

FOUNDATION AND REGISTRATION OF
AN ASSOCIATION OF CITIZENS
WITH SPECIAL REFERENCE TO SPORTS
CLUBS



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FOUNDATION AND REGISTRATION OF AN ASSOCIATION OF CITIZENS WITH SPECIAL REFERENCE TO SPORTS CLUBS

Foundation, registration, internal governance and dissolution of an Association of citizens in the Republic of Srpska is regulated by the Law on Associations and Foundations of the Republic of Srpska ("Official Gazette of the Republic of Srpska" number 52 of 17th October, 2001; 42/2005). In Bosnia and Herzegovina there are 4 laws that regulate this field depending on the entity, i.e. place (court location) of registration (BiH, RS, FBiH, BDBiH).

An association, as defined by these laws, is every form of voluntary affiliation of several natural or legal persons aimed at the improvement or accomplishment of a joint/public interest or goal in accordance with the Constitution and law, whose basic purpose is not to gain profit.

Establishment of an Association of Citizens

An association may be established by at least three natural or legal persons, and by adopting the founding act. The association may acquire the status of a legal person by entering into the register, with the seat and the name in the official language of the Republic of Srpska.

The founding assembly of the association enacts the founding act and the statute and appoints the managing bodies.

The founding act of an association shall contain:

- names, last names and addresses, i.e. name and seat of the founders;
- name, seat and address of an association;
- basic goals for the establishment of an association;
- name and last name of a person authorized to apply for registration of an association;
- signatures and the citizens' identification numbers of the founders, if they are citizens of the Republic of Srpska and Bosnia and Herzegovina;

Articles of association (the founding act) is signed by the President of the Assembly.

The Statute of an association shall contain the following:

- name and seat of an association;
- goals, tasks and activities of an association;
- procedure for admission and expulsion of members;
- rights and responsibilities of the members of an association;
- the bodies of an association, the procedure for their election and dismissal, its powers, quorum and voting rules, specific issues which are to be decided on by a qualified majority, duration of their terms, the procedure of convening the assembly;
- the way in which the financial report and the report on activities are submitted;
- rules for acquisition and disposal of the association's property and the body authorized to control the utilization of these resources;

- procedure for the amendments of the statute, powers and the way of enacting other general acts;
 - form and content of association's seal;
 - representation;
 - conditions and procedures for the merger, separation, transformation or dissolution of an association;
 - procedure for distribution of the remaining property in case of dissolution of an association.
- The Statute may contain other provisions that are not contrary to the provisions of this Law.

A person authorized to apply for registration shall submit an application for registration of an association in the register governed by the Basic Court within the District Court under which jurisdiction is the place of seat of the association.

Application for registration shall contain:

- name of an association;
- seat of an association;
- address of an association;
- date of establishment;
- goals and activities;
- names of the members of the management bodies;
- names of the persons authorized to represent an association;
- signature of the representatives of an association.

The application for registration (5 copies) shall be accompanied with the following documents:

1. Articles of association (the founding act) x5;
2. Statute x5;
3. Decision on the appointment of a person authorized to represent an association x5;
4. An extract of the minutes of the Founding Assembly including: the date when the Founding Assembly was held, the number of the members present, the agenda and the decisions adopted (related to the association);
5. A list of founders including: name, address, ID number and the signature of the founders x5;

- The fee for registration is BAM 300,00.

After receiving the Decision on registration it is necessary to submit a request (application) for classification of business entity by activity. The request is to be submitted to APIF (Intermediary Agency for IT and financial services of the Republic of Srpska). The request must be submitted along with a verified copy of the decision on registration.

Upon receiving "notification on classification of business entity by activity" from the Institute of Statistics of the Republic of Srpska, a person authorized for the establishment of an association shall use the prescribed form of the Tax Administration of the Republic of Srpska (application for registration/registration of a legal entity) to request a unique identification number (JIB). The request must be accompanied with the verified decision on registration, notification on classification of business entity by activity and a certified copy of the identity card of the President of Association.

All necessary forms may be downloaded from the websites of the above mentioned organizations to which they are to be submitted.

The procedure of amendments registration and deletion from the register

After the association is established and registered it is possible that there will be some amendments (e.g. the change of seat). All amendments must be registered in the relevant register.

With the **Request for the registration of amendments** (5 copies) it is necessary to enclose:

1. The Decision of the competent authority in accordance with the Statute on the amendments which are made (x5);
2. An extract from the minutes of the meeting of the competent authority (when the session was held, how many members were present, what was the agenda and what decisions were adopted) (x5);
3. If there are some amendments to the Statute, a consolidated text of the new Statute must be submitted (x5):

- Fee for the amendments to the Statute is BAM 260,00;
- Fee for the change of the person authorized for representation is BAM 100,00;
- Fee for the change of the address is BAM 100,00.

With the **Request for the deletion of the Association** from the court register (5 copies) it is necessary to enclose:

1. The Decision of the competent authority under the Statute on the termination of the work, and the explanation of the reasons for the termination (x5);
2. An extract from the minutes of the session at which the Decision on termination was adopted (x5);
3. A copy of the Decision on registration.

- Fee for the deletion of the association is BAM 200,00.

ESTABLISHMENT AND REGISTRATION OF SPORT ORGANISATONS (CLUBS)

Although apparent, i.e. at first sight evident that there is the incompatibility between Law on Sports of the Republic of Srpska ("The Official Gazette of the Republic of Srpska" number 4 of 25th January, 2002; 66/03, 73/08, 102/08) and the Law on companies of the Republic of Srpska ("The Official Gazette of the Republic of Srpska" number 127 of 31st December 2008, 58/09, 100/11, 67/13) it should be pointed out that a new law, which shall regulate and alter part referring to the form of organization, establishment and registration of sports organizations, is being drafted.

Sport organizations can be established as associations of citizens and that is something that certainly will not be altered with the new law.

The procedure of establishing sports organizations as Associations of citizens

Sport organization as an association of citizens (sport association of citizens) may be established by at least three natural or legal persons in accordance with the law.

Sport in the Republic of Srpska is an activity of general interest. Sport organizations are non-governmental and their work is public.

The procedure of establishing the sport associations does not differ from the standard procedure for the establishment of an association.

Sport organization shall acquire the status of a legal person upon the registration in the register governed by the Basic Court within the District Court under which jurisdiction is the place of seat of the sport organization.

The Founding Assembly of the sport association enacts the founding act, statute and appoints the managing bodies.

The founding act of a Sport Association includes:

1. name, address and seat of the founder;
2. goals and activities of the association;
3. name of the person authorized for representation of the association;
4. adopted and approved statute of the association.

The name of a sport association is given in the official language of the Republic of Srpska.

The Statute of a sport association may stipulate that a part of the sport association (clubs, selections, branches and organizational units, etc.) should have the status of a legal person. Part of a sport association that has the status of a legal entity is registered in the sport register.

International sport associations and their representative offices and other organizational forms, i.e. organizational forms of foreign sport associations can be established in the territory of the Republic of Srpska under the condition that they are registered in accordance with the law, with the prior consent of the Republic Secretariat for Youth and Sport which is an integral part of the Ministry of Family, Youth and Sport of the Republic of Srpska.

The status of a legal entity is acquired by the entry into the court register and the right to perform sport activities is obtained upon the entry into the register kept by the Republic Secretariat (Register of Sport).

It is not allowed to have two sport organizations within one sport branch in the same place (municipality) and under the same name, unless one of them is female and the other male sport organization.

The procedure of registration of a sport association in the sport register

The procedure of registration of a sport association in the sport register starts with an application for registration submitted by the authorized person of a sport organization.

The **applicaton for registration in the sport register** is followed by:

- decision on the entry into the court register;
- founding act;
- statute;
- list of the members of the managing bodies;
- names of the persons authorized for representation.

The Republic Secretariat is obliged to issue the decision on registration, based on duly filed application, within 30 days from the receipt of the application.

The following information is registered in the sport register:

1. name and seat of the sport organization;
2. name, address, ID number, i.e. name and seat of the founder,
3. goals of the association and foundation;
4. name, address and ID number of the person authorized for representation of the sport organization;
5. type of sport activity;

6. funding resources for the activity;
7. methods of performing professional work;
8. sport facilities used for the performance of sport activities;
9. part of sport organization that has the status of a legal person;
10. number and date of the decision on the registration in the court register governed by the court responsible for the registration;
11. the register shall contain other information defined by this law and other regulations.

A sport organization shall be deleted from the sport register in accordance with the final decision on termination of work based on the final verdict on the prohibition of work of the sport organization, or when the competent authority of the sport organization enacts the decision on the termination of work, i.e. the decision on the status change if the sport organization stopped working.

Other forms of establishing sport organizations

Law on Sport of the Republic of Srpska also prescribes the establishment of the sport organizations as:

- enterprises;
- institutions;
- sport federations;
- sport societies.

There will certainly be some amendments to the aforementioned forms of establishing sport organizations once the new Law on Sport of the Republic of Srpska is drafted and adopted. This is due to the fact that the current Law on Sport of the Republic of Srpska is not in accordance with the Law on Companies of the Republic of Srpska nor it can be treated as *lex specialis* compared to the mentioned law.

The Republic of Srpska urgently needs a new Law on Sport that shall support modern trends of organizing sport organizations (clubs) and even prepare the privatization of the same.

There are many different forms of organizing the sport clubs in the world.

The most famous are:

- socios model (Barcelona, Real Madrid);
- German model of a sport association with the separate and registered joint stock company (FC Bayern Munchen);
- Sport joint stock (shareholders) company (Hajduk Split).

Such forms of organization are not determined by our laws.

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