



Luxembourg Transfer Pricing Association (LTPA)

Non-profit association

Registered office: 7, Rue de Bitbourg, L-1273 Luxembourg

Articles of Association

A. NAME - REGISTERED OFFICE - PURPOSE - DURATION

Art. 1. Name. The name of the association shall be Luxembourg Transfer Pricing Association (hereinafter, the "a.s.b.l." or the "LTPA"). It takes the form of a Luxembourg non-profit association.

The acronym of the a.s.b.l. is "LTPA".

It is established in accordance with the law of 7 August 2023 relating to non-profit associations and foundations (the "Law") and is registered in the Grand Duchy of Luxembourg.

Art. 2. Registered office. The registered office of the LTPA is established in 7, Rue de Bitbourg, L-1273 Luxembourg, Luxembourg City, Grand Duchy of Luxembourg.

Art. 3. Duration. The LTPA is incorporated for an unlimited duration.

Art. 4. Purpose. The purpose of the LTPA is:

- Lead and represent the transfer pricing profession in Luxembourg as a unified voice and central point of reference in this field.
- Develop a comprehensive framework that delineates the best practices in transfer pricing and effectively addresses the evolving challenges within this domain.
- Become a channel of communication among enterprises, tax authorities and industry associations. By promoting transparent dialogue and collaboration, we aim to enhance understanding, compliance, cooperation, and contribute to a strong and sustainable business environment.
- Engage in advocacy efforts to ensure alignment among regulations, business standards, practicality, and durability.
- Develop conferences, seminars, workshops, webinars, and networking events, while also establishing a platform for members to connect and engage with fellow professionals.
- Conduct and publish articles, whitepapers, policy briefs on transfer pricing trends and developments.
- Establish a 'Transfer Pricing Center' in collaboration with a reputable academic institution, aiming to attract top talent to Luxembourg and offer professionals opportunities to enhance their expertise in the field.

B. TERMS OF ADMISSION AND RESIGNATION OF MEMBERS

Art. 5. Members. The number of members of the LTPA is unlimited. However, there may not be less than two. The LTPA is composed of:

- Charter Members, who were founding members of the LTPA;
- Institutional Members: Organizations and institutions that support or have a vested interest in transfer pricing, including educational institutions, research organizations, governmental agencies, non-profit organizations, industry associations, and regulatory bodies. These members contribute to the development, education, and implementation of transfer pricing standards and practices.
- Corporate Members, Companies and firms engaged in or providing services related to transfer pricing, including but not limited to accounting firms, private equity firms, tax advisory firms, and other entities with an interest in transfer pricing;
- Individual Members: Individual professionals who work in or have experience in transfer pricing or Individuals with a specific interest in transfer pricing.

Charter, Institutional and Corporate Members are denominated full members.

The members of the LTPA must meet the requirements of professional competence.

To become a member of the LTPA, one must:

- be approved by the board of directors or the Executive Committee (as defined below); and formally accept and respect the rules of conduct of LTPA set by the board of directors.

Art. 6. Register of members. The board of directors keeps at the registered office a register of the members containing the name, nationality, address and qualifications of all members in accordance with the legal requirements.

Art. 7. Application and Acceptance of membership. The application for membership must be submitted, in writing (including via the online questionnaire on LTPA's website), to the board of directors or the Executive Committee.

The board of directors or the Executive Committee decides on its acceptance during a meeting where half of its members are present or represented and by a simple majority of the members thereby present or represented. In the event of a tied vote, the President has the casting and deciding vote.

The candidate is notified in writing of the decision of acceptance or refusal of membership.

Art. 8. Termination of membership. The membership shall terminate upon the resignation or exclusion of a member.

A member who has not paid the dues owed by him within three months from the time such dues have become due, is deemed to have resigned.

Any member who has compromised the interests of the LTPA or who is guilty of serious breaches of these articles of association, may be excluded from the LTPA.

The exclusion of a member shall only be declared in the situations listed in these articles of association by the general assembly where two-thirds of its members are present or represented and acting by a two-thirds majority vote.

The resigning or excluded member, as well as heirs or assigns of a deceased member, do not have any right to the assets of the LTPA and may recover neither their initial membership fee nor any dues paid by them. They may neither demand nor request a statement or presentation of accounts, nor the affixing of seals, nor an inventory.

C. DUES

Art. 9. Dues. The expenses relating to the management of the LTPA shall be covered by:

- (a) Annual dues, the maximum of which for each member shall not exceed ten thousand euros (EUR 10,000) (the “Annual Dues”);
- (b) Subsidies and grants awarded to the LTPA;
- (c) Sponsorships from existing members;
- (d) Net revenues of the events organized by the LTPA; and
- (e) Training programmes and initiatives.

The amount of the dues for the financial year shall be set by a General Meeting of the board of directors, in accordance with the different categories of members.

Extra expenses, either resulting from planned or unexpected events, shall not give LTPA the right to request additional Annual Dues from the Members, as defined by point (a) hereabove.

This Maximum Amount will be indexed periodically in line with the national consumer price index, calculated by Statec (the “Index”). If the publication of the Index would be discontinued definitely, then an equivalent replacement index would be selected by the Board of Directors.

Actual rates are available on request from the secretary of LTPA.

D. BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Art. 10. Board of directors - Composition and Appointment. The board of directors of the LTPA is composed of a minimum of three (3) and a maximum of forty (40) members, appointed by the general assembly for three (3) years (and, for the avoidance of doubt, there is no restriction as to how many times a member can be reelected as a board member for further three (3) year terms). A majority of the members at least are to be appointed from candidates proposed for appointment by Full Members.

When a legal entity is appointed as a director of the association, this legal entity is required to appoint a permanent representative to carry out this mission in the name and on behalf of the legal entity.

This representative is subject to the same conditions and incurs the same civil liability as if he or she were acting in his or her own name and on his or her own behalf, without prejudice to the joint and several liability of the legal entity he or she represents. The latter may only revoke its representative by simultaneously appointing a successor.

The appointment and termination of a permanent representative are subject to the same disclosure requirements as if he or she were acting in his or her own name and on his or her own behalf.

Members of the board of directors will ensure that the natural person they propose to the board of directors and/or Executive Committee, or which represent them on the board of directors or Executive Committee, has sufficient time, experience and skills to actively participate in the board of directors and/or Executive Committee, and when members nominate their individual representatives they shall consider the overall composition of the board of directors and the Executive Committee in order to endeavour to ensure that they are diverse, gender balanced and representative of the membership of the LTPA and the transfer pricing community in Luxembourg as a whole.

Members may be represented by different natural persons at each of the board of directors and Executive Committee.

Natural persons who represent members on the board of directors ("Board Representatives") may do so for a maximum period of three (3) years. At the end of the three year term they may be re-appointed for one further period of three (3) years. They may, on an exceptional basis, be re-appointed for a third term of three (3) years, with the approval of the general assembly. Thereafter the relevant elected member shall be represented on the board of directors by a different Board Representative. In order to ensure a balanced composition of the board of directors (and the Executive Committee), the initial period of three (3) years may be deemed to start at different times, in accordance with a random procedure to be determined by the Executive Committee.

Art. 11. Vacancies. In the case of vacancy during the course of a term, a provisional director may be named by the board of directors subject to ratification by the general assembly. The provisional director will, in this case, complete the term of the director he replaces. Exiting directors may be re-elected.

Art. 12. Executive Committee - Composition and appointment; Powers and meetings of the Executive Committee. The board of directors shall appoint from among its members an executive committee (the "Executive Committee" or "ExCom"), with no more than twelve (12) members, whose role will be to act as the executive body of the LTPA. ExCom will comprise a President, up to three Vice Presidents, a Treasurer, a Secretary, and such other members as the board of directors may determine. In addition to ExCom's general executive function, which shall comprise the design and pursuit of the LTPA's strategy and purpose, as well as the other ExCom functions described in these articles of association, the board of directors may also entrust ExCom and its members with specific tasks. The majority of the ExCom members, including the President and up to three Vice Presidents, shall be chosen amongst natural persons representing Full Members.

For the avoidance of doubt, the rules applicable to the tenure of Board Representatives in the third paragraph of article 10 shall apply *mutatis mutandis* to the natural persons

representing members on ExCom (noting that such individuals may be different individuals from the Board Representatives).

In case of absence of the President, his duties are assumed by one of the Vice President or, in his absence, by the longest-serving of the ExCom members present.

The members of ExCom exercise their function in a collegial manner and a member of ExCom may be represented by another member of ExCom by proxy.

The ExCom shall be convened in writing by post or electronically by or on behalf of the President or the Secretary given at least 8 days prior to the planned date of the meeting. They are required to convene a meeting upon the written request of two (2) members of ExCom; the requesting members of ExCom must indicate the questions they wish to see included in the agenda. The ExCom may only act if a majority of its members is present or represented, the majority of which consists of members proposed for appointment by Full Members. If the quorum is not met at the first meeting, the decisions may be taken at a second meeting, irrespective of the quorum, if it has been indicated in the convocation notices of the second meeting, which may be convened to be held two (2) working days following the first meeting.

Decisions are taken by the majority of the votes expressed, subject to what is otherwise provided for by these articles of association; if there is a tied vote, the President or his replacement has the casting and deciding vote.

The meetings of the Executive Committee are performed physically or videoconference or other means of telecommunication enabling them to be identified are deemed to be present for the purposes of calculating quorum and majority requirements. These means must meet technical specifications that guarantee effective participation in the meeting, the proceedings of which are broadcast on a continuous basis. Meetings held by such remote means of communication are deemed to take place at the association's registered office.

In the event of an emergency, as assessed by the President and the Secretary, the President may submit to the ExCom members a proposal for resolution by circular means to be signed by all ExCom members.

Art. 13. Meeting of the board of directors. The board of directors exercise their function in a collegial manner and a member of the board of directors may be represented by another member of the board of directors by proxy.

The board of directors shall be convened in writing by post or electronically by or on behalf of the President or the Secretary given at least 8 days prior to the planned date of the meeting. They are required to convene a meeting upon the written request of two (2) directors; the requesting directors must indicate the questions they wish to see included in the agenda. The board of directors may only act if a majority of the directors is present or represented, the majority of which consists of members proposed for appointment by Full Members. If the quorum is not met at the first meeting, the decisions may be taken at a second meeting, irrespective of the quorum, if it has been indicated in the convocation notices of the second meeting, which may be convened to be held two (2) working days following the first meeting.

Decisions are taken by the majority of the votes expressed, subject to what is otherwise provided for by these articles of association; if there is a tied vote, the President or his replacement has the casting and deciding vote.

In the event of an emergency, as assessed by the President and the Secretary, the President may submit to the directors a proposal for resolution by circular means to be signed by all directors.

All decisions are recorded in minutes signed by two directors and included in a special register.

The meetings of the board are performed physically or videoconference or other means of telecommunication enabling them to be identified are deemed to be present for the purposes of calculating quorum and majority requirements. These means must meet technical specifications that guarantee effective participation in the meeting, the proceedings of which are broadcast on a continuous basis. Meetings held by such remote means of communication are deemed to take place at the association's registered office.

Art. 14. Powers of the board of directors. The board of directors has the power to perform all acts necessary or useful to achieve the purpose for which the LTPA was established, except for those acts which the law or the present articles of association reserve for the general assembly. The board of directors delegates certain of its powers to ExCom pursuant to article 12 and article 15.

Art. 15. Daily management. The daily management of the affairs of the LTPA, as well as the representation of the LTPA, as regards the management, are delegated to ExCom.

Art. 16. Representation of the LTPA. Legal actions, as plaintiff or defendant, shall be instituted or supported on behalf of the LTPA by the board of directors upon pursuit and diligence of the President.

Acts which bind the LTPA, are signed by two members of ExCom or by two directors including the President, or by any person(s) to whom such individual or joint signatory powers are delegated by the board of directors or ExCom. Bank forms may be signed by two members of ExCom including the Treasurer.

Art. 17. Directors' liability. The directors and (for the avoidance of doubt) members of ExCom do not incur any personal liability for the commitments of the LTPA. Their liability is limited to the execution of the mandate they have received and to the negligence committed in their management. The mandates of the directors and members of ExCom are unpaid, except that reasonable expenses incurred for the purpose of LTPA business may be reimbursed with the approval of the President and Treasurer.

Art. 18. End of directors' mandate. The mandate of any member of the board of directors (and, accordingly, its mandate at the level of ExCom) may be suspended or revoked at any moment by the general assembly. A decision to suspend or revoke a director's mandate must be taken during a meeting of the general assembly where at least half of its members are present or represented and by a two-thirds majority vote of the expressed votes. A suspension shall terminate if no dismissal decision is reached within three (3) months following the suspension. Suspended board members shall not be considered with respect to quorum requirements of a meeting of the board of directors or ExCom.

The term of a member of the board of directors and ExCom ends:

- (a) when the member (or the member he represents) ceases to be part of the LTPA;
- (b) by revocation;
- (c) by resignation;
- (d) by death or incapacity;
- (e) at the end of their mandate, in accordance with articles 10 or 12.

Art. 19. Technical committees. ExCom may establish technical committees and set their mandate and composition.

The Technical Committees have the mission of providing ExCom, upon its explicit request, advice concerning the policy to be followed by the LTPA. Technical committees may also render advice on their own initiative, subject to ExCom approval.

The Technical Committees are coordinated by a coordinator of Technical Committees to be appointed by the ExCom, and they report to ExCom for the tasks delegated to them by ExCom.

E. FISCAL YEAR AND ACCOUNTS

Art. 20. Fiscal year. The financial year starts on 1 January each year and ends 31 December of the same year.

Art. 21. Annual reports and accounts - Reasons for the board of directors. Each year and at the latest six (6) months after the date of the closing of the financial year, the board of directors shall submit to the general assembly, for approval, the annual accounts and management report of the financial year just ended as well as the budget for the following financial year.

Within the month of their approval by the general assembly, the board of directors shall file the documents with the trade and companies register.

The ordinary general assembly appoints an auditor to audit the accounts of the LTPA and to submit to the ordinary general assembly the annual report. The ordinary general assembly sets the duration of the auditor's term of office and remuneration.

The accounts and management reports must be approved by the general assembly. Approval of the accounts and management reports triggers the discharge of the board of directors for its management for the past year provided that the annual accounts and management reports so state.

F. GENERAL ASSEMBLY

Art. 22. General assembly. All members may attend a general assembly. All Charter Members, Institutional members and Corporate Members (except those Members who have not paid the annual membership fee) shall have one vote.

Individual Members have no voting rights.

Members may be represented at a general assembly by another member or by a third party.

General assemblies shall be convened in accordance with Article 24.

Art. 23. Powers of the general assembly. The following powers are reserved to the general assembly:

- (a) modification of the articles of association;
- (b) approval of the internal regulations and the modifications made thereto;
- (c) nomination, suspension, revocation and fixing the number of directors and auditors;
- (d) discharge granted to directors and/or auditors;
- (e) approval of the budgets and annual accounts;
- (f) dissolution of the LTPA;
- (g) exclusion of a member;
- (h) application for the recognition of public utility status;
- (i) fixing the amount of the annual dues; and
- (j) proposals of the board of directors of the LTPA, mentioned in the convening notice of the general assembly.

Art. 24. Convocation. The general assembly is convened by decision of the board of directors or upon the demand of one-tenth of its members who have the right to vote.

All of the members are convened to the general assembly at least 15 days prior to the meeting. These convening notices may be sent by mail, e-mail, fax, be delivered personally or to the member's residence, or by any other means of communication.

The agenda is attached to the convening notice.

Art. 25. Presidency - Minutes. The general assembly is chaired over by the President or by one of the Vice Presidents, and in their absence by a member designated by mutual agreement of the board of directors from among its members. If no member of the board of directors is present, the general assembly will by itself provide for a Chairperson. Until such designation, the chairmanship of the assembly shall be entrusted to the oldest person by age present at the general assembly.

The Secretary or another person designated for this purpose by the President records all resolutions of the general assemblies in minutes signed by two directors and included in the special register.

A copy of these minutes may be obtained at the registered office of the LTPA.

Minutes are taken during the course of the general assembly by the Secretary of the

general meeting and signed as witnessed by the Chairperson, the Secretary and the scrutineer(s) of the said assembly.

Art. 26. Decisions of the general assembly. Resolutions are taken by a majority of votes expressed whatever the number of members of the LTPA represented at such an assembly, except if more stringent provisions are provided by the law or the present articles of association.

Art. 27. Amendment of the articles of association. The general assembly may only validly deliberate on the amendment of the articles of association if the object of the amendments is indicated in the convening notice, and if the assembly meets with a quorum of at least two-thirds of the members who have the right to vote.

An amendment may only be adopted by a majority of two-thirds of the votes expressed.

However, an amendment of the purpose of the LTPA may only be adopted by a majority of three-fourths of the votes expressed, and any amendment to the articles of association which would remove the requirement that at least a majority of the board of directors is appointed from candidates proposed for appointment by Full Members shall, in addition to the two-thirds requirement above, require the approval of a majority of the votes cast by Full Members in the relevant general assembly.

If two-thirds of the members who are entitled to vote are neither present nor represented at the first general assembly, a second meeting must be convened at least two (2) weeks prior the latter in the manner provided for in these articles of association.

This second general assembly may validly deliberate on any amendments to the articles of association, except the purpose of the LTPA, regardless the number of members present or represented, and adopt the amendments with a majority of two-thirds of the votes cast.

If such a second meeting is convened for the amendment of the purpose of the LTPA, such second meeting requires as quorum of one half of the members who have the right to vote and amendments to the purpose of the LTPA are adopted with a majority of three-fourths of the votes cast. If the quorum at such a second meeting does not reach two-thirds of the members who have the right to vote, the decision to amend the purpose is subject to homologation by the Civil Court.

The dissolution of the LTPA and the related measures shall be decided at the quorum and majority conditions provided for the amendments of the articles of association (other than an amendment of the purpose).

In case of dissolution, any net assets of the LTPA following the payment of all liabilities, expenses and costs shall be spent on causes which are related to the pursuit of the purpose of the LTPA and will not be distributed to members.

Art. 28. Rules of procedure. An internal regulation may be submitted by the board of directors to the general assembly for approval. Amendments to such a regulation may be made by the general assembly, acting by a majority vote of those members who have the right to vote who are present or represented.

Art. 29. General provisions. The provisions of the law of 7 August 2023, cited above are applicable to all situations not otherwise provided for by these articles of association.

Contact Us

If you have any questions about these statutes, please reach out to us at contact@ltpa.lu.

Effective Date: 11th July 2024

Luxembourg Transfer Pricing Association (LTPA)

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