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# FINANCIAL BYLAWS

Approved in the Meeting of the Board of Directors  
held on Monday 24/12/2007 A.D.  
and effective as of 1st of January 2008 A.D.



Based on the content of article (51) of the Articles of Association of Kuwait Transparency Society, the Financial Bylaws was set.

## Chapter One Definition

### Article (1)

The financial bylaws is a flexible administrative tool in the hands of the Board; valid for one fiscal year. The responsibility of the treasurer is to interpret and explain the items in the Articles of Association into administrative systems easy to manage with regard to the financial affairs.

### Article (2)

Amendment, deletion or addition of any item of the bylaws is the responsibility of the Board, provided the following terms are fulfilled:

A- The amendment, deletion or addition does not contradict the articles or items in the Society's Articles of Association.

B- Is approved by the majority of the Board Members (four).

C- Change is made during the first quarter of each fiscal year. No change may be made during the remaining months of the year.

### Article (3)

The Society's fiscal year starts on the first of January and ends at the end of December of each year except for the first fiscal year which starts from the date of establishment and ends on December 31st. of the same year.

## Chapter Two Financial Resources

### Article (4)

The financial resources of the Society consist of the following:

A- Admission Fees: Equals K.D.(5) paid once on submission of the membership application. The amount will be reimbursed in case the application is rejected.

B- Subscription Fees:

- Active Member: K.D. (25) paid annually by the active member before the meeting of the General Assembly.

- Visiting Member: K.D. (5) paid annually before the meeting of the General Assembly. (1)

C- Contributions and Donations: Those approved by the Board.

D- Service Fees: The Board shall specify the fees to be paid against every certificate issued by the society for its members. The Society shall also specify the value of the due fees when the Society provides its members or others with services or for printed materials and bulletins.

E- Society Facilities Utilization Fees: As per Article (14) of the Articles of Association, the Board shall specify the value of the fees to be paid against using a Society facility by the visitors.

F- Remunerations and Charges: In case the Society nominates one of its members to carry out works related to external committees, arbitration cases or any other jobs that fall within the Society's specialty, the Society shall receive 10% of the charges or remuneration of its members.

G- Others: Any revenues that may be obtained which are approved by the Board and do not contradict the applicable regulations in the country.

(1) This paragraph was added in the amendment on the financial bylaws performed by the Board of Directors in its meeting held on 24/12/2007 A.D.

## **Article (5)**

In case of re-registration – after forfeit of the membership as a result of nonpayment of the annual subscription fee for two consecutive fiscal years – the following should be taken into consideration:

A- Re-registration Fees: Equals the admission fees of K.D.(5).

B- Subscription Fees: Fees paid for the new year's subscription in addition to another year from the period of exclusion.

## **Article (6)**

A member whose membership has been forfeited for any reason, or his successors in case of death, may not redeem the admission or subscription fees or any donations or grants made during his membership.

## **Article (7)**

The Society shall deposit its funds in its name at Kuwaiti banks.

## **Article (8)**

The Society may not use its funds for purposes other than those for which the Society was established. Further, the Society may not seek to obtain financial gains or practice financial speculations.

## **Article (9)**

The Society may host in its headquarters training courses organized by other bodies against a financial remuneration of K.D. 50 (fifty) for one shift of the day, the Society may not bear the expenses of any services.

## **Article (10)**

The Society undertakes to disclose in its records all the contributions given by individuals, communities and institutions.

## Chapter Three Auditing

### Article (11)

The accounts of the society shall be examined by an accredited auditor, who may not be a Board Member. The auditor will undertake the following responsibilities:

A- Regular examination of Society's accounts.

B- Review implementation of the budget items and forward comments thereon to the Board.

C- Review the final accounts before submission to the Board.

D- Forward a detailed report on the general financial position of the Society to the General Assembly; expressing their comments on the overall financial affairs of the Society.

### Article (12)

In case the auditor's position becomes vacant, the Board shall elect a substitute, provided such substitute is presented in the first meeting of the General Assembly for approval or selection of an alternative.

### Article (13)

The Society has to furnish the Ministry of Social Affairs and Labour with a copy of the final accounts of the last fiscal year and the budget proposal for the next fiscal year within a maximum of one month after the lapse of the fiscal year. The final accounts must be signed by the treasurer and the chairman after having obtained the Board's approval. The concerned authorities at the Ministry and the concerned government bodies may examine the accounts of the Society in line with applicable regulations.

## Chapter Four Financial Disclosure Statement

### Article (14)

A- According to Article (40) of the Society's Articles of Association regarding the financial disclosure statement, any candidate for Board membership has to agree to provide a financial liability statement in case he attains membership in the Board of Directors, as stated therein, within three months from the date of holding Board Membership. The statement may not be returned until a minimum of six months after withdrawal from Board Membership.

B- The nominee for the membership of the Board of Directors accepts and agrees to the content of the internal bylaws of the society, chapter two – code of ethics of the Board Members.

(2) Paragraph "B" was added in the amendment on the financial bylaws performed by the Board of Directors in its meeting held on 24/12/2007 A.D.

## Article (15)

The financial disclosure statement to be submitted by the Board Member must indicate the following:

- A- Names: name of the Board Member and names and dates of birth of his minor children.
- B- Money: a certificate from each bank in which he has an account indicating the account number, type of account and balance.
- C- Shares: A certificate from the Kuwaiti Clearance Company indicating the shares transactions and trading status at Kuwait Stock Exchange Market.
- D- Real Estates: A “to whom it may concern” certificate from the Ministry of Justice, Department of Real Estates Registration and Authentication Department. As regards to real estates outside Kuwait, a copy of the deed should be attached, in case he owns a property.
- E- Companies: A certificate from the Ministry of Commerce indicating the commercial companies, individual firms and percentage of ownership.
- F- Usufruct: A proof from all governmental entities stating his entitlement to usufruct of state property for any purpose. (3)
- G- Vehicles: A certificate from the Ministry of Interior – General Traffic Department of the vehicles he owns, plate numbers and year of manufacture.
- H- Personal Undertaking: Fill in and sign the financial disclosure statement form prepared for this purpose – copy attached.

## Article (16)

Board Members shall submit the documents stated in article (14) of this bylaws to the head of (Values Committee) in the society. (4)

(3) Paragraph "F" was added in the amendment on the financial bylaws performed by the Board of Directors in its meeting held on 24/12/2007 A.D.

(4) This article was amended in the meeting held by the Board of Members in the meeting held on 24/12/2007. Text prior to amendment reads as follows: (Board Members shall submit their financial disclosure statement to the Chairman, while the Chairman submits his financial disclosure statement to the auditor approved by the General Assembly).

## **Article (17)**

The documents of the Board Members stated in article (14) of this bylaw shall be kept in a secured place in the domicile of Kuwait Transparency Society, accessible only by the head of the (Values Committee) in the society. (5)

## **Article (18)**

The lists of each board member shall be put in an envelope sealed with red wax after verification of the (Values Committee) that such documents fulfill the requirements stated in article (14). (6)

## **Article (19)**

The envelope containing the financial declaration statement of any board member shall not be opened but pursuant to a decision by the (Values Committee), specifying the name of the board members whose envelope is required to be opened, and the reasons of such action. Minutes of the meeting in which the envelope is opened should be registered. (7)

(5) This article was amended in the meeting held by the Board of Members in the meeting held on 24/12/2007. Text prior to amendment reads as follows: (Financial disclosure statements of the members shall be kept in the domicile of Kuwait Transparency Society in a secured place accessible only by the Chairman, while the financial disclosure statement of the Chairman shall be kept in the office of the approved auditor).

(6) This article was amended in the meeting held by the Board of Members in the meeting held on 24/12/2007. Text prior to amendment reads as follows: (members statements shall each be placed in an envelope and sealed with red wax after the Chairman verifies that members' statements fulfill the above mentioned requirements and the auditor verifies that the Chairman statement fulfills the same.

(7) This article was amended in the meeting held by the Board of Members in the meeting held on 24/12/2007. Text prior to amendment reads as follows: (The envelope containing the financial declaration statement of any board member shall not be opened but pursuant to a decision by the Board of Directors specifying the name of the board members whose envelope is required to be opened, the reasons, and the name of the person who shall open the envelope, provided the minutes of the meeting in which the envelope is opened are registered.

## Chapter Five International Activities (8)

### Article (20)

Allocations for participation in general conferences, meetings, and gatherings shall be specified as follows:

- A- Daily Expenses: K.D. 50 or 75 or 100) for each working day. The amount shall be decided by the board based on the availing prices of living in the State of Kuwait.
- B- Economy Class air fair.

### Article (21)

Allocations for participation in training programs shall be specified as follows:

- A- Economy Class air fair.
- B- No daily expenses.

(8) This chapter was added to the financial bylaws by the Board of Directors in its meeting held on 24/12/2007.

## Chapter Six Cash Box

### Article (22)

The treasurer shall undertake the following responsibilities:

- A- Collect all Society revenues and funds deposited in the Society's accounts at the bank.
- B- Oversee the implementation of Board resolutions from the financial aspect and ensure its conformity with the budget and the financial bylaws.
- C- Sign payment permits and checks in conjunction with the Chairman.
- D- Supervise Society's accounts and maintain revenues and expenses documents. He is also responsible for collecting accounting details entered in the books.
- E- Prepare the final accounts of the last fiscal year, participate with the secretary in preparing the budget proposal of the coming fiscal year and submit the same to the Board.
- F- Keep the records, books, documents, and all that is related to the financial aspect in Society Headquarters.
- G- Payment of salaries and various purchase invoices.
- H- Maintain the permanent loan.
- I- Prepare and provide the Board with a quarterly report on the expenses, revenues and donations.

### Article (23)

Other than the amounts deposited in the bank accounts, the Society shall have cash at hand as follows:

- A- An amount of K.D.500 (Kuwaiti Dinars five hundred) will be kept in the Society as a temporary loan to cover miscellaneous expenses. This amount may not be restored except with the approval of the treasurer and the Chairman.
- B- Each committee head has the right to withdraw K.D. 50 without having to consult the treasurer provided he submits a statement of the expenses to the treasurer.

## Chapter Seven General Provisions

### **Article (24)**

Board Members may not be granted any salary or remuneration for the jobs assigned to them in this capacity.

### **Article (25)**

Society funds including subscription fees, fixed or movable assets, donations, contributions and aid are the property of the Society. A withdrawn or dismissed member has no right in the society funds.

### **Article (26)**

After dissolution of the Society, all its funds shall devolve upon the Ministry.

## Financial Disclosure Statement

Name: \_\_\_\_\_

Civil ID 

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### First: Name, name of minors and age

Name	Date of Birth	Capacity
<b>Board Member</b>		
<input type="checkbox"/> daughter <input type="checkbox"/> son		

### Second - Moneys

Name	Bank	Account No.	Amount	Date

### Third – Equities

Name	Company	No. of Shares	Date

### Fourth – Companies & Establishments

Name	Company / Est.	Specialization	Ownership%

### Fifth – Real Estates

Name	Real Estate	Area	Percentage	Location

### Sixth - Usufruct

Name	Real Estate	Area	Percentage	Location

### Seventh - Vehicles

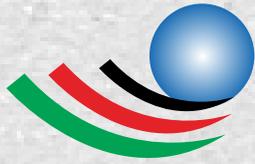
Name	Type of Vehicle	Plate No.	Year of Manufacture

I undertake that my properties confine only to the above mentioned.

Date:

Signature:

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جمعية الشفافية الكويتية  
Kuwait Transparency Society



TRANSPARENCY  
INTERNATIONAL  
the global coalition against corruption  
K U W A I T

**THANK  
YOU**

