

Accountancy Europe Constitution

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SECTION I NAME, REGISTERED OFFICE AND OBJECTIVES

Article 1. Name

- (1) An International Association (AISBL) is formed in accordance with Title III of the Belgian law of 27 June 1921 concerning non-profit organisations, foundations and international associations under the name Accountancy Europe.
- (2) In the following text, it is referred to as the Association.

Article 2. Registered office

- (3) The registered office of the Association is situated at 1040 Brussels, avenue d'Auderghem 22-28, Belgium.

It can be transferred to any other location in Belgium by a decision of the Members' Assembly, published in the Annexes to the Belgian State Gazette.

Article 3. Duration

- (4) The Association is formed for an unlimited duration. It can be dissolved at any time, in accordance with the law and this Constitution.

Article 4. Values of the Association

- (5) The Association supports the values and freedoms of the European Union. It is committed to contribute to a more efficient, transparent, and sustainable European economy.

It promotes professional integrity, open and inclusive stakeholders' dialogue and good governance.

In representing and servicing its Members, the Association considers the interests of the European accountancy profession in the broadest sense, including all aspects and sectors of the profession from sole practitioners to small, medium sized and large accountancy firms, as well as accountants in business and in government and public sector, taking into account the public interest. With a long term perspective in mind, it aims at providing thought-leadership across all areas of its activities as well as responding to an ever changing world. It seeks to achieve a consensus across its different constituencies with a view to contribute to the European public good.

In the performance of its mission, its governance and its activities, the Association considers the principle of the 'best person for the job'.

Article 5. Objectives of the Association

- (6) The Association is a non-profit association. Its objectives are:
- a. To promote and advance the interests of the European accountancy profession in the broadest sense recognising the public interest in the work of the profession;
 - b. To work towards the enhancement, harmonisation and liberalisation of the practice and regulation of accountancy, statutory audit and financial reporting in Europe in both the public and private sector, taking account of developments at a worldwide level and, where necessary, promoting and defending specific European interests;
 - c. To promote co-operation among the professional accountancy bodies in Europe in relation to issues of common interest in both the public and private sector;
 - d. To identify developments that may have an impact on the practice of accountancy, statutory audit and financial reporting at an early stage, to advise Members of such developments and, in conjunction with Members, to seek to influence the outcome;
 - e. To be the sole representative and consultative organisation of the European accountancy profession in relation to the EU institutions;
 - f. To represent the European accountancy profession at the international level.
- (7) The foregoing objectives shall include in the definition of accountancy in the broadest sense such matters as taxation and legal aspects of the activities of business enterprises.
- (8) These objectives can be achieved notably by way of organising congresses, seminars producing position papers and other forms of publications.

Article 6. Rules governing the Association

- (9) The Association is governed by this text which is referred to as its “Constitution” and by the related Internal Rules.
- (10) The Members’ Assembly agrees Internal Rules that supplement this Constitution and/or implement certain matters. The Internal Rules are approved by the Members’ Assembly, as this Constitution, and have the same binding force; it is followed by the Association and each of its Members.
- (11) Any other rule agreed by the Board shall comply with the Constitution and the Internal Rules.

SECTION II MEMBERSHIP

Article 7. Members of the Association

(12) The Members of the Association include the bodies who have created the Association and those who have been admitted as Members.

The Association is composed of the following categories of Members:

- a. Full Members: are professional accountancy bodies that meet all the membership requirements as further defined by the Internal Rules and fulfil all their membership obligations.
 - b. Associate Members: are professional accountancy bodies that do not meet all the conditions but are committed to do so.
 - c. Correspondent Members: are other professional organisations, including professional accountancy bodies, that share the Association's values and objectives and are interested in its work but do not and are not expected to fulfil all the conditions to become Full or Associate Members.
- (13) In addition to Members, the Internal Rules may create sub-categories of Members or categories of partners to enable cooperation with organisations which may not become Members of the Association.

Article 8. Admission to the Association

(14) Admission to membership is decided by the Members' Assembly.

The Association is open to European professional accountancy bodies and to professional organisations of high quality and good repute.

The Internal Rules shall specify the characteristics of professional accountancy bodies and other professional organisations within the meaning of this article and the membership requirements.

- (15) The Members' Assembly decides the admission of Members of any category.
- (16) The Internal Rules foresee an objective admission procedure enabling the Members' Assembly to make an informed decision.

The Internal Rules shall specify the admission conditions that Associate Members have to meet and the timeframe in which they are expected to become Full Members.

Article 9. Members' rights and obligations

a) Members' rights

- (17) The Association Members have the right to participate in the Association's activities as defined in the Internal Rules. The Association's Members should not undermine The Association's positions. Full Members are entitled to participate to decision-making in relevant governing bodies of the Association.

The Internal Rules provide for the implementation of the above principles and determine the details of the respective rights of the different categories of Members.

b) Members' obligations

- (18) All Members shall respect this Constitution and the Internal Rules and contribute to financing the Association.

A Member who has not paid the entirety of its dues to the Association, in particular, its annual financial contribution, is not entitled to exercise its rights, in particular its right to vote, until all its dues have been paid.

The Internal Rules provide for the implementation of the above principles and determine the details of the respective obligations of the different categories of Members.

Article 10. Members' resignation

- (19) Each Member has the right to withdraw from the Association at the end of any calendar year, by giving six months notice in writing to the Chief Executive.
- (20) If such notice is given, the membership fees for any commenced year remain entirely due.

Article 11. Suspension and exclusion of Members

- (21) The Members' Assembly may, acting on a request of the Board, decide to suspend or exclude any Member who does not abide by the Association Constitution or Internal Rules or for any other lawful reason, by a vote at super-majority procedure of the Full Members present or represented by proxy and entitled to vote (excluding Members who have not paid the entirety of their dues to the Association in contravention to article 9 (b) of the Constitution).
- (22) In particular, the suspension of a Member may be decided for the following reasons:
- a. Non-payment of its financial contribution in accordance with the provisions of the Constitution or the Internal Rules;
 - b. Other infringements of this Constitution or of the Internal Rules;
 - c. Acts bringing the profession into disrepute.

- (23) Once such suspension has been voted by the Members' Assembly, the Board may recommend the exclusion of such Member at a following meeting of the Members' Assembly.
- (24) The suspension or exclusion of a Member has immediate effect.
- (25) The Members' Assembly may vote the end of the suspension on the basis of a report from the Board that acknowledges that the facts justifying the suspension have ceased.
- (26) The suspension or exclusion of a Member has no effect on the outstanding financial contribution this Member may have and in particular, the Association is entitled to claim the payment of the membership fee for the full year during which the suspension or exclusion is decided.

SECTION III ORGANISATION OF THE ASSOCIATION

Article 12. Governance and management of the Association

- (27) The organs and officers of the Association are: the Members' Assembly, the Board, the President, the Deputy-President and the Chief Executive.

The Association's Secretariat supports its organ and officers in the execution of their tasks.

The Members' Assembly and the Board are the governing bodies of the Association. They are chaired by the President.

The Association is managed by the Chief Executive supported by the Secretariat.

Article 13. Representation of the Association

- (28) The Association is validly represented by the President or by the Chief Executive.

Both the President and the Chief Executive may equally commit the Association and represent it in legal matters and vis-à-vis third parties, including in judicial acts and acts involving a public officer.

The President is designated by the Members' Assembly and the Chief Executive is designated by the Board in accordance with this Constitution and the Internal Rules.

Article 14. Work of the Association

- (29) The work of the Association is performed by its Members in working parties and other structures, by its staff in the Secretariat and its organs and officers.

THE MEMBERS' ASSEMBLY

Article 15. Composition of the Members' Assembly

(30) The Members' Assembly consists of all the Full Members of the Association.

Each Full Member appoints a representative entitled to vote.

Article 16. Role and powers of the Members' Assembly

(31) The Members' Assembly has the power to perform all lawful acts useful or necessary to the realisation of the objectives of the Association, with the exception of those reserved by this Constitution or the Internal Rules to another body or person, in particular, the President, the Board and the Chief Executive.

(32) It provides high level guidance to the Board on the Association's strategy and thought-leadership.

It supervises the Board.

(33) In making decisions, the Members' Assembly seeks to agree by consensus.

It votes in accordance with one of the procedures that are further described in article 17 below.

(34) The Members' Assembly has the following specific powers:

The following powers are exercised in accordance with the **normal voting procedure**:

- a. It elects the Deputy-President;
- b. It approves the establishment of any internal committee to which it or the Board intends to delegate governance responsibilities;
- c. It approves the annual budget;
- d. It approves the financial statements and grants its discharge to the Board;
- e. It appoints the auditor(s), taking into consideration the proposal(s) made by the Budget and Finance Committee.

The following powers are exercised in accordance with the **super-majority voting procedure**:

- f. The Members' Assembly holds to account the Board and may dismiss its members; the Internal Rules may set specific procedures for the impeachment of the Deputy-President and the exceptional extension of the President's term;

- g. It adopts decisions upon any constitutional matter, including adoption of and amendments to the Constitution and Internal Rules, and admissions to, suspension and exclusions from membership;
- h. It adopts decisions upon matters referred to it by a group of Full Members possessing at least one fifth of voting rights or representing at least one fifth of countries (excluding Members who have not paid the entirety of their dues to the Association in contravention to article 9 (b) of the Constitution).

The following powers are exercised in accordance with the **country voting procedure**:

- i. It votes on the members of the Board in accordance with the rules regarding the composition of the Board;
- j. It approves the strategy presented by the Board.

Article 17. Decision-making of the Members' Assembly

- (35) The Members' Assembly makes decisions by voting in accordance with the applicable procedure as stated in this Constitution and Internal Rules.

If the Constitution or Internal Rules are silent on the applicable procedure, the normal voting procedure applies.

In the different voting procedures, the majority is always based on the votes cast of Members present or represented; the abstentions are not counted.

- (36) Where relevant, the number of votes allocated to each country and quorum are set out in the Internal Rules.

Normal voting procedure

- (37) The normal voting procedure applies to matters referred to in article 16 under letters a to e, as well as to any other matter for which no specific different procedure is expressly made applicable.
- (38) Under the normal voting procedure, a decision is approved when it obtains a majority of votes cast of more than 50% of the voting rights from Full Members entitled to vote (excluding Members who have not paid the entirety of their dues to the Association in contravention to article 9 (b) of the Constitution).

Super-majority voting procedure

- (39) The super-majority voting procedure applies to decisions of particular importance or of exceptional nature and only as and where expressly required by the Constitution or the Internal Rules; in particular, it applies to matters referred to in article 16 under letters f to h, articles 8 and 11 (membership admission and exclusion), article 26 (exceptional extension of the President's term), article 34 (dissolution of the Association) of this Constitution and in the provisions of this Constitution and of the Internal Rules that require it.

- (40) Under the super-majority voting procedure, a decision is approved when it obtains a majority of votes cast of more than 75% of the voting rights from Full Members entitled to vote (excluding Members who have not paid the entirety of their dues to the Association in contravention to article 9 (b) of the Constitution).

Country voting procedure

- (41) The country voting procedure applies only where expressly required by the Constitution or the Internal Rules; in particular, it applies to matters referred to in article 16 letters i and j.
- (42) This procedure applies to decisions related to the designation of Board members and where this Constitution or the Internal Rules require it.
- (43) Under the country voting procedure, a decision is approved when it obtains a majority of votes cast of more than 50% of the voting countries, each country having one vote.
- (44) A country may only vote if it has at least one Full Member and all the Full Members in this country are entitled to vote (excluding Members who have not paid the entirety of their dues to the Association in contravention to article 9 (b) of the Constitution).
- (45) However, where a country's Full Member has not paid the entirety of its dues to the Association in contravention to article 9 (b) of the Constitution, the Board may nonetheless authorise the other Full Members of the same country to exercise this country's vote if they provide sufficient guarantee that the financial contribution of the Member(s) who has (ve) not paid will be paid in due course. The Internal Rules may set out specific conditions for the application of this article.

Article 18. Meetings of the Members' Assembly

- (46) The Internal Rules set the number of annual meetings of the Members' Assembly.

The meetings of the Members' Assembly are held at a time and place determined by the Board.

They are convened by the Board.

The notice and agenda will be sent at least by email in accordance with the provisions of the Internal Rules.

- (47) The agenda of the Members' Assembly is set by the Board.

However, a group of Members possessing at least one fifth of voting rights or representing at least one fifth of countries may request to add an item to the agenda in accordance with the Internal Rules.

- (48) Each year, the Members' Assembly holds a statutory meeting to deal with constitutional matters, including: the approval of the annual budget, of the total Members' financial contribution to the Association for the following year and of the financial statements, the designation of Board members and membership matters.

For the statutory meeting of the Members' Assembly, the Members designate a Bureau.

The Bureau is made up of the President, two scrutineers and a Secretary appointed by the Full Members at the Assembly.

The minutes of the statutory meeting are signed by the members of the Bureau.

They are sent to all Members of the Association within three months of the meeting.

Decisions are registered and kept in the registered office under the responsibility of the Chief Executive.

- (49) At least one meeting of the Members' Assembly discusses the Association overall strategy and provides guidance to the Board.
- (50) The decisions of the Members' Assembly are noted in the minutes of the meeting that are communicated to the Members in accordance with the Internal Rules.

The Internal Rules may further specify the regime of the meetings of the Members' Assembly.

Article 19. Additional meetings of the Members' Assembly

- (51) Additional meetings of the Members' Assembly may be held in addition to the meetings agreed for a particular year at a place and time to be determined by the Board, in the following cases:
 - a. At the request of the Board;
 - b. At the request of certain Members as foreseen by the Internal Rules.
- (52) The Internal Rules may allow that such additional meetings of the Members' Assembly be organised via electronic means.

THE BOARD

Article 20. Composition of the Board

- (53) The Board comprises a minimum of 5 members and a maximum of 20 members.

The number of seats used at any one time and the composition of the Board is defined by the Internal Rules.

- (54) The seats in the Board are apportioned in different categories.

The Members' Assembly agrees detailed rules and procedures in the Internal Rules to ensure that the Board reflects the diversity of Members and that no country has more than one representative on the Board. However, the Members' Assembly may agree exceptions to this last rule upon a reasoned proposal of the Board.

Article 21. Role and powers of the Board

- (55) The Board and all its members have a duty to act in the collective interest of all the Members of the Association and in the interest of the European profession, taking the public interest into account.
- (56) The Board is vested with the broadest powers to manage the Association. It may perform all lawful acts of management and administration useful or necessary to the realisation of the objectives of the Association, with the exception of those reserved by this Constitution to another body or person.
- (57) The Board proposes a yearly budget and the related total amount of Members' financial contributions as well as strategic priorities for discussion and approval of the Members' Assembly.

Following discussion with the Members' Assembly, the budget and strategic priorities are amended, if necessary, agreed and then executed.

The Board reports on the budget and the activities in relation to the strategic priorities of the previous year.

- (58) The Board- approves the positions of the Association.

It decides on the activities and projects of the Association and on the structures needed to carry them out such as working parties (or other groups whatever denomination is used to designate them).

It may decide to stop any project or dissolve any group at any time.

It supervises and coordinates all works and activities of the Association. It may delegate these tasks to another body or person under its responsibility.

Article 22. Decision-making of the Board

- (59) The Board is called by the President or Chief Executive.

The decisions of the Board are noted in minutes of its meetings or other discussions that are communicated to its members in accordance with the Internal Rules.

- (60) The Board seeks to make decisions by consensus.

In the absence of such a consensus, the President, Deputy-President and Chief Executive may jointly decide to put the matter to a vote. In this case, a decision can only be adopted at a majority of more than 75% of all the Board members present or represented.

Each Board member has one vote.

- (61) A vote may only take place when 75% of the Board members are present or represented.

A Board member may hold a maximum of two proxies.

A technical advisor, as defined by the Internal Rules, may receive a proxy from his or her respective Board member

MEMBERS OF THE ASSOCIATION'S BOARD

Article 23. The President and Deputy-President

- (62) The President represents the Association.
- (63) The President chairs the meetings of the Members' Assembly and the Board.
- (64) The President puts forward the Association's strategy with the close involvement of the Deputy-President and Chief Executive and in consultation with the Board.
- (65) The President determines the powers of the Chief Executive in financial matters in agreement with the Board or the Budget and Finance Committee.

Above this threshold for the Chief Executive's financial powers, the Association is committed by the President – or Deputy-President – acting together with the Vice-President Treasurer.

- (66) The Deputy-President substitutes for the President as necessary.
- (67) At the end of the President's term, the Deputy-President becomes President, without prejudice for relevant provisions of the Internal Rules.
- (68) In all their functions, the President and Deputy-President act in the collective interest of all the Members of the Association and in the interest of the European profession, independently from any particular Member or country.

Article 24. The Chief Executive

- (69) The Chief Executive is responsible for developing, promoting and managing the Association in order to assist it in achieving its strategy.

He or she keeps the Board informed of his or her actions.

He provides advice and support to the President, the Board and the Members' Assembly.

As a member of the Board, he or she contributes to defining and implementing the Association's strategy and is supervised by the Members' Assembly.

- (70) The Chief Executive is responsible for the day-to-day management of the Association.

He or she has the power to represent the Association in legal matters and vis-à-vis third parties as mentioned in article 13.

The President decides on the extent of his or her powers in financial matters in application of article 23.

(71) A Deputy-Chief Executive may be appointed.

The Deputy-Chief Executive substitutes for the Chief Executive as necessary.

(72) The Chief Executive and his or her Deputy are ex-officio members of the Board.

Article 25. Appointment of the Association's Board members

(73) The Members' Assembly votes on the members of the Board in accordance with the Internal Rules.

(74) The Members' Assembly elects the Deputy-President who in turn succeeds to the presidency in accordance with the Internal Rules.

(75) The Board approves the designation of the Chief Executive.

(76) The Internal Rules further prescribe the process for the election and designation of the relevant Board members.

Article 26. Term of office

(77) The term of office of the President is two years.

(78) The President cannot stand for re-election.

However, in exceptional circumstances, one-third of the Board members may ask him to extend his or her term for a maximum of two years. Such an exceptional extension must be approved by a vote of 75% of the Board and confirmed by the Members' Assembly at a majority of more than 75%.

(79) The term of office of the Board members is defined by the Internal Rules.

It includes a maximum duration for certain categories to ensure that there is appropriate and regular renewal of the different Board members.

SECTION IV BUDGET AND FINANCE

Article 27. Responsibilities regarding budget and finance

(80) The Board sets up a "Budget and Finance Committee" to which it delegates matters related to budget and finance notwithstanding the powers of the President and Chief Executive.

(81) The annual financial statements are prepared by the Budget and Finance Committee under the authority of the Board.

Article 28. Annual budget of the Association

- (82) The Board prepares and, when approved, executes the annual budget of the Association. It aims at achieving an effective use of funds.
- (83) The annual budget is approved by the Members' Assembly no later than at the beginning of the year to which it relates.

Article 29. Financial statements of the Association

- (84) The financial year corresponds to the calendar year.
- (85) The financial statements are discussed and drawn up by the Board within six months of the end of the financial year.
- (86) The financial statements shall comply with the applicable legislation.
- (87) The financial statements shall be audited.
- (88) The audited financial statements are submitted for the approval of the Members' Assembly at the latest before the end of the following year.

They are then distributed to the Members of the Association for their information.

Article 30. Members' financial contributions

- (89) All Members contribute to the Association. Financial contributions are apportioned amongst Members on the basis set out in the Internal Rules.

SECTION V GENERAL PROVISIONS

Article 31. Members' interests in the assets of the Association

- (90) In the event of a termination of membership, neither the Member concerned nor its representatives have the right to bring any claim against the Association, or its Members or their representatives, whether collectively or individually.
- (91) Upon dissolution of the Association, and after payment of all obligations of any kind, the capital and assets of the Association are divided amongst the Members of the Association, not exceeding their annual membership dues. The balance is allocated by a decision of the Members' Assembly to an organisation having a similar purpose or any other disinterested purpose.

Article 32. Limitation of Members' liability

- (92) The liability of each Member is limited to the amount of its annual financial contribution.

Article 33. Amendments to the Constitution

- (93) The Members' Assembly is competent to amend this Constitution and the Internal Rules in accordance with Belgian Law upon a proposal of the Board or by a number of Members possessing at least one fifth of voting rights or representing at least one fifth of countries (excluding Members who have not paid the entirety of their dues to the Association in contravention to article 9 (b) of the Constitution).

Article 34. Dissolution of the Association

- (94) The Members' Assembly determines the manner of the dissolution and liquidation of the Association including the allocation of final balance in accordance with and under the limits set out in article 31 above and the applicable legislation.