

South Eastern European Partnership on Accountancy Development Charter

ARTICLE 1: GENERAL PROVISIONS

1.1 An international organization under the name of SOUTH EASTERN EUROPEAN PARTNERSHIP ON ACCOUNTANCY DEVELOPMENT (hereinafter referred to as SEEPAD) is the voluntary unification of accounting and/or audit associations, sharing its objectives with the countries of registration being Albania, Bosnia & Herzegovina, Bulgaria, Croatia, FYR of Macedonia, Greece, Hungary, Moldova, Romania, Slovakia, Turkey, Yugoslavia, and other countries to be defined by the General Assembly upon recommendation by the Council.

1.1.1 The abbreviation of the organization is SEEPAD.

1.2 SEEPAD in its activities is guided by the Constitution of _____ and other legislation of _____, currently in force, and this Charter.

1.3 The activities of SEEPAD are extended to the countries of registration of the Member Bodies.

1.4 SEEPAD is a non-commercial organization, which does not have the aim of receiving and dividing profits between its Member Bodies. Its income and property from wherever derived shall be applied solely toward the promotion of the objectives of SEEPAD.

1.5 SEEPAD is not responsible for commitments of its Member Bodies and the Member Bodies are not responsible for commitments made by SEEPAD.

1.6 SEEPAD is a legal entity as of the moment of its state registration and maintains separate accounts, has its bank accounts, seal and stamp with its name, and symbol, confirmed by the Council of SEEPAD and subject to state registration in accordance with acting legislation of _____.

1.7 The seat of SEEPAD is _____, (*address of SEEPAD*).

1.8 The legal address of SEEPAD may be transferred to any other location in the Member States by a two-thirds majority vote of the Council of SEEPAD.

ARTICLE 2: PURPOSE AND OBJECTIVES

2.1 The purpose of establishing SEEPAD and implementing its activities, is to develop and strengthen the status of the accounting and auditing profession through their respective associations, and to promote the implementation and use of international professional standards and ethics, developed by the International Federation of Accountants (IFAC) and the International Accounting Standards Board (IASB).

2.2 In pursuance of its purpose, SEEPAD has as its objectives to:

- a) Work towards the development and harmonization of the practice of accountancy and auditing on the basis of International Accounting Standards (IAS) and International Standards of Auditing (ISA) in the countries of registration of the Member Bodies;
- b) Provide assistance in the development of national accounting and auditing associations and to assist them to achieve membership in IFAC should they not already be members of that organization;

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- c) Work towards the development and harmonization of Codes of Professional Ethics in the countries of registration of the Member Bodies, based on the IFAC Code of Ethics;
- d) Develop and harmonize professional training, testing and certification programs (TTCP) based on IFAC and UNCTAD Guidelines;
- e) Promote co-operation among the national accounting and auditing associations in relation to issues of common interest;
- f) Exchange information on technical and professional matters between Member Bodies;
- g) Represent the accounting and auditing profession at the international level;
- h) Conduct congresses, conferences and seminars, with the purpose of enabling the members of the accounting and auditing profession to meet one another in an environment which facilitates discussion and the interchange of ideas, and also direct attention to and inform members of the profession on current accounting and auditing issues;
- i) Publish and distribute information for the purpose of stimulating public and governmental interest in the activities of SEEPAD in the field of accounting and auditing development;
- j) Carry out any arrangement for joint working or co-operation of accounting and auditing profession, and any other organization carrying out similar purposes and objectives to those of SEEPAD; and
- k) Generally do such other things that may be conducive to attaining SEEPAD's purpose, which does not contradict the legislation in force and this Charter.

ARTICLE 3: MEMBERSHIP IN SEEPAD

3.1 Conditions of admission to SEEPAD

3.1.1 The Member Bodies of SEEPAD may be the professional associations of accountants and auditors, established as non-commercial and non-governmental organizations in accordance with the national legislation of the countries of registration:

3.1.2 The following Members take part in the activities of SEEPAD:

- a) Full Members
- b) Associate Members
- c) Observers.

3.1.2.1 Full Members:

- a) Bring together individuals who act in the sphere of accounting and/or auditing or are the associations of professional organizations based on individual membership;
- b) Are recognized by law as being substantial associations of good standing within the accounting and auditing profession with at least 100 members practicing in the field of accounting and/or auditing in the country of registration;
- c) Maintain a continuous and substantial system of control over the members regarding professional standards of behavior and ethics;
- d) Demonstrate compliance with governance standards according to this Charter, which also comply with the requirements for non-governmental and non-commercial organizations;
- e) Give equal opportunities to all persons of that registered country who aspire to acquire professional qualification and membership in that body;
- f) Will work towards friendly relations within SEEPAD;

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- g) Share and support the purposes of SEEPAD and regularly make such financial contributions as determined by the General Assembly; and
- h) Will work to achieve compliance with IFAC and UNCTAD pre-qualification certification requirements for professional accountants in their country;
- i) Will become a member of IFAC within three years after this Charter is adopted by SEEPAD; and
- j) Have the right to vote and attend Council meetings and sessions of the General Assembly, introduce issues for discussion, and participate in discussions.

3.1.2.2 Associate Members:

- a) Are the national associations of accountants and/or auditors that do not meet in all respects the conditions of Article 3.1.2.1, to include former Full Members who do not become a member of IFAC within three years after this Charter is adopted;
- b) Undertake to comply with this Charter and make such financial contributions as determined by the General Assembly of SEEPAD;
- c) Are recommended for membership by the Council of SEEPAD; and
- d) Have the right to attend Council meetings and sessions of the General Assembly, introduce issues for discussion, participate in discussions, but not to vote.

3.1.2.3 Observers

- a) Receive observer status upon the decision of the Council of SEEPAD;
- b) Make such financial contributions as determined by the General Assembly of SEEPAD; and
- c) Are entitled to attend the Council meetings and sessions of the General Assembly, introduce issues for discussion, address the issues, but not to vote.

3.1.3 Every application for membership must be presented to the Council of SEEPAD.

3.1.4 The Council of SEEPAD ensures that the Administrative Office shall maintain a register of Member Bodies in which shall be entered its name, leadership and address. All Member Bodies are required to submit their Charter, annual financial report, certification requirements and other relevant information to the Council and to inform the Council of any internal changes that could affect their standing with SEEPAD.

3.2 Loss of membership in SEEPAD

3.2.1 Resignation

Each Member Body has the right to withdraw from SEEPAD at the end of any calendar year, after giving six months' notice in writing to the President of SEEPAD.

3.2.2 Exclusion

The General Assembly excludes by a majority vote a Member Body, which does not abide by these Articles or the national laws of the countries of registration. The Member Body to be excluded has a right to a hearing, but it cannot participate in the vote on whether to be excluded.

3.2.3 Suspension

The Council may suspend from membership of SEEPAD any Member Body which fails to pay the annual subscription within four months from the date on which it fell due or for acts bringing the profession into disrepute with the Member Body concerned having a right to a hearing, but it cannot participate in the vote on whether to be excluded.

3.2.4 Loss of privileges of suspended Member Body

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A Member Body, which has been suspended from membership of SEEPAD, as described in 3.2.3 shall not be entitled to attend or vote at meetings of the Council or General Assembly of SEEPAD, or to receive any documents or papers otherwise distributed by SEEPAD to Member Bodies during the period of suspension.

3.2.5 Conditions for ending of suspension

Upon suspension of any Member Body, the Council shall prescribe the conditions upon which such suspension may be ended, and the Council may reinstate the Member Body's membership status.

ARTICLE 4: MEMBER BODIES' RIGHTS AND OBLIGATIONS

4.1 Member Bodies' rights

4.1.1 Full Members have the right to:

- a) Take part in the meeting of the General Assembly with the right to vote;
- b) Nominate representatives to the leadership of SEEPAD and its Committees;
- c) Recommend other associations for membership in SEEPAD;
- d) Submit proposals concerning the agenda of the meeting of the General Assembly.
- e) Submit proposals to hold special meetings of the General Assembly;
- f) Obtain and use free of charge any professional information from SEEPAD; and
- g) Beneficial conditions of participation in all events, organized by SEEPAD (seminars, conferences, congresses, etc.), and for purchase of SEEPAD publications or professional information, disseminated by SEEPAD by any other means.

4.1.2 Associate Members and Observers have the right to:

- a) Take part in the meetings of the General Assembly without the right to vote;
- b) Delegate representatives to work in the Committees of SEEPAD; and
- c) Apply those rights as described in 4.1.1d, f) and g).

4.2 Member Bodies' obligations (Full and Associate):

Member Bodies shall:

- a) Abide by the provisions of these Articles.
- b) Work toward the objectives of SEEPAD, as described in Article 2, and subscribe to the guidance offered by IFAC, IASB and UNCTAD;
- c) Pay such financial contributions as determined by the General Assembly;
- d) Take part in the work of SEEPAD by responding in good time to its requests and by recommending competent and available representatives to Committees;
- e) When necessary, take all appropriate measures to establish consultations between the associations of the same country of registration in order to give clear instructions to the national representatives on voting within the Council; and
- f) Use its best efforts to provide information on the work of SEEPAD within their own registered country.

ARTICLE 5: ORGANIZATION OF SEEPAD

5.1 The General Assembly

5.1.1 Composition and powers

5.1.1.1 The General Assembly is the highest governing body of SEEPAD.

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5.1.1.2 The General Assembly consists of all the Member Bodies of SEEPAD. Each Full Member appoints one delegate authorized to take part in voting. All Member Bodies may be represented at the meeting by up to three delegates.

5.1.1.3 The General Assembly at its meetings decides on matters prepared and passed to it for approval by the Council.

5.1.2 Exclusive powers of the General Assembly

The General Assembly:

- a) Receives and approves the reports of the Council, Treasurer and the auditor(s);
- b) Approves the budget for the next year;
- c) Approves the composition of the Council for a two year term;
- d) Decides on admissions and exclusion of members to and from SEEPAD, based on the recommendations of the Council;
- e) Adopts and makes amendments to the Articles;
- f) Elects internal auditors;
- g) Decides on the level of membership fees according to each membership category; and
- h) Decides on the dissolution of SEEPAD.

5.1.3 Quorum and majority

5.1.3.1 Each Full Member has the right to one vote in the General Assembly. There is a quorum of the General Assembly if the Full Members present or represented by proxy, as required in 5.1.3.3, total two-thirds of the total number of eligible votes and no less than half of the countries of registration are represented.

5.1.3.2 Decisions are determined by an absolute majority of votes cast by all Full Members eligible to vote who are present. A two-thirds' majority is required for the following decisions:

- a) Amendments to these Articles;
- b) Admissions to and exclusion from membership; and
- c) Dissolution of SEEPAD.

5.1.3.3 If a Full Member is prevented from attending a meeting of the General Assembly it may appoint any other Full Member as its proxy to vote on its behalf at the meeting, provided that such appointment is sent by written notice to the Administrative Office before or at the beginning of the meeting in question.

5.1.4 Ordinary Meetings

The General Assembly shall hold an ordinary meeting at least once every year. The Council determines the place, date and agenda for the meeting.

5.1.5 Notice of Ordinary Meetings

5.1.5.1 Two months' notice is given to the registered Member Bodies of any ordinary meeting of the General Assembly. The notice must include the draft agenda. The agenda becomes final 30 days before the meeting of the General Assembly. An item may be added to the agenda at the request of Full Members representing at least three of the countries of registration or by the President.

5.1.5.2 No business other than that included on the agenda should be transacted at any ordinary meeting of the General Assembly, except as decided by the President.

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5.1.5.3 The final agenda, report of the Council, report of the Treasurer and reports of external and internal auditors, as well as the texts of resolutions submitted for voting, shall be sent to Member Bodies no later than 30 days before the date of the General Assembly, unless otherwise provided in this Charter.

5.1.6 Special Meetings

5.1.6.1 Special meetings of the General Assembly may be held in the following cases:

- a) By a two-thirds majority decision of the Council members; or
- b) On the written request to the Council by Full Members representing at least one-half of the countries of registration. The request specifies the issues to be placed on the agenda of the special meeting.

5.1.6.2 Special meetings of the General Assembly are held within three months of the decision of the Council or the receipt by the President of the written request in accordance with Article 5.1.6.1b) to hold such a meeting. No later than 30 days before holding a special meeting, notice must be given to all Member Bodies, together with the agenda and written request. No business other than that included on the agenda may be transacted at any special meeting, except as decided by the President.

5.2 The Council of SEEPAD

5.2.1 Composition and powers

5.2.1.1 The Council is the highest governing body of SEEPAD between the meetings of the General Assembly.

5.2.1.2 The Council of SEEPAD is composed of one person representing each Full Member, the head of the Membership Committee, and the President of SEEPAD, who also serves as President of the Council, with an additional person representing a Full Member of the President's country of residence.

5.2.1.3 The candidates for Council membership, except for the additional candidate to represent the President's country of residence, are nominated by the Member Bodies of the countries of registration once every two years and elected at the meeting of the General Assembly.

5.2.1.4 Each Council representative may be accompanied to Council meetings by two technical advisors, who shall not be entitled to vote at such meetings.

5.2.1.5 The Council may admit international organization as non-voting observers. During the first three years from the date of registration, the Council includes as non-voting Observers, one representative of the Organization for Economic Co-operation and Development (OECD), and one representative of the U.S. Agency for International Development (USAID).

5.2.2 Powers of the Council

5.2.2.1 The Council elects a President, Vice-President and Treasurer from amongst its members. Upon election of the President, the Council elects an additional member of Council to represent the President's country of residence from candidates of Full Members of that country. The head of the Membership Committee is elected by Council and serves as a member of Council.

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5.2.2.2 Upon the nomination by the President, the Council appoints an Executive Director.

5.2.2.3 The Council:

- a) Adopts a two-year strategic plan for SEEPAD and makes decisions on proposals submitted to it by the Administrative Office;
- b) Confirms the Internal Rules of Procedure, presented by the Administration Office, which establish working procedures for the Council, Administrative Office, Committees and General Assembly;
- c) Decides the date, place and nature of any event of SEEPAD, such as seminars, conferences, congresses, etc.;
- d) Recommends to the General Assembly the professional bodies of accountants and/or auditors to be admitted to membership of SEEPAD;
- e) Suspends membership in SEEPAD in the following cases:
- f) Non-payment of its annual financial contribution in accordance with the provisions of Article 3.2.3; and
- g) Acts bringing the profession into disrepute.
- h) Recommends to the next ordinary meeting of the General Assembly the exclusion of any Member Body and recommends to the General Assembly any amendments to these Articles;
- i) Recommends to the General Assembly the amounts of membership fees to be paid annually by each Member Body of SEEPAD, along with other financial contributions that may be determined as necessary to maintain the activities of SEEPAD;
- j) Recommends to the General Assembly the budget for the next year and determines the allocation and use of funds within budget limits;
- k) Distributes to all Member Bodies an annual report on the activities of SEEPAD, including the audited annual financial statements;
- l) Gives notice of the ordinary and any special meetings of the General Assembly;
- m) Takes any action which is in the general interest of SEEPAD and which is not expressly denied to it by these Articles, provided that it does not involve itself in the domestic affairs of a Member Body;
- n) Appoints external auditors and determines their remuneration;
- o) Approves the symbols of SEEPAD and organizes the membership Register of SEEPAD; and
- p) Makes decisions on the establishment of foundations or commercial enterprises and approves their Charter.

5.2.2.4 The Council has the power to decide on the setting up and dissolution of Committees to assist in the achievement of SEEPAD objectives and may delegate some of its powers to such Committees, with exception of the authority to make and amend legal documents regulating the affairs of SEEPAD.

5.2.3 Quorum and majority

5.2.3.1 Each member of the Council has one vote. The President shall have the right to vote only in the event of an equality of votes. The meeting of the Council is deemed to have a quorum if at least two-thirds of the representatives are present or represented by proxy.

5.2.3.2 Council decisions are adopted by a majority of the votes cast by all those Council members, present or represented by proxy. A two-thirds' majority is required for the following decisions:

- a) Proposals to the General Assembly on amendments and changes to these Articles;
- b) Proposals to the General Assembly on decisions to admit and exclude Member Bodies from SEEPAD;
- c) Proposals to the General Assembly on the dissolution of SEEPAD; and

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- d) Proposals relating to the suspension of membership.

The Executive Director records the decisions of the Council in the minutes signed by the President.

5.2.3.3 In the event of a Council member being prevented from attending the meeting, the representative is empowered to appoint a proxy, who is a Full Member. The President must be informed of the appointment of this proxy no later than the beginning of the meeting.

5.2.4 Meetings of the Council

5.2.4.1 The Council conducts meetings no less than two times every year.

5.2.4.2 Convening of the Council

A meeting of the Council may be called at any time:

- a) By the President; or
- b) At the written request of one-third of Council members.

5.2.4.3 Notice of meetings of the Council

The members of the Council shall receive notice in writing of a meeting of the Council no less than 30 days before the meeting. Such notice shall specify the place, time, date and general nature of the business to be transacted at the meeting.

5.3 The officials of SEEPAD

5.3.1 The President

- a) Serves as the highest SEEPAD official;
- b) Chairs meetings of the Council and General Assembly;
- c) Represents SEEPAD on relations with judicial and physical persons, without having to present a power of attorney;
- d) Organizes control over the fulfillment of decisions of the General Assembly and Council;
- e) Supervises the financial and economic activities of SEEPAD as its highest official;
- f) Submits to Council for discussion a semi-annual report of SEEPAD's activities; and
- g) Supervises the management of the property and funds of SEEPAD in accordance with the decision of the Council.

5.3.1.1 The term of office of the President is for two years. The same person cannot be elected for the same post of President for more than two terms in sequence.

5.3.2 The Vice-President

- a) In the absence of the President, chairs meetings of the Council and General Assembly; and
- b) Performs such other related duties as assigned by the President.

5.3.2.1 The term of office of the Vice-President is determined for two years. The same person cannot be elected for the same post of Vice-President for more than two terms in sequence.

5.3.3 The Treasurer

- a) Prepares quarterly and annual financial statements of SEEPAD; and

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- b) Together with the President and Vice-President, is responsible for supervising the budget of SEEPAD.

5.3.3.1 The term of office of the Treasurer is determined for two years. The same person cannot be elected for the same post of Treasurer for more than two terms in sequence.

5.4 Administrative Office

5.4.1 The management of the day-to-day activities of SEEPAD is given to an Administrative Office.

5.4.2 The Administrative Office is located in the country of registration.

5.4.3 The Executive Director is nominated by the President and appointed by the Council. He or she is placed under the authority of the President. With the advice of the Council the President approves the employment contract for the Executive Director with compensation set by a budget approved by the Council.

5.4.4 The Executive Director carries out the operative management of SEEPAD and its committees, and implements the decisions taken by the Council and General Assembly. He or she drafts a two-year action plan together with an annual work program to include implementation time schedules, and annually submits these to the President.

5.4.5 The Executive Director provides administrative support for holding meetings of the General Assembly and Council, including the distribution of meeting notices, agendas and annual audited financial statements, plus the recording of minutes of these meetings which are approved at the following meetings of these groups and signed by the President.

5.4.6 The Executive Director is responsible for managing the resources of SEEPAD in accordance with approved policy and budget approved at the General Assembly and Council, including hiring and laying off of administrative personnel.

5.4.7 The Executive Director carries out the general management of property and resources of SEEPAD in accordance with the decision of the General Assembly and Council.

ARTICLE 6: ANNUAL FINANCIAL STATEMENTS

6.1 SEEPAD has a budget, which is prepared by the Executive Director under the direction of the President, Vice-President and Treasurer, with a view to achieving a cost-effective use of resources. The Council approves the budget no later than the beginning of the year to which it relates for submission to the General Assembly for final approval. The Council may approve changes to the annual budget, which do not exceed a five percent negative change to the bottom line approved by the General Assembly.

6.2 The financial year is equivalent to the calendar year.

6.3 The annual financial statements are submitted to the Council by the President, Treasurer and Executive Director within three months after the end of the financial year. The financial statements are audited by independent auditors for review by the Council within six months of the end of the financial year before final approval by the General Assembly. The financial statements are prepared according to the acting legislation of _____ and International Accounting Standards. After the approval by the General Assembly, the annual report and financial statements are distributed to the Member Bodies of SEEPAD.

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6.4 The internal auditors

6.4.1 Powers of the internal auditors

The internal auditors:

- a) Perform a review of SEEPAD's business activities; and
- b) Exercise the control for the observance of _____ legislation, Charter and other regulations of SEEPAD.

6.4.2 Three internal auditors are elected by the General Assembly for a two-year term and report only to the General Assembly of SEEPAD. The activities of the internal auditors are performed on the basis of _____ legislation.

ARTICLE 7: ASSETS AND LIABILITIES OF SEEPAD

7.1 The Assets of SEEPAD are made-up of:

- a) Membership fees of SEEPAD's Member Bodies;
- b) Voluntary contributions and deductions by the organizations and individuals;
- c) Proceeds from publications, business and other commercial activity of enterprises, founded by SEEPAD;
- d) Incomes from corporate rights;
- e) Payment for SEEPAD organized events;
- f) Research and development; and
- g) Other proceeds received from activities not running contrary to current legislation of _____.

7.2 Assets of SEEPAD are:

- a) Used in compliance with the acting legislation and for activities envisioned by the present Articles;
- b) For organizational and administrative needs to maintain the managerial personnel of SEEPAD;
- c) Not to be distributed between SEEPAD's Member Bodies, including in the case of the liquidation of SEEPAD;
- d) Not used for charitable purposes;
- e) Not transferred by a decision in favor of the country of registration, except for legal tax and fee obligations.

7.3 SEEPAD can own premises, buildings, equipment, inventory, transportation means, securities, funds, and other property necessary for the activities of SEEPAD and for attaining its purposes and objectives.

7.4 SEEPAD, and the institutions and organizations it has established, shall be registered with the State executive bodies, maintain accounting, statistical reporting, and make payments to the budget in the amount and order stipulated by the legislation of the country of registration.

ARTICLE 8: DISSOLUTION

The dissolution of SEEPAD is performed:

- a) Under the decision of the General Assembly in accordance with Articles 5.1.3.2 and 5.2.3.2 of the present Charter, except that this Charter automatically terminates no later than three years after it is adopted with reconstitution of SEEPAD subject to provisions added to the Charter during the three year period;
- b) Under the decision of judicial bodies according to the Law on "Association of Citizens" in the country of _____.

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ARTICLE 9: INTERPRETATION - COMMENCEMENT

9.1 The interpretation of the provisions of this Constitution shall rest with the Council whose decisions thereon shall be binding on all Member Bodies.

9.2 The present Charter shall come into force after its state registration with the appropriate ministry of _____.