

**CHARTER
OF PUBLIC ORGANIZATION
“IFA UKRAINE”**

Kyiv - 2008

ARTICLE 1. NAME OF ORGANIZATION

- 1.1. The full name of the Public Organization “IFA Ukraine” (hereinafter – “the Organization”) in Ukrainian is: “ІФА Україна”.
- 1.2. The abbreviated name of the Organization in Ukrainian is: “ІФА Україна”.
- 1.3. The full name of the Organization in Russian is: “ИФА Украина”.
- 1.4. The abbreviated name of the Organization in Russian is: “ИФА Украина”.
- 1.5. The full name of the Organization in English is: “IFA Ukraine”.
- 1.6. The abbreviated name of the Organization in English is: “IFA Ukraine”.

ARTICLE 2. GENERAL PROVISIONS

- 2.1. The Organization is established and existing under the Constitution of Ukraine, Law of Ukraine “On Associations”, effective legislation of Ukraine, this Charter and resolutions of the management bodies of the Organization adopted within their competence and not contradicting Ukrainian legislation.
- 2.2. The Organization shall become a legal entity upon its state registration under the laws of Ukraine. The Organization shall acquire and exercise sui juris property and non-property rights. The Organization shall have separate property, independent balance, round seal with its name and other stamps, symbols and other requisites, which samples shall be approved by the highest management body of the Organization and registered in the stipulated order, open bank accounts in accordance with Ukrainian legislation.
- 2.3. The Organization may cooperate with other public organizations including the International Fiscal Association, which is a scientific organization established as an association under the Dutch law with its registered office in Rotterdam. The Organization shall acknowledge the Charter, the purpose and shall promote the activity of the International Fiscal Association.
- 2.4. The Organization shall be established as a not-for-profit organization.
- 2.5. The Organization shall have the form of a local entity and shall act on the territory of the city of Kyiv.
- 2.6. The Organization’s registered office is located at 38 Volodymyrska Street, Kyiv, Ukraine.

ARTICLE 3. PURPOSE OF ORGANIZATION

- 3.1. The purpose of the Organization is to satisfy and to protect the rights as well as social, economic, creative, cultural and other common interests of its members.
- 3.2. To achieve the purpose set forth in this Charter, the Organization sets the following statutory objectives:

- a) carrying on educational-scientific activity and improvement of international and comparative law of public finances, in particular, international and comparative tax law as well as financial and economic aspects of taxation;
- b) carrying on research and scientific activity in respect of development and improvement of tax legislation;
- c) organization, holding and participation in the conferences, congresses, and seminars;
- d) publishing of information materials;
- e) cooperation with other organizations which mainly or partly deal with tax issues, in particular, cooperation with the International Fiscal Association (IFA); and
- f) carrying on any other activities which facilitate achievement of the purpose of the Organization.

ARTICLE 4. MEMBERSHIP

- 4.1. The Organization includes members and honorary members.
- 4.2. Any capable individual above 18 years may obtain the status of an individual member of the Organization. Employees of legal entities regardless of the ownership form may obtain the status of joint members of the Organization.
- 4.3. Only individual members may become honorary members of the Organization.
- 4.4. The status of an honorary member shall be assigned upon decision of the General Meeting of the Organization as an acknowledgment of significant achievements and contribution into development of the Organization.

ARTICLE 5. ADMISSION AND TERMINATION OF MEMBERSHIP

- 5.1. Admission to the membership of the Organization shall be performed by the Board of Directors at the suggestion of at least of two members of the Organization.
- 5.2. To obtain the status of an individual member of the Organization the written request shall be submitted.
- 5.3. To obtain the status of a joint member the sealed resolution of the management body of legal entity shall be submitted.
- 5.4. The candidate may be refused to be admitted to the Organization if the Board of Directors considers that the candidate does not meet professional requirements of the Organization.
- 5.5. Membership shall be terminated upon:
 - a) death of an individual or liquidation of a legal entity;

- b) written notice of termination of membership sent to the Secretary of the Organization;
- c) resolution of the Board of Directors on termination of membership.

5.6. Membership may be terminated if member's actions contradict the Charter of the Organization, violate by-laws or resolutions of the management bodies of the Organization or otherwise harm the Organization.

5.7. Membership may be terminated in case of deliberate and systematic violation by a member of provisions of the Charter of the Organization (including, but not limited to, the nonparticipation in activities of the Organization and failure to pay charitable donations).

5.8. A written suggestion in respect of the membership termination shall be provided to the member of the Organization, and the member concerned shall have the right to give his opinion to the Board of Directors in respect of the membership termination.

5.9. The decision of the Board of Directors on membership termination may be appealed to the General Meeting of the Organization.

5.10. Other provisions relating to the membership in the Organization may be governed by regulations on membership approved by the Board of Directors.

ARTICLE 6. RIGHTS AND OBLIGATIONS OF THE MEMBERS OF ORGANIZATION

6.1. Members of the Organization shall have the right to:

- 1) participate in statutory activities and events of the Organization;
- 2) participate in the activities of the management bodies of the Organization in accordance with this Charter;
- 3) elect and to be elected to the management bodies of the Organization;
- 4) apply to the management bodies of the Organization with requests regarding its statutory activities;
- 5) obtain verbal and written explanations;
- 6) terminate membership in the Organization; and
- 7) have other rights provided by this Charter and effective Ukrainian legislation.

6.2. Members of the Organization shall be obliged to:

- 1) fulfill the requirements of the Charter of the Organization and to comply with decisions of the management bodies of the Organization;
- 2) spread the ideas and to facilitate achievement of the purpose and objectives of the Organization;
- 3) participate in voting either personally or through representatives;
- 4) pay annual charitable donations in the amount determined annually by the Organization;
- 5) fulfill other obligations set forth in this Charter and effective Ukrainian legislation.

ARTICLE 7. MANAGEMENT BODIES OF ORGANIZATION

7.1. The Organization shall have the following management bodies:

- a) the General Meeting; and
- b) the Board of Directors.

ARTICLE 8. GENERAL MEETING OF ORGANIZATION

8.1. The highest management body of the Organization shall be the General Meeting convened by the Board of Directors at least once a year.

8.2. The General Meeting shall be open to all members of Organization.

8.3. Each member of the Organization including joint member shall have one vote at the General Meeting.

8.4. The General Meeting shall be considered legitimate if more than 10 percent of the members or the representatives of the members of the Organization are present at the General Meeting.

8.5. Decisions of the General Meeting shall be passed by the simple majority of the votes cast at the General Meeting.

8.6. Decisions on amendment or supplement of the Charter, reorganization or liquidation of the Organization, appointment of liquidation commission and determination of its authorities shall be passed by the two-thirds of the votes cast at the General Meeting.

8.7. The decisions made during the General Meeting shall be set forth in the minutes.

8.8. The President shall determine the manner of voting at the General Meeting.

8.9. In the event of a tie in the voting on the matters other than the appointment of persons to the management bodies of the Organization, the proposal shall be deemed to have been rejected.

8.10. In case of deciding on appointments to the management bodies of the Organization, the voting tie shall be the ground for re-voting.

8.11. Candidates for positions of the President, Secretary and Treasurer of the Organization shall be submitted for consideration of the General Meeting by self-nomination. The candidates who obtained the majority of the votes cast at the General Meeting shall be deemed to be elected.

8.12. Candidates for positions in the Board of Directors are submitted for consideration of the General Meeting by self-nomination and shall be approved by the simple majority of the votes cast at the General Meeting.

8.13. The Board of Directors shall notify in writing all members of the Organization about the date, the place and agenda of the General Meeting no later than 10 days before holding the General Meeting.

8.14. The following issues shall be within exclusive competence of the General Meeting:

- 1) approval of the Charter of the Organization, introduction and approval of amendments thereto;
- 2) approval of the amount of the charitable donation suggested by the Board of Directors;
- 3) determination of main directions of activities of the Organization;
- 4) making decisions on liquidation of the Organization, appointment of liquidation commission, approval of liquidation balance sheet;
- 5) determination of number of the members of the Board of Directors, election and dismissal of the President, Secretary, Treasurer and members of the Board of Directors of the Organization;
- 6) hearing and approval of annual reports of the Board of Directors;
- 7) making decisions on other matters which in accordance with this Charter are within the competence of the General Meeting.

8.15. The General Meeting, if required, shall appoint an auditor suggested by the Board of Directors who will carry out the audit of the Organization.

8.16. The Treasurer shall annually submit to the General Meeting of the Organization financial report on the activities of the Organization which shall be approved by the General Meeting.

ARTICLE 9. BOARD OF DIRECTORS OF ORGANIZATION

9.1. The Board of Directors shall carry on day-to-day management of the Organization and perform the functions of the management body in the period between the General Meetings.

9.2. The Board of Directors shall take respective decisions, draw up the agenda for the General Meeting and submit to the General Meeting suggestions on decisions in respect of activities of the Organization.

9.3. The Board of Directors shall meet at least twice a year.

9.4. The President shall convene the meetings of the Board of Directors at least once in six months, and the meeting of the Board of Directors is considered to be legitimate if more than half of the members are present at the meeting.

9.5. Decisions of the Board of Directors may be passed either at the meetings or by interviewing the members. The decision made at the meeting of the Board of Directors shall be considered legitimate if more than half of the members of the Board of Directors present at the meeting vote for such decision. The decision made by interviewing shall be considered legitimate if more than half of the members of the Board of Directors vote for such decision. In case of a voting tie, the vote of the President shall be decisive.

9.6. The Board of Directors of the Organization shall:

- 1) work out the measures aimed at implementation of decisions of the General Meeting;
- 2) determine the rules and procedures of conduct of the activity of the Organization;
- 3) establish permanent or temporary advisory and working bodies of the Organization, determine their competence and approve their structure, appoint and dismiss their directors;
- 4) convene, organize and hold the General Meetings of the Organization;
- 5) dispose of assets and property of the Organization in cases approved by the General Meeting, submit draft budget of the Organization for consideration and approval of the General Meeting and publish the approved budget of the Organization for respective year;
- 6) decide on establishment of institutions, organizations, mass media without purpose of obtaining profit, appoint and dismiss their directors;
- 7) decide on admission to and exclusion from the Organization
- 8) submit to the General Meeting suggestions concerning the amount of charitable donations of the members of the Organization;
- 9) set up the remuneration of labor, vacation procedure and other issues related to labor of employees of the Organization;
- 10) appoint the acting President until the next General Meeting in case of resignation of the President of the Organization;
- 11) approve the symbols of the Organization; and
- 12) decide on other matters which in accordance with this Charter are within the competence of the Board of Directors.

9.7. Members of the Board of Directors shall execute their powers on a voluntary basis.

9.8. Members of the Board of Directors are elected by the General Meeting among the members of the Organization, including honorary members, for 2 years.

9.9. The Board of Directors shall consist of:

- a) the President who is the Head of the Board of Directors;
- b) members of the Board of Directors; and
- c) the Treasurer.

9.10. Heads of special committees or other permanent and temporary executive bodies of the Organization, established upon decision of the General Meeting at suggestion of the Board of Directors may be invited to the meeting of the Board of Directors without the right to vote.

ARTICLE 10. PRESIDENT OF ORGANIZATION

10.1. The President of the Organization shall be elected by the General Meeting for the period of 2 years and may be reelected for the second term.

10.2. The President leads the meetings of the General Meetings and the Board of Directors of the Organization.

10.3. The President of the Organization shall:

- 1) manage the Board of Directors;
- 2) manage the day-to-day business of the Organization in the period between the General Meetings and the meetings of the Board of Directors;
- 3) act without power of attorney on behalf of the Organization and decide on any other matters which under this Charter are not within the competence of other bodies of the Organization, and represent the Organization in the external relations;
- 4) have the right to sign the documents on behalf of the Organization;
- 5) make statements on behalf of the Organization;
- 6) convene, organize and lead the meetings of the Board of Directors;
- 7) perform general management of the Board of Directors;
- 8) execute agreements with institutions, enterprises, business entities concerning to secure activity of the Organization;
- 9) open and close bank accounts and sign financial documents of the Organization whereby all financial documents of the Organization shall be signed simultaneously by the President and by the Treasurer of the Organization;
- 10) dispose of the funds and the property of the Organization within the powers determined by the Board of Directors;
- 11) report to the General Meeting and the Board of Directors on the activities of the Organization; and
- 12) carry out other activities within this Charter aimed achievement of statutory objectives of the Organization.

ARTICLE 11. THE SECRETARY OF ORGANIZATION

11.1. The Secretary of the Organization shall be responsible for convening and organization of sessions, congresses and meetings of all bodies of the Organization, as well as for handling current matters which do not require a decision of management bodies of the Organization.

11.2. A person who is not the member of the Organization may be appointed the Secretary of the Organization. The Secretary of the Organization shall be appointed and dismissed by the Board of Directors.

ARTICLE 12. THE TREASURER OF ORGANIZATION

12.1. The General Meeting shall elect the Treasurer of the Organization.

12.2. The Treasurer shall be responsible for dealing with financial matters of the Company.

12.3. The Treasurer shall have the right to sign financial documents of the Organization along with the President of the Organization.

ARTICLE 13. SPECIAL COMMITTEES AND WORKING BODIES OF ORGANIZATION

13.1. The General Meeting may set up one or more special committees or other working bodies of the Organization, either temporary or permanent, at suggestion of the Board of Directors.

13.2. The head and the members of special committees and other working bodies of the Organization shall be appointed by the General Meeting at suggestion of the Board of Directors.

13.3. Special committees and other working bodies of the Organization shall carry out their activities in close cooperation with the Board of Directors.

13.4. The head of a special committee or other working body of the Organization shall, at request of the Board of Directors, report to the Board of Directors on the activities and results of the work of the special committee or other working body of the Organization.

ARTICLE 14. ACTS OF THE MANAGEMENT BODIES

14.1. The management bodies of the Organization and officials of the management bodies may, within their authorities, issue internal regulatory acts which comply with effective legislation of Ukraine, the purpose and objectives of the Organization, this Charter and previously adopted regulatory acts of the Organization.

14.2. The General Meeting of the Organization shall adopt the Charter and the changes and amendments thereto, and shall pass regulations, instructions and guidelines.

14.3. The Board of Directors, within its competence, shall pass regulations, instructions, and guidelines as well as approve the charters of the enterprises, institutions and organizations established by the Organization.

14.4. The President of the Organization shall issue orders, resolutions, and instructions on the matters within his competence.

14.5. Regulations and instructions shall have comprehensive regulatory nature and shall contain a group of norms on procedural, constitutive and other important issues of the activities of the Organization.

14.6. The orders and resolutions shall regulate separate administrative and current issues of the activities of the Organization.

14.7. Regulatory acts passed by the General Meeting, the Board or Director or the President of the Organization shall be obligatory for all members of the Organization unless such acts provide otherwise.

14.8. The acts of other bodies and officials which may be established or appointed within the structure of the Organization shall have only recommendatory nature.

ARTICLE 15. REPRESENTATION

15.1. The General Meeting, the President and the Treasurer of the Organization, within their competence, shall have the right to represent the Organization in relations with state authorities, enterprises, institutions, organizations of any form of ownership and subordination as well as individuals.

ARTICLE 16. BUSINESS OPERATIONS

16.1. For achievement of the purpose and objectives set forth in this Charter the Organization shall have the right to carry on required business operations and other commercial activity by establishing self-financing enterprises, institutions and organizations as legal entities pursuant to the laws of Ukraine.

16.2. The Organization as well as institutions and organizations established by the Organization shall maintain operational and accounting records, file statistical reports, register with the state tax service and pay to the state budget mandatory levies and contributions in accordance with procedure and in the amounts set forth in legislation of Ukraine.

16.3. The Organization shall from time to time but not less than once a year publish reports on the sources of funds (property) attracted for carrying out activities of the Organization and the spheres of use of such funds (property).

ARTICLE 17. PROPERTY OF ORGANIZATION

17.1. The Organization may own legally acquired movable and immovable property, funds, intangible assets, and other property.

17.2. The Organization shall have the right to enter into any deals, which comply with this Charter and Ukrainian law, in respect of its own funds and property.

17.3. The Organization shall have the right to obtain property of its members and other persons in the cost-free use and use this property for achievement of the purpose and objectives of the Organization set forth in this Charter.

17.4. The funds and the property of the Organization may be attracted from the following sources:

- a) funds or property obtained on the cost-free basis or in the form of a non-refundable financial aid;
- b) funds or property obtained as charitable donations from the members of the Organization, citizens and legal entities of Ukraine, foreign states, intergovernmental and international organizations;
- c) funds or property obtained as humanitarian aid pursuant to effective legislation of Ukraine;
- d) passive income and other types of income derived pursuant to Ukrainian current legislation.

17.5. The funds and property of the Organization shall be used for achievement of the purpose and objectives set forth in this Charter.

ARTICLE 18. INTRODUCTION OF CHANGES AND AMENDMENTS TO THE CHARTER

18.1. Decision on introduction of changes and amendments to this Charter shall be passed by the General Meeting by the majority of two thirds of the votes of the members present at the General Meeting of the Organization.

18.2. Changes and amendments to the Charter of the Organization shall be subject to state registration pursuant to Ukrainian legislation.

ARTICLE 19. REORGANIZATION AND LIQUIDATION OF ORGANIZATION

19.1. The Organization shall terminate its activity through reorganization or liquidation (self-dissolution, compulsory dissolution).

19.2. Reorganization of the Organization shall be carried out upon decision of the General Meeting. The decision on reorganization shall be passed by the majority of two thirds of the votes of the members present at the General Meeting.

19.3. Upon reorganization, the rights and obligations of the Organization shall be assumed by its legal successors.

19.4. Liquidation of the Organization shall be carried out upon decision of the General Meeting or pursuant to decision of the court in accordance with procedure established by the laws of Ukraine. The decision on liquidation shall be passed by the majority of two thirds of the votes of the members present at the General Meeting.

19.5. The General Meeting shall appoint the liquidation commission. The liquidation commission shall manage the affairs of the Organization from the moment of its appointment.

19.6. Liquidation commission shall appraise the value of the property of the Organization, carry put settlements with state and creditors, prepare liquidation balance sheet and submit the liquidation balance sheet for consideration of the General Meeting.

19.7. The funds and property of the Organization in case of its liquidation, which remain after settlements with state and creditors, shall be transferred to another non-profit organization or in favor of state pursuant to court decision.

ARTICLE 20. FINAL PROVISIONS

20.1. None of the provisions of this Charter shall be interpreted as giving the right to any member of the Organization to act without the power of attorney executed in accordance with established procedure as a representative of another member,

to enter into agreements or to undertake other obligations on behalf of another member.

20.2. If any provision of this Charter is declared invalid, this shall not result in invalidation of other provisions of the Charter. Invalid provisions shall be replaced by other provisions prepared in accordance with intentions of members of Organization.