GENERAL BY-LAW OF NON-PROFIT COMPANY INCORPORATED UNDER THE COMPANIES ACT 1995

BY-LAW NO. 1

A By-law relating generally to the conduct of:

ANTIGUA AND BARBUDA (FINANCIAL SERVICES) COMPLIANCE ASSOCIATION INC. ("ABCA")

BE IT ENACTED as the general By-law of:

ANTIGUA AND BARBUDA (FINANCIAL SERVICES) COMPLIANCE ASSOCIATION INC. ("ABCA")

(Hereinafter called the Association) as follows:

1. **Interpretation**

1.1 In this by-law and all other by-laws of the Association unless the context otherwise requires:

(a) "ABCA" means the Antigua and Barbuda (Financial Services) Compliance Association Inc.

(b) "Act" means the Companies Act 1995 as from time to time amended and every statute substituted therefore and, in the case of such substitution, any references in the by-laws of the Association to provisions of the Act shall be read as references to the substituted provisions in the new statute or statues;

(c) "Regulations" means Regulations made under the Act and every regulation substituted for it and, in the case of such substitution, any references in the by-laws of the Association to provisions of the Regulations shall be read as references to the substituted provisions in the new Regulations;

(d) "By-laws" means any by-law of the Association from time to time in force.

(e) "Committees " means the bodies described in paragraph 14

(f) "Compliance Officer" includes employees of any financial services organisation who are engaged (whether wholly or partly) in ensuring that their organisation is in compliance with any relevant legislation, rules, codes of conduct of conduct or other ordinance governing the business of the organisation.

(g) "Financial Service Organisation" includes any business in Antigua and Barbuda that provides services to any persons involving any financial transactions of any kind.

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(h) All terms contained in the by-laws and defined in the Act or the Regulations shall have the meanings given to such terms in the Act or the Regulations; and

(i) The singular includes the plural and the plural includes the singular, the masculine gender includes the feminine and neuter genders, the word "person" includes bodies corporate, companies, partnerships, syndicates, trusts and any association of persons, and the word "individual" means a natural person.

2. **Registered Office**

2.1 The registered office of the Association shall be in Antigua at such address as the directors may fix from time to time by resolution.

3. **Seal**

3.1 The common seal, an impression of which appears in the margin hereof, shall be the common seal of the Association.

3.2 The Association shall have a rubber stamp to be used for official purposes which do not require use of the seal.

4. **Members**

4.1 There shall be two classes of membership namely –

(a) Ordinary members being compliance officers employed in any financial services organisation in Antigua and Barbuda or any other persons employed by or engaged in the financial services industry in Antigua and Barbuda and

(b) Associate members, being members of institutions related to or otherwise involved with compliance matters

4.2 Application for membership shall be made to the Secretary of the Association upon such form as the Directors under article 9.1(b) shall from time to time prescribe and shall be supported by such evidence as may be required.

4.3 The interest of a member in the Association is not transferable.

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5. **Objects**

5.1 The Association has been established for the following professional and educational purposes:

5.1.1 to provide an open forum for the discussion of compliance matters and the sharing of information and common ideas and to promote best compliance practices in relation to the financial services industry in Antigua and Barbuda,

5.1.2 to raise the profile of the compliance function in Antigua and Barbuda generally, to liaise with regulators and to provide uniformity of practices in keeping with International Compliance Standards and the Basel Committee's final paper on the compliance function and any other international initiatives relating to the compliance function.

5.1.3 to make recommendations to appropriate bodies with respect to draft legislation;

5.1.4 to express the collective opinion of members as deemed necessary from time to time and to make or support representations to appropriate bodies on questions affecting the functioning of compliance officers;

5.1.5 to co-operate with and promote co-ordination among other organizations having similar objects;

5.1.6 to conduct research, training, publishing and or exchanging of information for the benefit of its members;

5.1.7 to promote and provide continuing professional development and education of members;

5.1.8 to exercise such powers as may be conferred upon the Association by statute, rules or otherwise;

5.1.9 to engage in such other related activities deemed necessary and proper for the attainment of the above objects or any of them including the raising of funds through grants, gifts, donations, bequests or otherwise for carrying out these objectives.

6. **Membership Fees**

6.1 The structure of membership fees shall be approved by the members at annual general meetings based on the recommendations of the Directors

7. **Cessation of Membership**

7.1 Any member may withdraw from membership by giving fourteen (14) days notice to the Directors in writing and at the expiration of such notice, shall cease to be a member.

7.2 A member or its representative who willfully engages in offending behavior may after thorough investigation by a committee of the Board of Directors formed for that purpose in the presence of the offending member and a legal representative of his choice, be disciplined or expelled for just cause.

7.3 If any member or its representative refuses or neglects to comply with the provisions of the by-laws or conducts himself in a way which in the opinion of the Directors is

injurious to the Association, the Directors may by notice in writing cause him to be suspended for a specified period or call upon him to resign, only after a thorough investigation has been conducted by a Committee of the Board of Directors in the presence of the offending member and a legal representative of his choice.

7.4 If such member or its representative when called upon to resign does not do so within twenty eight (28) days of the receipt of such notice then (provided he is first given an opportunity of being heard by the Directors) he may forthwith be expelled by the Directors after a resolution for this purpose has been passed by a majority of not less than two-thirds of the members present and voting at a specially convened meeting of the members.

7.5 Any member who is not in good standing shall be removed from the membership roster.

8. The Officers

8.1 The officers of the Association shall be appointed from among the Directors and shall consist of a Chairman , a Deputy Chairman who retire and shall be eligible for re-election at the end of their respective term of office provided that they may not hold office for more than three (3) consecutive terms and a Treasurer and a Secretary.

(i) The Chairman and Deputy Chairman may hold office for a period of one (1) year; and

(ii) The Treasurer and the Secretary shall be appointed by the Board and hold office for such period as the Board of Directors shall deem fit.

8.2 In case of a casual vacancy in any of the offices, the Directors shall appoint one of their members to fill such casual vacancy until the next annual general meeting.

8.3 In case of the absence or inability to act on the part of the Chairman , Deputy Chairman or any other officer of the Association or for any other reason that the Directors may deem sufficient, the Directors may delegate all or any of the powers of such officer to any other officer or to any Director for the time being, provided that a majority of the Board of Directors concur with this decision.

8.4 *The Chairman* : The Chairman shall preside at all meetings of the Board of Directors and members, he shall sign all instruments which require his signature and shall perform all duties incident to his office and shall have such other powers and duties as may from time to time be assigned to him by the Directors.

8.5 *The Deputy Chairman*: The Deputy Chairman shall be vested with all the powers and shall perform all the duties of the Chairman in the absence or disability or refusal to act of the President. The Deputy Chairman shall also have such powers and duties as may from time to time be assigned to him by the Directors.

8.6 *The Secretary*: The Secretary shall act as Secretary of all meetings and shall be responsible for: (a) ensuring that minutes of all meetings are taken and kept in one or more books provided for that purpose; (b) custody and safe keeping of the minute books and corporate records of the Association and the applicable documents and registers

referred to in section 177 of the Act; (c) providing notices as required by these by laws or other law; (d) maintaining a register of addresses and telephone numbers of each Director and member; and (e) performing such other duties incident to the office of Secretary or as the Directors may require.

8.7 *The Treasurer:* the Treasurer shall have the care and custody of the funds and securities of the Association and shall deposit the same in the name of the Association in such bank or banks as the Directors may direct and shall perform such other duties as the Directors may require of him.

9. Directors

9.1 The number of Directors of the Association shall be a minimum of 5 and a maximum of 10 members who may be elected at the annual general meeting of the Association in each year, of whom two third shall retire annually and shall be eligible for re-election.

9.2 Candidates for election as Directors shall be proposed and seconded by members entitled to vote at general meetings of the Association.

9.3 If a casual vacancy occurs on the Board of Directors the remaining Directors may by majority vote and appoint an ordinary member of the Association to fill the vacancy.

9.4 *Powers:* The affairs of the Association shall be managed by the Board of Directors who may exercise all such powers and do all such acts and things as may be exercised or done by the Association and are not by the by-laws or any special resolution of the Association or the Act expressly directed or required to be done by the Association at a general meeting at the Association.

9.5 *Qualification:* A Director shall be an ordinary or associate member of the Association

9.6 *Term of office:* Unless sooner determined, an ordinary Director's term of office shall be from the date of the meeting at which he is elected or appointed until the conclusion of the annual general meeting next following or until his successor is elected or appointed.

9.7 *Removal from office:* The members of the Association may, by ordinary resolution at a special meeting, remove any Director from office

9.8 *Vacancy filled:* A vacancy created by the removal of a director may be filled at the meeting at which the director is removed from office.

9.8.1 If the vacancy is not filled under paragraph 9.8 it may be filled by the Directors

9.8.2 A director elected or appointed pursuant to paragraph 9.8 or 9.8.1 holds office for the unexpired terms of his predecessor.

9.9 Alternate Directors:

9.9.1 The members may by ordinary resolution at an annual general meeting elect a person to act as a Director in the alternative to a Director of the company, or may authorize the Directors to appoint such Alternative Directors as are necessary for

the proper discharge of the affairs of the Association.

9.9.2 An Alternate Director shall have all the rights and powers of the Director for whom he is elected or appointed in the alternative, except that he shall not be entitled to attend and vote at any meeting of the Directors otherwise than in the absence of that other Director.

9.11 *Remuneration:* The Directors shall serve without remuneration and no Director shall directly or indirectly receive any profit from his position as such; provided that a director may be paid or reimbursed for reasonable expenses incurred by him in the performance of his duties as a Director.

9.12 Vacating of Office: The office of a Director of the Association shall be vacated –

(i) if by notice in writing he resigns his office;

(ii) if he ceases to represent a member of the Association;

(iii) if he does not attend three (3) consecutive meetings of the Directors, unless the Directors otherwise determine;

(iv) if he is removed from office in accordance with paragraph 9.7;

(v) if he becomes bankrupt or is declared insolvent;

(vi) if he is found to be suffering from a mental disorder or becomes of unsound mind; and

(vii) if he is convicted of any criminal offence involving fraud or dishonesty.

10. Meeting of Directors

10.1 *Place:* Meetings of the Director of any committee of the Directors may be held at the registered office of the Association or at any other place within or outside Antigua and Barbuda as may be designated by the Directors.

10.2 *Convener:* A meeting of Directors may be convened by the President, the Vice-President, or any two Directors at any time and the Secretary by direction of any such officer or any two directors shall convene a meeting of directors.

10.3 *Notice*: Notice of any meeting of the Directors need not specify the purpose of or the business to be translated at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 16.1, not less than two days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place. A Director may in any manner waive notice of a meeting of the Directors and attendance of a Director at a meeting of the Directors shall constitute a waiver of notice of the meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. It shall not be necessary to give notice of a meeting of

Directors to a newly elected or appointed director for a meeting held immediately following the election of Directors by the members or the appointment to fill a vacancy among the Directors.

10.3.1 Meetings of the Directors may be held at any time without formal notice if all the Directors are present or those absent waive notice or signify their consent in writing to the meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or the notice thereof may be waived by any Director.

10.4 *Quorum:* Fifty percent plus one Director shall form a quorum for the transaction of business and, notwithstanding any vacancy among the Directors, a quorum may exercise all the powers of the Directors. No business shall be transacted at a meeting of Directors unless a quorum is present and once a quorum is determined the Directors present may continue to transact business until adjournment even if departure of one or more Directors leaves less than a quorum present.

10.4.1 Members of the Board of Directors or any committee of the Board may participate in a meeting by means of conference telephone or other electronic communication facility whereby all persons participating in the meeting can hear each other. Such telephone or electronic participation shall constitute presence in person at such meeting.

10.4.2 An act of the majority of the directors present at a meeting at which a quorum is determined shall be the act of the Board of directors

10.5 *Voting:* Questions arising at any meeting of the Directors shall be decided by a majority of votes. In case of any equality of votes the President of the meeting in addition to his original vote shall have a second or casting vote.

10.6 *Resolution in lieu of meeting*: Notwithstanding any of the foregoing provisions of this by-law a resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of the Directors or any committee of the Directors and acknowledged by all available Directors is as valid as if it had been passed at a meeting of the Directors or any committee of the Directors.

11. **Administrative Officers**

11.1 The Directors may from time to time appoint suitable persons to act in an administrative capacity and may delegate to such persons full authority to manage and direct the business and affairs of the Association (except such matters and duties as by law must be transacted or performed by the Directors or by the members in a general meeting) and to employ and discharge employees of the Association or may delegate to him any lesser power. Such officer shall conform to all lawful orders given to them by the Directors of the Association and shall at all reasonable times give to the Directors or any or all of them any information they may require regarding the affairs of the Association.

12. **For the Protection of Directors and Officers**

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12.1 No Director or other officer of the Association shall be liable to the Association for –

(a) the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity;

(b) any loss, damage or expense incurred by the Association through the insufficiency or deficiency of the title to any property acquired by the Association or for or on behalf of the Association;

(c) the insufficiency or deficiency of any security in or upon which any of the moneys of or belongings to the Association shall be paid out or invested;

(d) loss or damage arising from the bankruptcy, insolvency or tortious act of any person, belonging to the Association with whom any moneys, securities or effects shall be lodged or deposited;

(e) any loss, conversion, misapplication or misappropriation of any damage resulting from any dealings with any moneys, securities or other assets belonging to the Association;

(f) Any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto; unless the same happens by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interest of the Association and in connection therewith to exercise the care, diligence and skills that reasonably prudent person would exercise in comparable circumstances.

12.2 Nothing herein contained shall relieve a Director or officer from the duty to act in accordance with the Act or Regulation or relieve him from liability for a breach of such duty.

12.3 The Directors of the Association shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Association, except such as are submitted to and authorized or approved by the Directors.

12.4 The Association may purchase and maintain Directors' and Officers' liability insurance coverage.

12.5 If any Director or officer of the Association is employed by or performs service for the Association otherwise than as a Director or officer or is a member of a firm or a shareholder, director or an officer of a body corporate which is employed by or performs services for the Association, the fact of his being a member Director or officer of the organization shall not disentitle such Director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

13. Meetings of Members

13.1 *Annual Meeting*: Subject to the provisions of section 107 of the Act, the annual meeting of the member shall be held on such day in each year and at such time as the Directors may by resolution determine at any place within or outside Antigua and Barbuda.

13.2 *Special Meetings:* Special meetings of the members may be convened by order of the President, the Vice-President or by the Directors at any date and time and at any place within or outside Antigua and Barbuda.

(1) The requisition must state the purpose of the meeting and must be signed by the requisitionists and deposited at the Registered office, and may consist of several documents in like form each signed by one or more of the requistionists.

(2) If the Directors do not, within twenty-one days from the date of the requisition being so deposited, proceed to convene a meeting, the requisitionists or any of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of such deposit.

(3) Any meeting convened under this paragraph by the requisitionist shall be called as nearly as possible in the manner in which meetings are to be called pursuant to the by-laws and Divisions E and F of Part I of the Act.

13.3 *Notice*: Notice of a meeting of members may be given by:

i. By serving a printed, written or typewritten notice stating the day, hour and place of meeting on each member entitled to attend such meeting, on each Director and on the auditor of the Association in the manner specified in paragraph 16.1 hereof, not less than twenty-one days (exclusive of the day of which the notice is delivered or sent and of the day for which notice is given) before the date of the meeting. Notice of a meeting at which special business is to be transacted shall state (a) the nature of that business in sufficient detail to permit the member to form a reasoned judgment thereon, and (b) the text of any special resolution to be submitted to the meeting.

13.4 *Waiver of Notice*: A member and any other person entitled to attend a meeting of members may in any manner waive notice of a meeting of members and attendance of any such person at a meeting of members shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

13.5 *Omission of Notice*: The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any member, Director or the auditor of the Association shall not invalidate any resolution passed or any proceedings taken at any meeting of the members.

13.6 *Votes*: Every question submitted to any meeting of members shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot and, if the Articles so provide, in the case of an equality of votes the President of the meeting shall on a ballot have a casting vote in addition to any votes to which he may be otherwise entitled.

13.6.1 At every meeting at which he is entitled to vote, every member, who is present in person, shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every member shall, subject to the Articles, have one vote.

13.6.2 At any meeting unless a ballot is demanded, a declaration by the President of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

13.6.3 When the President and the Vice-President are absent, the persons who are present and entitled to vote shall choose another Director as President of the meeting; but if no Director is present or all the directors present decline to take the chair, the persons who are present and entitled to vote shall choose one of their number to be President.

13.6.4 A ballot may, either before or after any vote by a show of hands, be demanded by any persons entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a President or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of Directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the President of the meeting directs. The result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

13.7 *Adjournment*: The President of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the members unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case notice of the adjourned meeting shall be given as for an original meeting. Any business that might have been brought before or dealt with at the original meeting in accordance with the notice calling the same may be brought before or dealt with at any adjourned meeting for which no notice is required.

13.8 *Quorum*: Subject to the Act, a quorum for the transaction of business at any meeting of the members shall be not less than 10 members present in person, each being a member in good standing and entitled to vote. If a quorum is present at the opening of any meeting of the members, the members present or represented may proceed with the business of the meeting notwithstanding the fact that a quorum is not present throughout the meeting. If a quorum is not present within thirty minutes of

the time fixed for a meeting of members, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business.

13.9 *Resolution in lieu of meeting*: Notwithstanding any of the foregoing provisions of this by-law a resolution in writing signed by all the members entitled to vote on that resolution at a meeting of the members is, subject to section 130 of the Act, as valid as if it had been passed at a meeting of the members.

14. Committees

14.1 The Directors may from time to time as deemed necessary appoint committees including an educational committee consisting of such number of directors or members as may be deemed desirable and may prescribe their duties.

14.2 Any committee so appointed may meet for the transaction of business, adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise determined by the Directors, two (2) members of a committee shall be a quorum. Questions arising at any meeting of a committee shall be decided by a majority of votes and in case of an equality of votes the President of the meeting shall have a second or casting vote.

14.3 The educational committee shall hold educational meetings at least four times in each calender year. Such meetings may take any form determined by the Committee including but not limited to lectures, seminars, round table discussions, presentation of discussion papers and discussions relating to draft legislation.

14.4 Any costs incurred with respect to educational meetings shall be a proper charge on the funds of the Association.

15. Minutes

15.1 Minutes of all meeting of Directors and members shall be recorded in books provided for such purpose and the minutes of all meetings when confirmed shall be signed by the President.

16. Notices

16.1 Method of giving notice. Any notice or other document required by the Act, the Regulations, the Articles or the By-laws to be sent to any member, Director or auditor may be delivered personally or sent by email to any such person at his latest address as shown in the records of the Association and to any such Director at his latest address as shown in the records of the Association or in the latest notice filed under section 69 or 77 of the Act, and to the auditor at his business address.

17. **Cheques, Drafts, Notes, Deposits and Loans**

17.1 All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed in such manner as may be determined by a Resolution of the Board of Directors from time to time.

17.2 All funds of the Association not otherwise utilized shall be deposited to the credit of the Association in such banks, financial institutions or other depositories as the Board of Directors may select.

17.3 No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or specific.

17.4 *Accounts*: The Directors shall cause proper books of accounts to be kept with respect to:

(a) all sums of money received and expended by the Association and the matters in respect of which the receipts and expenditures took place;
(b) all sales and purchases of goods by the Association; and
(c) the assets and liabilities of the Association.

17.5 Proper books shall not be deemed to be kept if there are not kept such books of account as are deemed necessary to give a true and fair statement of the Association's financial affairs and to explain such transactions.

17.6 The books of account shall be kept at the registered office or at such other place as the Directors shall think fit and shall always be open to the inspection of the Directors of the Association.

17.7 The Directors shall from time to time determine whether and to what extend, at what times and places and under what conditions the accounts and books of the Association may be opened to the inspection of the members of the Association and no member shall have any right to inspect any account, books or document of the Association except in the manner authorized by the Directors.

17.8 A balance sheet shall be made out in every year and together with a copy of the auditors report shall be laid before the members at a general meeting.

17.9 *Audit*: At least once every year the financial statements of the Association shall be examined in accordance with International Standards on Auditing and the fairness of these financial statements ascertained by one or more auditors in accordance with International Financial Reporting Standards.

18. **Execution of Instruments**

18.1 Contracts, documents or instruments in writing requiring the signature of the Association may be signed by any two (2) Directors and all contracts, documents and instruments in writing so signed shall be binding upon the Association without any further authorization or formality. The Directors shall have power from time to time by resolution to appoint any officers or persons on behalf of the Association to sign any contract, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

18.1.1 The common seal of the Association may be affixed to contracts, documents and instruments in writing signed by any officers of persons specified in paragraph 18.1.2.

18.1.2 Subject to section 136 of the Act any two (2) Directors shall have authority to sign and execute (under the seal of the Association or otherwise) all the instruments that may be necessary for the purpose of transacting the business of the Association.

19. **Signatories**

19.1 The signature of any Director of the Association or of any officer or person, appointed pursuant to paragraph 18.1 hereof by resolution of the Directors may, if specifically authorized by resolution of the Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contract, document or instrument in writing bond, debenture or other security of the Association executed or issued by or on behalf of the Association. Any document or instrument in writing on which the signature of any such officer or person is so reproduced shall be deemed to have been manually signed by such officer or person whose signature is so reproduced and shall be as valid to all intents and purposes as if such document or instrument in writing had been signed manually and notwithstanding that the officer or person whose signature is so reproduced has ceased to hold office at the date on which such document or instrument in writing is delivered or issued.

20. **Financial Year**

20.1 The Directors may from time to time by resolution establish the financial year of the Association.

Adopted this day of 20

Corporate Seal

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..... Chairman

..... Secretary