be drawn to decide the issue. In case a Director be not selected within a year to replace the one who is retiring the Minister shall select him. The Minister shall generally select for seats on the Board persons having knowledge about or links to the field of work of the Foundation.

The Board of Directors is authorized to engage one or more Manager(s). A Manager may not be Chairman of the Foundation's Board of Directors. The majority of the Board shall be formed by those who are not Managers of the Foundation.

#### Art. 15

Directors and Managers shall be of legal age and in control of their financial affairs and may not during the immediate past three years have in connection with business operations been subject to Judgment for a

punishable act according to the Penal Code or the Acts respecting Foundations engaging in business operations, Public or Private Limited Companies, Co-operative Societies, book-keeping, annual accounts, bankruptcy or official dues.

Managers and at least half of the members of the Board of Directors shall be resident in this country, unless the Minister permit an alternative arrangement or this result from international obligations. The condition of residence does not apply to the citizens of the Member States of the Agreement on the European Economic Area, provided that the parties concerned be residents of an EEA State. The condition of residence does not apply either to the citizens of the States being Members of the Agreement on the European Economic Area, the Convention Establishing the European Free Trade Association or the Faroese, provided that the parties concerned be residents of an EEA State, a Member State of the Establishing Convention or the Faroe Islands. In such instances evidence of citizenship shall be produced.

#### Art. 16

A member of the Board of Directors may at any time resign from his Directorship.

In case a Director cannot on account of prolonged illness or other excuses attend to his work as expected he shall leave the Board of Directors.

#### Art. 17

In case a member of the Board of Directors does not meet the conditions for a seat on the Board in accordance with Art. 15 or 16 other Directors shall as soon as possible take measures for the selection of a new Director to take a seat during the remaining period of the Board's term of office. The same applies if a Director no longer meets the conditions required under the Articles of Association.

In case the Board of Directors or the Representative Council do not intervene concerning the selection of Directors within two months as of the time a party forfeits conditions of qualification or retires for other reasons the Minister shall call upon the Board of Directors or the Representative Council to make amends within a month. In case these requests will not be acceded to the Minister is authorized to select a new Director.

#### Art. 18

In case a founder (a legal person's Directors), his spouse or those directly related to a founder form the majority of the Board of Directors the Minister shall be advised accordingly.

In case a founder of a Foundation be an association and a person directly or indirectly controlling half of the votes or thereover in the association forms a majority on the Board of Directors of the Foundation along with those who are similarly related to him as those specified in para. 1, the Minister shall be advised accordingly. In case the last-mentioned persons form a majority of the Board of Directors the Minister shall also be advised accordingly.

#### Art. 19

The provisions of the Act relating to the Directors also apply to their Reserves.

#### Art. 20

The Representative Council will determine the remuneration for the members of the Board of Directors. In case the Foundation has no Representative Council the Board itself will determine its remuneration. Directors' remuneration may not be higher than customary having regard for the nature and extent of the duties.

#### Art. 21

A Director or a Manager may not participate in the handling of a matter concerning contracting between the Foundation and themselves, the institution of legal action against themselves or contracting between the Foundation and a third person or the institution of legal action against a third person if they have considerable

interests to safeguard which may be in conflict with the interests of the Foundation. A Director and a Manager are in duty bound to disclose such incidents.

#### Art. 22

It may be determined in the Articles of Association that in addition to the Board of Directors there shall be a Representative Council within the Foundation. In that case the Articles shall stipulate the selection and term of office of the Representative Council and its role or field of work and it shall i.a. select a Board of Directors in conformity with the provisions of the Articles, serve as a link between the founders and the Board as applicable, check the operations of the Foundation and supervise how the Board and Manager, if any, determine its affairs, including financial matters, and lay down the requisite rules of work for the Foundation.

Managers and Directors may not constitute a majority of the Representative Council.

The provisions of the Act relating to the Board and the Directors apply to the Representative Council and members thereof as appropriate.

#### Art. 23

The Board of Directors of a Foundation will elect a Chairman, a Secretary who shall also serve as Vice-Chairman, and a Treasurer, unless otherwise stipulated in the Articles of Association.

The Chairman will call Board meetings and see to it that other Directors will be called. A meeting shall at all times be held if a Director or a Manager so requires.

The Manager has a seat at Board meetings although he be not a Director and there he has the right of speech and to propose motions, unless the Foundation's Board decide upon an alternative arrangement in individual instances.

A Record of Minutes shall be kept to show that which occurs at Board meetings and the Minutes shall be signed by those attending a meeting. A Director or a Manager not agreeing with the Board's decision is entitled to have his special opinion recorded.

#### Art. 24

The Board of Directors is qualified to render decisions when the majority of the Board attends a meeting, provided that no stricter requirements are stipulated in the Articles of Association. Important decisions may, however, not be made unless all the Directors have been afforded an opportunity of dealing with the matter, if possible.

A simple plurality of votes will decide issues at Board meetings, unless the Articles of Association stipulate otherwise. The Articles of Association may stipulate that the Chairman's vote decide the issue in case of even votes.

A Foundation's Board of Directors is authorized only after obtaining the Minister's permission to embark upon or participate in such unusual arrangements as may entail a danger of non-compliance with the Articles of Association. The Minister's approval will not abridge the right which a negotiator acting in good faith may acquire on the basis of Art. 27.

#### Art. 25

The Board of Directors of a Foundation will deal with its affairs and shall see to it that its organization and activities be at all times in correct and good order. In case a Manager be engaged the Board and the Manager will undertake the management of the Foundation.

The Manager will undertake the daily operation of the Foundation and in that respect there shall be observed the policy and instructions of the Board. Daily operations will not apply to arrangements which are unusual or of a major character. The Manager may make such arrangements only in accordance with special authority from the Board, unless it be not possible to wait for its decision without undue inconvenience for the operation of the Foundation. In such instances the Board shall be notified about the arrangement without delay.

The Board of Directors shall see to it that there be sufficient supervision of the book-keeping and the handling of the Foundation's funds. In case a Manager is engaged he shall see to it that book-keeping be entered in conformity with Laws and practices and that the Foundation's assets be handled in a secure manner.

The Board of Directors of a Foundation alone may grant Power of Procuration.

#### Art. 26

The Board of Directors of a Foundation will represent it and sign for its firm.

It may be determined in the Articles of Association that individual Directors or Managers have the right to affix signatures.

That right may be restricted in the Articles of Association in such a manner that more than one person jointly undertake signatures. Other restrictions may not be recorded.

A Manager may at all times represent the Foundation in matters within his field of work in accordance with the provisions of para. 2, Art. 25.

#### Art. 27

In case a person representing a Foundation in accordance with the provisions of Art. 26 effects a legal act for and on its behalf such act will be binding for the Foundation, unless:-

- (a) he has exceeded the limits of his authority laid down in the present Act, or
- (b) he has exceeded the limits of his authority in another manner, provided that the other party in negotiations had or could have known of the lack of authority and it must be deemed unreasonable that the other party maintain its rights.

### SECTION V

#### **Annual Accounts and Auditing**

#### Art. 28

The Board of Directors and the Manager of the Foundation shall prepare an annual account for each fiscal year. In case there be no contrary stipulations in the present Act the provisions of the Act respecting Annual Accounts and rules on the basis thereof will apply as appropriate.

#### Art. 29

In case a Foundation engage in business operations which are, according to the characteristics or object thereof, considerably at variance with the Foundation's principal business operations the financial affairs and book-keeping concerning those operations shall be kept separate from other book-keeping and assets of the Foundation.

In case a Foundation be linked to a business concern in accordance with its Articles of Association or a contract a mention thereof shall be made in the annual accounts or Explanatory Notes therewith.

#### Art. 30

The Representative Council shall select one or more Auditors (or Auditing Companies) or Inspectors and their Reserves in conformity with the provisions of the Articles of Association. In case a Representative Council be not provided for in a Foundation an Auditor selected by the Board of Directors shall audit the Foundation's accounts. In case a Foundation be without an Auditor or an Inspector the Minister shall select him or them.

#### Art. 31

No later than a month following upon the approval of annual accounts, yet no later than eight months after the end of a fiscal year, a Foundation's Board of Directors shall send their annual accounts to the Register of Annual Accounts as well as consolidated account, in case of a consolidation as per subparagraph 1 of Art. 3, along with the Board's report, Auditors' or Inspectors' endorsement and information as to when the accounts were approved.

## SECTION VI

### **Allocation of Funds et al.**

#### Art. 32

The Board of Directors of a Foundation awards grants or allocates funds in conformity with the Articles of Association and the provisions of Art. 33. The allocation of funds shall be of a normal nature having regard for the object and the status of the Foundation's assets.

The Board of Directors is authorized to set a reasonable amount aside in order to secure the Foundation's financial status.

#### Art. 33

It is permissible to allot as follows out of the Foundation's funds:-

- (a) profit in accordance with approved annual accounts for the immediate past fiscal year, profit brought forward from previous years and from free funds after deducting loss which has not been balanced and funds in accordance with authority contained in the Articles of Association for bound contributions to the Foundation's funds or for other requirements;
- (b) for reduction of establishment funds as per Art. 13.

#### Art. 34

The Board of Directors of a Foundation is not permitted to take for themselves or grant to Auditors, Inspectors, Managers or others discharging managerial duties a higher remuneration for work with the Foundation than is customary having regard for the nature or extent of the work.

A Foundation is forbidden to grant those referred to in para. 1 credit or place a guarantee for them. The same also applies to a person who is married to or a co-habitant with them and a person who is related to them paternally or a descendant or is in other respects specially close to them. This does, however, not apply to ordinary business loans.

The Register of Annual Accounts supervises annual accounts and will notify the Minister, i.a. on the basis of random investigations, if the provisions of para. 1 - 2 may be deemed to have been violated.

## SECTION VII

### **Damages**

#### Art. 35

The founders, Directors, Managers, Auditors and Inspectors of a Foundation shall be in duty bound to compensate the Foundation in respect of the loss which they have caused it in the course of their work, irrespective of whether this be intentional or inadvertent. The same applies when a creditor or others sustain loss on account of violation of the provisions of the present Act or the Foundation's Articles of Association.



An amount of damages may be reduced having suitable regard for the extent of blame and loss and for the financial position of the party causing the loss and other incidents.

Lawsuits in accordance with para. 1 shall be brought against founders within two years as of the making of decision on the foundation and against Directors and Managers within two years as of the end of the fiscal year where the decision or the act on which the Lawsuit is based was approved or performed. Lawsuits shall be brought against Auditors or Inspectors within two years as of the completion of auditing and the submission of an audit report or a declaration.

## SECTION VIII

### **Amendment to the Articles of Association, Dissolution and Merging**

#### Art. 36

The Articles of Association of a Foundation will not be amended except with authority contained therein. Amendments of the Articles of Association require the approval of a minimum of two-third of the votes cast as well as the approval of the parties who have contributed a minimum of two-third of the establishment funds represented by votes. The approval of all of them is, however, required for the purpose of increasing the obligations of the parties.

The Representative Council or the Board of Directors if a Representative Council is not being provided for within the Foundation is, however, authorized to effect the requisite amendments to the Articles of Association in case it is obvious that the Articles cannot be implemented or are in conflict with the object of the Foundation. In case the Representative Council or the Board of Directors omit effecting amendments in such instances after the Minister has granted suitable respite for the purpose he is authorized to amend the Articles of Association.

In case a Foundation be dissolved or merged with another Foundation the provisions of Section XIII of Act No. 138/1994 respecting Private Limited Companies, cf. also Section XIV of the same Act, shall be abided by as may be applicable.

## SECTION IX

### **Registration**

#### Art. 37

The Director of Internal Revenue registers Foundations in accordance with the present Act and operates a Foundation Registry for that purpose.

The Minister of Finance is authorized to lay down by means of Regulations further provisions concerning the registration of Foundations under the present Act, including the organization of the registration, its operation, access to the Registry and charges, i.a. for the issue of certificates and the use of the information which has been recorded in a computerized manner.

#### Art. 38

The following shall be specified in a Foundation's notification:-

1. the name of the Foundation and conceivable extra name;
2. domicile and postal address;
3. object;
4. amount of establishment funds and how these have been paid, cash or by means of other funds;

5. how signature for the firm is arranged;
6. full name, Identity number and address of Directors, Manager(s), holder(s) of Power of Procuration and Auditors or Inspectors;
7. fiscal year and first accounting period.

Notification shall be signed by all the Directors and signatures shall be certified by a Notary Public, Attorney, Auditor or two witnesses.

Originals or copies of the following shall attach to the notification:-

1. the act on which the Foundation is based such as gift bond(s) or Last Will(s) and Testament(s);
2. Articles of Association and other documents and accounting documentation concerning the Foundation;
3. evidence that Directors, Managers and Auditors or Inspectors meet the conditions of Laws to be permitted to discharge the work along with confirmation in writing to the effect that they have undertaken the auditing.

The Foundation Registry may also require any documentation and information necessary in order to adopt an attitude to as to whether the processing of the establishment has complied with Laws and the Foundation's Articles of Association. The Registry may i.a. require a declaration from an Attorney or Auditor to the effect that information contained in a notification of the establishment of a Foundation concerning the payment of establishment funds be correct.

#### Art. 39

Notice shall be given of Amendments to the Articles of Association or other previous notifications within a month, unless an alternative stipulation be contained in the present Act. A new overall text of Articles of Association with amendments included shall be submitted. Evidence of the lawfulness of amendments may be required. Notifications of amendments shall be signed by the majority of the Board of Directors or the holder of Power of Procuration.

In addition to notifications in accordance with para. 1 concerning changes of the Board et al., notice shall be given in June each year of the addresses of Foundations and the names, Identity Nos., and addresses of Directors, Reserve Directors, Manager(s), Auditors or Inspectors and holder(s) of Power of Procuration as of 1 June, unless the Foundation Registry decide that notifications shall be based on an alternative date.

#### Art. 40

In case notifications do not meet instructions contained in the present Act or the Articles of Association of a Foundation or decisions are not made in the manner determined in Laws or Articles of Association registration shall be rejected.

In case shortcomings may be improved upon in a simple manner by means of the Board's approval suitable respite shall be granted to improve thereupon. If improvements are not effected within the respite registration shall be rejected.

A notifying party shall be advised in writing of a rejection and the reasons therefor.

In case the registration of a notification may be a concern of a third party the Foundation Registry shall advise that party in a satisfactory manner.

In case a notifying party will not abide by decisions in accordance with para. 1 and 2 he may submit the matter to Courts of Law. A Lawsuit shall be brought within six months as of the time the notifying party obtained knowledge about a decision.

In case someone considers his rights to be infringed by means of a registration he may submit the matter to Courts of Law, provided that a Lawsuit be brought within six months as of the time the notification was published in the "Legal Gazette". In case a party so request comments on the findings shall be recorded free of charge in the Foundation Registry and shall thereupon be published in accordance with Art. 41.

#### Art. 41

The Foundation Registry shall at the expense of the notifying party cause to be published in the "Legal Gazette" the principal subject of that which has been recorded concerning the establishment of a Foundation and reference to the principal subject of supplementary notifications. The Registry may also in other instances cause the publication of more than a reference to the principal subject of supplementary notifications if it deems this necessary.

That which has been recorded and published in the "Legal Gazette" shall be considered known to a person, unless circumstances be such that he may be deemed to have been unaware thereof or could not have known about it. The provisions of the 1st sentence do, however, not apply to arrangements which are made within sixteen days following upon publication if the person concerned proves that he has been unable to obtain knowledge about that which was published.

In case publication in the "Legal Gazette" has not occurred a notification will not be valid vis-à-vis others than those who were verifiably aware thereof.

In case of a discrepancy between that which is recorded and that which is published in the "Legal Gazette" the Foundation cannot plead the published text vis-à-vis a third person. He may, on the other hand, plead the published text vis-à-vis the Foundation, unless it be proved that he has been aware of that which was recorded.

### SECTION X

#### Daily Fines

#### Art. 42

In case the founders, Directors, Managers, Auditors, Inspectors or Winding-up Committee members neglect their duties under the present Act, the Articles of Association of a Foundation or the decisions of the Minister or the Foundation Registry the Registry may offer them, subject to a specific daily fine or a weekly fine, to discharge duties. The lawfulness of a decree may be referred to Courts of Law within a month as of the publication thereof.

### SECTION XI

#### Penalties

#### Art. 43

The following is subject to fines or imprisonment for up to two years:-

- (a) deliberately to violate the provisions of the present Act or
- (b) deliberately to give incorrect statements or create in a corresponding manner incorrect ideas about the circumstances of a Foundation or other factors pertaining to it.

### SECTION XII

#### Miscellaneous Provisions

#### Art. 44

The Minister of Commerce generally supervises the implementation of the present Act.

Art. 45

The Minister is authorized to nominate a person or persons to perform a special investigation with a Foundation concerning its establishment, specific items of the activities or individual sectors of the book-keeping or annual accounts. They shall be paid remuneration from the Foundation which shall be determined by the Minister.

The provisions of the Act respecting Annual Accounts concerning qualifications, circumstances, attendance at meetings and the granting of information to Auditors or Inspectors apply to those undertaking a special investigation.

The Minister shall be handed a report relating to the conclusion of the investigation.

Art. 46

The Minister or his representative may require all documentation and information in order that those concerned may discharge their duties in accordance with the present Act.

In case the Minister consider individual Directors or the Manager to be violating the present Act or the Foundation's Articles of Association he may instruct them to make amends.

Art. 47

In case provisions be wanting in a Last Will and Testament or another valid establishment document in part or in full concerning the management of a Foundation or another subject which shall be included in the Articles of Association the Minister may amend that which is wanting.

Art. 48

The Minister may by means of Regulations lay down further provisions relating to the implementation of the Act, cf., however, para. 2, Art. 37.

SECTION XIII

**Entry into Force et al.**

Art. 49

The present Act enters into force on November 1st, 1999.

Upon the entry into force of the Act there will be added a new paragraph to Art. 1 of Act No. 19/1988 respecting Funds and Establishments functioning in accordance with a confirmed Organizational Charter, reading as follows:-

Foundations engaging in business operations are subject to the Act respecting Foundations Engaging in Business Operations.

Art. 50

In case Foundations are registered in accordance with the provisions of the Act respecting Funds and Establishments functioning in accordance with a confirmed Organizational Charter these shall be struck off the registry as and when they are registered in accordance with the present Act.

Foundations which are functioning upon the entry into force of the present Act and come under the scope thereof are not bound by the provisions of Art. 10 respecting establishment funds. These shall be registered within six months as of the entry into force of the Act. Their Articles of Association shall also be aligned to the provisions of the present Act within the selfsame time.

The Minister and the Foundation Registry will supervise the correct implementation of the provisions of para. 2. The Minister is authorized to amend the provisions of the Articles of Association of Foundations if this proves necessary in order to meet the provisions of the Act.