

**SOCIAL ECONOMY**

# Decree-law no. 157/2019 establishes the rules on setting up and registering foundations

**I. Background**

Decree-Law 157/2019 of 22 October comes into force on 1 January 2020 and makes it possible to set up foundations using an authenticated private document. The Decree-Law also regulates the registration of foundations intended to publicise their legal situation.

**II. The act of setting up foundations**

To simplify the procedures and reduce the bureaucratic costs associated with running foundations, at the same time implementing a measure of the Simplex+2018 programme, Decree-Law No. 157/2019 makes it possible to set up a foundation using an authenticated private document. As a result, from 1 January 2020, the setting up of a foundation can be formalised with a public deed or with an authenticated private document under this new law.

**III. The rules on registering foundations**

The aim of registering foundations is to publicise the facts relating to the legal situation of foundations, in order to safeguard security in legal transaction and the principles of simplification and cooperation between the bodies of the Public Administration.

**"From 1 January 2020, the setting up of a foundation can be formalised with a public deed or with an authenticated private document under this new law."**

The rules are mandatory and contain the identification details of foundations. Therefore, the facts provided for in articles 2 and 3 and the actions and decisions listed in article 4, all of the Rules on the Registration of Foundations annexed to Decree-Law 157/2019 are subject to registration.

After the entry into force of the Decree-Law 157/2019, all facts must be registered within two months. Facts that pre-date 1 January 2020 and which appear in the Central Register of Legal Entities, the Commercial Registry, and the Database of the Secretary General of the Presidency of Ministers do not have to be registered. This is because they will be transferred automatically, within a period of three months, to the register of foundations. Interested parties are only required to update the information.

**"The rules are mandatory and contain the identification details of foundations."**