



EUROPEAN FEDERATION  
OF ACCOUNTANTS AND AUDITORS  
FOR SMES

# EFAA

## International Non-Profit Organisation

### STATUTES

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## NAME, REGISTERED OFFICE, OBJECTIVES and ACTIVITIES

### Article 1 – Name

An International Non-Profit Association (Association Internationale Sans But Lucratif, AISBL) has been created under the name “European Federation of Accountants and Auditors for Small and Medium-Sized Enterprises”, in abbreviation “European Federation of Accountants and Auditors for SMEs”, “EFAA” or “the Federation”.

### Article 2 – Registered Office

The registered office of the Federation is located in the Brussels Region at 4, Rue Jacques de Lalaing, 1040 Brussels (Belgium).

### Article 3 – Duration

The Federation is formed for unlimited duration.

### Article 4 – Language

1. The working language of the Federation is English.
2. These Statutes exist in both the English and the French language. In the event of any differences in interpretation, the English text shall prevail.

### Article 5 – Objectives and Activities of the Federation

1. The Federation’s objectives are:
  - a. To be the primary representative of small and medium-sized practices (SMPs) and accountants working in small and medium-sized entities (SMEs) in Europe, while ensuring the public interest comes first and foremost;
  - b. To identify issues affecting SMPs and SMEs in Europe, provide a forum for exchanging views on how to address these issues, and cooperate with Members in taking appropriate action;
  - c. To represent SMPs and accountants working in SMEs across Europe with respect to the EU institutions and at the international level;
  - d. To inform Members of developments that most impact their individual Members (inform), to speak out on issues most relevant to the Members (advocate), and to facilitate communication and cooperation between Members (connect).
2. In realising the above objectives, accountancy is interpreted in the broadest sense including but not limited to such matters as audit, taxation, advisory and legal aspects of the activities of SMPs and SMEs.
3. The above objectives can be achieved by way of various activities including, but not limited to, organising events, conducting research, issuing publications, advocating policy positions, responding to consultations, and any other activities considered useful.

## MEMBERSHIP

### Article 6 – Membership

- 1) Membership is open to professional accountancy organisations (PAOs) in Europe of good standing. PAOs are membership bodies comprised of individual professional accountants, auditors, or tax advisers who perform a variety of roles in the accountancy field and adhere to high-quality standards of practice. The Members of these PAOs largely either work for SMPs or SMEs, have a high level of professional education, and follow a sound set of ethical principles.
- 2) The following organisations can be admitted as:
  - a) Ordinary Members: European professional accountancy organisations, recognised either by law or general consensus in their country, which fulfil all requirements for membership and that commit to subscribe to the objectives of the Federation and to abide by the provisions of its Statutes and any relevant internal rules;

- b) Observer Members: European professional accountancy organisations which, while presently satisfying all the conditions of Ordinary membership, decided to defer becoming an Ordinary Member for one year;
  - c) Associate Members: European professional accountancy organisations, which do not meet all the requirements for an Ordinary Member but are committed to meet these requirements in the foreseeable future;
  - d) Correspondent Members: organisations that cannot meet all of the requirements to become Ordinary Member.
2. The provisions of these Statutes apply to all categories of members, unless explicitly stated otherwise.

#### **Article 7 – Admission to Membership**

1. The admission to membership is decided by the General Assembly.
2. A request for admission to membership shall be made in writing to the President.
3. The Board shall determine whether the formal requirements of the statutes according to the membership categories mentioned in Article 6 are met by the applicant. In case of applicants from countries already represented in EFAA, an additional assessment process is arranged by the Board, with the involvement of the EFAA Member(s) from the same country.
4. The request for admission as an Observer Member shall be accompanied by written reasons for applying for such observer membership. After the end of the observation period, Observer Members will automatically become Ordinary Member. In case an Observer Members aims to become Ordinary Member before the end of the observation period, it shall submit a written request to the EFAA President. Such a request shall be accepted by the EFAA Board without the need for a vote of the General Assembly.
5. Associate Members may apply for Ordinary membership when they fulfil all requirements of Ordinary membership.

#### **Article 8 – Members’ Rights and Obligations**

1. Ordinary Members have the right to:
  - a) Vote in General Assembly Meetings;
  - b) Nominate candidates for vacant positions.
2. All Members have the right to:
  - a) Attend EFAA events and participate in the EFAA working groups;
  - b) Obtain information and documentation published by EFAA.
3. All Members have the obligation to:
  - a) Subscribe to the objectives of the Federation;
  - b) Abide by the provisions of these Statutes and any relevant internal rules; and
  - c) Pay their membership contribution. If a Member fails to pay the annual membership fee in full, all its rights are suspended until the amount due is paid.

#### **Article 9 – Members’ Contribution**

1. The annual full contribution and minimum contribution are decided by the Annual General Assembly.
2. Member organizations having less than 2 500 Members or Member organisations from countries with a GDP per capita lower than 60% of the EU average have the right to apply for a reduced annual contribution to be determined annually by the Board on a case by case basis.
3. Observer Members shall pay a reduced contribution of 75% of the annual contribution but not less than the minimum contribution.
4. Payments received after 31 January will be subject to a 0,5% per month interest.

#### **Article 10 – Resignation from Membership**

1. A Member may resign from the Federation at the end of any calendar year by giving notice in writing twelve months in advance to the President.
2. Until the resignation takes effect, the full membership contribution is due.

### Article 11 – Exclusion from Membership

1. The General Assembly may decide to exclude a Member from the Federation, if the Member:
  - a. Fails to pay the annual subscription within six months from the due date;
  - b. Brings the accountancy profession or the Federation into disrepute;
  - c. Ceases to meet the requirements for membership as set out in these Statutes; or
  - d. Provides any other lawful reason for an exclusion.
2. The Member concerned shall have the right of a hearing in the General Assembly but not of taking part in the vote. Notice in writing must be given to the Member concerned, stating the reason(s) for the decision taken.
3. The exclusion of a Member has immediate effect. It has no effect on the obligation of the excluded Member to pay its annual contribution for the entire year and any other outstanding obligation.

## ORGANISATION OF THE FEDERATION

### Article 12 – Bodies of the Federation

1. The governing bodies of the Federation are:
  - a. The General Assembly
  - b. The Board

## THE GENERAL ASSEMBLY

### Article 13 – The General Assembly

1. The General Assembly consists of all the Members of the Federation. Its decisions are binding for all, even for absent or dissident Members or Members that are not allowed to vote. The General Assembly meets at least once a year as the Annual General Assembly, to fulfil the following responsibilities:
  - a. Decide on the number of the Board Members to be elected;
  - b. Decide about the proposed strategy and the proposed Activity Plan;
  - c. Decide on the Members' annual contributions and the minimum contribution;
  - d. Decide on the remuneration of the President;
  - e. Approve the Budget for the following year;
  - f. Approve the Financial Statements and discharge the Board of its responsibility;
  - g. Elect the President in the years of election and the Board Members for the open seats; and
  - h. Elect the Auditor and fix his remuneration.
2. The Annual General Assembly must be held within the first six months of the calendar year.
3. The following activities also fall into the exclusive competence of the General Assembly:
  - a. Oversight of the Board's activities;
  - b. Admission and exclusion of Members;
  - c. Adoption of any amendments to or revisions of these Statutes;
  - d. Dissolution of the Federation; and
  - e. Every other decision expressly indicated.

### Article 14 – Proceedings of the General Assembly

1. A General Assembly Meeting may be called for at any time by either the Annual General Assembly, the Board, or by written request from at least three Ordinary Members. Notice of the date and place of a General Assembly Meeting shall be sent to Members of the Federation by email, fax, postal mail or courier not less than four weeks prior to the date of the meeting.
2. The Agenda shall be sent to Members of the Federation by email, fax, postal mail or courier not less than two weeks prior to the date of the meeting.
3. In case of an Annual General Assembly Meeting, notice of the date and place of meeting shall be given not less than eight weeks prior to the meeting. The Agenda shall be sent to Members of the Federation not less than four weeks prior to the meeting, any other annex not less than two weeks.
4. Any proposal requested by at least three Ordinary Members must be added to the Agenda. The proposal must be sent to all Members of the Board not less than one week prior to the General Assembly Meeting and shall be forwarded to the Members not less than three days prior to the meeting.

5. Resolutions may be adopted by means of a postal ballot. Any such resolution shall only be adopted if the procedure is accepted with a majority of at least 90% of the voting rights.
6. All General Assembly Meetings shall be recorded in minutes. The draft minutes shall be submitted to all Members not later than six weeks after the meeting. Requests for amendments or comments on the draft shall be sent to the Board within four weeks.
7. A copy of the minutes of a General Assembly Meeting shall be at the disposal of the Members at the headquarters of the Federation.

#### **Article 15 – Voting and Voting Procedures**

1. Decisions are determined by a simple majority of votes validly cast, unless otherwise stated in these Statutes. Only Ordinary Members may vote in General Assembly Meetings.
2. Each Ordinary Member shall have voting rights equal to their annual Member contribution as referred to in Article 9 if paid in at least one calendar week before the voting takes place.
3. A quorum for the General Assembly Meeting is established if at least two thirds of the votes are present or represented by written proxies.
4. The majority of two thirds of the votes validly cast shall be required to modify these Statutes, to admit and exclude Members and to decide on the dissolution of the Federation.
5. Any Ordinary Member may issue a proxy in favour of another Ordinary Member, giving instructions on how to vote on the principal's behalf. The authorisation, but not the instruction, shall be presented in writing to the Board prior to the meeting. Any Ordinary Member is allowed to carry out up to two proxies from other Members. There is no restriction for proxies in case of an Extraordinary General Assembly to be held before a notary.
6. Any voting at General Assembly Meetings will be conducted by open ballot except if one Ordinary Member rejects the open ballot.

#### **Article 16 – Distribution of Net Assets and/or Reserves**

1. Net assets and/or reserves of the Federation shall not be distributed among its members.
2. As soon as membership is ended, any interests of a member in the assets, reserves or capital of the Federation will also end.
3. In the event of termination of membership, neither the member concerned nor its representatives have any right to bring a claim against the Federation, other members or their representatives, whether collectively or individually, on account of such assets.

#### **Article 17 – Responsibility of Members**

Members of the Federation shall not be held personally responsible for any action or commitment undertaken by EFAA.

### **THE BOARD**

#### **Article 18 – Role of the Board**

1. The Board shall consist of the President and at least five other Directors and shall comprise no more members than the President and at most as many other Directors as half the number of EFAA members; however, the number of Board members shall not exceed eight Directors and the President.

2. The tasks of the Board are to:
  - a. Take all the necessary measures/ actions to realise the Strategy and the Activity Plan of the Federation;
  - b. Take overall responsibility for the day-to-day operation of the Federation in accordance with the agreed strategy;
  - c. Draft strategy, priorities and performance targets for adoption by the Annual General Assembly Meeting;
  - d. Establish, direct and dissolve working groups on a project by project basis;
  - e. Act on and respond to the activities and pronouncements of decision makers, market leaders and users within Europe;
  - f. Manage the finances of the Federation;
  - g. Pay out of funds of the Federation all expenses and costs directly or incidental to the purposes and objectives of the Federation and for its administration thereof;
  - h. Invest the monies and/ or the assets of the Federation not immediately required upon such securities and in such manner as the Board from time to time determines; and
  - i. Propose a budget for the following year for presentation to the Annual General Assembly.
3. The Board may delegate some tasks to the President, one or more Board Members, an administrator or an official-in-charge.
4. No Member of the Board may participate in the discussion of or vote on any matter in which he or she has a personal interest.
5. Members of the Board may not be delegates at any General Assembly Meeting.

#### **Article 19 – Election of the President and the Members of the Board**

1. The President and the Members of the Board are elected with a simple majority of the votes of Ordinary Members present or represented by the Annual General Assembly or, in the event of a vacancy arising, by a special General Assembly.
2. The President and the Members of the Board shall be elected for a period of two years and may be re-elected. The elections shall be held every year so that only part of the Board is renewed.
3. The Board will call for nominations of candidates for the election to the Board. The notification shall be sent not more than twelve weeks and not less than eight weeks prior to an Annual General Assembly Meeting and not more than eight weeks and not less than four weeks prior to a General Assembly Meeting.
4. The President and the Members of the Board must be individual Members of an Ordinary Member.
5. When nominating candidates, the proposer must ensure that the candidate is willing to stand for election and state whether the candidate is standing for the Presidency, the Board or both.
6. The President is elected separately, before the Board is elected. If a candidate is nominated for Presidency as well as for the Board, he will, if elected as President, be deleted from the list of candidates for the Board.
7. The President is elected with an absolute majority. If none of the candidates has an absolute majority of votes cast at the first ballot, another vote shall be held, deleting, in the case of several candidates, from the list the candidate who received the lowest number of votes. In the event of a tie, the candidate to withdraw will be determined by drawing lots. This procedure will continue until a decision is reached. In the event of a tie between the last two remaining candidates, voting shall continue until one candidate reaches a majority.
8. When electing Board Members, the candidates who receive the highest numbers of votes are elected in descending order. In the event of a tie between the candidates receiving the lowest number of votes and there is a need to make a selection, another vote shall be held with only these candidates. In the event of a further tie, drawing lots shall determine the election.
9. A term of office of a Member of the Board can end by death, resignation or dismissal.
10. A Member of the Board wishing to resign must deliver written notice to the other Members of the Board. If the resignation decreases the number of the Members of the Board below the statutory minimum according Art. 18.1, the Member shall stay in office, until he is replaced.
11. Board Members can be dismissed by the General Assembly with a two thirds majority of present or represented votes. If the Member of the Board is no longer a Member of an Ordinary Member organisation or the Ordinary Member leaves EFAA, he or she is also being dismissed.
12. If, due to death, resignation or dismissal of one or more Board Members, the number of Board Members decreases below the statutory minimum, a General Assembly Meeting shall be held at the next possible date to provide replacements.

13. Replacement candidates will only stay in office for the rest of the regular term.

#### **Article 20 – Proceedings of the Board**

1. The Board shall meet at least once in the year, before the Annual General Assembly Meeting. The Board will also meet whenever useful for the Federation upon request of the President or any other Board Member. The date, location and form of the meeting will be notified by email, fax, postal mail or courier. Participation in meetings is either in person or by simultaneous telecommunication link. Individual Board Members may participate at physical meetings by simultaneous telecommunication link only with prior permission of the President.
2. The Board may only take decisions if at least half of the Members of the Board are present at the meeting.
3. All resolutions of the Board shall require a simple majority of the votes validly cast by Board Members present or represented. In the case of a tie, the President shall have a casting vote.
4. Absent Members of the Board may authorise another Member of the Board to cast their votes according to their instructions. The authorisation, but not the instruction, shall be presented in writing at the beginning of the meeting.
5. Notice of the date and place of a Board meeting shall be given in writing to the Members of the Board not less than one week prior to the date of a meeting.
6. In case of urgency and at the discretion of the President, resolutions may be adopted by postal ballot (email, fax, postal mail or courier). Such resolution shall only be valid if no Member of the Board contests such procedure before the deadline set for the resolution and more than 75% of the Board Members have replied. Art. 20.3 does apply, art. 20.5 does not apply.
7. Minutes shall be kept of the business transacted at any Board meeting.
8. A copy of the minutes of the Board meetings shall be at the disposal of the Members at the headquarters of the Federation.

#### **BUDGET AND FINANCE**

##### **Article 21 – Finances of the Federation**

1. The financial year of the Federation is the calendar year.
2. The budget and the annual financial statements for the year shall be prepared by the Board.
3. The budget and the audited financial statements are subject to the approval by the Annual General Assembly.
4. The annual financial statements are subject to an audit by a Certified Public Auditor according to Belgian Law.

#### **OTHER PROVISIONS**

##### **Article 22 – Representation of the Federation**

1. The Board represents the Federation. Every Member of the Board shall have the legal power to represent the Federation alone. The power of representation may also generally or for special tasks be granted to other persons according to these Statutes.

2. The Board requires the approval of the General Assembly to adopt resolutions for the Federation:
  - a. To enter into agreements for the acquisition, alienation or encumbrance of registered properties and/or
  - b. To enter into agreements by which the Federation binds itself as a surety or as a severally liable debtor, guarantee the obligations of a third party or binds itself as security for the debts of a third party.
3. Any written agreement between the Federation and other professional organisations is subject to approval of the General Assembly. Such an approval requires a two thirds majority of the votes cast.
4. The Federation shall be represented in court by its President, with a special delegation of the Board.

#### **Article 23 – Amendment of the Statutes**

Any General Assembly may amend these Statutes upon a proposal of the Board or by a number of Members possessing at least twenty per cent of voting rights.

#### **Article 24 – Dissolution and Liquidation**

1. Any General Assembly may dissolve the Federation upon a proposal of the Board or by a number of Members possessing at least twenty per cent of voting rights. If the number of votes validly cast is less than two thirds of the number of Ordinary Members of the Federation, a further General Meeting must be called in accordance with Article 14. At this meeting a resolution to dissolve the Federation must be passed with a majority of at least two thirds of the votes validly cast.
2. In case of liquidation, the last General Assembly appoints one or more liquidators, determines their power and possible compensation and will indicate how to allocate the net social assets which can only serve for not-for-profit purposes.
3. The provisions of these Statutes shall continue to be applicable during the liquidation to the extent possible.
4. All net assets remaining after liquidation shall be transferred to one or more non-profit-making associations which have similar objectives with that of the Federation. It could be an association, effective Member of EFAA.