

THE ASSOCIATION OF CORPORATE TREASURERS

PETITION FOR ROYAL CHARTER

Comparison of the draft Charter, Bye-laws and Rules (the “Charter documents”) with the existing Memorandum & Articles of Association (the “Constitution”) of the Company

General context

A body incorporated by Royal Charter is governed by its Charter, Bye-laws and Rules. This is unlike our existing company which is limited by guarantee and is governed by its Memorandum and Articles. A Royal Charter body is not subject to Companies Act requirements.

The general principle for Chartered bodies is that the doctrine of *ultra vires* does not apply. In deciding whether a Chartered body is able to carry out any particular function the answer will generally be yes, even in the absence of a specific power, unless it is against the letter, spirit or clear intention of the Charter or the Bye-laws; or is contrary to the general law. Clause 2(xx) of the draft Charter is intended to enshrine this principle. However, powers are included in most Charters in order to avoid doubt and to provide comfort to third parties who may prefer to see specific enabling provisions.

The Charter

This contains the highest level enabling provisions and objects of the Association. Once adopted, any subsequent changes will require approval by Special Resolution of Participating Members (voting members) in general meeting and the Queen in Privy Council.

The Bye-laws

These contain the high level provisions under which the Association will operate. Subsequent amendments will require approval by Special Resolution of Participating Members in general meeting and the Privy Council (but not usually the Queen).

Rules

These contain the more detailed provisions, with the Ethical Code and Disciplinary Rules appended. Council may amend or add to the Rules as required.

Once a Royal Charter has been granted the Charter and Bye-laws are printed on vellum and affixed with the Royal Seal.

The draft Charter documents have been broadly based on the existing Constitution with some modifications. The changes we are proposing have been made to:

- Incorporate Privy Council standard wording where appropriate;
- Provide clarification;
- Improve presentation and simplify language; and
- Ensure the provisions are flexible enough to accommodate any changes which we may reasonably wish to make over the next few years as future changes to the Charter and Bye-laws will require approval of the Privy Council.

On the following pages we have set out a summary of the main differences between the Charter documents and the existing Constitution.

To reduce our environmental footprint a full set of the Charter documents and the existing Constitution are available online at www.treasurers.org/charter. If you prefer us to send you a copy by post please email charter@treasurers.org.

If you have any questions, please do not hesitate to contact Ria Robinson, Director of Membership & Company Secretary on +44 (0)20 7847 2555 or email rrobinson@treasurers.org.

Summary of main differences between Charter documents and existing Constitution

Charter Documents C: Charter B: Bye-laws R: Rules	Existing Constitution M: Memorandum A: Articles	Comment
C: opening preamble, C1, C15 and closing section	N/A	Privy Council standard wording.
C2 preamble	M2	No requirement for a Chartered body to state a place of registration however the preamble to C2 makes it clear that the Association may operate in the UK or in any other part of the world. This is consistent with our international growth over recent years.
C2	M3	Objects <ul style="list-style-type: none"> Substantially unchanged other than incorporating increased flexibility where relevant Removed M3(iii) – establishment and maintenance of library as not required to be stated Added in C2(xix) – provides for employment of staff
C4 and C5 B13 to B16 R1 to R5	A13 to A18	Council General provision for Council and officers included in the Charter with more detailed provisions moved to the Bye-laws and Rules.
C6	See A2 to A8 below	Admission to membership <ul style="list-style-type: none"> High level provision for the admission of members. More detailed provisions relating to membership contained in B1 to B9. This clause also stipulates that members may not use the word “Chartered”. We are, at this stage, applying for a Charter for the Association but in due course we plan to seek individual Chartered status for members and the Charter will be amended accordingly at that time. This two-staged approach was recommended to us by the Privy Council secretariat.
C7	N/A	Provides for Bye-laws and Rules to prescribe and/or regulate matters relating to the government of the Association, its members and the promotion of the objects of the Association.
C8	N/A	Provides for the Bye-laws to be amended, added to or repealed by approval of Participating Members (voting members) in general meeting (Special Resolution) followed by approval of Privy Council.
C9	N/A	Rules may be amended by Council.
C10	N/A	Provides for the Charter to be amended, added to or repealed by approval of Participating Members (voting members) in general meeting (Special Resolution) followed by approval of Privy Council.
C11	N/A	Provides for Participating Members to surrender the Charter by Special Resolution subject to Privy Council approval.
C12	M7	Provides that on a solvent winding up, any surpluses will be distributed among the members. This is different from the existing Memorandum (M7) which provides for a distribution of any surplus to a body with similar objects. Our tax advisers have recommended this change to help ensure that the Association continues to qualify for HMRC’s mutual trading status by which it does not pay tax on its subscription income.
C13	M6	In common with other Charter bodies, members’ liability is limited and on a winding up no member will have any liability for any debts, liabilities etc. Under the existing Memorandum (M6), each member’s liability was limited by guarantee up to ten pounds sterling.

Continued Overleaf

Charter Documents C: Charter B: Bye-laws R: Rules	Existing Constitution M: Memorandum A: Articles	Comment
B1 to B9	A2 to A8	<p>Membership</p> <ul style="list-style-type: none"> • B1.1(a) and B1.2 - No changes to the classes of members defined as Participating Members (voting members) i.e. Honorary Fellows, Fellows, Members and Associate Members. Any change to the classes or titles of members recognised as Participating Members will require approval of Participating Members in general meeting (Special Resolution) • B1.1(b) and B1.3 - Other members (non-voting i.e. Corporate Members, Faculty Members, Affiliate Members and Student Members) - Council may change their title, criteria or terms of membership and introduce new classes of Other members. This will give Council the flexibility to ensure we engage with a wide range of individuals appropriate to a growing and increasingly international body • B1.4 - Clarified the entitlements of Participating Members • B3.1(d) and B3.3 Fellows – introduced relevant provisions to ensure consistency with other Participating Members • B6 Corporate Members – for flexibility, removed restriction of a maximum of six representatives • B7 Faculty Members – for flexibility, no longer restricted to those passing an ACT certificate but may now consider other criteria and examinations • B8 Affiliate Members – previously called International Affiliates and restricted to members of other IGTA bodies whilst resident in UK. For flexibility, may now recognise members of any organisation that promotes the furtherance of the treasury profession. This also reflects that we undertake events outside the UK.
R7.1	A 20.2	<p>Committees</p> <p>For flexibility and to ensure that committees have adequate and relevant expertise, removed the restriction that non-members may not exceed one-fifth of the total committee membership although all committee members continue to be appointed by Council.</p>
B20 to B23 R9 and R10	A21 to A24	<p>General Meetings</p> <ul style="list-style-type: none"> • Special Resolutions, defined as resolutions passed on a poll by a majority of at least 75% of those Participating Members voting in person or by proxy, required to amend the Charter, Bye-laws or the classes or titles of Participating Members. • Ordinary resolutions, defined as resolutions passed on a poll by a simple majority of those Participating Members voting in person or by proxy, required for all other business conducted at a general meeting. <p>Previously, resolutions at general meeting were decided on a show of hands unless a poll was demanded by the chairman or at least two Participating Members. We believe the revised procedure is more democratic.</p> <ul style="list-style-type: none"> • At least 10% of Participating Members required to requisition a general meeting. Previously 50 Participating Members required. We believe the change more fairly reflects a growing membership.
B24 and B25	A25 and A26	<p>Accounts and audit</p> <p>Removed unnecessary detail whilst ensuring proper accounting records are maintained, report and accounts prepared, audited and laid before members in general meeting. A Royal Charter body is not subject to Companies Act requirements.</p>
N/A	Various	<p>Removed unnecessary or out-of-date provisions including:</p> <ul style="list-style-type: none"> • Issuance of certificates (A3.4) • Use of company seal (A27) • Appointment of Secretary (A28) – Secretary now a defined term with various duties included in the Bye-laws and Rules • Appointment of a Treasurer (A28) • Official publication (A29)
B29	N/A	<p>Transitional arrangements including:</p> <ul style="list-style-type: none"> • Power for Council to deal with transfer to Royal Charter body • Members, Council Members and staff at time of transfer become members, Council and staff of Royal Charter body.