

# ARTICLES OF ASSOCIATION

## **CHAPTER ONE GENERAL PROVISIONS**

### **Preamble**

**Article 1.** The present Articles of Association express the will of the members of the "Association of the Professional Accounting Companies" for establishment of a professional association in the field of accounting, fiscal and financial services, which will be complying with uniform ethical principles and norms, professional ethics, which will observe and support the development of the national accountancy, financial and fiscal legislation.

**Article 2.** The members of the "Association of the Professional Accounting Companies" accept these Articles of Association for the purpose of realization of the goals and objectives of APAC and for the purpose of creation of preconditions for the practical functioning of APAC.

### **Status**

**Article 3.** /1/ The "Association of the Professional Accounting Companies", called hereafter in these Articles of Association the "Association", is a voluntary national non-governmental sectoral organization, where specialized accounting and auditing companies and/or companies offering fiscal-accounting consultations can have membership.

/2/ The Association of the Professional Accounting Companies is a legal non-profit entity - association in accordance with the provisions of the Law on Legal Non-profit Entities.

/3/ The Association is a legal entity, separate from its members, and it takes responsibility for its debts with its own property.

/4/ The members of the Association are not responsible for its debts.

/5/ The Association is established for a non-limited period of time.

/6/ The Association has its own seal and a separate bank account.

/7/ The activities of the Association are in private favour of its members, in accordance with the current legislation in force, with its Articles of Association, with the decisions of the General Assembly and its managing bodies as far as their authorisation allows.

/8/ The Association can establish regional branches (offices).

### **Name**

**Article 4.**/1/ The name of the established non-profit association is "Association of the Professional Accounting Companies", abbreviated to APAC.

/2/ The name of the non-profit Association is also spelled in English as follows: **Association of the Professional Accounting Companies, abbreviated to APAC.**

/3/ The name of the Association and its emblem /logo/, together with information about its registered office, its address, the court of registration of the Association, its number of legal registration and its BULSTAT number have to be mentioned in all its correspondence documentation and in all documents

of the Association in the respective language.

### **Registered office**

**Article 5.** The registered office of the Association of the Professional Accounting Companies is in Sofia.

### **Goals of the Association and means for achieving them**

**Article 6.** The main goals of the Association are:

1. To develop, popularize, strengthen and protect the professional interests of its members before the society, the state authorities and before other legal entities.
2. To recognise high professional standards and professional ethics among its members, to help them improve their business culture and professional competences by means of good professional practice criteria.
3. To increase the prestige of its members before the Bulgarian and the international business circles, to be included in the international information exchange among associations and other organizations.
4. To support the recognition of the positive image of the companies, providing accounting and fiscal services.
5. To speak up for the protection of the interests of the sector and of the members of the Association before the executive and legislative authorities.
6. To support the provision of loyal competition in the sector.

### **Subject of activity**

**Article 7.** For the purpose of achieving its goals, the Association performs the following activities:

/1/ Supports its members, by:

1. adopting thematic programs, connected to solutions of problems in the sector;
2. adopting programs for common actions with other organizations on a national and international scale;
3. considering and adopting projects for changes in the accountancy, fiscal and insurance legislation;
4. helping in improving the qualification of the employees and of the managerial staff of its members;
5. examining the conditions and informing its members about all issues, which are or which will be of some importance for their activity;
6. proclaiming the accepted contractual practice and analysing the contractual relations;
7. popularising the potential of its members;
8. gathering and disseminating specialised management, accountancy, fiscal and insurance information;
9. supporting the marketing and advertising activities of its members;
10. disseminating information about the state and the development of its members.

/2/ Protects its members, by:

1. formulating opinions and participating in the development of projects, concerning improvement of the legislation;
2. developing professional standards and practices for management and growth of the activity of its members;
3. delegating representatives for participation in expert committees and other state and governmental administration bodies;
4. formulating and disseminating the principles of ethics in the sector;
5. providing help in the arrangement of arguments between members of the Association or third parties, provided that one of the parties requests help.

/3/ Represents its members, before:

1. the executive, the legislative and the local authorities, the trade unions and the general public;
2. international organizations;
3. non-governmental and other organizations of the kind, having goals and activities similar to these of the Association.

### **Subject of business activity**

**Article 8.** The Association can also perform business activities, related to its general subject of activity, such as: implementation of economic analyses and consultations, expert evaluations, engineering and marketing studies, staff training, information services with the help of printed materials, publishing activities, organization and implementation of seminars, fairs and exhibitions, and other activities in accordance with its goals.

**Article 9.** The revenues resulting from the business activities will be used for accomplishment of the goals, defined in Article 6.

**Article 10.** /1/ In its activities the Association is governed by the legislation in force in the Republic of Bulgaria and by the provisions of the present Articles of Association, as well as by the signed agreements.

/2/ The Association does not follow political goals and it cannot be connected to political organizations in its activities.

/3/ The members of the Association cannot use the Association for protection of interests of political organizations or firms.

## **CHAPTER TWO MANAGEMENT BODIES**

**Article 11** /1/ The management bodies of the Association are:

1. General Assembly;
2. Managing Board.

/2/ The Control organ of the Association is the Control board.

/3/ (*amended with decision of the GA from 30 November, 2007*). In case of necessity some temporary bodies can be established in the Association – Committees. Their functions are defined by these Articles of Association and by the decisions of the Managing Board of the Association.

/4/ The Association is represented by the President and Vice President of the Managing Board jointly and individually.

### **Section 1. GENERAL ASSEMBLY**

**Article 12.** The General Assembly is the supreme body of the Association, where all its members have the right to take part.

**Article 13.** /1/ The General Assembly:

1. amends and complements the Articles of Association;
2. approves other internal acts;
3. elects and dismisses the members of the Managing and Control Boards;
4. (*amended with decision of the GA from 26 April, 2005*) elects and dismisses the President of the Managing Board and Honorary President of the Association;
5. approves the report for the activities of the Managing and Control Boards;
6. approves the budget, the execution of the budget and the overall financial report of the

- Association;
7. defines the conditions for membership and expels members in accordance with these Articles of Association;
  8. takes decisions with regard to the due and amount of the entrance and of the annual membership fees;
  9. takes the decisions for reorganization or termination of the Association;
  10. together with the decision for termination, adopts a decision for distribution of the property left after the liquidation and after the creditors are compensated;
  11. cancels decisions of other bodies of the Association, which are in contradiction to the Law, the Articles of Association or to other internal acts, regulating the activities of the Association;
  12. takes a decision for closing of branches.

/2/ According to Paragraph 1, p. 1, 3, 5, 6, 9 and 11 rights cannot be awarded to other bodies of the Association.

/3/ The decisions of the General Assembly are obligatory for the other bodies of the Association.

/4/ The decisions of the General Assembly are subject to legal control with regard to their lawfulness and compliance with the Articles of Association.

/5/ The decisions of bodies of the Association, contradicting the Law, the Articles of Association or previous decision of the General Assembly can be controverted before the General Assembly at the request of the interested members of the Association or of one of its bodies, within one month from the date on which they became known, but not later than one year from the date of taking of the decision.

/6/ According to Paragraph 4, disputes can be brought to the court of registration of the Association by every member of the Association or by one of its bodies, or by the public prosecutor, within one month from the date on which they became known, but not later than one year from the date of taking of the decision.

**Article 14.** /1/ *(amended with decision of the GA from 30 November, 2007)* The General Assembly is summoned by the Managing Board minimum once a year, by means of a preliminary written invitation, which is placed on the notice point in the office of the Association not later than one month before the date of the General Meeting, and which has to be sent to the members of the Association by e mail or by other means of communication. The invitation contains the date, place and hour of the meeting as well as its agenda and is published in the bulletin of the Association and on its Internet web page.

/2/ A special meeting of the General Assembly is summoned by the Managing Board at its own initiative, or at the initiative of the Control Board, in which case it notifies in written form the Managing Board about the date, hour, place and agenda of the special meeting of the General Assembly, or at the request of at least 1/3 of the members of the Association.

/3/ The request of 1/3 of the members of the Association is placed in written form and addressed to the Managing Board. In case the Managing Board does not summon the General meeting within one month, the said members can place their request for summon before the Court of Justice where the Association is registered.

/4/ If not otherwise stated in the Articles of Association, the General Assembly is considered lawful when it is attended by more than half of all the members. In the case of lack of quorum at the defined starting hour, the opening of the meeting is postponed with one hour, the agenda remains unchanged, and is considered lawful in spite of the number of members who attended it.

/5/ The General Assembly takes decisions with simple majority except in cases when another type of majority is stipulated by law, by its explicit decision or in these Articles of Association.

/6/ No decisions can be taken on issues not included on the agenda, stated in the invitation letter. This does not apply to the exclusion of members from the Managing Board and Control Board and to the election of new members thereof.

**Article 15.** /1/ Every member of the General Assembly has the right of one vote.

/2/ Any member of the General Assembly has no right of vote regarding decisions on issues related to:

1. his/her spouse, relations of any degree in the direct line, relations in the collateral line - to the second degree inclusive and relations by marriage - to the second degree inclusive;
2. legal entities where he/she is a Manager and is able to impose or impede decisions.

/3/ A person cannot represent other members of the General Assembly unless the Articles of Association provide for other norms for representation or for an Assembly of Representatives. Over-authorization is not allowed.

/4/ Voting shall be done by open ballot except in case of election of managing bodies, where the voting may be done by secret ballot and personal, should the Assembly decide so.

/5/ The right of vote cannot be exercised by members who have unpaid due contribution of the annual membership fee. The Secretary General of the Association supervises the adherence to this rule and presents the relevant report to the meetings of the Association's General Assembly.

**Article 16.** /1/ The General Assembly elects a Presided to govern it.

/2/ The decisions of the General Assembly are recorded and are signed by the chairperson of the meeting, the Chairmen of the Managing and Control Boards and the Secretary-Recorder.

**Article 17.** /1/ Decisions of the General Assembly are taken by majority vote of those in attendance.

/2/ Decisions under Article 13 /1/, 1 and 9, are taken by 2/3 majority vote of the members in attendance.

**Article 18.** /1/ The General Assembly elects a President and members of the Managing Board with 2 years mandate, as well as members of the Control Board with 3 years mandate. They fulfil their obligations until the election and the beginning of the mandate of their successors.

/2/ *(amended by decision of the GA from 30 November, 2007)* Persons mentioned in the above paragraph whose mandate has expired may be re-elected, but no person may be appointed to the same position for more than two successive mandates except the President of the Managing Board.

/3/ *(newly adopted by decision of the GA from 30 November, 2007)* The President of the Managing Board may be re-elected for two successive mandates regardless of the number of mandates he/she has carried out as a member of the Managing Board.

/4/ *(former paragraph 3, amended by decision of the GA from 30 November, 2007)* Candidate members for the MB should not be involved in public political activities or political parties, should not have compromised the prestige of the Association in their former activities and should have contributed to the Association's progress through their work as members of the auxiliary bodies.

Any person noncompliant with these requirements may not be nominated for member of the Managing Board.

**Article 19.** Persons to be elected by the General Assembly of the Association are elected by majority vote of those in attendance. In case no candidate for the respective position achieves the required majority, a second ballot is taken for the two leading candidates. The candidate who receives more votes is elected.

## ***Section 2. MANAGING BOARD***

**Article 20.** *(amended by decision of the GA from 30 November, 2007)* The Managing Board comprises seven members - President, Vice President and members, and is elected by the General Assembly for 2 years mandate. A person may not be a member of the Managing Board for more than two successive mandates except the President of the Managing Board.

**Article 21.** /1/ The Managing Board organises and manages the activities of the Association in the time span between meetings of the General Assembly; to this end:

1. assures that the decisions of the General Assembly are implemented;
2. disposes of the movable property of the Association;
3. sets the terms and the amount of the additional membership fee;
4. approves the annual report for the activities of the Association, the overall financial report and the draft budget and files them for approval by the General Assembly;
5. *(amended by decision of the GA from 30 November, 2007)* adopts Association structure, Bylaws;
6. *(amended by decision of the GA from 30 November, 2007)* decides on calling up and dissolving committees, sets up the rules for their work and appoints from among its members persons in charge of the metodological aspects for each committee. A member of the Managing Board may be in charge of metodological aspects for more than one committee;
7. decides on opening of branches and appoints the respective manager;
8. prepares and approves draft internal regulations for the Association;
9. elects Vice President of the Managing Board from among its members;
10. authorises the President, the Vice President or another member of the Managing Board to carry out an assignment;
11. delegates authority to its members to express the APAC official positions on the basis of decisions passed by vote. No member of the MB is authorised to speak for the Association on matters about which no official position is adopted by the collective bodies;
12. elects and appoints the Secretary General and endorses the establishment plan;
13. defines the procedures and organises the functioning of the Association;
14. establishes the address of the Association;
15. prepares and submits the report for the activities of the Association to the General Assembly;
16. upon assignment from the General Assembly appoints a liquidator of the Association;
17. accepts and expels members;
18. solves disputes between the Association branches;
19. takes decisions on participation in other organisations;
20. adopts general guidelines and Association activity programme.

/2/ The Managing Board reports to the General Assembly at least once a year.

**Article 22.** /1/ Managing Board meetings are summoned at least once a month by means of preliminary written invitation 7 /seven/ days prior to the date of the meeting, stating the date, place and agenda of the meeting. The President is bound to summon the Managing Board at the written request of one-third of its members. If the President does not summon the Managing Board this can be done by any of the interested members of the MB.

/2/ The meetings are presided by the President, in cases of non-attendance – by the Vice President or by an appointed member of the Managing Board.

/3/ A meeting of the Managing Board is deemed regular when more than half of the members are present.

/4/ (amended by decision of the GA from 30 November, 2007) The President of the Control Board and the Secretary General have advisory vote in the meetings of the Managing Board.

/5/ A member of the Managing Board, who can participate through telephone or other bilateral connection, which allows him/her to be identified and to take part in the discussions and the decision taking process, is considered to be present. The vote of that member is attested in the minutes of the meeting by the chairperson.

/6/ The Managing Board may take decisions with simple majority. Decisions under Article 21, p. 2, 3, 13, 16 and 17, are taken by majority vote of all members of the Managing Board.

/7/ The Managing Board may take decisions without a session by means of a protocol with no objections, signed by all members.

### ***Section 3. PRESIDENT, VICE PRESIDENT, CONTROL BOARD AND SECRETARY GENERAL***

#### **President**

**Article 23.** The President of the Managing Board is elected by the General Assembly by majority vote with 2 years mandate. A person may not be elected for a President for more than two successive mandates.

**Article 24.** The President of the Managing Board:

1. represents the Association together with the Vice President, and independently;
2. signs the documents issued on behalf of the Association;
3. administers and manages the work of the Managing Board;
4. assures that the decisions of the General Assembly and the Managing Board are implemented;
5. presents to the members of the Managing Board an annual report on the work of the permanent staff.

**Article 25.** In case the President position becomes vacant prior to the end of the mandate, the Vice President automatically becomes President of the Association and the General Assembly shall, at its next meeting, elect a new President. In case the Vice President is unable to take up duties as President of the Association, the Managing Board appoints one of its members as interim president, the latter being bound to summon immediately a special meeting of the General Assembly to elect a new President of the Association.

**Article 26.** The Vice President of the Association is elected for 2 years mandate and represents the Association jointly with the President, and independently.

#### **Control Board**

**Article 27.** /1/ The Control Board comprises of 3 members, and is elected by the General Assembly for 3 years mandate. A person may not be elected for a member of the Control Board for more than two successive mandates.

/2/ The Control Board elects a President from among its members. The President of the Control Board has advisory vote in the meetings of the Managing Board.

/3/ The members of the Control Board may not at the same time be members of the Managing Board or appointed Association staff.

/4/ The Managing Board is an independent body which reports only to the General Assembly at least once a year.

**Article 28.** /1/ The Control Board assures that the decisions of the General Assembly and the Managing Board are implemented.

/2/ The Control Board:

1. controls the observance of the Articles of Association and the adherence to the decisions of the Association's managing bodies;
2. supervises and monitors the financial standing, the good management and administration of the Association property;
3. conduct audits and checks the accounts, accounting documents and files of the Association at any point during the year, in full or partial membership. The results of the checks and audits are registered in a specific file. Should an infringement be found The Control Board draws up a protocol with respective remedy measures;
4. checks complaints and objections concerning illegal or ungrounded decisions of the managing bodies and persons;
5. monitors for members of the Association that do not adhere to the Articles of Association or to their responsibilities, or with their actions compromise the prestige and infringe the interests of the Association and of its members;
6. drafts a selection procedure for members of the Association for compliance with the membership criteria. The procedure is passed by the General Assembly;
7. examines whether the members of the Association comply with the membership criteria defined by the General Assembly;
8. in case of heavy violation of the interests of the Association or of some of its members, it can summon a special meeting of the Managing Board or to request summoning of a special meeting of the General Assembly;
9. prepares a conclusion on all audits and in case of violations it makes a proposal to the Managing Board or to the General Assembly for notification, sanctioning or expulsion of the guilty ;
10. prepares proposals for sanctioning or expulsion of a member of the Association after the end of the 2-weeks period in accordance with Art.37, Paragraph 2;
11. adopts the Internal structure and the activity regulations.

/3/ The Control Board inspects the bodies and the structures of the Association at least once a year.

### **Secretary General**

**Член 29.** /1/ The Secretary General is elected and dismissed by the Managing Board and is nominated by the President. He/she is a full time employee of the Association and receives a remuneration, specified by the Managing Board.

/2/ The Secretary General:

is directly subordinate to the MB and reports solely to it;

organizes the execution of the decisions of the General Assembly and of the Managing Board;

organizes the operation of the staff of the Association and the keeping of protocol;

supports the functioning of all bodies of the Association;

contacts and interacts on behalf of the Association with all state , governmental and non-governmental organizations in the country and abroad, in accordance with the powers given to him/her by the Managing Board.

/3/ The additional powers and responsibilities of the Secretary General are defined by the Managing Board in its job description.

**Article 30.** The Secretary General makes proposals to the Managing Board for nomination and



dismissal of employees of the Association.

***Section 4. (cancelled with decision of the GA from 30 November, 2007)***

***Section 4a. (new, adopted with decision of the GA from 26 April, 2005) HONORARY PRESIDENCY***

**Article 33a.** /1/ When nominating new Managing Board, the General Assembly has the right to elect the previous President of the Managing Board for a Honorary President of the Association.

/2/ The mandate of the Honorary President coincides with the mandate of the Managing Board of the Association.

/3/ The main function of the Honorary President is to popularise the activity and to support the recognition of the good reputation of the Association.

***CHAPTER THREE  
MEMBERSHIP***

**Members**

**Article 34.** *(amended with decision of the GM from 26 April 2005)* /1/ The membership in the Association is voluntary.

/2/ The membership in the Association is regular and associated. The terms for regular and associated membership are adopted by the General Assembly.

/3/ The members of the Association (regular and associated) can be professional accounting and auditing companies and/or companies providing fiscal-accounting services, which comply with the conditions for regular or associated membership, adopted by the General Assembly of the Association, accept the Articles of Association and the Code of Ethics of the International Federation of Accountants and have deposited the entrance fee, defined by the General Assembly.

/4/ The members of the Association are represented by their legal representatives in accordance with their structural rules and the applicable law. The competent managing body of the legal entity can appoint one or few constant or temporary representatives in the Association. In case a member of the Association wishes to change its representatives, it should send a written notice to the Association with regard to this.

/5/ The Association keeps a list of the representatives of the members, underlining the representatives with a right to vote.

/6/ The Managing Board can adopt requirements with regard to the form and content of the notices by means of which a member with a right to vote is nominated or dismissed. These notices should be handed in the Association not later than 24 hours before the beginning of the meeting. Otherwise, the representative has no right to vote.

**Acceptance of members**

**Article 35.** *(amended with decision of the GM from 26 April, 2005)* /1/ New members of the Association (associated and regular) are accepted by the Managing Board.

/2/ The candidates for membership in the Association are accepted on the basis of:

1. Written application and a set of uniform documents addressed to the Managing Board, where the candidate states that he/she is aware of and accepts the Articles of Association and the other structural documents of the Association and certifies and declares all circumstances and criteria, needed as a condition for membership in the Association;
2. Deposited entrance fee.

- /3/ 1. The Managing Board expresses its opinion on the applications of the candidates for membership in the Association within two months from obtaining them.
2. The Managing Board informs the candidate and all members of the Association for its decision and motives with regard to each candidature.
3. In case the Managing Board refuses to accept a given candidate for a member of the Association, it can apply again after minimum six months from the refusal of the Managing Board and the entrance fee is refunded.

- /4/ 1. The regular membership in the Association is certified by means of Representative Certificate, valid for the calendar year for which the specific member has paid its first membership fee, due for the given year.
2. The Certificate is signed by the President of the Managing Board and is sealed with the seal of the Association.
3. Certificate for membership is not issued to the associated members.

### **Rights of the members**

**Article 36.** *(amended with decision of the GM from 26 April, 2005)* /1/ Each regular member of the Association has the right:

1. To one vote in the General Assembly, which is performed by its present representative, except the cases in Art. 15, Paragraph 5.
2. Its representatives to be elected in the managing, controlling and supporting bodies of the Association.
3. To take part in the initiatives and events of the Association.
4. To receive information from the Managing Board, the Control Board, the Secretary General and the APAC administration about the activities of the Association.
5. To take part in meetings of the Managing Board and of the Control Board with a right of a deliberative vote.
6. To make oral and written proposals and to offer projects, concerning the activities of the Association, to the Managing Board and to the Control Board.
7. To participate in the functioning of the supporting bodies of the Association and to use their support in the realization of its activity.
8. To use the information, gathered by the Association.
9. To use with priority the services, offered by the Association, for free or with a discount, in accordance with the Internal regulations of the Association.
10. To receive a document, certifying its membership in the Association.
11. To specify in its documents and correspondence its membership in the Association.
12. To have membership in other organizations, whose program goals do not contradict the principles, goals and mission of the Association.

/2/ Each associated member of the Association has the right:

1. To take part in the initiatives and events of the Association.
2. To receive information from the Managing Board, the Control Board, the Secretary General and the APAC administration about the activities of the Association.
3. To make oral and written proposals and to offer projects, concerning the activities of the Association, to the Managing Board and to the Control Board.
4. To participate in the work of the supporting bodies of the Association and to use their support in the realization of its activity.
5. To use the information, gathered by the Association.
6. To use the services, offered by the Association, for free or with a discount, in accordance with the Internal regulations of the Association.

7. To specify in its documents and correspondence its membership in the Association.
8. To have membership in other organizations, whose program goals do not contradict the principles, goals and mission of the Association.

/3/ Associated members do not have a right to vote in the General Assembly and cannot attend the meetings of the Managing Board.

### **Obligations of the members**

**Article 37.** *(amended with decision of the GM from 26 April, 2005)* /1/ Each regular or associated member of the Association is obliged:

1. To comply with the Articles of Association.
2. To comply with the conditions for membership in the Association, defined by the General Assembly.
3. To comply with the decisions of the General Assembly and of the Managing Board.
4. To cooperate for the implementation of the goals and the mission of the Association.
5. To pay the due membership fee.
6. To pay the additional and the special fees, which are adopted by the Managing Board of the Association or which it has accepted voluntarily.
7. To keep official secrets concerning its participation in the activities of the Association in accordance with the norms of honest and loyal behaviour.
8. To show solidarity and to be ethical in their relationships with the other members of the Association in accordance with the Code of Ethics of the International Federation of the Accountants.
9. To protect the good reputation of the Association, to promote its goals and activities and to support it within the scope of its possibilities.
10. To protect its good reputation in business, to comply with the laws and with the commonly accepted rules for reputable economic activity.

/2/ A given member of the Association is obliged to cooperate and/or to present information regarding the fulfilment of its duties, defined in this Articles of Association, and/or the internal acts of the Association, within two weeks from the date on which the Control Board has requested it.

### **Termination of membership**

**Article 38.** *(amended with decision of the GM from 26 April, 2005)* The membership (regular or associated) is terminated:

1. By written request of the member, addressed to the Managing Board.
2. With the death or judicial disability of a natural person or with the suspension of a legal entity;
3. In case of expulsion;
4. With the termination of the activity of the non-profit legal entity from the date of the court decision for its suspension or in case of bankruptcy or liquidation of the legal entity.

### **Reasons for expulsion**

**Article 39.** *(amended with decision of the GA from 26 April, 2005)* /1/ A member (regular or associated) of the Association can be expelled with decision of the Managing Board:

when it has not paid its due membership fees for more than three months;  
the following cases:

- a) it does not comply with the conditions for membership in the Association, defined by the General Assembly;
- b) it systematically does not fulfil its obligations and violates the Articles of Association and the

Internal regulation;

- c) it drastically violates and discredits the interests and the reputation of the Association and of its members;
- d) it has not paid an amount, the payment of which is voted by the General Assembly or the member voluntarily accepted to pay;
- e) it has not fulfilled another important obligation, taken voluntarily, or voted by the General Assembly of the Association, thus discrediting the good reputation of the Association or considerably hampering its activities;
- f) its economic activities behaviour has discredited its reputation as an honest businessman or professionalist;
- g) it has disseminated false information, discrediting the Association, or information, which has been presented to it as confidential;
- h) it has used its membership in the association from mercenary motives;
- i) it has openly undertaken the name of the Association in favour of a given political force or in its own favour;
- j) other acts that can be reasonably classified as incompatible with the principles of a honourable community of professionalists.

/2/ For expulsion according the above mentioned in Article 39 /1/ p.1 and p.2 reasons, the Control Board can make motivated proposals.

/4/ In case of termination of the membership in the Association entrance fees and membership fees are not refunded.

/5/ A member that has been expelled can apply for a membership again after minimum one year from the moment of its expulsion.

/6/ The members that have left or that have been expelled from the Association cannot have any claims with regard to its property.

### **Registration and striking off of members**

**Article 40.** /1/ The Association keeps and has available for any interested parties a register of its members. The register is with open access. The interested parties can make verifications and receive certificates on the basis of the register in accordance with the rules of the Association.

/2/ The members of the Association are obliged to present information for completing the register and to update the information about: their status, name, registered office, address, subject of activity, as well as any other information, required by the Managing Board, by filling in the questionnaire - declaration following the form, approved by the Managing Board.

## **CHAPTER FOUR ASSETS AND PROPERTY**

**Article 41.** /1/ The property of the Association consists of property rights and other property laws on capital and working assets, property installments of the members, debts and other rights depending on the active normative acts.

/2/ The property of the Association is set up as a result of:

1. membership fee,

2. grants,
3. donations, subsidies, sponsorship,
4. the business activity accomplished in compliance to the present Articles of Association and the active legislation, and
5. other ways permitted by law.

/3/ The Association in the person of the Managing Board can receive from its members or from third parties unconditional or conditioned donations, in compliance to its purposes, and to enter into agreements of sponsorship.

/4/ The General Assembly can take decision for accomplishment of voluntary work and donations of the members of the Association, and the Managing Board can accept such actions from third parties.

### **Payments to the Association**

**Article 42.** /1/ All members of the Association are obliged to make property installments in the form of a membership fee. The General Assembly can decide the members of the Association to make earmarked installments for achieving a purpose which will be specified in the decision along with the amount and the way of collecting the installments.

/2/ The members of the Association can grant pecuniary finds in the form of a loan or real estates and individually fixed movables for rent. The amount of the interests of the loans or the rents are fixed by the Managing Board.

**Article 43.** /1/ For achieving the purposes of the Association, the latter can develop business activity, connected with its main subject of activity – independent information and publishing activity, organization and participation in organized by other entities seminars, trainings and other forms of promoting the activity and experience of its members, as well as consultative and intermediate activity for settling specific accounting and tax matters.

/2/ The accomplished business activity is subject to the terms and regulations, specified by the Commercial law, the law on Accounting and the tax laws.

/3/ The accomplishment and control over the accomplished business activity is assigned to the Managing board.

**Article 44.** /1/ The Association has its own budget, its own financial and accounting activity and bank accounts in BGN and foreign currency.

/2/ The budget of the Association of the current year is approved by the General Assembly after a proposal of the Managing Board until 31 December of the previous year at the latest.

/3/ If it is not approved, a new budget of the Association for the current year, until its approval is accomplished the budget for the previous year.

**Article 45.** /1/ The Association is responsible for its obligations with its property. It has no liability for the property obligations of its members.

/2/ For the obligations of the Association the member is responsible to the amount of the property installments which are provided for in the Articles. The member is not responsible in person for the obligations of the Association.

**Article 46.** The Association does not distribute the profit.

### **Membership fee**

**Article 47.** /1/ The membership fee is: an entrance fee – for new members; an annual fee – calculated for one financial year; an additional fee - specified by the terms of these Articles.

/2/ The amount of the entrance fee and the membership fee and the regularity of contribution is specified by a resolution of the General Assembly.

/3/ The amount and terms for additional membership fees are specified by the Managing Board.

/4/ (*amended with decision of the GA from 26 April 2005*) The members (regular and associated) pay a membership fee at the account or in the cash-box of the Association.

/5/ The entrance fee is paid along with the membership petition.

/6/ The membership fee for the current year could be paid completely and earlier than the provided terms.

/7/ The approved member by the Managing Board pays reciprocally the due membership fee for the current year up to one month after his approval.

/8/ Regular and associated members who did not pay the due installments of the membership fee in the fixed terms, lose their right to use the preferences which come from the membership in APAC until the discharging of the liabilities.

### **Donations and testaments**

**Article 48.** /1/ The donations and testaments, made in favour of the Association are approved by the Chairman of the Managing Board. When the donation or the testament are made with a specific goal, which corresponds to the goals and tasks of the Association, the assets can be used only for the purpose for which they are granted.

/2/ The donors, sponsors and testators can specify the names of the target programs or activities, the prizes, the funds for accomplishing the goals, for which they granted assets. If there is no explicit instruction by the donors, sponsors and testators, but with their or their heirs' consent, the Managing Board can put their name on the particular organization form through which they are spent.

### **Bookkeeping records**

**Article 49.** The bookkeeping records are kept in a way and in places which are recommended by the Managing Board, accessible for the members of the Managing and Control board. The members of the association can receive information and copies of the bookkeeping records, reports and references.

### **Remuneration of elective offices**

**Article 50.** The Chairman of the Association, the Deputy chairman and the members of the Managing Board cannot receive remuneration for their position in the Managing Board of the Association.

### **Remuneration of the members of Association**

**Article 51.** The remuneration of the members of Association are made for actually received and offered services by them, according to the internal regulations of the Association.

### **Termination and liquidation**

**Article 52.** /1/ The Association can transform into another type of legal entity with non-business purpose, including consolidation, fusion, separation and division.

/2/ After a division the new legal entities are responsible jointly for the obligations which appeared before their transformation.

**Article 53.** The Association is terminated after a resolution of the General Assembly or in the cases

provided by law.

**Article 54.** The Association is terminated by legal steps in the following cases:

1. if in the course of three months it remains with less regular members than it is necessary according to the Articles of the Managing Board;
2. if its activity contradicts to the legislation, the Articles, the public peace;
3. if it declares bankrupt.

**Article 55.** Concerning the bankrupt, respectively the insolvency, the order of liquidation and the rights of the liquidator are applied the regulations of the Commercial law.

**Article 56.** /1/ The distribution of the remaining property after satisfying the creditors is decided according to the Articles or by the General Assembly, as far as in the law is not provided something else. If it is not taken a decision until the termination, it is adopted by the liquidator.

/2/ If according to article 2 do not exist parties or they are undefined, the property goes to the municipality where situates the main office of the legal entity with non-business purpose. The municipality is obliged to use the received property for an activity which is close to the purpose of the terminated Association.

/3/ The property of the previous paragraphs cannot be divided, sold or transfer in any way to a liquidator who is appointed outside the circles of persons according to par. 2, with the exception of their due remuneration.of the ar. 2 d the in a a ess purpose. d and offered services by he Adminstraitve  
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/4/ The distribution of the remained property after the satisfaction of the creditors is accomplished according to the resolution of the General Assembly according to article 13, par. 1, item 13.

## **CHAPTER FIVE OTHER PROVISIONS**

### **symbols, stamp and issues**

**Article 57.** The Association has its symbols which are approved by the General Assembly after a proposal of the Managing Board.

**Article 58.** Samples of all official certificates, cards, forms and other representative or working documents, as well as the form and shape of the stamp of the Association are approved by the Managing Board.

**Article 59.** If it is possible and necessary, the Association publishes its own methodic, information and popular editions, as well as other printed publications in compliance to the legislation.

### **Interior regulations**

**Article 60.** If it is necessary the Managing Board has the right to approve, change and add regulations, which are necessary or desirable for the further accomplishment of the purposes for which is established the Association, for application of the rules for membership in the Association, for application of the rules for nomination and election of members of the Managing Board, for well-arranged and effective carrying out of its own procedures and the procedures of the annual and extraordinary general assemblies, for the convention of its own meetings, for the work of different permanent, temporary and special commissions and for the conducting of the general activity of the Association. These rules cannot contradict to the Articles and the decisions of the General Assembly. The members of the Association have to the informed about all approved rules and their changes and complements.

## **Complements to the Articles**

**Article 61.** Each proposal for these Articles has to be considered by the Managing Board, which after that has to present it along with its recommendations at the annual or extraordinary General Assembly of the Association, and the materials should be presented 14 days before the day of the meeting.

## **Incompleteness of regulations**

**Article 62.** The controversial issues between separate regional centers of the Association are resolved by the Managing Board.

**Article 63.** Controversial issues between members of the Association and between the Association and other entities are resolved in good will, and when this is not possible through the court.

**Article 64.** For unsettled issues the regulations of the Law on non-profit legal entities is applied.

The present Articles of Association are adopted at the general set up meeting of the "Association of the Professional Accounting Companies" /APAC/, held on 16.10.2003. The Articles of Association are adopted on the basis of the Law on non-profit legal entities (promulgated in the State Gazette issue 81 from 06.10.2000). The present Articles of Association are amended with decision of the General Assembly of the Association on 26.04.2005.

The list of the members of the Association, who has adopted and approved these Articles of Association is an integral part of them.

Date: 30.11.2007