



**FDAS Policy on Legal entity\***

**Policy: The Policy of FDAS on Legal Entity is as follows.**

Laboratories are advised to satisfy any of the following condition for legal entity:

- Establishing Legal Entity for an institution is the means to provide the life to an institution which can sue & can be sued in a court of law, by an aggrieved party.
- The mechanism of achieving Legal Entity is available under umbrella of the Central Govt./ State Govts/quasi governments and through Govts, designated agencies like Registrar of companies, Registrar of Societies, and in case of Trusts by Tehsildar.
- The status of Legal Entity to CABs is achieved by getting the permission of governmental authorities for performing defined scope of activities and for laboratories it is defined in terms of scope tests and/or calibrations intended to be performed, besides others.
- Public Limited companies, Private Limited Companies, Corporations, NGOs registered with Society of Registrar and Trusts recognized by appropriate government authorities, come under the category that have acquired legal status.
- Proprietorship firms approved and registered with the appropriate Govt. Dept., for the conduct of defined activities are considered to have acquired legal status.
- Self-proclaimed/declared proprietorship or partnership firms without registration with appropriate authority are not considered of having acquired legal status.
- Laboratories that are part of large organizations, which have a legal identity, inherit the legal status of the parent organization.
- Government laboratories inherent the legal entity and acceptable to FDAS.

Note 1: Opening of bank account or paying taxes has nothing to do with legal entity.

Note-2: Legal entity of a laboratory makes it legally responsible for its laboratory activities and its accreditation status ensures the same to its users globally. This clause of the international standard safeguards the interest of the users of the accredited laboratories globally.

Note-3: Laboratories registered by MSME is the recognition for its category as per MSME rules. MSME recognition does not provide legal status.

**\*Definition of Legal Entity:**

The term Legal Entity refers to any organization which is constituted as per the regulations and laws under the Govt. of India. A Legal Entity could be an individual, group of persons, or organization that has legal rights and obligation related to the agreements, contracts, payments, penalties etc.