

Text of Proposed Changes to the EFA Statutes

A. Creation of a new Chairperson position

General Assembly:

Article 4.3 [new] ‘The President of the Association, or in his absence **the Chairperson**, the President-elect or another member of the Executive Committee chosen by the General Assembly, chairs the General Assembly.’

Article 4.3 [old] ‘The President of the Association, or in his absence the President-elect or another member of the Executive Committee chosen by the General Assembly, chairs the General Assembly.’

Justification: Include the Chairperson of the association as possible substitute chair of the general assembly in the absence of the President.

Executive Committee: Composition

Article 5.2 [new] ‘The association is administered by the Executive Committee which includes the following members:

Officers

- the President;
- the Vice-President;
- the 2 past Presidents;
- the Editor(s) of the Journal of the association;
- the Executive Secretary; ’
- **the Chairperson if a Chairperson is elected by the General Assembly;**

Article 5.2 [old] ‘The association is administered by the Executive Committee which includes the following members:

Officers

- the President;
- the Vice-President;
- the 2 past Presidents;
- the Editor(s) of the Journal of the association;
- the Executive Secretary;’

Justification: Include the option to create and include the position of Chairperson among the officers of the Association.

Executive Committee: Election of Chairperson

Article 5.4 [old] is renumbered Article 5.4 (a)

Article 5.4 (b) [new] ‘**The Executive Committee can propose to the General Assembly to elect a Chairperson of the Executive Committee. The Chairperson is elected by the annual General Assembly upon nomination by the Executive Committee for a term of 3 years, renewable once for an additional term not exceeding 3 years. The term of office starts on the first day of the year following his/her election. He/she can be dismissed by the General Assembly.**’

Justification: In those periods the executive committee feels longer term strategic leadership is needed, the election of a chairperson can be proposed to the association. The typical term would be three years, renewable once in exceptional cases.

Executive Committee: Nomination

Article 5.5 [old] is renumbered Article 5.5 (a)

Article 5.5 (b) [new] ‘A Chairperson can be nominated by the Executive Committee for election by the General Assembly. The Chairperson will be chosen from among Past Presidents of the Association, or individuals with equivalent professional stature.’

Justification: The chair is chosen among senior members of the profession with strong commitment to the advancement of the association.

Role of President and Chairperson

New caption for Article 6.

[new] ‘Article 6: The President, **the Chairperson**, the Vice-President, the Editor(s) and the Executive Secretary’

[old] ‘Article 6: The President, the Vice-President, the Editor(s) and the Executive Secretary’

Role of President

Article 6.1 [old] is renumbered Article 6.1 (a)

Article 6.1.(a) [new] ‘The President is the public representative and chief spokesperson for the association and chairs the General Assembly. **He/she leads the day to day operations of the association.** He/she serves as liaison personally or by delegation between the association and the “American Economic Association”, the “American Finance Association”, the “International Financial Management Association” and other associations. **If the Association does not elect a Chairperson, the President chairs the Executive Committee.’**

Article 6.1.(a) [old] ‘The President is the public representative and chief spokesperson for the association and chairs both the Executive Committee as well as the General Assembly. He/she serves as liaison personally or by delegation between the association and the “American Economic Association”, the “American Finance Association”, the “International Financial Management Association” and other associations.’

Justification: The president’s role is specified as the executive officer and the public face of the association. The duty to chair the executive committee is transferred to the Chairperson.

Role of Chairperson

Article 6.1.(b) [new] ‘**The role of the Chairperson is to provide continuity in strategic leadership, including addressing long term strategic issues with other associations, to raise long-term financial sponsorships, and to deal with unexpected issues not handled by the President. The Chairperson chairs the Executive Committee.’**

Justification: The role of the Chairperson is to provide a longer term leadership and focus on the strategic issues facing the association. To that end, if a chair is elected, the Chairperson will chair meetings of the Executive Committee. In addition, he/she will be principally responsible to lead the sustained and fully-informed effort needed to raise long-term financial sponsorships. The Chairperson is also expected to deal effectively with unexpected emergencies and situations that are not handled by the President. However, the Chairperson will not be actively involved in the day-to day management of the Association, which will be the responsibility of the President as lead executive officer of the Association.

B. Stream-lining and adjustments to statutes

Association's aims:

Article 2 §4 (new) ‘To achieve its objectives, the EFA will organise an annual **conference and** general membership meeting, support the publication of an academic journal and undertake any other activity it may deem appropriate to fulfil its above-mentioned aims.’

Article 2 §4 (old) ‘To achieve its objectives, the EFA will organise an annual general membership meeting, support the publication of an academic journal and undertake any other activity it may deem appropriate to fulfil its above-mentioned aims.’

Justification: formalize the importance of the annual conference to the association aims

Membership termination:

Article 3.4 (b) [new]: ‘if the membership fee remains unpaid **one** month after the beginning of the year to which it pertains;’

Article 3.4 (b) [old]: ‘upon decision of the Executive Committee, if the membership fee remains unpaid three months after the beginning of the year to which it pertains;’

Justification: Since one needs to be member during a given calendar year to submit for that year’s conference, and the conference submission deadline has been moved to February 15th, this makes it completely clear that if one does not pay the fees by Feb 1st, one is no longer member of the association and not eligible to submit to that year’s conference.

Voting rules and quorum – General Assembly – Regular meeting and special meetings for change of statutes

Article 4.4 [new]:

‘(a) The quorum at the General Assembly includes the members of the Executive Committee present at the meeting plus all the non-Executive Committee members present at the meeting. The decisions of the General Assembly are valid only if at least **one tenth** of the members attending the annual conference or **one twentieth** of the total membership (should this last number be lower than the first) are physically present at the general membership meeting. If the quorum is not satisfied, a new General Assembly needs to be called. The decisions of this follow-up General Assembly will be valid no matter how many members attend it.’

‘(b) The election of the directors and the non-officer, non-director members of the Executive Committee if any, as well as the approval of accounts can be held through a vote of the full membership of the association outside the regular annual General Assembly. The votes can be held by mail, email or any other secure electronic medium and are organized by the Executive Secretary under the guidelines of the Executive Committee.

Provided all members in good standing have been notified and afforded the opportunity to vote, the results of these elections are valid no matter how many members choose to vote. The outcome of these votes have to be ratified at the next scheduled General Assembly.

It is nevertheless required that the names and a brief bio of the candidates for director and for non-officer non-director members of the Executive Committee, the accounts and the auditor’s review be communicated in advance to all members by mail, email or any other secure electronic medium. A reasonable time period has to be provided to allow the members to make up their mind knowledgeable and convey their votes to the Executive Secretary.’

‘(c) In exceptional cases justified by urgency, the General Assembly can authorize a **general membership** vote by mail, **email** or **any other secure electronic medium**. **Provided all members in good standing have been notified and afforded the opportunity to vote, the results of these elections are valid no matter how many members choose to vote.** Decisions taken in this fashion have to be ratified by the General Assembly during its first subsequent scheduled meeting.

It is nevertheless required that the issues to be deliberated, **the proposed actions** and **the recommendations of the Executive Committee** are communicated **in advance** by means of an explanatory notice **to all members by mail, email or any other mode of communication**. **A reasonable time period has to be provided to allow the members to be sufficiently apprised of the issues and to make their vote known to the president.**’

Article 4.4 [old]: ‘The quorum at the General Assembly includes the members of the Executive Committee present at the meeting plus all the non-Executive Committee members present at the meeting. The decisions of the General Assembly are valid only if at least a fifth of the members attending the annual conference or a tenth of the total membership (should this last number be lower than the first) are physically present at the general membership meeting. If the quorum is not satisfied, a new General Assembly needs to be called. The decisions of this follow-up General Assembly will be valid no matter how many members attend it.

In exceptional cases justified by urgency, the General Assembly can authorise *its member(s)* to vote by mail *or electronic* communication. Decisions taken in this fashion have to be ratified by the General Assembly during its first subsequent scheduled meeting.

It is nevertheless required that the issues to be deliberated are communicated prior to the meeting to all members by means of an explanatory notice, reasonably in advance of the meeting for members to be sufficiently apprised of the issues to express their views knowledgeably.’

Justification:

The new article 4.4 is subdivided in three paragraphs dealing (a) with the regular assembly quorum and voting, (b) with mail/email voting for directors and approval of accounts, and (c) special email votes in case of urgent need.

4.4.(a) Reduction of the required percentage quorum in line with the expected increase in total membership due to the change in submission requirements. The absolute number for the quorum is expected to be unchanged or slightly higher than under the previous year membership and quorum rules.

4.4.(b) Although article 5.8 specifies that the election of the directors is organized by the executive secretary under the guidelines of the executive committee, Article 4 specifically reserves the power to elect directors to the general assembly meeting, and does not allow for electronic voting for directors, unless the AG explicitly allows it every year. Hence although the current practice respects the spirit of allowing the general membership to elect the directors, it is in explicit contradiction with the current article 4. The new article 4.7 explicitly provides for the election of directors outside the physical general assembly. It also allows mail /email ballot for non-officer non-director members of the Executive Committee, were such position deemed necessary by the Executive Committee, for example for the creation of a Treasurer’s position.

4.4.(c) Modification of the information requirement for mail/email voting and of the voting rules – the proposed actions to be voted are explicitly added to the information that needs to be communicated, the modes of communication are expanded and the advance notice needs to be sufficient to allow the member to submit its vote to the president. More in line with the formulation of article 5.10(b).

Voting members

Article 4.5 [new]: ‘**Only members that are physical persons are voting members.** Every **voting** member has one vote. Decisions are taken by simple majority of the votes.’

Article 4.5 [old]: ‘Every member has one vote. Decisions are taken by simple majority of the votes.’

Justification: Exclude institutional members that may be allowed in the association for sponsoring or other special purposes from influencing the running of the association..

Executive Committee:

Article 5.3 [new]: ‘The Executive Committee shall consist of minimum 12 and maximum **18** members.’

Article 5.3 [old]: ‘The Executive Committee shall consist of minimum 12 and maximum **15** members.’

Justification: With 2 co-editors, 9 directors, 2 past presidents, the president and vice-president, and the executive VP, the board currently has 16 members, 1 more than the number allowed. If we plan for the additional position needed for the chair and for adjunct V-P (admin) when the program and organization committee are separate as was in Moscow and Ljubljana, then the maximum should be 18, even if some members are non voting members.

Article 5.4 [new]: ‘The President and the Vice-President are elected by the annual General Assembly upon nomination by the Executive Committee **for a term of 1 year**. Their term of office starts on the first of the year following their election. They can be dismissed by the General Assembly.’

Article 5.4 [old]: ‘The President and the Vice-President are elected by the annual General Assembly upon nomination by the Executive Committee. Their term of office starts on the first of the year following their election. They can be dismissed by the General Assembly.’

Justification: Clarification. The current version of the statutes does not state the term of office of the president and vice-president. It could happen that if the regular AG does not satisfies the quorum, its election of the P and VP would not be valid, and if a new AG is not convened the outgoing P and VP would effectively and legally continue as P and VP beyond their implicit term.

Article 5.5 [new]: ‘The outgoing President becomes automatically one of the 2 past Presidents. **The past presidents can be dismissed from the Executive Committee by the General Assembly. The current Vice-President is nominated to be President for the year following his/her Vice-presidency.** If the Vice-President is not capable or willing to assume this function, another **candidate for President is nominated by the executive committee for election** by the General Assembly.’

Article 5.5 [old]: ‘The outgoing President becomes automatically one of the 2 past Presidents. If the *previously assigned* Vice-President is not capable or willing to assume this function, another President is elected by the General Assembly.’

Justification: Clarification.

Article 5.6 [new]: ‘The Editor(s) of the Journal of the association is (are) appointed by the Executive Committee for a period not exceeding 3 years, **renewable**, and starting on January 1 of the year following his/her (their) appointment. **The editor(s)** can be dismissed from Editorship and the Executive Committee by other members of the Executive Committee, and the Publisher of the Journal will be asked to accept a substitute Editor. ’

Article 5.6 [old]: ‘The Editor(s) of the Journal of the association is (are) appointed by the Executive Committee *for a period not exceeding 3 years* and starting on January 1 of the year following his/her (their) appointment. *He/she (They)* can be dismissed from Editorship and the Executive Committee by other members of the Executive Committee, and the Publisher of the Journal will be asked to accept a substitute Editor. ’

Justification: Explicitly allow for the renewal of the editor(s)’ appointment.

Article 5.7 [new]: ‘The Executive Secretary is appointed and dismissed by the Executive Committee. The power to appoint, terminate as well as the functions of the Executive Secretary can be delegated. The rules pertaining to the functioning of the administrative secretariat are fixed by the Executive Committee. The Executive Secretary is nominated for a two years term and can be renewed in his/her post indefinitely.

His/her role is purely consultative and has no vote in the Executive Meeting. He/she is in charge of establishing the minutes of the Executive Committee meetings.’

Article 5.7 [old]: ‘The Executive Secretary is nominated and dismissed by the Executive Committee. The power to appoint, terminate as well as the functions of the Executive Secretary can be delegated. The rules pertaining to the functioning of the administrative secretariat are fixed by the Executive Committee. The Executive Secretary is nominated for a two years term and can be renewed in his/her post indefinitely. He/she is in charge of establishing the minutes of the Executive Committee meetings.’

Justification: The current statutes include the executive sec as a full member of the Executive Committee, implicitly with full voting power. Although the practice has been for the Executive Secretary to abstain from the votes, it would be preferable to clearly specify that his/her role is purely consultative.

Article 5.9 3rd§[new]: ‘Special meetings, such as Interim Executive Committee Meetings, may be called by the President, **by the Chairperson, or upon the joint request of a majority of the members of the Executive Committee.**’

Article 5.9 3rd§ [old]: ‘Special meetings, such as Interim Executive Committee Meetings may be called by the President.’

Justification: In case of emergency or of incapacity of the president, it is usual to allow a substantial number of members of the executive committee to call for special meetings.

Article 5.9 5th§ [new]: ‘In exceptional cases justified by urgency, the Executive Committee can authorise its member(s) to vote by mail, **email or any other secure electronic medium.** Decisions taken in this way have to be ratified **at the first subsequent scheduled meeting of the Executive Committee.**’

Article 5.9 5th§ [old]: ‘In exceptional cases justified by urgency, the Executive Committee can authorise its member(s) to vote by mail or *electronic* communication. Decisions taken in this way have to be ratified *by the General Assembly during its first subsequent scheduled meeting.*’

Justification: Correction, to align procedure in this case on the procedure in 5.10 for similar instances. When the Executive Committee meets or makes decisions through remote meetings (i.e. telecommunications) the decisions taken in such meetings must be confirmed during the next physical meeting of the same body.

Article 5.10(a) 4th§ [new]: ‘It is nevertheless required that an explanatory notice covering all points of the agenda of the Executive Committee meeting be sent in advance **by mail, email, or any other secure electronic medium** to all members electing to **use the exceptional and agreed upon remote voting procedure.**’

Article 5. 5.10(a) 4th§ [old]: ‘It is nevertheless required that an explanatory notice covering all points of the agenda be sent in advance to all members electing to *vote exceptionally by mail.*’

Justification: Correction, to use uniform language across all provisions of 5.10 (a). Communication of the agenda and proposed actions should be allowed by all communications means and done in all cases of remote voting and not only voting by mail.

Article 5.10(b) 3rd§ [new]: ‘It is nevertheless required that the issues to be deliberated and the proposed actions are communicated in advance **by means of an explanatory notice** to all members by email, fax or any other **secure electronic medium.** A reasonable time period has to be provided to allow the members to make their views and their vote known to the president.’

Article 5. 5.10(b) 3rd§ [old]: ‘It is nevertheless required that the issues to be deliberated and the proposed actions are communicated in advance to all members by email, fax or any other mode of *telecommunication.* A reasonable time period has to be provided to allow the members to make their views and their vote known to the president.’

Justification: Correction, to use uniform language across all provisions of 5.9 and 5.10

Finances – Membership rights:

Article 7.2 [new]: 'Payment of the membership fee includes the right to receive the journal of the association, **provided the association publishes a journal**, and to participate in the events organised by the organisation subject to the conditions decided by the Executive Committee. **Those rights and all other membership rights are limited to the year for which membership fees have been paid.**'

Article 7.2 [old]: 'Payment of the membership fee includes the right to receive the journal of the association and to participate in the events organised by the organisation subject to the conditions decided by the Executive Committee.'

Justification: Limit membership rights to the year for which membership fees have been paid.

Changes in statutes special meetings

The current version of the statutes specifies that the quorum for the special assembly required to vote on statutes changes includes both members present in person as well as by proxy. However only the votes of the members present in person counts. Moreover, the provision does not explicitly allows for proxy voting. The proposed changes include explicit requirement of proxy voting alternative, and accounting for proxy votes in the vote tallies. We also propose a slight reduction of the required quorums, a shortening of the pre-notification period and a change in content and communication methods for the explanatory notice.

Changes in statutes: pre-notification notice

Article 8(b) [new]: 'The Executive Committee must submit the proposal for change as it was formulated, **as well as an explanatory notice, its recommendation and a proxy voting form**, to the members **by mail, email, or any other mean of communication**, at least **sixty days** before the date of the General Assembly convened to rule on this modification.'

Article 8(b) [old]: 'The Executive Committee must submit the proposal for change as it was formulated to the members at least three months before the date of the General Assembly convened to rule on this modification.'

Changes in statutes: quorum

Article 8(c) [new]: 'The General Assembly can validly vote on the proposal only if at least **three fifths** of the **total membership, or three fifths of the** members **attending the annual conference (should this last number be lower than the first)** are present in person or by proxy. If this quorum is not satisfied, the next General Assembly will definitely and validly rule on the proposal irrespective of the number of members in attendance. The invitation to the first General Assembly can in this respect include an invitation to a second General Assembly on a predetermined date, for the case that the quota of attendance defined above is not achieved during the first General Assembly that had been convened to decide on the proposal of modification.'

Article 8(c) [old]: 'The General Assembly can validly vote on the proposal only if at least two thirds of the members are present in person or by proxy. If this quorum is not satisfied, the next General Assembly will definitely and validly rule on the proposal irrespective of the number of members in attendance. The invitation to the first General Assembly can in this respect include an invitation to a second General Assembly on a predetermined date, for the case that the quota of attendance defined above is not achieved during the first General Assembly that had been convened to decide on the proposal of modification.'

Changes in statutes: Voting and applicable legal provisions

Article 8(d) [new]: 'The proposal or all modifications thereof can only be adopted if they are approved by two thirds of the votes of the members present **or represented**. These modifications will only become effective after the requirements of **title III of the law of the 27 June 1921** have been fulfilled.'

Article 8(d) [old]: ‘The proposal or all modifications thereof can only be adopted if they are approved by two thirds of the votes of the members present. These modifications will only become effective after the requirements of *article 3 of the law of the 25 October 1919* have been fulfilled.’

Justification: Update the legal provision applicable to the new correct law reflecting the 2001 modifications to the law, as already done in Article 10.