

International Federation of Accountants' Constitution

Provisions	Subsection References
<p><u>Interpretations</u></p> <p>This Interpretations Clause shall form part of this Constitution, in which:</p> <p>An “appropriate mode of communication” means a transmission from one party to another via mail, courier, facsimile, electronic mail, or by posting on the International Federation of Accountant’s website or intranet and notification thereof.</p> <p>The “Bylaws” means the Bylaws of the International Federation of Accountants as they exist from time to time, which have been approved in accordance with the provisions of this Constitution.</p> <p>“Delinquent member body” means a member body that fails to pay its financial contributions prior to the date of the following Council meeting after such contributions have become due.</p> <p>The “Forum of Firms” (hereinafter referred to as the “Forum”) means the grouping of firms and networks whose members have (or are interested in having) transnational audit appointments and which have undertaken certain obligations towards the Forum and the International Federation of Accountants designed to promote consistently high standards of financial reporting and auditing worldwide.</p> <p>An “IFAC group” means a board, committee, advisory panel or other similar group of the International Federation of Accountants other than the Board of the International Federation of Accountants as referred to in Section 5 of this Constitution.</p> <p>“Member body” means a professional accountancy organization that has been admitted to the International Federation of Accountants and has retained its membership in good standing.</p> <p>The “Monitoring Group” means the group of regulatory and international organizations that have a responsibility to protect and advance the public interest and are committed to strongly supporting the development of high quality international auditing and assurance standards by the International Federation of Accountants and related high quality implementation practices by the international auditing profession.</p> <p>The “Public Interest Oversight Board” (hereinafter referred to as the “PIOB”) means the independent body formed with the support of the Monitoring Group and the International Federation of Accountants and charged with the oversight of the public interest activities of the International Federation of Accountants as specified in the Bylaws.</p> <p>The “Transnational Auditors Committee” (hereinafter referred to as the “TAC”) means the committee of the International Federation of Accountants, which is the executive arm of the Forum.</p>	
1 <u>General Statements</u>	
1.1 The name of the organization shall be the International Federation of Accountants (hereinafter referred to as “IFAC”).	Name of the organization
1.2 IFAC shall be an association governed by this Constitution and Articles 60-79 of the Swiss Civil Code and any amendment to those Articles.	Statement of incorporation
1.3 IFAC’s registered office shall be in Geneva, Switzerland.	

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<p>1.4 The mission statement of IFAC is:</p> <p>To serve the public interest, IFAC will continue to strengthen the accountancy profession worldwide and contribute to the development of strong international economies by establishing and promoting adherence to high-quality professional standards, furthering the international convergence of such standards, and speaking out on public interest issues where the profession's expertise is most relevant.</p> <p>1.5 IFAC will carry out this mission within the framework of this Constitution and in the manner provided for in its Bylaws.</p> <p>1.6 In carrying out this mission, IFAC shall reinforce the values of integrity, expertise and transparency and in relation to its members act appropriately as leader, facilitator, collaborator and observer.</p>	Mission and objectives of the organization
<p>2 <u>Membership</u></p>	
<p>2.1 The membership of IFAC shall consist of those professional accountancy organizations that have been approved pursuant to Section 2.3 and that have not resigned or have not had their membership revoked by expulsion. The term "member body" is used to refer to a member of IFAC.</p>	Membership
<p>2.2 Member bodies shall:</p> <ul style="list-style-type: none"> a. act in the furtherance of fulfilling the mission of IFAC as set forth in Section 1.4; b. support the mission, programs and services of IFAC; c. make such financial contributions at the beginning of each financial year as may be determined in accordance with the Constitution; d. demonstrate compliance with the obligations set out in the Statements of Membership Obligations, as they exist from time to time; and e. abide by the provisions of this Constitution and the Bylaws. 	Membership requirements
<p>2.3 The Council shall determine, upon the recommendation of the Board, the admission of professional accountancy organizations as member bodies.</p>	Member body admission process
<p>2.4 The Board shall determine the criteria for and procedures by which professional accountancy organizations shall be admitted and retained as member bodies in good standing.</p> <p>2.5 A member body shall be deemed to be in good standing unless the Board has taken a decision to suspend it in accordance with Section 2.6 or it has withdrawn from membership in accordance with Section 2.7.</p>	Maintaining good standing status
<p>2.6 Any member body may be suspended by the Board or expelled by the Council for the following causes:</p> <ul style="list-style-type: none"> a. non-compliance with the criteria and obligations of membership; or b. acts bringing the international accountancy profession into disrepute. <p>2.7 A member body may withdraw from IFAC at the end of any financial year provided it gives notice in writing six months in advance to the Chief Executive.</p> <p>2.8 Where in any financial year a member body withdraws, is suspended or expelled in accordance with Sections 2.6 and 2.7, that member body shall remain obliged to pay any</p>	Grounds for suspension, expulsion and withdrawal

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<p>amounts owing, including financial contributions, for that or, if applicable, the following financial year.</p> <p>2.9 Member bodies that resign or are expelled lose all rights to the financial contributions and any other assets received from member bodies.</p>	
<p>3 <u>Council</u></p>	
<p>3.1 Council composition:</p> <ul style="list-style-type: none"> a. The Council shall consist of one representative designated as such from each member body of IFAC who shall have the authority to vote on behalf of the member body on matters before the Council. b. The Chair of the PIOB shall be entitled to attend meetings of the Council and may address meetings of the Council on any matters in regard to the public interest oversight of IFAC. The Chair of the PIOB is also entitled to participate in the discussions and deliberations at meetings of the Council, but shall not be entitled to vote. Where circumstances warrant, as agreed between the Chair of the PIOB and the President, the members of the PIOB may attend meetings of the Council, but shall not be entitled to vote. c. The Chair of the Forum, where appropriate accompanied by the Chair of the TAC, shall be entitled, or may be requested by the President of IFAC, to attend and to report to meetings of the Council on plans for the following year, and progress and achievement against plans approved the previous year; such reports shall include the activities of the TAC. The Chairs of the Forum and of the TAC shall each be entitled to participate in the discussions and deliberations at meetings of the Council, but shall not be entitled to vote. 	Composition of Council
<p>3.2 The governance of IFAC shall ultimately rest with the Council.</p> <p>3.3 The Council grants the Board the authority to govern the operations of IFAC as set out in this Constitution and in the Bylaws.</p>	Authority of Council
<p>3.4 The Council shall:</p> <ul style="list-style-type: none"> a. appoint a Nominating Committee, upon the recommendation of the Board, in accordance with Sections 5.13 and 5.14 of this Constitution; b. in each alternate year, on the recommendation of the Nominating Committee which shall have consulted with the Board, elect from among the members of the Board a Deputy President for a term of two years (without the right of re-election to the same office). The Deputy President shall become President at the end of the period of two years from the time of their election, unless the Council shall determine otherwise on a recommendation of the Board, and shall serve as President for the period of two years; c. in the event of a determination by the Council under Section 3.4(b) that the Deputy President shall not become President, appoint the candidate elected as Deputy President at that time, to serve as President for the period of two years, as though they had served as Deputy President in the usual way; and at its next meeting, the Council shall elect a Deputy President, who shall serve as Deputy President for the remaining term of the current President, following which they shall be eligible to become President under Section 3.4(b), as though they had served as Deputy President for the period of two years; 	

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<ul style="list-style-type: none"> d. receive reports on progress and achievement against plans approved the previous year, and reports on progress on policy and strategic initiatives; e. determine, upon the recommendation of the Board: <ul style="list-style-type: none"> i. the admission of professional accountancy organizations as member bodies of IFAC in accordance with Section 2.1; ii. the expulsion of member bodies in accordance with Section 2.6; iii. the admission of professional accountancy organizations as associates and other organizations as affiliates of IFAC in accordance with the Bylaws; iv. the expulsion of associates and affiliates of IFAC in accordance with the Bylaws; and v. the recognition of organizations as regional organizations of IFAC and the withdrawal of such recognition; f. determine, upon the recommendation of the Board, the basis of the assessment of the financial contributions to be paid by member bodies, associates and affiliates; g. determine, upon the recommendation of the Board: <ul style="list-style-type: none"> i. proposals for policy and strategic initiatives, including the proposed strategic plan, and the broad parameters of the budget for the ensuing year, including the level of member body, associate and affiliate financial contributions for the ensuing year; and ii. any other matters reserved under the terms of this Constitution or within the applicable Articles of the Swiss Civil Code for decision or approval by the Council; h. determine, upon the recommendation of the Nominating Committee: <ul style="list-style-type: none"> i. to elect members of the Board in accordance with the provisions of this Constitution; and ii. to remove a Board member during that Board member's term for non-performance or other good cause; i. determine, upon the recommendation of the Board or upon a resolution of designated representatives in accordance with Section 14.1(b), any amendments to this Constitution; j. determine, upon the recommendation of the Board in accordance with Sections 13.1 to 13.5, on the repeal and amendment of Bylaws and on the enactment of new Bylaws; and k. determine, upon the recommendation of the Board, to appoint an auditor. 	
4 <u>Meetings of the Council</u>	
4.1 An Ordinary meeting of the Council shall be held annually as determined by the Board within three months prior to the end of the financial year and at a location chosen by the Board.	Council meeting frequency
4.2 Special meetings of the Council shall be held at a place and time to be determined by the Board within four months of receipt by the Chief Executive of either: <ul style="list-style-type: none"> a. a resolution supported by at least 75 percent of the members of the Board; or 	Right to call a Special Council meeting

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<ul style="list-style-type: none"> b. a notice delivered by an appropriate mode of communication and supported by not less than 20 percent of all member bodies who are eligible to vote, with a statement of the purposes of the meeting. 	
<p>4.3 The Council shall not take any action on any matters coming before it at Ordinary or Special meetings unless there is a quorum. There shall be a quorum:</p> <ul style="list-style-type: none"> a. if at least 20 percent of the representatives of member bodies eligible to vote are present in person or by proxy at an Ordinary meeting; or b. if at least 50 percent of the representatives of member bodies eligible to vote are present in person or by proxy at a Special meeting. <p>If there is no quorum, the meeting shall be adjourned to a time and place determined by the President so that a quorum may be obtained.</p>	Quorum requirements
<p>4.4 Each member body representative shall have one vote. A delinquent member body is entitled to observe but is neither eligible to vote nor entitled to participate in the discussions and deliberations of meetings of the Council. The method of voting for substantive matters to be considered at the Ordinary meeting shall be determined by the meeting, upon the announcement by the Chair of a quorum for such meeting.</p>	Voting requirements, procedures and rights
<p>4.5 The President of IFAC shall be the Chair of any Ordinary or Special meetings of the Council. In the absence of the President of IFAC, the Deputy President of IFAC shall act as the Chair of Council meetings. If neither is present, the meeting shall elect a Chair from among those present. The President or Deputy President or such other person as may be elected as Chair pursuant to this Section, when acting in their capacity as Chair, shall have only a casting vote.</p>	
<p>4.6 A member body may for an Ordinary or Special meeting give a proxy to vote on behalf of that member body on the specified proxy form, provided that the member body shall have sent notification via an appropriate mode of communication to the Chief Executive of IFAC, which is received at least twenty-four hours before the scheduled start of an Ordinary or Special meeting of any proxies given:</p> <ul style="list-style-type: none"> a. to any representative entitled to vote in terms of Section 3.1(a) of the Constitution, except that no such representative of a member body may hold more than five proxies for any one motion; or b. to the Chair of the Council meeting; or c. to the president or chief executive, or equivalent, of the recognized regional organization of which the member body is a member, except that no regional organization may hold more than five proxies for any one motion. <p>4.7 In extraordinary circumstances, where notification of a proxy is received within twenty-four hours prior to the scheduled start of an Ordinary or Special Council meeting, the Chair of the meeting shall have the discretion to bring that proxy to the Council for ratification.</p> <p>4.8 Voting Procedures and Majority Requirements:</p> <ul style="list-style-type: none"> a. At an Ordinary or Special meeting of the Council decisions shall require a simple majority of all representatives of member bodies eligible to vote and voting except that decisions as to the basis of assessment of the financial contributions and amendments of the Constitution shall require the affirmative vote of at least two-thirds of all the representatives of member bodies eligible to vote and voting. 	

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<p>b. In the event that Council decides not to accept proposals made by the Board pursuant to Section 3.4(g)(i) above the status quo shall be maintained with respect to the budget including the level of financial contributions until such time as Council agrees to an alternative proposal pursuant to Section 3.4(g)(i) by a simple majority vote which is subsequently adopted by the Board, or the Board calls for a Special meeting of Council, pursuant to Section 4.2(a), which sets forth the recommendations of the Board with respect to the matters described in Section 3.4(g)(i).</p> <p>c. The vote taken on any resolution proposed at a Special meeting shall be taken by a mail ballot and/or electronic mail ballot of all member bodies eligible to vote, on a demand of those member bodies eligible to vote and present at the meeting who constitute not less than 20 percent of all member bodies eligible to vote. Votes received after the deadline determined by the President will not be counted; such deadline shall not be less than six weeks after the ballots were distributed by an appropriate mode of communication.</p>	
<p>4.9 The Chief Executive shall send to each member body a notice containing the time and place of the Ordinary meeting of the Council and an agenda of the items of business to be transacted.</p> <p>4.10 The notice referred to in Section 4.9 shall be transmitted via an appropriate mode of communication at least two months in advance of the Ordinary meeting.</p> <p>4.11 A member body may have a matter included on the agenda of an Ordinary meeting, or may respond to a proposed business matter to be transacted at the Ordinary meeting provided such a request is received by an appropriate mode of communication not less than one month in advance of the Ordinary meeting and has the support of five other member bodies.</p> <p>4.12 Upon receipt of a communication referred to in Section 4.11 from a member body, the Chief Executive shall send, at least 21 days prior to the date of the Ordinary meeting, to each member body with respect to an Ordinary meeting, a revised notice.</p> <p>4.13 The Chief Executive shall send to each member body a notice containing the time and place of a Special meeting of the Council and an agenda of the business to be transacted. This notice shall be transmitted via an appropriate mode of communication at least two months in advance of the Special meeting, subject to the meeting being held within the period of four months provided in accordance with Section 4.2.</p> <p>4.14 No business other than that included in the agenda for the meeting shall be transacted at any such meeting except that, in the case of Ordinary meetings, the Council, by a simple majority of those who are present and eligible to vote, may waive this restriction provided however that no waiver under this section may be exercised in respect of matters relating to the basis of assessment of financial contributions or amendments to the Constitution.</p>	Notice of meetings
<p>5 <u>Board</u></p>	
<p>5.1 The Board shall consist of the President, the Deputy President and not more than twenty members.</p> <p>5.2 In selecting the members of the Board the Council shall be cognizant that the composition of the Board shall reflect the level of financial contribution to IFAC by member bodies. In allocating Board seats it is intended that the allocation be based on nine seats to representatives from the top twelve contributor member bodies, six seats to representatives from the thirteen to twenty-four contributor category and six seats to representatives from</p>	Composition of Board

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<p>the member bodies not in the top twenty-four contributors.</p> <p>5.3 Notwithstanding the Board seat allocations indicated in Section 5.2, in circumstances when the Nominating Committee considers it is appropriate to apply some degree of flexibility this is permitted based on between eight and ten seats being allocated to representatives from the top twelve contributor member bodies, between five and seven seats to representatives from the thirteen to twenty-four contributor category and between five and seven seats to representatives from the member bodies not in the top twenty-four contributors. In situations when it is recommended that there be a deviation from the Board seat allocations identified in Section 5.2 the Nominating Committee will report to the Council and Board on the reason for the deviation.</p> <p>5.4 Subject to Sections 5.1, 5.2 and 5.3, the Nominating Committee shall base its recommendations for persons to fill positions on the Board on the basis of the best persons for those positions. In applying this criterion the Nominating Committee will consider such factors as leadership and other personal skills and attributes, geographic balance, industry balance, size of employer and gender balance.</p>	
<p>5.5 The Board shall have the power to take all practicable steps to achieve the mission of IFAC as set out in Section 1.4, including to establish or dissolve such boards, committees and other groupings as it may determine from time to time for the effective discharge of its duties, and to take any action which is in the general interest of IFAC and which is not expressly addressed in this Constitution or the Bylaws. Further powers of the Board are specified in the Bylaws.</p> <p>5.6 The Board shall ensure that it does not involve itself in the domestic affairs of a member body other than to the extent necessary to ensure compliance with the obligations of membership of IFAC.</p>	Authority of Board
<p>5.7 The Board shall with respect to the PIOB:</p> <ul style="list-style-type: none"> a. agree with the Monitoring Group and the PIOB an adequate annual budget for the PIOB; b. discuss with the Monitoring Group and the PIOB the IFAC groups over which the PIOB shall have oversight to be specified in the Bylaws; c. submit to the PIOB for approval the appointments of members and chairs of the IFAC groups over which the PIOB has oversight as specified in the Bylaws; d. consult with the PIOB prior to any decision by the Board for the removal of members and chairs of the IFAC groups over which the PIOB has oversight as specified in the Bylaws; e. submit to the PIOB for approval the terms of reference of the IFAC groups over which the PIOB has oversight as specified in the Bylaws and the terms of reference of their respective consultative advisory groups; f. make available to the PIOB documentation related to the IFAC groups over which the PIOB has oversight as specified in the Bylaws in such form, content and frequency as is reasonably requested by the PIOB; and g. perform at its discretion a review of the PIOB and the IFAC groups over which the PIOB has oversight as specified in the Bylaws. 	Public Interest Oversight Board

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<p>5.8 All eligible member bodies or groups of member bodies which wish to put forward a candidate or candidates for election to the Board must communicate their intention with the Chief Executive in conformity with the terms and conditions set out in the Bylaws.</p> <p>5.9 The person elected as a member of the Board for a term as determined in accordance with the Bylaws shall assume office at the conclusion of the meeting of the Council at which they are elected. The elections to the Board are to be held annually in accordance with the Bylaws in such a way as to achieve an orderly rotation of the Board each year without losing continuity. Provisions for the length of service and reappointment to service are determined in accordance with the Bylaws.</p> <p>5.10 The person nominated in accordance with Section 5.8 must be a member or chief executive or equivalent of the nominating member body or of one of the member bodies nominating as a group of member bodies.</p>	Election and removal
<p>5.11 Any vacancy of Board membership created for reasons indicated in the Bylaws shall be filled by the Council through the normal processes of election at its next meeting. Any such vacancy may be filled in the interim in accordance with the Bylaws.</p>	
<p>5.12 Except in circumstances where the Presidency has been vacated pursuant to Section 7.4, the immediate past President shall, for the two-year period following the completion of their term as President:</p> <ul style="list-style-type: none"> a. be entitled to attend all Board meetings and participate in the discussions and deliberations, but without voting rights; and b. have such other specific responsibilities as may, from time to time, be determined by the President and the Board. 	Role of the Past President
<p>5.13 The Nominating Committee shall be composed of the President and Deputy President <u>ex officio</u> and no less than four ordinary members, appointed by the Council on the recommendation of the Board.</p> <p>5.14 Except as otherwise provided in the Constitution, the composition, terms of members, duties, powers and operating procedures of the Nominating Committee shall be prescribed in the Bylaws.</p> <p>5.15 A representative of the PIOB shall be entitled to attend meetings or parts of meetings of the Nominating Committee devoted to the selection of potential members of the IFAC groups over which the PIOB has oversight as specified in the Bylaws and shall be entitled to participate in the discussions and deliberations of the meeting but shall have no voting rights.</p> <p>5.16 For those IFAC groups subject to PIOB oversight as specified in the Bylaws the Board shall develop for the approval of the PIOB operational procedures to be followed by the Nominating Committee.</p> <p>5.17 The Nominating Committee shall have the power to call for such information from a member body or from the Forum as it considers appropriate to enable it to carry out the duties prescribed for it in the Bylaws and shall, in the execution of said duties, have regard to the principle that the primary criterion shall be on the basis of the best persons for the available positions. In applying this criterion the Nominating Committee will consider such factors as leadership and other personal skills and attributes, geographic balance, industry balance, size of employer and gender balance.</p>	Nominating Committee

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<p>5.18 The Nominating Committee may recommend to the Council the removal of a Board member during that Board member's term for non-performance or other good cause.</p> <p>5.19 The Nominating Committee also may recommend to the Board, subject to Section 5.7(d), the removal of the Chair of an IFAC group or an IFAC group member during that member's term for non-performance or other good cause.</p> <p>5.20 The Nominating Committee shall be required to report to the Board as requested by the Board but at least once annually and annually to the Council on the process followed during the nominations cycle and on any significant issues that arose as part of that process.</p>	
5.21 The Board may establish a group, on the recommendation of the President, to be referred to as the IFAC Regulatory Liaison Group. The composition and terms of reference of the IFAC Regulatory Liaison Group shall be determined from time to time by the IFAC Board.	Regulatory Liaison Group
5.22 The Board shall appoint, on the recommendation of the Nominating Committee and based on proposals from the IFAC Officers, as defined in Section 7.1, for the next year no less than three persons from among members of the Board, other than the Officers or Chairs of IFAC boards, committees or other similar groups, to constitute a committee on audit, which shall be referred to as the Audit Committee, to make arrangements with the auditors for their examination and to review the audit report. The Board shall set the terms of reference of the Audit Committee from time to time.	Audit Committee
6 <u>Meetings of the Board</u>	
6.1 The Ordinary meetings of the Board shall be held at such times and places as it may decide, provided that it shall hold at least two meetings each calendar year.	Frequency
6.2 A Special meeting of the Board shall be called when the Chief Executive receives a notice delivered by an appropriate mode of communication and supported by at least four members of the Board with a statement of the purpose of the meeting. The place and time of the Special meeting shall be determined by the President so as to be held within two months of the Chief Executive receiving the notice.	Right to call a meeting
6.3 A quorum of the Board shall consist of a simple majority of the members of the Board.	Quorum requirements
6.4 The Chair of the PIOB shall be entitled to attend meetings of the Board and shall be entitled to participate in the discussions and deliberations of the meeting, but shall not be entitled to vote. They may address the Board on any matters in regard to the public interest oversight of IFAC, and where circumstances warrant, as agreed between the Chair of the PIOB and the President, the members of the PIOB may attend a meeting of the Board, but shall not be entitled to vote.	Attendance at meetings
6.5 The Chair of the Forum, where appropriate accompanied by the Chair of the TAC, is entitled to attend meetings of the Board as an observer, but shall not be entitled to vote.	
6.6 The President of IFAC shall be the Chair of the Board. In the absence of the President of IFAC, the Deputy President of IFAC shall act as the Chair of Board meetings. If neither is present, the meeting shall elect a Chair from among those present.	Voting requirements, procedures and rights
6.7 Decisions on any matters, except in the event of the decisions in accordance with Sections 4.2(a) and 13.3, shall be taken on a simple majority of the members of the Board present, excluding the Chair. Each member of the Board other than the Chair of the meeting shall have one vote. The Chair shall have only a casting vote.	

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7 <u>Officers</u>	
7.1 The Officers of IFAC shall be the President, Deputy President and Chief Executive.	Officers
7.2 The Officers shall have such powers and perform such duties as are assigned to them under this Constitution, the Bylaws and by the Board from time to time.	Statement of general duties/ responsibilities
7.3 IFAC is bound by the signature of two of the three Officers or by the signatures of such person or persons as may be duly authorized by the Board.	
7.4 In the case of the incapacity, resignation, removal or death of the President, or of their ceasing to be a member of a member body, the Deputy President shall assume the office of President on a temporary basis.	Election and removal
7.5 The Board shall be empowered to call an election by Council ballot to elect a new President from among the members of the Board.	
7.6 In the case of the incapacity, resignation, removal or death of the Deputy President, or of their ceasing to be a member of a member body, the Board shall be empowered to call an election by Council ballot to elect a new Deputy President from among the remaining members of the Board.	
7.7 In the event of incapacity of both the President and Deputy President, the Chief Executive shall have the power to call a Special Board meeting to address the election of the President and Deputy President.	
8 <u>Chief Executive</u>	
8.1 The Board shall appoint a Chief Executive who shall be responsible to the Board for the conduct of the affairs of IFAC. The Chief Executive shall be the Secretary to the Board and to the Council.	Appointment and statement of responsibilities
8.2 The Chief Executive shall have the right to address the Board on matters which the Chief Executive believes to be in the interests of IFAC.	
9 <u>Annual Declarations</u>	
9.1 All members of boards, committees or other similar groups of IFAC shall sign and deliver an annual declaration indicating that they will act in the public interest and with integrity in discharging the responsibilities of their roles within IFAC. The declaration shall be delivered prior to the first meeting of that group in the calendar year.	Declarations
9.2 The President and Deputy President shall have their firms execute and deliver to IFAC a statement prior to the meeting of the Incoming Board, when the President and Deputy President first take office, and annually, by the first meeting of the Board following the Ordinary meeting of Council in which the firms declare that they will support the President or Deputy President (as applicable), by ensuring their ability to speak for the global profession and in the public interest rather than as a member of the firm. The firm will also assure that it will not exert undue influence whether financial or otherwise, that might impair the ability of the President or Deputy President (as applicable) to act independently, with integrity and in the public interest. For the purpose of this section, the firms of the President and Deputy President may be firms in public practice, companies or other organizations in either the public or private sectors.	

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10 <u>Financial and Administrative Matters</u>	
10.1 The financial contributions to be paid by IFAC member bodies are determined by the application of the basis of the assessment of financial contributions as approved by the Council in accordance with Section 3.4(f).	Dues provisions
10.2 The IFAC financial statements shall be prepared in accordance with appropriate international accounting standards and an independent audit shall be conducted in accordance with International Standards on Auditing.	General statements regarding financial and administrative matters
10.3 The financial year of IFAC shall end on 31 December.	
10.4 The administrative office of IFAC shall be in such location as may be determined by the Board.	
11 <u>Limitations on Director/Officer Liabilities & Indemnification Rights</u>	
11.1 IFAC shall, to the fullest extent permitted by applicable law, indemnify and hold harmless any present or former member of the Board or officer, employee or agent of IFAC or member of a board, committee, advisory panel or similar group or the personal representatives thereof (collectively an "Indemnified Person"), made or threatened to be made a party in any civil or criminal action or proceeding by reason of the fact that such Indemnified Person, or his or her testator or intestate, is or was a Board member, officer, employee, agent of IFAC or a member of a board, committee, advisory panel or similar group or, at the request of IFAC, served any other organization, entity or other enterprise in any capacity, to the full extent and in all such circumstances as shall be permitted under applicable law. All such indemnified costs and expenses incurred by an Indemnified Person shall be advanced by IFAC pending the final disposition of such action or proceeding to the extent permitted by applicable law.	Limitation and indemnification
11.2 The indemnification required pursuant to Section 11.1 shall be subject only to the exception that no indemnification may be made by IFAC to or on behalf of any Indemnified Person in the event and to the extent that a judgment or other final adjudication adverse to the Indemnified Person establishes that: <ul style="list-style-type: none"> a. such Indemnified Person's acts were committed in bad faith or involved intentional misconduct or a knowing violation of law; or b. that such Indemnified Person personally gained in fact a financial profit or other advantage to which he or she was not legally entitled (provided, however, that indemnification shall be made upon any successful appeal of any such adverse judgment or final adjudication). 	
12 <u>Dissolution</u>	
12.1 IFAC may be dissolved by resolution of the member bodies at a duly constituted Council meeting. In the event of dissolution, IFAC shall be dissolved in accordance with the provisions of the Swiss Civil Code and liquidation of IFAC's assets remaining after satisfaction of IFAC's debts and liabilities shall be distributed to one or more organizations selected by the member bodies at a duly constituted Council meeting upon recommendation of the Board for purposes that are similar to and compatible with the mission and objectives of IFAC as defined in Section 1.4.	Process for disbursing net assets in the event of dissolution

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12.2 In the event of a termination of IFAC's activities and in accordance with the Swiss Civil Code, financial contributions received from member bodies and any other assets will not be returned to member bodies.	
13 <u>Bylaws</u>	
13.1 This Constitution is supported by the Bylaws. The Bylaws provide more detail regarding the application of the powers identified in this Constitution and the delegation of such powers to the Board.	Specify purpose/ function and authority of Bylaws
13.2 Individual bylaws may be repealed or amended and new bylaws may be proposed by the Board for approval by the Council. 13.3 In exceptional and urgent circumstances, individual bylaws may be repealed or amended and new bylaws may be enacted by the Board with immediate effect. In these cases the Board voting majority required shall be two-thirds of the members of the Board present. 13.4 No repeal, amendment or enactment under Section 13.3 shall have force beyond the next Ordinary meeting of the Council, unless confirmed at such a meeting or at a Special meeting of the Council called for the purpose. 13.5 Any bylaw passed by the Board may be repealed, amended, varied or otherwise dealt with at any Ordinary meeting of the Council or at a Special meeting of the Council called for the purpose.	Process for adopting and amending Bylaws
14 <u>Constitutional Amendments</u>	
14.1 Resolutions amending the Constitution shall be proposed: a. by the Board; or b. by not less than 20 percent of all designated member body representatives eligible to vote.	Membership authority to amend Constitution
14.2 The process for amending this Constitution is specified in Sections 3.4(i) and 4.8(a). Amendments to this Constitution that are approved in accordance with the requirements in Section 4.8(a) shall be considered to have immediate effect unless otherwise specified at the time of approval by the Council.	Amendment process

This revised and restated version of the IFAC Constitution was approved on November 10, 2006.