



Constitution and Rules of Procedure CAREC Federation of Carrier & Forwarder Associations

Constitution

I. PURPOSE AND OBJECTIVE

Article 1

CAREC Federation of Carrier and Forwarder Associations (CFCFA) is an international non-government and non-profit organization uniting carrier, freight forwarder, and logistics associations of the Central Asian Regional Economic Cooperation (CAREC) countries, as well as other countries. CFCFA is established without limitation of its term of operation, and is subject to the jurisdiction of the country of registration. CFCFA shall be registered in Bishkek, the Kyrgyz Republic.

Article 2

The purpose of CFCFA is to facilitate transport, trade and logistics development, and advance the interest of road carriers, freight forwarders and logistics providers associations that are its active members. The objectives of CFCFA include:

Contributing a private sector perspective to CAREC transport and trade facilitation efforts

- (i) Strengthen cooperation between carrier and forwarder and logistic services provider associations in promoting transport, logistics and trade facilitation in the CAREC region and between the CAREC countries and other countries;
- (ii) Work with international government and non-government organizations, CAREC and other countries' governments to improve regional trade, transport and logistics efficiencies, as well as to identify and remove barriers to their development;
- (iii) Raise public awareness on regional transport, trade and logistics issues, and facilitate their resolution;
- (iv) Develop and promote strategies, programs, recommendations and regional technical cooperation projects aimed at developing high-quality, efficient and safe transport and logistics services;
- (v) Support CAREC member countries in implementing regional transport and logistic projects through the associations that are active CFCFA members;

Supporting relevant government agencies in improving transport and trade facilitation policies and infrastructure

- (vi) Support the governments in establishing conditions conducive to the development of transport, forwarding and logistic activities, and foreign economic relations in the Union member countries;
- (vii) Further implementation of regional transport and logistics projects in the member countries;
- (viii) Further development of Euro-Asian land transport;
- (ix) Promote development of multi-modal transport;
- (x) Counter discrimination of transport types and development of monopolism in provision of transport, forwarding and logistic services;

Enhancing professionalism within road carrier and freight forwarder industries

- (xi) Consolidate efforts of the national associations that are active members to improve efficiency of the domestic and international transport;
- (xii) Adoption of international best practices in transport and logistics;
- (xiii) Unify, improve and simplify national and international regulatory documents and procedures to improve transportation and trade;
- (xiv) Raise the level of professionalism, efficiency and quality of CAREC road carriers, freight forwarders and logistics companies.

Any CFCFA activities at the international and national levels must be carried out jointly with active members of CFCFA from the country concerned.

II. MEMBERSHIP

Article 3

Qualification for Membership

Membership shall be opened to non-profit making carrier associations, freight forwarder associations and logistics associations that are the most representative in each of the professional types, located in the CAREC region. Any variation in the degree of representation shall not automatically imply the suspension or cessation of membership.

Article 4

Admission to Membership

Admission to membership in CFCFA shall be recommended by the Executive Board and approved by the General Assembly.

Any application for membership must be submitted in writing. The applicant for admission should respect the policies of CFCFA. The applicant will be notified in writing of CFCFA Executive Board's recommendation.

All applicants admitted to CFCFA must pay an admission fee determined by the Executive Board, following which the applicant becomes an active member.

Article 5

Rights and Duties of Membership

All Active Members have the rights and obligations to:

- (i) Participate actively in the work of the General Assembly, and where appropriate, in working committees;
- (ii) Appoint from its leadership, competent person(s) duly empowered to represent the member in CFCFA activities and to implement CFCFA decisions;
- (iii) Provide the person(s) representing the member in CFCFA with the necessary resources to accomplish assigned tasks;
- (iv) Comply with the Constitution and Rules of Procedure of CFCFA and all its rules in force;
- (v) Implement any decisions made by CFCFA consistently with its Constitution and Rules of Procedure;
- (vi) Represent, publicize and promote CFCFA decisions, recommendations and positions to national authorities, their individual members and the media;
- (vii) Participate in CFCFA studies, surveys and projects;
- (viii) Approach the CFCFA Secretary with any information of interest to CFCFA and its Members.

The obligations under this agreement shall not apply to any member, in case measures related to them are:

- (i) Contrary to the laws and regulations of the country in question;
- (ii) Contrary to the Constitution and Rules of Procedure of the member or its own policy and objectives

In these cases, the CFCFA member shall promptly notify the Executive Board in writing and provide reasons for its action.

Article 6

Withdrawal of Membership

Any member may withdraw its membership at anytime by giving the Secretary at least 3 months advance notice. Upon notification of withdrawal, the member shall immediately cease to participate in any CFCFA activities and its representative(s) shall immediately resign from any CFCFA office or position.

Article 7

Expulsion from Membership

A member may be excluded under the following situations:

- (i) If it no longer fulfilled the requirements set out in the Constitution and Rules of Procedure;
- (ii) If it failed to pay annual membership fee and other charges nine month after the due date;
- (iii) If its membership base reduced significantly as compared with other associations within the same professional area (associations of carriers, freight forwarders

and logistic services providers) in the country concerned, and such associations in the country expressed their wish to join the Federation and meet the requirements in Article 3. The Executive Board may opt not to exclude the association with a significantly reduced membership base, but only transfer its vote to the other association. In reassigning the voting rights, the Executive Board shall make the determination based on the seniority date of potential candidate members. The association losing the voting right will be treated in all respect like a newly joined member.

- (iv) If it entered into liquidation, whether voluntary or involuntary;
- (v) If its registration is revoked by national authorities.

The decision to exclude a member shall rest exclusively with the General Assembly upon recommendation of the Executive Board.

Annual membership fee paid by the excluded member for the current year shall be retained by CFCFA.

III. BODIES

Article 8

The Bodies of CFCFA consists of the:

- (i) General Assembly
- (ii) Executive Board
- (iii) Secretariat
- (iv) Task forces, working committees

Article 9

General Assembly

The CFCFA General Assembly is composed of Active Members of CFCFA. It is vested with supreme authority to give direction to the Executive Board and to all CFCFA bodies.

The functions of the General Assembly are:

- (i) To define and attain CFCFA objectives;
- (ii) To act as a forum to discuss and publicize the views of CFCFA on policy matters and on issues submitted to it by the Executive Board;
- (iii) To hold statutory elections for CFCFA Chairperson, Vice Chairperson and Executive Board;
- (iv) To appoint the Secretary and the Treasurer of CFCFA;
- (v) To appoint an independent, outside Auditor;
- (vi) To approve annual financial statements and annual report on the state of CFCFA and its financial position;
- (vii) To adopt CFCFA's annual budget;
- (viii) To amend the constitution and rules of procedure, as well as to decide, as necessary, the dissolution of CFCFA.

Article 10

General Assembly Voting

Each Member has one vote, for a maximum of five votes per country.

In case the number of the Active Members from one country is larger than five, then only the first five members shall have voting rights unless some other arrangements are made between the parties.

In case of the tie vote the Chairperson shall cast the deciding vote, and in such case may not abstain from voting. In any other cases the Chair may only vote with the vote that belongs to his/her association consistently with this Article.

General Assembly shall be deemed competent if more than 60% of the Active Members are present.

Except for matters regarding amendment of the constitution and rules of procedure, as well as the dissolution of CFCFA, which is always by secret ballot, decisions by the General Assembly can be taken by a show of hands and by a majority of the Active Members present. However, at the prior request of at least three Active Members, voting at the General Assembly shall be done by secret ballot determined by the votes cast.

Article 11

General Assembly Meeting

The General Assembly shall meet at least once per year in the CAREC country proposed by the member association located in such country. In cases where several countries are proposed, the location of the General Assembly meeting shall be determined by the Chairperson after consultation with the Executive Board. The Chairperson should facilitate rotation of the meeting location among countries represented by its Members. In the absence of proposals from the countries, the General Assembly shall meet in the country where the association represented by the Chairperson is located.

A General Assembly shall also convene within eight weeks of receipt by the Secretariat of a written request signed by Active Members representing at least 20% of the votes of the associations represented in CFCFA at the time of such request dispatch.

The Secretariat, under the Chair's direction, shall draw up the General Assembly agenda and send out the notice and agenda in writing to all Members at least 30 days prior to the date of the meeting.

The CFCFA Chairperson shall chair the General Assembly. In his absence, the Vice Chairperson shall chair the General Assembly.

Article 12

Executive Board

The Executive Board shall include the CFCFA Chairperson, Vice Chairperson and other members elected by the General Assembly.

The Executive Board shall be composed of the members representing each of the countries, and also of the Chairperson and Vice Chairperson, who shall have no voting rights in Executive Board decisions. Associations from each of the CAREC countries shall nominate its own representative to serve as Executive Board Member.

The nomination of members of the Executive Board shall be submitted to the General Assembly for ratification.

Article 13

The Functions of Executive Board

The Executive Board is the executive body of the CFCFA General Assembly.

- (i) It shall direct the affairs of CFCFA according to its Constitutions and Rules of Procedure and for implementing the decisions of the CFCFA General Assembly;
- (ii) It shall assist the General Assembly in defining and attaining policy objectives;
- (iii) It shall decide on the creation of task forces, working committees and advisory committees;
- (iv) It shall direct the general administration of CFCFA and be responsible for sound financial administration and timely, accurate, truthful reporting of its affairs;
- (v) It shall establish all Regulations and Directives necessary for sound and efficient operations of CFCFA;
- (vi) It shall admit new Members and handle expulsions, and also vote transfer at the General Assembly;
- (vii) It may propose amendments to the Constitutions and Rules of Procedure of CFCFA;
- (viii) It is vested with any decision authority or power that was not specifically reserved for the General Assembly.

Article 14

Chairperson and the Vice Chairperson

The Chairperson and the Vice Chairperson shall be elected by the General Assembly.

The Chairperson and Vice Chairperson will each serve for a term of one year. After departure of the Chairperson at the end of the one year term, the incumbent Vice Chairperson will automatically assume the Chairperson's position for the following year and leaving the Vice Chairperson position open for election.

The Chairperson and Vice Chairperson shall not have any voting power, except in breaking a deadlock at the General Assembly and the Executive Board.

The Chairperson shall have the right to attend any CFCFA, Secretariat, task force and working group meetings.

The Chairperson shall represent CFCFA to all third parties.

In the case of permanent disability that prevents the Chairperson from fulfilling his or her responsibilities, the Vice Chairperson shall serve out the remaining term.

In the case of vacancy of Vice Chairperson, the Executive Board shall appoint a temporary replacement until the General Assembly can elect Vice Chairperson.

In the case of vacancy of Chairperson and Vice Chairperson, the Executive Board shall appoint a temporary replacement until the General Assembly can elect both Chairperson and Vice Chairperson.

Article 15

Executive Board Voting

At least 60% of the Executive Board members must be present to constitute a quorum.

Board decisions shall be based on the vote of the majority, taken by a show of hands. In case of a deadlock, the Chairperson shall cast the deciding vote.

Article 16

Executive Board Meetings

The Executive Board shall meet whenever necessary, but no less than annually. At the request of the Chairperson or at least three of its members, an extraordinary meeting of the Executive Board may be convened. The agenda and notice of the meeting shall be transmitted to all of the Board members at least 30 days before the meeting date.

All official discussions at the Executive Board shall be made public.

Article 18

The Secretariat

The CFCFA Secretariat shall be headed by a **Secretary** to carry out the following duties and functions:

- (i) Implement work programs and policy decisions;
- (ii) Perform all administrative tasks;
- (iii) Prepare and transmit notices and agendas of meetings;
- (iv) Prepare and publish reports;
- (v) Assist in formulating general policies;
- (vi) Act according to instructions given by the Chair.

Location of the Secretariat shall be in CFCFA member countries.

The CFCFA Secretariat shall have a **Treasurer** to carry out the following duties and functions:

- (i) Generate revenue and control expenses;
- (ii) Prepare and implement a balanced budget and safeguard CFCFA funds;
- (iii) Oversee the preparation of accurate financial statements.

All disbursement of funds in excess of US\$200 must be signed off by both the Secretary and the Treasurer.

The Secretary and the Treasurer shall be appointed by the Executive Board.

The Secretary and the Treasurer shall, at least once a year, report to the Executive Board on the works carried out and financial activities, respectively. The Executive Board shall make a decision on whether to approve or disapprove the Secretariat's work.

The General Assembly shall hear and ratify the Secretary, Treasurer and Chairperson reports on the results of Secretariat activities. Should the Secretary and Treasurer's report is not ratified by the General Assembly, the General Assembly shall re-elect the Executive Board.

Article 18

Task Forces and Working Groups

The Executive Board has the authority to set up short term, temporary task forces and working groups and appoint the leaders of such task forces and working groups.

For long term task forces and working groups, the Executive Board shall make proposal to the General Assembly for Membership vote.

IV. FINANCE

Article 19

Resources

The financial resources of CFCFA shall come from:

- (i) Admission fees paid by new Members;
- (ii) Members' annual fees;
- (iii) Charges, service revenue and income generated from properties and securities of CFCFA

The financial resources of CFCFA shall be used for:

- (i) Meeting the operating expenses of CFCFA
- (ii) Building a reserve

Fiscal Year

The fiscal year shall be from 1 January to 31 December. The Treasurer is responsible for preparation of accurate and truthful financial statements for submission to the Executive Board for approval.

Financial Commitments

The assets of CFCFA shall be available to meet CFCFA liabilities to the exclusion of any personal financial liabilities of its Members.

CFCFA shall not enter into any financial commitment exceeding its net asset.

Article 20

Admission Fee and Subscription

The Executive Board shall set the admission fee for new Members and the amount of annual subscription from CFCFA Members.

The Executive Board shall determine the rules for their collection.

V. AMENDMENT TO CONSTITUTION

Article 21

Amendments

The CFCFA General Assembly shall examine and decide on amendment(s) to the Constitutions of CFCFA at the request of the Executive Board. The text of the proposed amendment(s) must be appended to the meeting agenda. The passage of any amendment requires a two third majority vote of all Active Members.

VI. DISSOLUTION

Article 22

The General Assembly may at an extraordinary meeting organized for the purpose for CFCFA dissolution, decides that CFCFA be dissolved. To be valid, the dissolution proposal must be appended to the meeting agenda. The passage of CFCFA dissolution requires a two third majority vote of all the Active Members present.

On proposal of the Executive Board, the General Assembly shall decide on the use of CFCFA assets after satisfying all of CFCFA's liabilities.

Rules of Procedure

Article 1

Languages

English and Russian shall be the official CFCFA languages. At the request of any CFCFA PRC Member, accurate Chinese translation of the documents shall be provided and Chinese shall be used as a working language at CFCFA conferences and meetings.

Article 2

Admission to CFCFA Membership

1. Submission of Membership Application

An application for Membership must be accompanied by:

- Notarized copies of the instruments of incorporation, constitution and certificate of state registration as a legal entity;
- List of association members;
- Documents evidencing association's activity on protection of rights and legitimate interests of its members;
- Official documents explaining the structure, type and activities carried out by the applicant;
- A copy of the document certifying registration of the association with tax authority.

2. Acceptance of Documents by Secretariat

- Documents and materials should be submitted by the applicant to the Secretariat;
- Secretariat shall take all appropriate steps to obtain relevant information on reliability of the documents from reliable sources, especially from Active Members in the country concerned;
- Secretariat should submit the documents and materials to the earliest meeting of the Executive Board with their opinion on the reliability of the documents and information contained therein;
- In case the time till the earliest Executive Board meeting is not sufficient, the Secretariat should approach the Executive Board with a petition to postpone the consideration of the documents by the Executive Board till the next following meeting of the Executive Board.

3. Review of Documents by Executive Board

Upon consideration of the documents submitted by the Secretariat, the Executive Board shall make a decision on whether to admit the candidate as an Active CFCFA Member or refuse the admission. In the latter case, The Executive Board should indicate the reasons for the refusal.

Admission may be refused if:

- The documents submitted do not meet the requirements of this Constitution;

- The association does not engage in protection of rights and legitimate interests of its members;
- The documents submitted contain unreliable or incomplete information;
- The application was not approved by the active member(s) from the country concerned.

The Secretariat should notify the applicant of the recommend made by the Executive Board or the reasons for refusal (in case of refusal).

Article 3

Continuity of Leadership

The retiring Chairperson of the Executive Board shall share without delay with his or her successor all useful information and pass on all official instruments and records in his or her possession.

Article 4

Statutory Elections

- If two nominees secured the same number of votes, a second ballot shall be taken, followed by a third if necessary. If the votes are again equal in the third ballot, the election decision shall be settled by drawing.
- Only CFCFA Active Members are entitled to vote, subjected to the 5 votes per country limit.
- The persons elected shall commence their mandates on 1 January following the year of their election.

Article 5

Each Member shall notify the Secretary in writing of the names of the proxies authorized by it for any meetings and conferences