

IOTA

CHARTER

CHAPTER I – FOUNDATION OF THE ORGANISATION, PRINCIPLES AND PURPOSE

Article 1 - Establishment and Name

1.1. An organisation was created by the Founding Members, in the course of the Third Conference “On Tax Administration Issues in the Central and Eastern European and Baltic States” in Warsaw, on 30 October 1996. The Founding Members were the tax administrations of Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Poland and the Slovak Republic.

1.2. The name of the Organisation is “Intra-European Organisation of Tax Administrations” (Abbreviated name: IOTA; hereinafter referred to as “the Organisation”).

Article 2 - Purpose

2.1. The purpose of the Organisation is to provide a forum for discussion of practical tax administration issues, to strengthen co-operation between member tax administrations, to support their development according to their individual needs and to facilitate and assist in and encourage the identification and adoption of good practice in tax administration.

Article 3 - Legal Personality and Domicile

3.1. In order to exercise its functions and to fulfil its purposes, the Organisation has legal personality under the Hungarian law with the full capacity to contract, to acquire and dispose of immovable and movable property and to institute legal proceedings.

3.2. The Organisation has its domicile in Budapest, Hungary.

3.3. The judicial status, privileges and immunities of the Organisation in Hungary are regulated by the Seat Agreement between the Organisation and the Government of Hungary.

Article 4 - Financial Resources

4.1. The Organisation is a self-financing, non-profit making institution.

4.2. The Organisation’s sources of revenue are:

1) annual membership contributions;

2) fees for rendering services and observer’s fees;

3) other sources, including voluntary contributions and donations, insofar as they are consistent with the nature and functions of the Organisation.

4.3. The financial administration of the Organisation is governed by the Financial Regulations and Rules.

Article 5 - Working Language

5.1. The working language of the Organisation is English.

CHAPTER II – FULL MEMBERS, ASSOCIATE MEMBERS, OBSERVERS, PARTNERS

Article 6 – Full Members

Definition

6.1. Full Members of the Organisation are the tax administrations of states that are members of the General Assembly of the United Nations and located in the European region, including the states in the neighbourhood of the Black and Caspian Seas, except South of the Black Sea, South and South East of the Caspian Sea. A tax administration becomes a full member of the Organisation if its request for full membership, which must be made in writing, signed by the head of the administration and submitted to the Executive Secretary, is accepted by the Executive Council as an application fulfilling the conditions specified in this Article and Article 11.17, and subsequently approved by the General Assembly.

6.2. Only one tax administration of each state that is a member of the General Assembly of the United Nations shall be admitted to the full membership of the Organisation. In the event there is more than one tax administration in a state, it is the responsibility of that state to determine which tax administration may apply for and retain full membership of the Organisation. Evidence of such determination shall accompany the request for full membership in such instances.

6.3. Unless requested otherwise, full membership shall become effective after the resolution of the General Assembly is adopted.

Rights and Obligations

6.4. Full Members have the right to participate in the General Assembly.

6.5. Full Members shall designate the officials from the tax administration to represent it at the administrative session of the General Assembly with the right to speak and vote.

6.6. Full Members are eligible to be elected to the Presidency and the Executive Council, and its representative to be appointed as one of the Internal Auditors.

6.7. Full Members elected to the Executive Council shall participate in the IOTA Ethics Committee when called upon.

6.8. Full Members are entitled to attend any of the Organisation's conferences, seminars and other technical events and activities, request information and have access to the relevant documentation, whether in electronic form or otherwise, of the Organisation.

6.9. Full Members shall appoint an official from the tax administration to act as the principal contact person to the Organisation.

6.10. Full Members shall fulfil their obligation to contribute to the budget of the Organisation by the end of February each year.

6.11. In case of a specific difficulty that impacts on the ability of the Full Member to fulfil its obligation to contribute to the budget of the Organisation by the timeframes specified in Article 6.10, the Executive Council may, upon written request of the Full Member to the Executive Secretary and setting out the particular circumstances involved, postpone the deadline by up to three months. The Full Member shall be informed by the Executive Secretary of the Organisation in writing of the decision made by the Executive Council.

6.12. New Full Members shall fulfil their obligation to contribute to the budget of the Organisation within three months of the conclusion of the General Assembly at which their full membership was approved, or subsidiarily, the date their full membership takes effect.

Suspension and termination of Full Membership

6.13. The Membership of a Full Member, who has not paid membership contribution by the due date mentioned in Articles 6.10, 6.11 or 6.12, will be suspended at that date, respectively at the end of February or on the last day of the period referred to in Article 6.10 or 6.11. A Full Member whose membership is suspended will not be entitled to exercise its membership rights. In case of non-payment by the due date, the Executive Secretary will notify in writing to the Full Member concerned that it will lose its membership if the contribution is not received at the end of March or on the last day of an additional 30 day period after the last day of the period referred to in Article 6.10 or 6.11. After that final deadline, the former Full Member shall be informed by the Executive Secretary in writing of the termination of its membership. Finally, the General Assembly shall take note of the termination of that membership. In case of non-payment due to force majeure, the Executive Council shall decide on the modalities of the continuation of the membership.

6.14. Any Full Member may terminate its membership of the Organisation upon giving formal notice in writing of its decision to do so to the Executive Secretary. The termination of that membership shall become effective on the last day of the following month in which the Full Member has delivered written notification of its membership termination or on such later date as the Full Member may specify.

6.15. The Membership of a Full Member may be suspended or terminated upon decision of the General Assembly referred to in Article 11.2 point 7 when continuation of the membership has a negative impact on the purpose of the Organisation as defined in Article 2.1. Each forthcoming General Assembly will review and decide on the reinstatement, continued suspension or termination of Full Membership. The Full Member whose membership is suspended will not be entitled to exercise its membership rights and is not obliged to contribute to the budget starting from the date decision on suspension entered into force. The Full Member has the right to request a proportional refund of the paid membership contribution within 30 days from the notification of the decision by the General Assembly on suspension or termination. The Organisation will refund within 30 days after the date of receiving the request.

The decision on respective suspension or termination takes effect after the resolution of the General Assembly is adopted. Any representation of the Full Member to the Organisation are respectively suspended or terminated, with the date indicated in the resolution of the General Assembly.

Article 7 - Associate Members

Definition

7.1. Associate Members of the Organisation are the tax administrations of states that are members of the General Assembly of the United Nations and not located in the European region as defined in Article 6.1. A tax administration becomes an Associate Member of the Organisation if its request for associate membership, which must be made in writing, signed by the head of the administration and submitted to the Executive Secretary, is accepted by the Executive Council as an application fulfilling the conditions specified in this Article and Article 11.18, and subsequently approved by the General Assembly.

7.2. Only one tax administration of each state that is a member of the General Assembly of the United Nations shall be admitted to the associate membership of the Organisation. In the event there is more than one tax administration in a state, it is the responsibility of that state to determine which tax administration may apply for and retain associate membership of the Organisation. Evidence of such determination shall accompany the request for associate membership in such instances.

7.3. Unless requested otherwise, associate membership shall become effective after the resolution of the General Assembly is adopted.

Rights and Obligations

7.4. Associate Members are entitled to participate in selected technical events and in the technical session of the General Assembly.

7.5. Each Associate Member shall appoint an official from the tax administration to act as the principal contact person to the Organisation.

7.6. The Associate Members shall fulfil their obligation to contribute to the budget of the Organisation by the end of February each year. The membership fee for Associate Members amounts to 50 per cent of the fee for full membership.

7.7. In case of a specific difficulty that impacts on the ability of the Associate Member to fulfil its obligation to contribute to the budget of the Organisation by the timeframes specified in Article 7.6, the Executive Council may, upon written request of the Associate Member to the Executive Secretary and setting out the particular circumstances involved, postpone the deadline by up to three months. The Associate Member shall be informed by the Executive Secretary of the Organisation in writing of the decision made by the Executive Council.

7.8. New Associate Members shall fulfil their obligation to contribute to the budget of the Organisation within three months of the conclusion of the General Assembly at which their membership was approved, or subsidiarily, the date their membership takes effect.

Suspension and termination of Associate Membership

7.9. The Membership of an Associate Member who has not paid its membership contribution by the due date mentioned in Articles 7.6, 7.7 and 7.8, will be suspended at that date, respectively at the end of February or on the last day of the period referred to in Article 7.7 and Article 7.8. An Associate Member whose membership is suspended will not be entitled to exercise its membership rights. In case of non-payment by the due date, the Executive Secretary shall notify in writing to the Associate Member concerned that it will lose its membership if the contribution is not received at the end of March or on the last day of an additional period of 30 days after the last day of the period referred to in Article 7.7 or 7.8. After that final deadline, the former Associate Member shall be informed by the Executive Secretary in writing of the termination of its membership. The General Assembly shall take note of the termination of that membership. In case of non-payment due to force majeure, the EC shall decide on the modalities of the continuation of the membership.

7.10. Any Associate Member may terminate its membership of the Organisation upon giving formal notice in writing of its decision to do so to the Executive Secretary. The termination of that membership shall become effective on the last day of the following month in which the Associate Member has delivered written notification of its membership termination or on such later date as the Associate Member may specify.

7.11. The Membership of an Associate Member may be suspended or terminated upon decision of the General Assembly referred to in Article 11.2 point 7 when continuation of the membership has a negative impact on the purpose of the Organisation as defined in Article 2.1. Each forthcoming General Assembly will review and decide on the reinstatement, continued suspension or termination of the Associate Membership. The Associate Member whose membership is suspended will not be entitled to exercise its membership rights and is not obliged to contribute to the budget starting from the date decision on suspension entered into force. The Associate Member has the right to request a proportional refund of the paid membership contribution within 30 days from the notification of the decision by the General Assembly on suspension or termination. The Organisation will refund within 30 days after the date of receiving the request.

The decision on respective suspension or termination takes effect after the resolution of the General Assembly is adopted. Any representation of the Associate Member to the Organisation are respectively suspended or terminated with the date indicated in the resolution of the General Assembly.

Article 8 – Observers

Definition

8.1. International organisations, non-governmental organisations, academia, and regional or global private sector legal entities established and registered in accordance with national legislation of the states that are members of the General Assembly of the United Nations and, if applicable, in compliance with international law, who have an interest in the specific activities of the Organisation, can apply to become an Observer. The concerned entity becomes an Observer if its written request, signed by the authorised representative(s) of the entity and submitted to the Executive Secretary, is approved by the Executive Council.

8.2. The application for observership shall indicate the justification.

8.3. The Observer shall be entitled to participate in the specific activities of the Organisation after the approval of its request by the Executive Council and payment of the observer's annual fee.

Rights and Obligations

8.4. Observers are entitled to participate in the technical session of the General Assembly and in the annual International Conference of the Organisation or another international conference organised by the Organisation jointly with its partner(s).

8.5. Observers shall fulfil their obligation to pay the observer's annual fee 30 days after its written request to become an Observer is approved by the Executive Council, but not later than 30 days before the start of the respective event as defined in Article 8.4. The observer's fee is defined by the Executive Council as provided for in Article 12.3.

Exclusion of Observership

8.6. An Observer, who has not paid its annual fee by the due date mentioned in Article 8.5. will be notified in writing by the Executive Secretary that the entity will lose its observership if the annual fee is not paid 30 days before the start of the respective event as defined in Article 8.4.

8.7. In case of a specific issue which could have a negative impact on the Organisation, the Executive Secretary can submit a written request to the Executive Council for the exclusion of the Observer from the Organisation. Before submitting the request, the Executive Secretary shall inform the Observer of the motives for the exclusion and grant it a period of 15 days for submission of a written statement concerning the issue. The Executive Council shall decide on the exclusion and the Observer shall be informed by the Executive Secretary in writing of the Executive Council's decision. The exclusion shall become effective on the day the Executive Council decides to exclude the Observer from the Organisation. The paid annual fee shall be reimbursed proportionally to the respective events specified in Article 8.4.

8.8. The Observer may terminate its observership within the Organisation upon giving formal notice of its decision in writing to the Executive Secretary. The termination shall become effective on the last day of the month in which the written notification is delivered or on the later date specified by the Observer. The Executive Council shall take note of such termination.

Article 9 – Partners

Definition

9.1. International organisations, non-profit organisations, non-governmental organisations and academia established and registered in accordance with national legislation of a state that is member of the General Assembly of the United Nations and, if applicable, in compliance with international law, that concluded an agreement or similar legal document on collaboration (e.g. Memorandum of Understanding) are Partners of the Organisation. Such legal documents are subject to the approval by the Executive Council and signed by the President of the Organisation or authorised representative of the Organisation as provided for in Articles 12.3 and 13.4.

9.2. The scope of the partnership is defined in the legal documents as provided for in Article 9.1.

CHAPTER III - ORGANS

Article 10 - Statutory and Technical Bodies

10.1. The Organisation consists of the following statutory bodies:

- 1) the General Assembly;
- 2) the Executive Council;
- 3) the Secretariat.

10.2. Technical bodies may be established by the Executive Council. The purpose of a technical body is to advise and assist the Executive Council and the Secretariat in accordance with the terms and conditions set by the Executive Council.

Article 11 - The General Assembly

Composition

11.1. The supreme body of the Organisation is the General Assembly comprising of the Full Members as provided for in Articles 6.5 and 11.5. The statutory representative of the Full Member at the General Assembly is the head of the tax administration, or such other person as may be designated in writing by the head of the tax administration.

Powers and Responsibilities

11.2. The powers and responsibilities of the General Assembly are:

- 1) to approve the agenda of the General Assembly proposed by the Executive Council;
- 2) to adopt the Internal Auditors report;
- 3) to review and approve the activities report and the financial report;
- 4) to approve and amend the Charter;
- 5) to approve and amend the Financial Regulations and Rules;
- 6) to approve the admission requests for Full Membership and Associate Membership of the Organisation submitted by the Executive Council;
- 7) to decide of the suspension, the reinstatement, continued suspension or termination of Full membership and Associate Membership.

- 8) to decide or take note of the termination of full membership and associate membership.
- 9) to approve the location of the annual General Assembly and to elect the Presidency for one or more years in advance;
- 10) to elect the members of the Executive Council;
- 11) to appoint the Internal Auditors;
- 12) to approve the strategy of the Organisation;
- 13) to adopt the work programme;
- 14) to fix the criteria and approve the membership contribution system;
- 15) to adopt and amend the budget;
- 16) to review, where deemed necessary, any decision of the Executive Council;
- 17) to appoint the Executive Secretary and decide on the prolongation and termination of his/her employment having regard to any recommendations of the Executive Council;
- 18) to decide the domicile of the Organisation;
- 19) to dissolve the Organisation;

Holding General Assemblies

11.3. The Full Members shall hold an annual General Assembly. The General Assembly has two sessions: an administrative session and a technical session.

11.4. The date of the annual General Assembly shall be determined by the Executive Council. The President shall inform the Full Members and Associate Members in writing regarding the agenda and the date(s) of the General Assembly at least **30** days before the event takes place.

11.5. The administrative session of the General Assembly is held for the Full Members of the Organisation and the Secretariat exclusively. The technical session of the General Assembly is open for Associate Members, Observers and Partners.

11.6. A validly constituted General Assembly requires a quorum which is constituted by more than 50% of the total number of Full Members.

11.7. In extraordinary circumstances, the annual or extraordinary General Assembly validly convenes in a digital format.

11.8. An extraordinary General Assembly shall be called by the Executive Council upon the request by more than 50 percent of the total number of Full Members by notification in writing to the President and the Executive Secretary signed by the head of each of the respective tax administrations or by other senior official designated by the head of the tax administration. In such case, the President informs the Full Members within 5 days after the receipt of each letter. An extraordinary General Assembly may also be called by the Executive Council where more than 50 percent of the Executive Council members agree to such a proposal.

11.9. The venue, the timing and the format (including digital) of an extraordinary General Assembly shall be decided by the Executive Council. The President shall inform the Full Members and Associate Members in writing regarding the agenda and the date(s) of the extraordinary General Assembly without undue delay.

Voting and Decision-Making

11.10. Each Full Member represented at the General Assembly has one vote. In case of voting on decisions indicated in Article 11.2. point 7 the Full Member whom it concerns has no right to vote.

11.11. The voting can be conducted by using electronic means provided the confidentiality of secret voting (where required by the Charter) is being fully guaranteed and secured.

11.12. In case of urgent cases upon request of the Executive Council, the General Assembly can make a decision via electronic means between two meetings provided the confidentiality of secret voting (where required by the Charter) is being fully guaranteed and secured.

11.13. The decisions of the General Assembly shall be adopted with a simple majority of the votes (more than 50% of the votes submitted), unless stipulated otherwise in the Charter.

11.14. A simple majority of the votes (more than 50% of the total number of votes submitted) is required for the appointment of the Executive Secretary and for the prolongation or termination of his/her employment.

11.15. The votes of two-thirds of the total number of Members voting are required in the following cases:

- 1) amendments to the Charter;
- 2) amendments to the Financial Regulations and Rules;
- 3) changes to the domicile of the Organisation;
- 4) fixing the criteria and approval of the membership contribution system;
- 5) dissolution of the Organisation;
- 6) approving the admission requests for full membership and associate membership of the Organisation submitted by the Executive Council;
- 7) approving the suspension, the reinstatement, continued suspension or termination of full membership and associate membership of the Organisation submitted by the Executive Council;

11.16. In the case of the Presidency, members of the Executive Council and Internal Auditors, where the number of candidates equals or is less than the number of positions available, such candidates shall be deemed to be appointed and there shall be no need for a vote. Subject to the foregoing, a secret vote is required in the following cases:

- 1) acceptance of the application of the prospective Full Members and Associate Members;
- 2) election of the Presidency;
- 3) election of the members of the Executive Council;
- 4) election of the Internal Auditors;
- 5) election of the Executive Secretary.
- 6) suspension, reinstatement, continued suspension or termination of a membership of Full member or Associate Member

11.17. The applications for full membership and associate membership in the Organisation, for Presidency, for membership of the Executive Council or for the positions of the Internal Auditors must be made in writing, signed by the head of the tax administration concerned and submitted to the Executive Secretary at the latest 30 days before the General Assembly takes place.

11.18. The election process for the Presidency, and thus for the venue of the General Assembly, firstly gives priority to those candidates who have not previously hosted the General Assembly. Therefore, if there is more than one candidate, priority will be given to that candidate who has never hosted the General Assembly; or, if all the candidates have previously hosted the General

Assembly then priority will be given to the one(s) who has/have hosted on the least number of occasions.

11.19. The candidate with the most votes is elected to the Presidency.

11.20. In the event that there is no candidate for Presidency and/or insufficient candidates for membership in the Executive Council or for the Internal Auditor(s), the serving Executive Council will seek the required number of nominations for candidacy, in consultation with the Full Members. In such circumstances, nominations may be taken from those members who would otherwise be ineligible for membership taking into account Article 12.4.

11.21. In case there are no candidates for Presidency, the domicile of the Organisation will normally serve as the venue of the forthcoming General Assembly, unless the General Assembly decides otherwise on the basis of a recommendation made unanimously by the Executive Council.

Article 12 - The Executive Council

Composition

12.1. There shall be a minimum of six and a maximum of nine members on the Executive Council, including the current President and the President-elect for the following year.

12.2. The statutory member of the Executive Council is the head of the tax administration of the Full Member, or such other person designated in writing by the head of the tax administration.

Powers and Responsibilities

12.3. The powers and responsibilities of the Executive Council are:

- 1) to call the annual or extraordinary General Assembly and to determine the dates, venue, format and outline agenda;
- 2) to co-ordinate and support the organisation of the General Assembly;
- 3) to accept applications of the prospective Full Members and Associate Members and to submit them to the General Assembly for approval;
- 4) to approve legal documents (e.g. Memorandum of Understanding) establishing the Organisation's collaboration with Partners;
- 5) to approve the requests for observership and take the decision on the exclusion of the Observer;
- 6) to review and submit the activities and financial reports to the General Assembly;
- 7) to review and submit to the General Assembly the proposed strategy and work programme;
- 8) to review and submit to the General Assembly the proposed budget, membership contribution system and Financial Regulations and Rules of the Organisation and subsequent amendments;
- 9) to amend the adopted work programme and budget by the General Assembly. The latter shall be subject to prior communication with the Full Members;
- 10) to define fees for rendering services and observers' fees;
- 11) to accept or reject voluntary contributions and donations;
- 12) to approve and amend the financial and internal rules of the Organisation;

- 13) to set criteria and select the short-listed candidates for the positions of the Internal Auditors and to submit the list to the General Assembly;
- 14) to set criteria and select the short-listed candidate(s) for the position of the Executive Secretary and to submit the list to the General Assembly;
- 15) to appoint the acting Executive Secretary as defined in Article 16.2;
- 16) to appoint the international experts of the Secretariat in consultation with the Executive Secretary and decide on the termination of their appointments;
- 17) to supervise the activities carried out by the Secretariat;
- 18) to undertake a performance review of the Executive Secretary at least annually;
- 19) to participate in the Ethics Committee when selected members are called upon by the President;
- 20) to make recommendation regarding the suspension, reinstatement, continued suspension or termination of membership;
- 21) to request the General Assembly to make a decision via electronic means between two meetings of the General Assembly provided the confidentiality of secret voting (where required by the Charter) is being fully guaranteed and secured.

Election of Executive Council Members

12.4. The members of the Executive Council are elected or re-elected or deemed elected or re-elected at each General Assembly, but none of them may be elected more than three consecutive years, save in accordance with the circumstances outlined in Article 11.20. The restriction of three consecutive years is not applicable to the President elected or deemed elected. In such case, the member can exceptionally be elected for an additional fourth year.

12.5. Subject to the provisions of Articles 11.17 and 12.1, the candidates with the most votes are elected to the Executive Council.

12.6. The members of the Executive Council remain in office until the next General Assembly concludes its administrative session.

Holding Executive Council Meetings

12.7. A validly constituted meeting of the Executive Council requires a quorum which is constituted by the President and five members of the body.

12.8. Meetings of the Executive Council may be attended by the members of the body and the Executive Secretary, and such other members of the Secretariat as may be decided by the Executive Secretary or the Executive Council. The President may extend an invitation to other participants for particular agenda topics. Members of the Executive Council participate in the meetings with the right to speak and to vote, whereas the invitees have the right to speak but not to vote.

Voting and Decision-Making

12.9. Save as otherwise provided for in this Charter, decisions of the Executive Council are made on the basis of a simple majority vote and can be made by electronic mean provided the confidentiality of secret voting (where required by the Charter) is being fully guaranteed and secured.

12.10. In case of a tied vote in the Executive Council, the President is entitled to the casting vote to resolve the issue.

The Ethics Committee

12.11. In case of a serious breach of the IOTA Code of Conduct, an Ethics Committee shall be set up by the President. The Ethics Committee shall compose of three Executive Council members, including the President.

12.12. In case of an appeal is lodged against the decision of the Ethics Committee, the President shall appoint a new Ethics Committee composing of three new members of the Executive Council.

12.13. The rules governing the procedure of the Ethics Committee are provided by the IOTA Code of Conduct.

Article 13 - The President

Election or Appointment of the President

13.1. The President is the head of the tax administration of the Full Member elected or appointed for the Presidency in the Organisation. The head of the tax administration may designate in writing to the Executive Secretary a senior official from the tax administration to act as President of the Organisation.

13.2. The President of the Organisation is the President of the General Assembly and of the Executive Council.

13.3. Having regard to the provisions of Article 11.2.8, the President holds office from the conclusion of the General Assembly immediately preceding the start date of the term for which the Presidency is elected/appointed until the conclusion of the General Assembly coinciding with the end date of the term for which the Presidency is appointed.

Responsibilities

13.4. The responsibilities of the President are:

- 1) to preside over the General Assembly;
- 2) to call and preside over the meetings of the Executive Council;
- 3) to carry out the activities assigned to him/her by the General Assembly and the Executive Council;
- 4) to represent the Organisation, including signing international agreements, with the possibility to delegate in writing the representation to the Executive Secretary. The terms of the delegation will be established by the President;
- 5) to appoint a Compliance Officer in accordance with the provisions provided by the IOTA Code of Conduct;
- 6) to set up an Ethics Committee according to the provisions provided by the IOTA Code of Conduct.

13.5. In case of temporary absence or removal from the function of the representative of the Full Member holding the Presidency, the Full Member or the relevant government authority of that state may appoint another representative acting as the President of the Organisation throughout the duration of the incumbent's absence or removal. This decision shall be notified to the Executive Secretary in writing.

13.6. In the temporary absence of the designated representative of the President at the sessions of the General Assembly or the Executive Council, the delegated representative of the President replaces him/her.

13.7. If no representative has been formally appointed by the Full Member holding the Presidency to act as the President of the Organisation, another member of the Executive Council elected by a majority of the body will act as the President throughout the duration of such absence or until the Full Member or governmental authority of the state holding the Presidency formally appoints a substitute. In such circumstances, the quorum for a validly constituted meeting of the Executive Council shall be the Acting President and five members of the body.

Article 14 - Internal Auditors

Appointment of Internal Auditors

14.1. One Internal Auditor of the Organisation shall be appointed for a two-year term at each annual General Assembly. Re-election is possible. In accordance with the provisions of Article 12.3, the setting of criteria and the selection of the candidates for the positions shall be decided by the Executive Council. The Internal Auditors shall not represent a Full Member of the Organisation that has been elected as a member of the currently elected Executive Council.

14.2. The candidate with the most votes is appointed as Internal Auditor.

14.3. The Internal Auditors hold office between annual General Assemblies.

Powers and Responsibilities

14.4. The powers and responsibilities of the Internal Auditors are:

1) to review and assess the internal procedures of the Organisation, as well as the conformity of those with the legislation and the Charter;

2) to examine and evaluate the overall economic viability and efficiency of the Organisation, as well as the financial management and the internal control systems;

3) to keep track of the efficient use of the resources available, monitor how property items are conserved and augmented and check the reliability and credibility of the accounting system and financial reports in cooperation with the external (independent) auditor;

4) to present statements and recommendations on the processes examined, to prepare analyses and assessments for the General Assembly on how to enhance the operational efficiency of the Organisation and to improve and further develop the internal procedures, along with the internal audit system itself.

5) to formulate recommendations and proposals on how to remove and eliminate risk factors and shortcomings;

6) to keep track of the measures and actions taken, based on the recommendations incorporated in the audit reports.

14.5. Internal Auditors may participate in the sessions of the General Assembly with the right to speak but not to vote.

14.6. Internal Auditors shall conduct their audit independently.

14.7. Internal Auditors may seek information during the period of the incumbency from the statutory and technical bodies of the Organisation with the assistance of the Secretariat.

14.8. The observations and recommendations of Internal Auditors shall be included in a written report notified to the President and the Executive Secretary at the latest 30 days before the General Assembly takes place. The report shall be presented to the Executive Council and the General Assembly before the vote on the financial report.

Article 15 - The Secretariat

Composition

15.1. The Secretariat comprises the Executive Secretary and other international and national staff members.

Responsibilities

15.2. The responsibilities of the Secretariat are:

- 1) to perform the technical and administrative functions of the Organisation, as well as those entrusted to it by the General Assembly, the Executive Council and the Presidency;
- 2) to keep the register of Full Members, Associate Members, Observers and Partners;
- 3) to administer the budget;
- 4) to prepare and submit to the Executive Council the draft activities and financial reports;
- 5) to prepare and submit to the Executive Council the draft strategy and work programme;
- 6) to prepare and submit to the Executive Council the draft budget and membership contribution system;
- 7) to prepare the sessions of the General Assembly, and to draft and administer their resolutions;
- 8) to assist the voting operation, and record the decisions, of the General Assembly;
- 9) to prepare the meetings of the Executive Council and to draft and administer their decisions;
- 10) to facilitate the work of the auditors;
- 11) to facilitate contacts with Observers, Partners and other organisations;
- 12) to facilitate activities of the technical bodies of the Organisation;
- 13) to inform the Full Members and Associate Members on the activities of the Organisation.

Article 16 - The Executive Secretary

Appointment of the Executive Secretary

16.1. The Executive Secretary is appointed by the General Assembly for a period of three years. The setting of the criteria for the selection of the candidate(s) for the position is the competence of the Executive Council.

16.2. Where the Executive Council proposes to renew the appointment of the serving Executive Secretary, it has the authority to make this recommendation to the General Assembly for approval and not initiate a formal recruitment procedure. In the event that the General Assembly does not approve the recommendation of the Executive Council, the serving Executive Secretary remains in the position of acting Executive Secretary until a new Executive Secretary is appointed by the General Assembly or an alternative acting Executive Secretary is appointed by the Executive Council.

16.3. In the case of a vacancy in the Executive Secretary position, due to unforeseen temporary or permanent absence for any reason, a person appointed by the Executive Council, stands in as the acting Executive Secretary until the return of the Executive Secretary or appointment of the new Executive Secretary by the General Assembly.

Powers and Responsibilities

16.4. The Executive Secretary participates in the sessions of the General Assembly and the meetings of the Executive Council with the right to speak but not to vote.

16.5. The Executive Secretary exercises the rights and obligations of employer over the employees of the Secretariat, abiding by IOTA Code of Conduct and executing the decisions of the Ethics Committee.

16.6. The Executive Secretary exercises the powers required for the day-to-day management of the operations of the Secretariat, including contracting for goods and services in relation to the above function and is responsible for reporting on those operations, both to the President on a regular basis and to the Executive Council.

16.7. The Executive Secretary is committed in particular to actively promote and search candidates for the Presidency, the Executive Council and the Internal Auditors of the Organisation.

Article 17 – Principal Contact Persons

17.1 Each Full Member and Associate Member shall appoint an official from the tax administration to act as the Principal Contact Person (hereinafter referred to as PCP) to the Organisation. The PCPs are designated in writing by the head of the tax administration or by other senior official designated by the head of the tax administration.

17.2. Appointed PCPs are entitled to participate in the annual Forum of the IOTA Principle Contact Persons.

17.3. PCPs act as liaison and support contact person between Full Member and Associate Member Tax Administrations, IOTA Secretariat and representatives of the IOTA Membership.

CHAPTER IV – DURATION AND DISSOLUTION

Article 18 - Duration

18.1. The Organisation is of unlimited duration.

Article 19 - Dissolution

19.1. The Organisation may be dissolved by resolution adopted by the annual or extraordinary General Assembly. The dissolution will take effect according to the resolution adopted by the General Assembly. In case of dissolution, all property of the Organisation will be transferred in accordance with the resolution of the General Assembly.

CHAPTER V – FINAL PROVISIONS

Article 20 – Final Provisions

20.1 This Charter, amended by the 26th General Assembly of IOTA held in Zurich, Switzerland on 29 June 2022, shall take immediate effect.