

Question & Answers

What is a Royal Charter?

Royal Charters are granted by the Sovereign on the advice of the Privy Council. It is a form of incorporation, indeed the oldest form of incorporation, with a history dating back to the 13th century. The original purpose of a Charter was to create public or private corporations (including towns and cities) and to define their privileges and purpose. Today, however, incorporation by Royal Charter has a much greater significance. Charters are reserved for certain sorts of body, with the common feature that they operate in the public interest. Professional bodies are one of the classes of body that can seek incorporation by Royal Charter, and a Charter has come to be regarded as the gold standard for today's professions. A Charter is an assurance to the public that the body is sound and well established, and that it upholds and advances the high standards of education, professional development, conduct and ethical working practices of its members. A Charter will not be granted unless the body can demonstrate to the Privy Council that it meets these criteria.

Unlike a registered company, the governing documents of a body incorporated by Royal Charter are not its Memorandum and Articles of Association but its Charter and Bye-Laws.

If the ACT is successful in its petition for a Royal Charter then its Charter and Bye-laws will be broadly based on its existing Memorandum and Articles of Association.

Why is the ACT going for a Royal Charter now?

The ACT qualifies, supports and represents professionals working in treasury, risk and corporate finance. We are the leading professional body for international treasury qualifications defining standards, promoting best practice and supporting continuing professional development. **We are the route to treasury excellence and the voice of corporate treasury.**

We are in a strong position. Since our formation in 1979, we have been dedicated to increasing the profile and integrity of those working in treasury, risk and corporate finance. We now have over 4,000 members and 2,000 students in 68 countries, including representatives from over 85% of the FTSE 100 companies. Our Policy and Technical team provide support and guidance on UK, European and international initiatives and are regularly asked to comment on the development of legislative and regulatory proposals and to provide formal policy submissions and responses when such proposals enter public consultation. Our suite of qualifications are widely recognised as a benchmark for international treasury management education. We define standards, promote best practice and support continuing professional development.

We will be in good company. Many members will already belong to other eminent Chartered professional bodies. The ACT works closely with such organisations but, as a distinct profession, we believe that our members too would benefit from Chartered status for the ACT.

A Royal Charter will recognise what we have all created and will reinforce our public standing, both within the UK and internationally.

How will this affect me?

Gaining a Royal Charter will not change your qualifications, your designatory letters or your voting rights.

By belonging to a Chartered professional body, members will, however, benefit from enhanced status with the public and their colleagues. Being a member of a Chartered body is a clear differentiating factor from other organisations as it is seen rather as an external and official 'seal of approval'.

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www.treasurers.org

How will this affect the ACT?

There will be some consequential changes to the structure of the ACT but these will have no practical difference in how members engage with the ACT. The main difference in how we work will be that any changes to our future Charter or Bye-Laws must be submitted and approved through the Privy Council.

How will this affect external stakeholders?

Chartered bodies are held in high regard within industry and government. We believe gaining a Royal Charter will ensure smoother access and correspondence with key institutions, government bodies and regulators. As UK Chartered status is recognised internationally it will also strengthen our positioning in key international matters.

A Royal Charter will also recognise the ACT's objective of improving the professionalism of the treasury profession for the public interest. We strongly believe it will enhance the status of our members.

Will individual members have Chartered status?

Not immediately. At some stage in the future we will aspire to seek individual Chartered status but at present we are looking to achieve a Royal Charter for the ACT. This two-staged approach has been recommended to us by the Privy Council secretariat.

Will this increase my membership fee?

Membership fees will not increase as a result of gaining a Royal Charter. The advisory and processing costs associated with our Royal Charter application are anticipated to be modest and will be met from existing reserves. Membership fees are reviewed annually and for individual members we have said that every effort will be made to limit any increases to the movement in CPI and this remains our intention.

Will there be a re-naming of the ACT as a result of these changes?

No. We will continue to use the current logo and name. On achieving Chartered status we will be able to incorporate 'chartered' in our communication materials.

What are the expected timescales for the Chartered Status application?

November 2011 to January 2012	Consultation with members – including regional meetings in UK and overseas. Obtain support from interested parties.
13 December 2011	Member meeting to discuss Chartered status (ACT offices, London)
February/March 2012	Voting members vote at EGM Formal petition to the Privy Council
Summer/Autumn 2012	Privy Council decision

If you are interested in the formal process for submission please look on the Privy Council website www.privy-council.org.uk

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As a member do I need to do anything or take any action now?

Demonstrating the support of our members and the wider treasury profession is a key part of our petition. Please register your support by visiting www.treasurers.org/charter or by writing a letter of support to Colin Tyler, Chief Executive, ACT, 51 Moorgate, London EC2R 6BH, UK.

Approval of voting members in general meeting will be sought prior to a formal application to the Privy Council. We anticipate this will take place in late February or early March 2012 and if our approach is successful, we hope the Charter will be effective from 1st January 2013.

Find out more

We are holding a meeting for members and students to discuss the Royal Charter on Tuesday 13 December at 6pm in our London office. If you would like to attend please email charter@treasurers.org

The Charter petition will also feature in The Treasurer and in electronic communications and be discussed at regional meetings.

We welcome any comments or suggestions from members about our petition. If you would like further information, to discuss the process or to make any comments please contact:

Colin Tyler, Chief Executive on ctyler@treasurers.org or +44 (0)20 7847 2542

Ria Robinson, Director of Membership and Company Secretary on robinson@treasurers.org or +44 (0)20 7847 2555

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