



**By-laws of the Partnership for Transparency Fund Germany (PTF e.V.)  
(as adopted by the PTF e.V. Assembly Meeting of June 29,2017)**

**§ 1 Name, Location and Fiscal Year**

1. The Association is called **Partnership for Transparency Fund (PTF e.V.)**. The Association is the European affiliate of the Partnership for Transparency Fund (PTF), based in Washington DC (USA), a not-for-profit association registered under the laws of the State of New York (USA). Like the parent association, PTF e.V. pursues exclusively not for profit goals in line with “not for profit activities” under German law (“Abgabenordnung”).
2. The Association is based in Munich (Germany). It is registered in the official register of the Munich court.
3. The Association's fiscal year corresponds to the calendar year.

**§ 2 Mandate of the Association**

The mandate of the Association is to support trustworthy representatives of civil society organizations and non-governmental organizations (NGOs) in developing and emerging countries in their fight against corruption as well as in promoting a good understanding for responsible and transparent behavior of public institutions in their countries, by promoting

- a) international development cooperation
- b) public education in these areas
- c) the prevention of crimes in these areas

**§ 3 Realization of the Association Mandate**

1. The mandate of the Association will be realized by
  - a) careful screening of NGOs in target countries which present funding requests for anti-corruption projects to the Association;
  - b) submission by the Association of funding requests to German and European institutions which are active in the area of development cooperation and, as part of said cooperation, support anti-corruption programs which are in line with the by-laws of the Association.
  - c) support in the preparation, implementation and review of such projects by members of the Association as well as the PTF parent organization, all of whom work as volunteers
2. In addition, the Association
  - a) participates in the training of trustworthy and committed civil society representatives in target countries who are already involved in anti-corruption programs or plan to get involved;
  - b) counsels partner organizations in target countries which, through training programs and access to knowledge forums, are in a position to demand from public institutions and their elected representatives the transparent use of public funds. This way, every effort should be made to avoid that scarce public resources are wasted;
  - c) organizes occasionally public presentations and seminars with the objective to deepen, as part of public education, the knowledge about corruption and ways to fight it. Such events should also contribute to promote the exchange of experiences among office holders within target countries and with representatives of concerned foreign aid agencies on how to fight corruption;
  - d) cooperates closely with other organizations involved in the fight against corruption;
  - e) receives active support and advice from the parent organization in Washington DC.

3. The prime emphasis of projects supported by the Association in target countries is, primarily but not exclusively, the fight against corruption in the areas of politics and administration (especially public procurement), the judiciary, the education and health as well as water supply and sanitation sectors. Corruption in these areas hits in the first instance the poorest of the poor and thus undermines the efforts of international development cooperation. To this end, the Association lends its support to strengthen the results of international development cooperation, to reduce poverty in target countries; and to entice public authorities in target countries to greater honesty, accountability and trustworthiness.
4. In addition, programs supported by the Association should increase, through education and public awareness campaigns, understanding of the public of the negative implications of corruption in target countries and to promote the constitution of groups at local level in these countries which will demand full transparency and responsible behavior of public actions from public authorities.
5. In order to achieve its mandate, the Association aims to mobilize funding from European sources, especially within the European Union (EU), including Germany, but also from Switzerland and other European countries. Programs and projects supported by the European Union (EU) in the areas of good governance, the rule of law and the fights against corruption are at the center of the Association's efforts. This way, the Association supports the worldwide anti-corruption activities of the parent organization in developing and emerging countries.

#### **§ 4 Financing mechanism, use of grant proceeds and non-for-profit structure of PTF e.V.**

1. Association funding is based upon grants received by the Association from international and national organizations as well as potential private donors. The Association also intends to respond to calls for proposal in conformity with § 3 Section 5.
2. The Association is entitled to charge a membership fee. The timing and amount is subject of an Assembly decision
3. Association means of funding can only be used for purposes in conformity with these by-laws. These may include expenses, including travel and related administrative expenses, incurred in the course of the evaluation of projects submitted for consideration by the Association as well as the supervision of Association approved projects. Similarly, the cost for the annual financial review as well as possible audit of Association accounts are eligible for funding out of Association resources.
4. Association members will not receive remuneration out of Association proceeds. They are only entitled to compensation for costs incurred in the course of Association business, such as travel, telephone and operating expenses.
5. Expert Association members who are not operating in their voluntary capacity as well as expert non-members can be charged to perform duties against adequate compensation in compliance with provisions under § 3 of these by-laws
6. The Association is prohibited from covering expenses or making contributions to any person or institution alien to the Association mandate.
7. The Association operates altruistically. It does not pursue any particular economic interests but acts exclusively on a non-for-profit basis.

#### **§ 5 Membership**

1. Any natural or juridical person willing and suited to promote and defend the Association mandate and invited by the Association Board to join the Association, can become a member.
2. Membership applications should be addressed to the Association. The Board decides on said membership.
3. The members of the Board must be members of the Association.
4. Membership in the Association comes to an end:
  - a) when a member cancels such membership. The notice of cancellation has to be addressed by postal or electronic mail to a member of the Board. Such cancellation is only valid as per the end of the Association's business year

- c) in case of death;
  - d) by exclusion of the member through the Board, in case the member has damaged the reputation or the interests of the Association. Prior to the exclusion, the member has to be heard either orally or in writing. The reasons for the exclusion will have to be communicated in writing to the member by registered mail. Within one month of receipt of the exclusion notification the member can submit an appeal in writing to the Board. The Association membership assembly rules on the appeal. In case the member does not make use of his right to appeal within the given period, the member submits him/herself to the exclusion decision.
5. To avoid that members no longer interested or no longer active are carried as active members, the Association may address an EM to such member to the last known EM address with the request that these members pronounce themselves to their membership status. In case there is no response within a reasonable period of time, this is considered as a cancellation of the membership as per the end of the business year.
  6. Upon exclusion from the Association the member has no rights as regards the Association's assets.

## **§ 6 Organs**

The organs of the Association are:

- a) the membership assembly; and
- b) the Board.

## **§ 7 Membership Assembly**

1. The membership assembly is in charge of all matters which are not assigned to other organs by these by-laws. In particular, it is in charge of
  - a) the election of the Board,
  - b) the exoneration of the Board,
  - c) the decision making concerning amendments of the by-laws and the dissolution of the Association,
  - d) the election of the auditor.
2. The membership assembly takes place once a year.
3. The Board can convene special assembly meetings and is obliged to do so if it has been requested by at least 10% of the membership on the grounds of specific reasons for calling a special meeting.
4. Invitations for an assembly meeting are issued by the Board electronically or in written form with a delay of at least 3 weeks prior to the meeting as well as the submission of an agenda.
5. Any assembly meeting dutifully called for has decision making authority regardless of the number of members present. The provisions of § 9 Section 2 and § 10 Section 2 do not apply. All members present in person as well as all members represented by another member are entitled to vote. Each member has one vote at the assembly meeting. A vote by an authorized member is admissible. The member voting on behalf of another member has to present the original of a written power of attorney which demonstrates that he/she will vote on behalf of the member whom he/she represents. Such power of attorney can also be sent electronically; it should be addressed to the Chairman. A vote by a substitute power of attorney is not permissible. The representation by an outside person is not permissible.
6. Decisions by the assembly have to be recorded. Said record will have to be signed by the chairman of the assembly as well as by the recording secretary.
7. The chairman of the Board chairs the membership assembly; in his absence, another member of the Board will take over.
8. The membership assembly can take place in real terms, in form of a teleconference or via internet (such as Skype). The Association will ensure that participants in the meeting are members entitled to vote. As long as personal identification is not possible (especially through face or voice recognition in case of video conferences), identification will be handled via a password. The password is valid only for the meeting in question; the password will be assigned electronically prior to the meeting. It suffices to ensure issuing the electronic invitation to the last EM address known to the Board of the Association. All members are obliged to keep the password for themselves and not to share it with third parties.

## **§ 8 The Board**

1. The Board consists of up to 5 people, among them:
  - a) the chairperson,
  - b) the deputy chairperson,
  - c) the treasurer.
2. The Association is represented in judicial court and other matters by two members of the Board.
3. The election of the Board by the membership assembly is for a two year period. Block voting is permitted, A re-election is possible. The Board remains in office until the election of a new Board. Block voting is permitted.
4. In case a member of the Board resigns during his board mandate, the assembly elects a replacement.
5. The Board has decision making power when at least two board members are present personally or electronically. The Board decides with the majority of those who have voted, unless the by-laws provide for a different majority.

## **§ 9 Amendments of the by-laws**

1. A decision to modify the by-laws requires a  $\frac{3}{4}$  majority of casted votes.
2. The assembly can only decide on an amendment of the by-laws if at least half of the members are present personally or electronically. In case the assembly does not have the required quorum, a new assembly meeting with the only agenda item “Amendment of the Mandate of the Association” has to be called. Such a meeting can take decisions regardless of the number of members present. Said meeting may take place the same day. The invitation to the assembly meeting has to make specific reference to this provision.

## **§ 10 Dissolution of the Association**

1. The dissolution of the association takes place at the request of the board through decision by the membership assembly. The decision requires a  $\frac{3}{4}$  majority of the casted votes.
2. The assembly has a quorum provided at least half of the members are present personally or electronically . In case the assembly does not have the required quorum, a new emergency assembly meeting has to be convened. Said assembly meeting which can take place the same day, can decide the dissolution of the association regardless of the number of members present. The invitation to the assembly meeting has to make specific reference to this provision.
3. In case of the dissolution of the Association or the discontinuation of the not-for profit nature, the assets of the Association should be turned over to Transparency International (TI), a not-for-profit association incorporated under German law. Decisions on the future use of assets can only take place with the approval of the tax authorities.

## **§ 11 Formal by-laws Amendments**

The Board is entitled to make amendments of the by-laws which the the registering court might call for.