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Minutes of the General Assembly Meeting of the CFE on 19 September 2014 in Amsterdam

Beginning: 10.05 h
End: 13.15 h

Participants: see attached attendance list.

ad agenda item 1 Opening

The President of the CFE Jiří Nekovář opened the meeting and welcomed the delegates to Amsterdam. All delegates agreed on the submitted version of the agenda revised on 9 September 2014.

ad agenda item 2 Approval of the minutes of the General Assembly in Brussels on 28 March 2014

Before he called for the vote on the minutes, the President read to the delegates the letters dated 17 September 2014 of the Secretary General Nora Schmidt-Kesseler and of the Vice-President Herbert Becherer, who resigned from their offices with immediate effect (attachments).

Then the minutes of 28 March 2014 were approved unanimously.

ad agenda item 3 President's review

ad agenda item 4 Discussion on the current situation of the CFE

(Note: Due to overlapping issues the topics were treated together – Ke)

The President read his written notes to the delegates. In his report he described the history and development of the CFE, which just became 55 years old, from its very beginning until today. Large parts of the speech related to the specific situation due to the withdrawal of the 3 German Member organisations by the end of this year, with a special focus on the particular role played by BStBK. The President also outlined the very positive development of the organisation and the success the CFE has in European institutions and other relevant bodies. Finally, the President explained his reasons to refrain from his candidacy for another office term. The complete version of the President's review is attached to the minutes.

In the subsequent discussion some of the delegates first expressed their high appreciation on the fact that the current President took back his candidacy to set a sign for unity within the organisation.

The Finish delegate Ilkka Merimaa pointed to the negative effect of the German withdrawal which goes along with the loss of about half of the tax advisers indirectly represented by the CFE and - with reference to the letter of Deutscher Steuerberaterverband – he called for a more appropriate contribution system and fairness in respect to the number of votes/amount of contribution. He recommended further to follow the proposal of DStV and to contact the organisations of the French Experts-Comptables and the Italian Dottori Commercialisti and suggested to try to include more Scandinavian countries. He concluded by saying that it should be our aim for 2015 to start to build up a stronger and better CFE.

The delegate from Ireland Andrew Clarke expressed great disappointment and sadness about the German resignation. He regretted deeply that this step was not discussed with the General Assembly before. Because of his long involvement in the CFE for about 25 years he knows about the enormous support given by Germany via the offices in Bonn and later in Berlin. It was always a German who held the post of the Secretary General. The CFE is poor without Germany and given the investments of the past, it is a big loss also for them. He appealed to the DStV to bring Germany back. The delegates thanked Andrew for his contribution with great applause.

Anthony Thomas from Great Britain agreed with Andrew Clarke's statements underlining that the CFE should try to bring back Germany.

Axel Pestke from DStV, Germany, thanked Andrew Clarke and Anthony Thomas for their statements, saying that this might probably be the will of all here. But there are obviously major problems that must be solved first. He promised to inform Germany over the course of the discussion here, but added that he would also like to emphasize that there can be only one common solution for all three German organisations. The President of the CFE thanked Axel Pestke for his willingness to report back to Germany.
The Dutch delegate Wim Gohres stressed the seriousness of the issue and pointed to the problems of the CFE to finance its activities. Therefore the present development is threatening for the organisation. He added that we have members who are not able to comply with their contribution obligation, thus we have to deal with this system. He concluded by saying that the CFE needs money and as many members as possible.

ad agenda item 5 Nominations for elections of

** the President / * the 3 Vice-Presidents / * the Secretary General / * the Treasurer /*
** the Chairman of the Fiscal Committee / * the Chairman of the Professional Affairs Committee*

In accordance with the CFE election regulations the Member organisations had received on 8 June 2014 the formal call to nominate candidates for positions on the CFE Board. Within the statutory period (up to 31st July) two nominations (Jiří Nekovár, Henk Koller) were received for the office of the President, one (Ian Hayes) for the Vice President's office, one (Stephen Coleclough) for the function of the Secretary General. An according information went to the Member organisations, connected to the notice that on the occasion of the General Assembly another call for nominations will follow as less candidates were named than posts available.

Jiří Nekovár introduced the item to the delegates and re-confirmed his withdrawal from candidacy for the president's office, so that Henk Koller will be the only remaining candidate. He then called for further nominations.

For the office of Vice-Presidents the following additional nominations were received:

* Mihaela Mitroi (Romanian Chamber of Tax Advisers)
* Bruno Gouthière (Institut des Avocats Conseils Fiscaux)

For the office of the Treasurer:

* Branislav Kováč (Slovak Chamber of Tax Advisers)

Bruno Gouthière, Branislav Kováč and Stephen Coleclough introduced themselves to the delegates; the president of the Romanian Chamber, Toni Teau, presented the candidate Mihaela Mitroi, who was prevented from attending the meeting in person.

ad agenda item 6 Professional law

* *Activity report of the Professional Affairs Committee for the period March – September 2014*
* *Chairman's report on the work of the European Commission's expert groups shared by CFE representatives*

Dick Barmentlo, the Chairman of the PAC committee, informed the delegates on the major issues the committee dealt with in said period of time. He turned first to the handout given to all delegates on "European tax advisers' priorities in EU policy 2014 – 2019" listing the eight priorities in taxation and other matters being relevant to the profession of tax advisers for the next 5 years. The handout based on the CFE opinion statement FC 11 and PAC 2/2014, which had been submitted to the EU Commission, the EU Parliament and the EU Council on the occasion of the 2014 European elections. The flyer is available for download on the CFE website in the English, German, Italian and Czech language (attachment in English).

Dick Barmentlo raised further the Commission staff working document "Access to insurance for services provided in another member state" and mentioned the meeting the CFE had in this matter with the EU Commission's Directorate-General Internal Market and Services in May 2014. There is no obligation of insurers to provide for Professional Indemnity Insurance (PII) for cross-border activity and Member States may require PII from professionals practicing in their territory. Rather than initiating infringement procedures or proposing a legislative solution, the Commission favors a solution negotiated with the insurance industry and the professions concerned which could involve common criteria for offering and recognizing cross-border PII, while he remarked that this might change under the new Internal Market Commissioner. The CFE expressed its interest in being involved in the development of a solution but, after having consulted the PAC members, has concluded that the relevance of the issue for tax advisers is very low

The Chairman reported that members from both technical Committees have provided valuable input for a response to the OECD public consultation on improving the framework

for voluntary disclosure. He announced that the CFE opinion statement would be published in the following week.

* *Information on the upcoming CFE PAC conference on 5 December 2014 in Paris, titled "Tax Transparency – How to make it work?"*

A handout of the finalized program was made available to all delegates (attachment). The Chairman, who outlined in detail the main ideas, stressed the topicality of the subject which is under discussion at EU and OECD level, inviting everybody to join the conference. He underlined the need to advertise the conference and kindly requested all Member organisations to publish the program within their organisations and to put it on their websites. His special thanks went to the French organisations, who will host this conference.

* *Taxpayer Charter project – further development*

Ian Hayes, co-author of the publication and in charge of the project within the CFE Board, pointed out that the wide distribution of the preliminary report of "A Model Taxpayer Charter" and the related public consultation had been time-consuming. The three co-authors agree that the issue of the role of the tax adviser, in particular the aspect of the tax adviser as an "intermediate" as it was raised in 2006 by the OECD, deserves additional consideration and should either be included in the final version of the Taxpayer Charter or in a separate document. .

The finalized version could be available by the end of this year or in early 2015, disseminated mainly electronically.

ad agenda item 7 Tax law

* *Activity report of the Fiscal Committee for the period January – September 2014*
* *Chairman's report on the work of the European Commission's expert groups shared by CFE representatives*

By means of his power point presentation (attached), the Chairman of the Fiscal Committee Piergiorgio Valente gave an overall insight to the delegates on developments in the international tax area. He explained the variety of CFE activities and current key projects as well as the important involvement of CFE representatives in EU, UN and OECD working groups, which helps us to influence and to determine the course of developments.

At the end of his remarks Piergiorgio Valente recalled the CFE FORUM 2014 to the delegates and invited them to discuss within their bodies possibilities to adapt the format for own conferences at national level. Dick Barmentlo underlined this possibility for the PAC conference, too, and mentioned that the CFE would be pleased to support the Member organisations in technical and organizational matters.

ad agenda item 8 Statement of accounts for the year ended 31/12/2013

a) Report of the Treasurer

The Treasurer reported on the development in the financial year 2013 on the basis of the comparison of CFE Budget versus Actual 2013 definite (attachment). He underlined that the presentation of membership fees in this version (still done by his predecessor) is misleading with regard to the German contribution. The item does not include the amount of “soft contribution”. This had been changed in the following budget presentation for 2014, where the membership fees include the full German contribution as an income and show the “soft contribution” amount as a charge. He also explained the difference in the item “membership fee” between budgeted 403,000 € vs. actual 384,000, which is due to the support given to Russia for the GA in 2013. He finally mentioned that the stated deficit for 2013 after further calculations comes up to 10,830.59 € instead of the previously budgeted 7,000 €. He finally stated that all receivables with the Members were settled.

b) Report of the Auditor

The auditor André Bert read his report to the delegates (attached). The President Jiří Nekovár thanked him for his comments.

c) Approval of the statement of accounts

The accounts were approved with the exception of Germany which abstained.

ad agenda item 9 Discharge of the Executive Board for 2013

With the exception of Germany, which abstained, the Executive Board was released from responsibility for management during the year.

ad agenda item 10 Current financial status, considering in particular:

* *Defaulting members/observers (Greece, Bulgaria, Croatia)*
Vote on the exclusion of the aforementioned Member organisation/observers for non-payment of contributions (§§ 12, 15 2 h) of the CFE statutes)

The Treasurer Henk Koller recalled to the delegates the conditions under which the solidarity fund could be applied to organisations: they have to be committed to the CFE, suffer from temporary financial problems and the financial resources of the solidarity fund need to be sufficient. He mentioned the recently received letters from two of our Members (Portugal and Ukraine) being currently under financial pressure, who might fit into the scheme. He announced that these two inquiries – subject to more detailed examinations by the Board – might be submitted to the next General Assembly for a decision to apply the solidarity fund.

Then he turned to the Russian case (re email of 15 September 2014 of the Russian chamber to all delegates of the General Assembly). They had informed about their inability to pay the calculated fee for 2015. The Treasurer explained, that the bases of our currently valid contribution system, i.e. GDP and the number of tax advisers, lead automatically to high fees for any organisation of a large economy, already only because of the GDP. However, considering the current developments in Russia, the financial pressure they are facing and moreover the fact that the amount would be beyond the scope of the solidarity fund, it was decided by the Board to propose to the General Assembly that Russia should pay 14,000 € in 2014 and go back to the observer status as of 2015.

In the course of the following discussion held by the delegates it was clearly pointed out that the exclusion of members is a very sensitive issue which should only be applied as a last resort. This was confirmed by the Treasurer who explained that the defaulting members to be dealt with by the General Assembly today, are lagging behind with contributions since 4 years, they did not show up for the meetings and failed to react on any letters. It was said that any loss of a Member organisation under the current system automatically leads to higher fees for the remaining organisations; a fact which includes the danger that other countries need to think about an exit, too, as it was mentioned by the Finish delegate Ilkka Merimaa. Wim Gohres from The Netherlands underlined the need for the CFE to have under its roof as many Members as possible and added that the contribution system should be verified. From the Russian side came the proposal to think about the creation of “silent members”, an idea welcomed, too, by the Finish delegate Ilkka Merimaa.

Before the President called the delegates for a vote he pointed out that the Bulgarian organisation does in fact not exist anymore and that Croatia has only 9 members. According to the information about Greece the organisation should have 4,000 to 5,000 members, but they also neither fulfilled their financial obligations nor responded to any of the reminders sent to them.

Then the votes took place with the following results:

* **Member Russia:**
  With the abstentions from Germany and Poland the Member organisations voted in favour of the following solutions:
  a) 2014 = 14,000 €
  b) 2015 = observer status, annual fee 2,000 €.

* **Observer Croatia**:
  The Member organisations voted in favour of the exclusion, with abstentions from Russia, Germany, Finland

* **Observer Bulgaria:**
  Exclusion confirmed with the abstentions from Russia, Germany, Finland.

* **Member Greece:**
  The Member organisations voted in favor of the exclusion by majority; the Czech member voted against and Germany, Russia and Finland abstained.

Axel Pestke (Deutscher Steuerberaterverband – DStV) explained and apologized at the same time for his today's voting behaviour, which is due to the German withdrawal as of 31 December 2014.

ad agenda item 11 Presentation and approval of the budget 2015

The Treasurer referred to the 3 attached papers: *"CFE Budget 2015", "CFE 2015 Financial Effect of German Exit", "COTIS 2015"* and went through the documents commenting as follows:

* *CFE 2015 Financial Effect of German Exit:*

- Item “Secretarial support”: not measurable exactly, therefore no figure indicated.
- Item “German fees in fixed 280,000”: 52,000 € which need to be born now by other members (the financial impact for each country is visible from the paper *COTIS 2015*).
- Item “German expenses charged”: 83,000 € - the amount is composed of the German soft contribution + other charges invoiced by them.
- Item “Room for additional support”: 40,500 € - could theoretically cover the place of Christiane Keller. Due to the future concentration of all work in Brussels, which should lead to synergy effects, it is hoped that the amount is not even completely needed.

* *CFE Budget 2015:*

- Item “Personnel expenses” was increased by 25,000 € (for Christiane’s replacement)
- Item “Meeting & Travel” was reduced back by 25,000 €
- Item “Exceptional and provisions” 41,000 €. Thereof 30,000 € calculated for probable partly non-payment from Russia. After the decision taken by the GA today another deficit of approximately 12,000 € has to be noted.

The Treasurer added that the budget was calculated with utmost caution.

* *COTIS 2015:*

The Treasurer mentioned that the contribution sheet 2015 reflects the increases of roughly 10 % for the remaining Member countries. He pointed out that the Board has agreed on a review of the system. He made clear that not a completely new system shall be created, but the old one shall be adjusted and caps, such as f. ex. a maximum fee per Member, shall be implemented. The Finish delegate Ilkka Merimaa underlined also the need for a quick revision of the current system to avoid further losses of Members. Henk Koller pointed out, that for 2015 the solidarity fund should be of help in some cases and the modified system shall be in place as of 2016.

Finally, the British delegate Peter Fanning expressed his desire that we should be keen to bring Germany back to the CFE.

Then the delegates were called to vote on the budget 2015:

With the exception of Russia and Germany, both of which abstained, the budget 2015 was approved.

ad agenda item 12 Elections

Before starting the election procedure, the delegates unanimously decided to vote by show of hands.

a) Election of the President for 2015/2016 (§ 24 1.a) – Candidate Henk Koller:
Elected with 20 votes in favour and 1 abstention from Germany.
(Predecessor in office: Jiří Nekovár until 31/12/2014)[1]

b) Election of the 3 Vice-Presidents for 2015/2016 (§ 24 1.b)
Candidates: Ian Hayes (First Vice-President), Bruno Gouthière (Second Vice-President), Mihaela Mitroi (Third Vice-President)
All 3 candidates were elected with 20 votes in favour and 1 abstention from Germany.
(Predecessors in office: for Ian Hayes: Herbert Becherer until 17/09/2014; for Bruno Gouthière: Ian Hayes until 17/09/2014; for Mihaela Mitroi: Gottfried Schellmann until 31/12/2014)

c) Election of the Secretary General for 2015/2016 (§ 24 3)
Candidate: Stephen Coleclough
Elected with 20 votes in favour and 1 abstention from Germany.
(Predecessor in office: Nora Schmidt-Kesseler until 17/09/2014)

d) Election of the Treasurer for 2015/2016 (§ 24.3) – Candidate: Branislav Kováč
Elected with 20 votes in favour and 1 abstention from Germany.
(Predecessor in office: Henk Koller until 31/12/2014)

e) Election of the Chairman of the Fiscal Committee for 2015/2016 (§ 24 2.)
Candidate: Piergiorgio Valente
Elected with 20 votes in favour and 1 abstention from Germany.
(Predecessor in office: himself until 31/12/2014)

f) Election of the Chairman of the Professional Affairs Committee for 2015/2016 (§ 24 2.)
Candidate: Dick Barmentlo
Elected with 20 votes in favour and 1 abstention from Germany.
(Predecessor in office: himself until 31/12/2014)

[1] This indication is required by the Belgian law which governs the CFE INPO.

g) Election of the Auditor and his deputy for 2015 (§ 34 1.)
Candidates: André Bert, Guiseppe Antonio Ciro Barranco di Valdivieso (deputy)
Elected with 20 votes in favour and 1 abstention from Germany.
(Predecessors in office: they themselves until 31/12/2014)

The President explained that in accordance with the statutory requirement of article 23 1. "*the Executive Board is composed of at least 8 persons",* Bruno Gouthière (VP) and Stephen Coleclough (SG) will start their duties with immediate effect.

The newly elected President Henk Koller thanked the delegates for their votes and the confidence placed in him. At its 55 anniversary the CFE is at the peak of recognition. The organisation is asked and respected for its advice as never before by governments, organisations, like OECD and the institutions of the EU, i.e. the commitment shown for years has paid off! Today we had to kick out a defaulting member and two observers and, unfortunately, we will loose by the end of this year one of our founding members, Germany. We had been stronger with and will try to get it right again! Our goals and structures and some of our ideas will be reconsidered. We will concentrate and strengthen on European ideas. The distance to our Members and to the members of our Members shall be decreased. We will operate with an utmost of transparency. We will think about additional services to provide to our Members. We will give thought to a smaller Board and perhaps the establishment of a membership Council with the aim to let our Members participate as much as possible in the work of the organisation. He concluded by saying that he sees a bright future for the CFE.

ad agenda item 13 Global Tax Advisers Cooperation Forum – further development

The President of the CFE Jiří Nekovár came back briefly on the issue. He explained that in addition to the ST PETERSBURG DECLARATION, signed in autumn 2013 by AOTCA, WAUTI and CFE, the subsequently elaborated document, defining principles and practical procedures for the way forward, had been adopted by the CFE delegates this spring in Brussels. It shall be discussed at the forthcoming AOTCA meeting in Taipei, Taiwan, from 22 – 24 October 2014. He will attend this meeting and report back to the CFE about the decision the AOTCA delegates took in this regard.

ad agenda item 14 Places for the General Assembly of the CFE in autumn 2016 (re §§ 15 2.k) and 18.3 of the CFE statutes)

The Polish delegate Jacek Zielinski was pleased to announce to the General Assembly the willingness of his chamber to host the CFE autumn events in 2016 in Warsaw. The delegates adopted the offer with great applause.

ad agenda item 15 Places and dates of the next meetings

a) General Assembly in spring 2015 in Brussels

Subject to final confirmation the events shall take place from 18 – 20 March 2015.

(Note: The final dates were meanwhile confirmed: 25 – 27 March 2015 – Ke)

b) General Assembly in Vienna on 17/18 September 2015

Friedrich Rödler from the Austrian chamber provided latest information to the delegates on the General Assembly events to be held next autumn in Vienna by means of an illustrated power point presentation. His remarks were followed by a statement from the Austrian delegate Peter Katschnig: “On behalf of our President Klaus Hübner the Austrian Chamber of Tax Advisers will be happy to give a warm welcome in Vienna to the CFE. The fact that this might be the first autumn General Assembly for our organisation without Germany makes us sad. We as the small brother of Germany see it as our contribution to stay in contact with them. Maybe to grant them the status of being a guest would give us the opportunity to welcome our German friends to Vienna”, too. Friedrich Rödler shared this statement and the delegates applauded warmly.

ad agenda item 16 Miscellaneous

No other business.

The President thanked the delegates and closed the session.

Jiří Nekovář	Stephen Coleclough	Christiane Keller
(President)	(Secretary General)	(Minutes)

16 October 2014 - Ke

Encl.