

## **A NON-PROFIT ASSOCIATION (ASSOCIATION SANS BUT LUCRATIF – ASBL)**

An ASBL is an association which **does not carry on any commercial or industrial business** or which **does not aim to make a material profit for its members**.

It is also an **association of several persons** pursuing a **common objective** who have agreed to subject the formation and operation of their association **to certain legal rules**.

The decision to form such an association is based primarily on considerations of legal certainty, as this enables a separation to be made between the assets and responsibilities of the ASBL and its members.

### **SHAREHOLDERS**

The ASBL needs **at least three shareholders**.

### **INCORPORATION**

The constitution of an ASBL may be freely formulated, but must contain the **following information**:

1. the name and the seat of the association. This seat must be in the Grand Duchy of Luxembourg;
2. the purpose or purposes for which it was formed
3. the minimum number of members. It may not be less than three;
4. the surnames, forenames, professions, places of residence and nationalities of the partners;
5. the conditions governing the admission and withdrawal of members;
6. the duties and manner of convening the general meeting and the conditions under which its resolutions shall be communicated to members and third parties;
7. the manner of appointment and the powers of the members of the Board of Directors;
8. the maximum rate of contributions or payments to be made by the members of the Association;
9. the method of rendering accounts;
10. the rules for amending the constitution;
11. the use to be made of the Association's assets in the event of its dissolution.

These particulars shall be recorded in a **notary public** (*acte authentique*) **or private** (*sous seing privé*) **deed**.

### **BOARD OF DIRECTORS**

The Board of Directors shall **conduct the business** of the Association and represent it in all judicial and extrajudicial matters.

### **LIABILITY**

The Association shall be liable in accordance with general principles of law for errors attributable either to its officers or to the bodies through which it will be exercised. The members of the Board of directors shall not incur any personal liability in respect of the liabilities of the ASBL. Their liability is limited to the fulfilment of the mandate given to them and to errors in their management.

## **ACCOUNTING**

The Board of Directors is obliged to submit the accounts for the previous financial year and the budget for the next financial year to the General Meeting for approval each year.

## **LEGAL BASIS**

- Law of 21 April 1928 on non-profit associations and non-profit institutions (*Loi du 21 avril 1928, sur les associations sans but lucratif et les établissements d'utilité publique*)
- Law of 19 December 2002 on the commercial and companies register and on the accounting and annual accounts of companies and modifying certain other legal provisions (*Loi du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises et modifiant certaines autres dispositions légales*)