

# **COUNCIL OF BUREAUX**



## **Constitution of the Council of Bureaux (The International Association of National Motor Insurers' Bureaux)**

## Constitution of the Council of Bureaux<sup>1</sup>

### ARTICLE 1 – NAME

The Council of Bureaux (The International Association of National Motor Insurers' Bureaux) is hereby established as an international non-profit making association hereinafter referred to as the: "Association".

This Association is governed by the provisions in Title III of the Belgian Act dated 27 June 1921 relating to non-profit making associations, international non-profit making associations and trusts.

### ARTICLE 2 – HEAD OFFICE

The head office of the Association is established in Brussels, this term covering Greater Brussels.

It is presently established at Avenue Louise, 166, 1E, 1050 Brussels or any other location within Greater Brussels which the Management Committee may determine.

### ARTICLE 3 – PURPOSE

The Association shall serve an international public purpose on a non-profit making basis with a view to:

- a) administer and operate the International Motor Insurance Card System (otherwise known as the Green Card System), under the aegis of the Principal Working Party on Road Transport of the Inland Transport Committee of the Economic Commission for Europe of the United Nations (hereinafter referred to as "The Principal Working Party");
- b) take all necessary measures or initiatives to ensure the successful fulfilment of Recommendation No. 5 (E/ECE/TRANS/145) adopted by the Principal Working Party in 1949 and with any subsequent amending Recommendations or Resolutions;
- c) maintain a close liaison with the Principal Working Party or any other appropriate body on matters or initiatives which might be relevant to the operation of the Green Card System and deal with matters raised by such bodies;
- d) ensure that there is full compliance with the Internal Regulations of the Association;
- e) provide protection to victims of accidents who are not residents of the state visited;
- f) offer services to other international organisations involved in activities within the framework of third party motor insurance.

### ARTICLE 4 – MEMBERSHIP

#### 4.1 General Provisions

- a) The Association is comprised of the national third party motor liability insurers' bureaux of the States participating in the Green Card System, hereinafter referred to as the "Bureau".
- b) Each "Bureau" is a "Member" of the Association, and is considered as such to be the organisation established by Insurers in its state, recognised by its Government as the organisation which fulfils the

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<sup>1</sup> The Constitution as adopted in Lisbon, on 29-30<sup>th</sup> May 2008 and modified in Dubrovnik, on 26-27<sup>th</sup> May 2011, in Minsk, on 5<sup>th</sup> June 2014, in Helsinki, on 8<sup>th</sup> June 2017 and in Madrid 7<sup>th</sup> on June 2018

requirements and provisions of Recommendations and Resolutions adopted under the aegis of the Principal Working Party.

- c) Members of the Association shall be Bureaux and not persons and each Bureau shall decide on the composition of its Delegation.

#### **4.2 Admissions to Membership**

- a) Admission to membership of the Association shall be open to Bureaux of States which are within the geographical scope of the Green Card System, a mainly European system as defined by the General Assembly. A Bureau seeking membership of the Association has to be a Bureau of State which is internationally recognised - which signifies to the Association, that the State concerned has been admitted as a member of the United Nations.
- b) Applicants for membership of the Association shall be required to complete a Questionnaire of which the format and content are established by the Management Committee and approved by the General Assembly. On receipt of satisfactory answers to the Questionnaire, the consideration of such applications shall be subject but not limited to the following fundamental conditions:
  - I) the application is presented by a body which is formally designated by the Government of the State concerned to act independently as a Bureau established, operated, and financed by the Motor Third Party Liability Insurers of that state;
  - II) the Government of the State concerned has provided an undertaking to the Economic Commission for Europe that the Bureau has sufficient means to fulfil its financial obligations and that no obstacle will be placed in the way of the transfer of funds to reimburse the cost of claims arising from accidents in other countries;
  - III) the State of the applicant Bureau has a compulsory Third Party Motor Insurance Law in force;
  - IV) the applicant Bureau shall have jurisdiction over the territory under the de facto control of the State it represents;
  - V) in cases where the applicant Bureau comes from a territory which previously had a Bureau that was a Member of the Association, the General Assembly will determine the obligations for both the preceding and applicant Bureau.
  - VI) the State of the applicant Bureau has signed and ratified the Vienna Convention on Road Traffic of 8<sup>th</sup> November 1968 and the Vienna Convention on Road Signs and Signals of 8<sup>th</sup> November 1968.
- c) Following an initial study by the Application Committee, cf. Article 11.2, any application for membership shall be referred by the Secretary General to the Management Committee. Should the Management Committee be satisfied that the application is in accordance with Article 4.2b) above it shall submit the application and its recommendation thereon, to the next General Assembly.
- d) Save for situations of urgency falling within Article 4.2e) below, the General Assembly shall be exclusively competent in deciding whether an application for membership shall be accepted or refused. In this regard an affirmative decision shall require the agreement of 75% of the Full Members present and expressing a vote at the relevant General Assembly, but such decision shall not create any obligation for Members to sign the agreement between Bureaux as foreseen in Section IV of the Internal Regulations with the new Member.

- e) When, according to the Management Committee, situations of urgency exist which cannot await a Meeting of the General Assembly, the acceptance or refusal of a membership application shall be decided by the Management Committee following a written communication from the Secretary General to the Full Members. In this respect, the Full Members shall have a period of six weeks in which to convey their opinions and in the absence of a reply from a Full Member, within that period, the consent of the Full Member concerned with the admission to membership of the applicant Bureau shall be assumed.

#### **4.3 Status of Members**

- a) The Bureau of a State, which is admitted to membership, shall initially have the status of a Transitional Member, according to the Criteria in respect of financial guarantees adopted by the General Assembly, until its possible advancement to the status of Full Member is agreed upon by the General Assembly.
- b) During the period of "Transitional Membership", Green Cards provided under the authority of the Transitional Member shall be issued only in respect of vehicles registered in the State of the Transitional Member.
- c) The rights of Full Members and Transitional Members shall be the same, subject to the exceptions specified in Articles 6.5a), 7.1a), 11.2a) and 11.3a).

#### **4.4 Obligations of Members**

- a) Each Member shall comply with the Constitution, Internal Regulations and with all decisions made in accordance with the provisions of this Constitution.
- b) Each Member shall endeavour to uphold the interests of the Green Card System.
- c) Each Member is required to pay its contribution in accordance with the relevant provisions of Article 13.4.
- d) Each Member shall inform the Association six months in advance of an intention to transfer the role of the Bureau to a new entity and provide a guarantee that all of the outstanding financial obligations will be accepted by the new entity. The same guarantee shall be provided by the new entity.

#### **4.5 Measures and Sanctions**

- a) Sanctions will be imposed on a Member, which is in breach of its obligations under the relevant provisions of Article 4.4, once it fails to rectify within the period established by the Management Committee any breach to which its attention had been drawn and which it had been requested to resolve.
- b) Any unresolved breach of the obligations according to Article 4.4 shall be brought to the notice of the Management Committee by any Member or Official of the Association being aware of such breach and, should the Management Committee decide, after having heard the defaulting Member's plea for its defence, that the circumstances justify the imposition of a sanction or sanctions it shall submit a recommendation to this effect to the next General Assembly at which the defaulting Member shall be entitled to bring a plea for its defence.
- c) The measures and sanctions decided by the General Assembly to be implemented may be one, or a combination, of the following:

- I) the same financial guarantees as foreseen for the Transitional Members.
  - II) financial penalties, as a percentage or multiple proposed by the Management Committee of the Member Bureau's annual contribution;
- d) If the defaulting Member has not rectified the default within a period established by the Management Committee, then the General Assembly can impose the following sanctions on the defaulting Member:
- I) temporary suspension of membership;
  - II) termination of membership.

**4.6 Suspension and Reinstatement, Termination of and Admission to Membership**

- a) A decision by the General Assembly to temporarily suspend or terminate membership shall not affect the rights and obligations of any Member under the terms of the Agreements which it has signed and assumed by the Member prior to such suspension or termination as the case may be.
- b) After 5 years' suspension, the membership shall be automatically terminated. Eventual readmission shall only be as a Transitional Member.
- c) A Bureau which has had its membership suspended or terminated is subject to condition that the Bureau seeking re-instatement or admission pays eventual debts accrued during its former membership and all other outstanding/pending issues relating to its former membership. Article 4.2 applies in case of admission.

**4.7 Resignation**

Any Member wishing to resign from the Association must give no less than twelve-month's written notice of its intention to resign to the Secretary General.

Nevertheless, such notice period shall be deemed to effectively expire only at the end of the Financial Year of the Association in which the said twelve-month notice period terminates.

Until such effective expiry, the resigning Member shall remain a Member of the Association and, as such, shall consequently remain fully liable for any action taken and/or for any events occurring during its membership period.

If the resigning Member is substituted by another Bureau established in the same State in accordance with Article 4.2b), provisions must be made for the transfer of the resigning Members responsibilities to the new entity, in accordance with Article 4.2b)v).

If the resigning Member is not substituted by another Bureau, the resignation shall not free the resigning Member from fulfilling of outstandings and/or debts neither towards the Association nor towards other Members.

**ARTICLE 5 – PROXIES**

Any Member, which is unable to attend Meetings of the General Assembly, Meetings of other Committees or Working Groups, to which it has been appointed, shall have no right of representation.

**ARTICLE 6 – THE GENERAL ASSEMBLY**

**6.1 Composition**

The General Assembly shall be composed of all of the Bureaux admitted to membership of the Association.

## **6.2 Functions and Powers**

The General Assembly shall be the supreme authority for the Association and it has the power to raise and decide without appeal any questions, which are within the general objectives of the Association. The General Assembly shall take any measures or initiatives it considers necessary for the efficient operation of the Green Card System.

The General Assembly shall promote and protect the general interest and common good of the Association and of the Association's membership in its entirety.

Though not limited to the following, the General Assembly shall in particular:

- a) appoint the President and approve, after recommendation by the Management Committee, the Vice President and Secretary General of the Association;
- b) determine, in accordance with Article 13.4f), the basis for the financial contributions from Members and approve the annual Audited Accounts presented by the Management Committee;
- c) decide on the rules for calculating the handling fees provided for under the Internal Regulations;
- d) decide on applications for membership, suspension and termination of membership, and decide on the conditions for reinstatement and admission;
- e) decide on the policy to be adopted on issues from, or arising in, the Principal Working Party, the European Union or any other bodies falling within the Purpose of the Association;
- f) approve reports from the President on developments and activities within the System since the previous General Assembly and decide on any action to be taken regarding matters raised in such reports;
- g) decide on matters raised by Members which concern the operation of the Green Card System or amendments to the Internal Regulations, except for the provisions in Section III and Article 4.2 of the same Internal Regulations which shall fall respectively within the exclusive competence of the Signatories of the Multilateral Agreement and of the Bureaux of the European Economic Area;
- h) decide on the composition of the Management Committee;
- i)
- j) appoint the Internal Auditors and approve their annual Reports
- k) appoint Members and Chairmen in accordance with the Management Committee's proposal to decide on the Terms of Reference and approve the annual reports of the following Committees:
  - The General Rules Committee, Article 11.1,
  - The Application Committee, Article 11.2,
  - The Monitoring Committee, Article 11.3,
- l) decide, in accordance with the Management Committee's proposal, to offer services to other international organisations involved in activities within the framework of motor third party liability insurance;
- m) decide on matters mentioned in the Internal Rules.

## **6.3 Meetings of the General Assembly**

- a) An Ordinary Meeting of the General Assembly shall be convened by the Management Committee, at maximum intervals of twelve months, with at least one calendar month's notice, which notice shall be accompanied by the Agenda and other documents submitted for consideration at that time.
- b) Any Member is entitled to propose items for the Agenda. Such proposals shall be sent to the Secretary General for the consideration by the Management Committee no less than 3 months before the General Assembly.
- c) An Extraordinary Meeting of the General Assembly shall be convened by the Management Committee upon receipt of a written reasoned request, accompanied by an Agenda, from no less than a quarter of the Members.
- d) Notification of Meetings are despatched by fax or e-mail and published on the Members area of the website of the Association.

#### **6.4 Quorum**

The General Assembly is legitimately constituted regardless of the number of Members present. Regardless of the foregoing, the decisions made by the General Assembly as mentioned in Articles 15 (Dissolution of the Association) and 16 (Interpretation of, and amendments to the Constitution) can only be taken if at least 75% of the Full Members are present and express their vote.

#### **6.5 Voting Procedures**

Decisions at Meetings of the General Assembly shall be adopted in accordance with the following rules:

- a) Members' voting rights shall be as stated below:
  - I) Full and Transitional Members have the same voting rights on issues relating to the Budget of the Association and the distribution between Members of the costs of the Association;
  - II) in all other respects the right to vote shall be restricted to Full Member.
- b) At all Meetings of the General Assembly each Member shall have only one vote regardless of the number of its representatives when decisions are voted on.
- c) Decisions shall be valid and binding if carried by 75% of the Members present and eligible to vote on the particular issue, and expressing a vote.
- d) Decisions reached on the above basis shall be valid and binding upon all the Members of the Association.

#### **6.6 Information of Members**

- a) It is the responsibility of the Secretary General to distribute by fax or e-mail a copy of the decisions of the General Assembly to all Members within one month of the Meeting at which the decisions were taken. The decisions shall at the same time be published on the Members area of the website.
- b) The Secretary General shall distribute by e-mail a copy of the minutes of the Meeting no later than three months after the Meeting. The minutes shall at the same time be published on the Members area of the website.

### **ARTICLE 7 – MANAGEMENT COMMITTEE**

### **7.1 Status and composition**

- a) The Management Committee shall be a permanent Committee composed of the President as the Chairman, the Vice President and a maximum of twelve Full Members which are not subject to monitoring. Election of the Full Members of the Management Committee is made according to the procedure described in section 2 of the Internal Rules.
- b) If a Member appointed by a Regional Group has resigned or been removed from office as Member of the Management Committee, the Regional Group in question may subject to acceptance by the Management Committee appoint another Member of that Regional Group to attend the Meetings until the next General Assembly.
- c) Removal from office of a Member of the Management Committee is subject to a decision by the General Assembly upon proposal by the President.

### **7.2 Functions and Powers**

The Management Committee shall be the Executive Committee of the Association and though not limited to the following its functions shall in particular be:

- a) to promote and protect the general interest and common good of the Association and of the membership in its entirety;
- b) to establish any measures which, in its collective view, are conducive to achieving the aforementioned objective and to seek the General Assembly's approval for their implementation;
- c) to exercise control over the function and expenditure of the Association;
- d) to approve on the annual ordinary or extraordinary Budget and Activity plan for the Association and strategic issues proposed by the President and decide on items of great economic consequence;
- e) supervise the Budget for the current Financial Year;
- f) to co-ordinate, in conjunction with the President, the tasks entrusted to Committees, to determine the priorities for the completion of such tasks and to approve Reports from the Committees to be recommended for approval by the General Assembly;
- g) to prepare the Audited Accounts for the previous Financial Year and to present them to the General Assembly for approval;
- h) to recommend, after written consultation with all Members, including the defaulting Member, to the next General Assembly to impose on a Member which is in breach of its obligations under this Constitution, the Internal Regulations or with any decisions made in accordance with the provisions of this Constitution, one of or a combination of the measures and sanctions envisaged in Article 4.5c) and d);
- i) in cases where in the opinion of the Management Committee an urgent decision is required it may decide on the matters covered by Articles 4.5b), 6.2e) and 6.2g) and impose the measures or sanctions referred to in Articles 4.5c) and d). Such decisions shall be communicated to all members and shall be valid and binding until the next General Assembly, which shall decide whether or not to maintain them;
- j) set up Working Groups to deal with specific defined aspects and to decide on the Reports from such Working Groups.

### **7.3 Meetings of the Management Committee**

- a) The Management Committee shall meet, when necessary, at least four times each Financial Year.
- b) Meetings of the Management Committee shall, except for emergency situations, be convened by the President with at least one calendar month's notice.
- c) The Agenda and supporting documents for a convened Meeting of the Management Committee shall, except for emergency situations, be issued no later than fourteen days before the Meeting date.
- d) Notification of meetings are despatched by fax or e-mail and published on the Members area of the website.
- e) Agenda and working material are dispatched by fax or e-mail and published on the area of the website specific to Management Committee members.

#### **7.4 Quorum**

The transaction of business at a convened Meeting of the Management Committee shall be dependent on the presence at that Meeting of more than half of its membership.

#### **7.5 Working and Voting Procedures**

- a) The Management Committee shall determine its own working procedures.
- b) As a basis for decisions the Management Committee shall follow the provisions regarding voting at a General Assembly, as specified in Article 6.5c) and d).
- c) The Group A Members of the Association as defined in section 2 of the Internal Rules, shall have a veto right when voting 'en bloc'.

#### **7.6 Information to the Management Committee Members**

It is the responsibility of the Secretary General to distribute by fax or e-mail a copy of the decisions of the Management Committee to all its Members within one month of the Meeting in which the decisions were taken. The decisions shall at the same time be published on the Members area of the website.

The Secretary General shall distribute to the Members of the Management Committee by e-mail a copy of the minutes of the Meeting, no later than two months after the Meeting. The minutes shall at the same time be available for the Management Committee Members on the area of the website specific to Management Committee Members.

### **ARTICLE 8 – THE PRESIDENT AND THE VICE PRESIDENT**

#### **8.1 Appointment or Dismissal of the President**

The President shall be appointed by the General Assembly according to the procedure described in section 1 of the Internal Rules; he shall not represent any Member. Dismissal of the President shall be subject to a decision by the General Assembly.

#### **8.2 Functions and Powers of the President**

The President is the Chairman of the Management Committee and his functions shall be:

- a) to represent the Association in all respects, to exercise all powers and duties in accordance with his status as President;

- b) to deal with strategic issues and present proposals to the Management Committee;
- c) to do all things that he deems necessary for efficient and satisfactory operation of the Green Card System, Signatories to the Multilateral Agreement and the Agreements concluded between Members;
- d) to ensure the execution and implementation of decisions taken by the Management Committee, the General Assembly and the Signatories to the Multilateral Agreement;
- e) to sign all documents/deeds committing the Association and to represent it in Courts both as plaintiff and defendant;
- f) to preside over the Meetings of the General Assembly and the Management Committee and Meetings of the Signatories to the Multilateral Agreement;
- g) to see to that various matters for consideration are referred to each Committee according to its area of competence as foreseen in the Constitution;
- h) to withdraw funds from the Association in accordance with Article 7.2c), of any amounts necessary to run the affairs of the Association and to conduct all necessary banking transactions.

### **8.3 Period of Office of the President**

The period of office of the President shall be five years and he shall, on expiry of that period, be eligible for one further non-consecutive term of the same duration, subject to the criteria in the Internal Rules, section 1.2.1, this being that, an eventual second term cannot immediately follow the first term of office.

### **8.4 Unavailability of the President**

- a) If the President shall be temporarily unable to meet his obligations, that is to say, to preside at Meetings of the General Assembly, the Management Committee or the Signatories to the Multilateral Agreement or, furthermore, to carry out the Presidency of the Association, such duties shall be carried out by the Vice President.
- b) In the event of both the President of the Association and the Vice President being temporarily unavailable, the Secretary General conducts the duties under guidance of the Management Committee.
- c) In the event of the death, resignation, dismissal or retirement from effective insurance business of the President, the Vice President is to act as interim President in order to have a new President elected according to the procedure described in section 1 of the Internal Rules, as soon as possible.
- d) In the event of the death, resignation, dismissal or retirement from active insurance business of both the President and the Vice President, the Management Committee appoints amongst them an acting President who takes care of the election of a new President according to the procedure described in section 1 of the Internal Rules.

### **8.5 Appointment and Functions of the Vice President**

- a) The Vice President shall be appointed for a period of 3 years by the Management Committee on a proposal from the President and approved by the General Assembly. The Vice President is eligible for one further term of the same duration, this being that, an eventual second term cannot immediately follow the first term of office.

- b) The Vice President and the President must not be residents or citizens of the same state or from states in the same regional group as defined in section 2 of the Internal Rules, at the time of appointment of the Vice President. The Vice President must be from a state which is a Signatory of the Multilateral Agreement.
- c) During his term of office the Vice President is not eligible for election as President. If an acting Vice President wishes to be a candidate for the role of President he is required to resign before the beginning of the election procedure according to section 1 of the Internal Rules begins. The Management Committee will appoint another Vice President from among the Members of the Management Committee.
- d) The functions of the Vice President shall be to act as substitute for the President in case of the unavailability of the President and to carry out the tasks delegated by the President.

## **ARTICLE 9 – THE SECRETARY GENERAL**

### **9.1 Nomination or Dismissal of the Secretary General**

- a) The Secretary General shall be appointed by the Management Committee upon proposal by the President and approved by the General Assembly. If so decided by the Management Committee, a nominee may hold office as an Acting Secretary General with effect from the date of the nomination, subject to the approval of the appointment at the next General Assembly.
- b) In the event of the death or immediate dismissal of the Secretary General the Management Committee appoints an interim Acting Secretary General.
- c) Dismissal of the Secretary General shall be subject to a decision by the General Assembly.

### **9.2 Functions and Powers of the Secretary General**

The Secretary General shall be the Chief Executive of the Association and, on the advice of the President and the Management Committee, his/her functions shall be:

- a) to identify strategic issues for the Association, which should then be submitted to the Management Committee for consideration;
- b) to establish a medium/long-term strategic plan for the Association;
- c) to execute and implement the decisions taken by the Management Committee, the General Assembly and the Signatories to the Multilateral Agreement and to represent the Association in Courts in case of unavailability of the President;
- d) to prepare proposals and in particular prepare the annual Budget, Accounts and Activity plan for approval by the Management Committee;
- e) to communicate with Members and external bodies on any matters relating to the affairs of the Association;
- f) to endeavour to ensure that there is compliance by Members with decisions of the General Assembly and of the Signatories to the Multilateral Agreement and the principles of the Association and to bring to the notice of the President and the Management Committee, any failure of compliance in this regard;
- g) to assist as necessary in the resolution of any disputes which arise between Members with full regard to decisions of the General Assembly and the objectives and principles of the Association;

- h) to offer service and cooperation to other international organisations involved in activities within the framework of motor third party liability insurance;
- i) to temporarily carry out the tasks and functions of the President and the Vice President under guidance of the Management Committee in case of simultaneous unavailability of both;
- j) to refer various matters for consideration to each Committee according to its area of competence as foreseen in the Constitution;
- k) to withdraw from the Association funds in accordance with Article 7.2c), any amounts necessary to run the affairs of the Association and to conduct all necessary banking transactions;
- l) to generally take any necessary or desirable action to establish, manage and maintain the Secretariat and in particular, but without limitation, secure precise and proper bookkeeping, to sign any contracts relating to the running of the Secretariat, execute and deliver all documents, agreements, forms, registrations, returns or undertakings required to be signed or executed by the relevant Authorities in the state in which the Association is situated.

## **ARTICLE 10 – SIGNATORIES TO THE MULTILATERAL AGREEMENT (MA)**

### **10.1 Status and Composition**

MA shall mean Article 4.2 and section III of the Internal Regulations or any subsequent agreement modifying or substituting them signed by Bureaux of the Member States of the European Economical Area (EEA) or other Bureaux of Non Member States of the EEA. Bureaux of the MA shall constitute the forum for discussion, consideration and decisions on all matters arising under the MA.

### **10.2 Functions and Powers**

The MA shall have sole responsibility for the administration and operation of the MA between them. They shall have exclusive competence to decide on any amendment to the provisions in Section III of the Internal Regulations. They shall also have exclusive competence to decide on any amendment to the provisions in Article 4.2 of the Internal Regulations. In the case of the latter, the right of vote shall be restricted to the Bureaux of the Member Countries of the European Economic Area.

The MA appoint Members and Chairmen to and decide on the Terms of Reference of the Specific Rules Committee, Article 11.1a) IV).

### **10.3 Meetings, Quorum, Voting Procedures and Information of Members**

The provisions mentioned in Articles 6.3, 6.4, 6.5 and 6.6 shall apply where appropriate.

## **ARTICLE 11 – PERMANENT COMMITTEES OF THE ASSOCIATION**

### **11.1 The Internal Regulations Committees**

#### **a) Status and Composition**

The Internal Regulations Committees comprises of two Committees:

- I) The General Rules Committee and the Specific Rules Committee.
- II) The General Rules Committee shall be composed of a Chairman and a maximum of twelve Members.

The Specific Rules Committee shall be composed of a Chairman and a maximum of eleven Members.

- III) The Chairman and the Members of the General Rules Committee are appointed by the General Assembly.
- IV) The Chairman and the Members of the Specific Rules Committee are appointed by the MA.
- V) The composition of the Committees and the procedure for the appointment is described in section 3 of the Internal Rules. The Chairmen do not represent any groups as defined in section 2 of the Internal Rules. Article 7.1 b) and c) is applicable to the two Committees. Concerning Specific Rules Committee decisions according to Article 7.1 b) and c) are taken by the MA.
- VI) The General Rules Committee shall deal with all the Internal Regulations provisions except for those of Article 4.2 and Section III for which the Specific Rules Committee shall be competent.
- VII) The two Chairmen, the President and the Secretary General shall coordinate the work of the two Committees. Each Chairman will participate in the work of the other Committee.

**b) Functions and Powers**

The two Committees shall consider all matters relating to the provisions of the Internal Regulations for which they are competent. The recommendations of the General Rules Committee shall be presented as proposed by the Management Committee for the approval of the General Assembly. The recommendations of the Specific Rules Committee shall be presented as proposed by the Management Committee for the approval of the MA.

**11.2 The Application Committee**

**a) Status and composition**

- I) The Application Committee shall be composed of the Chairman and five Full Members not subject to monitoring appointed by the General Assembly as proposed by the Management Committee. The composition of the Committee and the procedure for the appointment are described in section 4 of the Internal Rules. The Chairman does not represent any group as defined in section 2 of the Internal Rules.
- II) Article 7.1 b) and c) are applicable to the Committee.
- III) The Committee shall deal with all issues in connection with new applications to Membership of the Association.

**b) Functions and powers**

- I) The Application Committee shall, upon request of the Management Committee, examine if an applicant fulfils the conditions required to be a Member of the Association, and among others, the provisions of Article 4.2b)i) to v). For such purposes the Application Committee may request any reasonably needed information or explanation from the applicant and may request such information or explanation to be delivered in any of the two official languages of the Association with the translation arranged at the cost of the applicant.
- II) The Secretary General shall inform the representatives of the applicant State (such as Bureau, insurance market, public authorities) of the purposes and rules of the Green Card System;
- III) When the Monitoring Committee has approved on the financial guarantees to be provided by the applicant according to Article 4.3 as Transitional Member, then the recommendation of the

Application Committee on membership shall be presented as proposed by the Management Committee for the approval of the General Assembly.

### **11.3 The Monitoring Committee**

#### **a) Status and composition**

- I) The Monitoring Committee shall be composed of the Chairman and five Full Members not subject to monitoring appointed by the General Assembly on a proposal of the Management Committee. The composition of the Committee and the procedure for the appointment are described in the Internal Rules, section 4<sup>2</sup>. The Chairman does not represent any group as defined in section 2 of the Internal Rules.
- II) Article 7.1 b) and c) are applicable to the Committee.
- III) The Committee shall deal with all issues concerning monitoring, reinsurance and the financial compliance and stability of the Members of the Association.

#### **b) Functions and Powers**

- I) The Monitoring Committee will monitor the overall financial stability of the whole Green Card System and thus the mutual trust between Bureaux as one of the principle elements of the system;
- II) The Committee shall identify potential financially weak Bureaux and assist them in improving their own situation by consultations or recommendations;
- III) The Committee shall serve as an early warning system, which could indicate a future problem;
- IV) The Committee shall propose to the Management Committee specific measures or sanctions against uncooperative or defaulting Members or those repeatedly in breach of the financial provisions of the Internal Regulations.

#### **c) Specific Functions and Powers as far as Transitional Members and Full Members under monitoring**

- I) The Monitoring Committee shall examine the fulfilment of all conditions arising from Financial Guarantees Criteria by Transitional Members according to 4.3a) and by those Full Members, which are being monitored as a consequence of the measure taken under Article 4.5c). It may request from any such Member any documentation and/or information relating to such examination.
- II) The Monitoring Committee shall monitor the fulfilment of financial obligations by any Transitional Members or any Full Members under monitoring, be it the payment of the contributions to the

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<sup>2</sup> Composition of the Monitoring Committee

Group "A" and the Regional Groups will be represented in the Monitoring Committee as follows:

- Group "A": 1 Member
- Regional Groups: 4 Members – one from each of the Northern Group, Western Group, Central Group and South Eastern Group

1. Members and Chairman of the Committee will be appointed for three years

2. The election groups of Bureaux and the voting procedure used for the election of Members to the Management Committee will be used for the Monitoring Committee

3. The Group "A" Members will serve for a full term of office with no rotation within the term of office.

Association, the payment of the reinsurance premiums to the reinsurers, the payment of Guarantee Calls in favour of other Members or be it other financial obligations.

- III) To avoid the involvement of Transitional and Full Members under monitoring in mediation or arbitration procedures, the Committee may assist Transitional Members and Full Members under monitoring to deal with disputes between such Members and other Members of the Association.
- IV) Complaints against Transitional Members and Full Members under monitoring received by the Association shall be primarily dealt with by the Committee in close cooperation with the Secretary General.
- V) Non-fulfilment of financial guarantees or defaults in the fulfilment of financial obligations by Transitional Members and Full Members under monitoring have to be reported by the Committee to the Management Committee within sufficient time, which would allow the Association to take any appropriate action to restore the normal level of fulfilment of the broken rules.

**d) Specific Functions regarding reinsurance**

- I) The Monitoring Committee shall deal with all questions as regards reinsurance matters brought forward to the Council of Bureaux.

**11.4 Meetings of the permanent committees**

The following provisions shall apply to the Permanent Committees:

**a) Convocation of Meetings**

- I) Meetings of the Permanent Committees shall be convened with at least one month's notice by their Chairmen when acting on their own initiative or following of a reasoned written request from no less than half of their Members.
- II) The Agenda and supporting documents for a convened Meeting shall, except for emergency situations, be issued no later than fourteen days before the Meeting date.
- III) Notification of meetings are despatched by fax or e-mail and published on the Members area of the website.

**b) Quorum**

The required quorum for Meetings of the Permanent Committees concerned shall be more than half of the composition of those Committees.

**c) Working and Voting Procedures**

- I) The Permanent Committees shall determine their own working procedures.
- II) The provisions of Article 6.5c) and d) shall apply to Permanent Committees.

**d) Information of the Members of the Permanent Committees**

It is the responsibility of the Secretary General to distribute by fax or e-mail a copy of the decisions and the Minutes of the Permanent Committees.

Decisions and Minutes are distributed in the following ways:

- I) From the General Rules Committee meetings to all Members of the Association
- II) From the Specific Rules Committee meetings to all Signatories to the Multilateral Agreement
- III) From the Application and the Monitoring Committees only to the Members of the Committees and Members of the Management Committee.

The Decisions are to be distributed by fax or -email within one month of the Meeting in which the decisions were taken. The Minutes are to be distributed no later than two months after the Meeting.

The Decisions and the Minutes shall at the same time be published on the Members area of the website but accessible only to Members in accordance with letter I) to III) above.

## **ARTICLE 12 – AUDITORS**

### **12.1 External Auditors**

#### **a) Appointment**

The Management Committee shall propose a professional firm of Chartered Accountants as External Auditors of the Association and their remuneration to the General Assembly.

#### **b) Duties and Functions**

The External Auditors shall:

- I) present a Report and draft Accounts to the Management Committee as soon as possible after the end of a Financial Year;
- II) assist, where necessary, in dealings with the Revenue and Fiscal Authorities.

## **ARTICLE 13 – ACCOUNTS AND BUDGETS**

### **13.1 Financial Year**

The Financial Year of the Association shall be from the 1st January to the 31st December of each year.

### **13.2 Budgets**

- a) Annual ordinary or extraordinary Budgets shall be decided by the Management Committee in September of each Financial Year for the next Financial Year.
- b) Contributions to the ordinary Budget for the next Financial Year shall be requested from Members by the Secretary General during the month of December and the contributions shall be paid in accordance with the provisions of Article 13.4g). Contributions to the extraordinary Budget may be requested from Members either together with the contributions to the ordinary Budget or at any later time depending on the needs of the Association to be covered by the extraordinary Budget; other conditions in respect of contributions remain applicable.
- c) Every six months, the Secretary General shall present to the Management Committee periodic reports on the execution of the budget. The reports are due in September (for the first half of the year) and in March (for the full year).

### **13.3 Accounts**

- a) The Accounts of the Association shall fall under the responsibility of the Secretary General and the Audited Accounts shall be available to any Member and published at the Members area of the website.
- b) The Audited Accounts for a Financial Year, when approved by the Management Committee, shall be signed by the President, the Vice President and the Secretary General.

### **13.4 Financial Contributions by Members**

- a) All Members of the Association shall contribute to the costs of the Budget.
- b) The expenses of the President and Members of all Committees shall be borne by the national Bureaux of their respective countries.
- c) As an exception to the rule mentioned in letter b) above the Association pays travel expenses for the President and for the Vice President when the Vice President is acting on behalf of the President within the budget approved by the Management Committee.
- d) Expenses as mentioned above in letter c) are only paid when receipts for the expenses are shown to the Secretary General.
- e) Amounts for covering the travel expenses mentioned in letter c) above shall appear as a special item in the yearly Budget and the External Auditors shall evaluate whether the expenses paid are appropriate.
- f) Members shall be divided into a limited number of Contribution Groups which shall be decided by the General Assembly.
- g) Contributions to the ordinary Budget shall be made on an annual basis free of costs and shall be paid within a period of eight weeks of the date of the letter from the Secretary General in which the Contributions are requested. Contribution to extraordinary Budgets shall be made in accordance with the decision on the individual extraordinary Budget.
- h) If a Member shall fail to render its Contribution in time for it to be received into the Bank Account of the Association within a period of eight weeks from the date of the letter of demand for such Contribution, interest thereon shall be additionally payable at the rate of 12% per annum, calculated from the date of the letter of demand. If payment by a Member is not received within 3 months from the date of the letter of demand the amount of the Contribution shall be increased by 50% of the original amount plus interest. If payment by a Member is not received within 6 months from the date of the letter of demand the amount of the Contribution shall be increased by 100% of the original amount plus interest.

#### **ARTICLE 14 – OFFICIAL LANGUAGES**

**14.1** The official languages of the Association shall be English and French.

**14.2** In the case of a dispute between the Members and/or an Applicant, the only authentic text for the interpretation of this Constitution shall be the French version.

#### **ARTICLE 15 – DISSOLUTION OF THE ASSOCIATION**

The dissolution of the Association shall be decided only by the General Assembly, on a specific proposal made by the Management Committee. Further to the repayment of all outstanding debts and discharge of all pending matters, the Association, having been so mandated by the General Assembly, shall allocate its remaining assets as it considers it fit.

#### **ARTICLE 16 – INTERPRETATION OF, AND AMENDMENTS TO THE CONSTITUTION**

**16.1** The General Assembly shall be exclusively competent for deciding all issues requiring amendment or interpretation of the Constitution and its Internal Rules. Decisions thereon shall be made in accordance with the provisions of Article 6.5c) and d).

**16.2** The Signatories to the MA shall be exclusively competent for all issues requiring amendment or interpretation of Article 10 and 11.1a) ii of the Constitution and the procedure for appointment of the

Members to The Specific Rules Committee described in section 2 of the Internal Rules,. Decisions thereon shall be made in accordance with the provisions of Article 6.5c) and d).

**16.3** Proposals for amendments shall be made by the Management Committee on its own initiative or on a proposal, processed through that Committee, from at least a quarter of the Members.

**16.4** In this Constitution words implying the masculine gender shall include the feminine gender.

#### **ARTICLE 17 – GENERAL PROVISIONS**

All matters not provided for in this Constitution and, in particular, the publication of its Annexes in the "Moniteur Belge" (Official Journal), shall be governed by the provisions in Title III of the Belgian Act dated 27 June 1921 relating to non profit associations, international non profit associations and trusts.

#### **ARTICLE 18 – TRANSITORY PROVISIONS**

This Constitution and the Internal Rules (Election Procedure) shall come into force with immediate effect at the time of the day of adoption by the General Assembly of the Association.

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