

LAW OF THE LAND: NATIONAL REGISTRATION REQUIREMENTS SET GOVERNANCE STRUCTURES

THE UIA IS OFTEN ASKED TO ANSWER THE FOLLOWING: 'IN WHAT COUNTRY SHOULD I REGISTER MY INTERNATIONAL ASSOCIATION?' THIS QUESTION COMES FROM ALL TYPES OF ORGANIZATIONS (TRADE, SCHOLARLY, PROFESSIONAL, SOCIAL, ETC.) WHETHER THOSE DEVELOPING ORGANICALLY FROM A LOOSE INTEREST GROUP SEEKING TO FORMALIZE ITS ACTIVITIES OR FROM THOSE BEING FOUNDED WITH SPECIFIC INTENT (E.G. FOLLOWING CONCLUSIONS REACHED DURING AN INTERNATIONAL MEETING).

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Belgium is one of the few countries which offers specific legal recognition to > international associations (or NGOs). This category is 'Association internationale sans but lucratif' - AISBL, sometimes 'Association internationale scientifique sans but lucratif'. This is in addition to the national level nonprofit status (ASBL / VZW in Dutch), 'Fondation Privée' and 'Fondation d'Utilité Publique' categories. As in other countries, corporate law can be used to register a not-for-profit organization; in Belgium this is known as a 'Société À Finalité Sociale'.



Early days of the UIA - Presumably a schema devised by co-founder Paul Otlet (Courtesy of Mundanuem Archives)

UIA has long been a proponent of the explicit legal recognition of international associations and has been active in promoting national and regional legislation. To this end UIA fostered the establishment of the FAIB - Federation of International Associations - in Belgium (www.faib.org). FAIB publishes a 'Practical Guide' to the Belgian AISBL registration process and can

also answer questions and provide assistance on these matters. Groups similar to FAIB exist in Geneva (FIIG - www.fiig.org) and France (where the Law of 1901 is the basis of non-profit association registration).

In the absence of national recognition of INGO status, INGOs are then subject to registration at the national or sub-national level in

the country/countries where they headquarter and/or operate. In the USA this is usually 501c3 tax status with the IRS; in the UK it is usually achieved through Registered Charity status and/or Limited Liability Company corporate status. In the Netherlands many are registered as a 'Stichting' - which translates as 'foundation', but for the fact that they do not operate as foundations in the general English language sense of the word.

There is no explicit European-level legislative recognition of transnational associations at this time, beyond the status of EEIG - European Economic Interest Grouping.

Generally speaking, establishing a legal and fiscal personality in a specific country - whether moving your headquarters/secretariat or establishing a regional office - is subject to whatever national laws exist in relation to nonprofits, foundations, charities or NGOs. Every nation has its own set of policies in these matters not all of which are beneficial to organizations operating internationally.

In the final analysis, it's a matter of having a legal personality for the organization so that it may have a bank account, deal with taxation, write contracts and so forth.

The choice of location and organizational form is important because the laws, to greater and lesser extents, will require a basic/minimum governance structure to be clearly defined and registered. These structures will control fiscal and operational decision-making roles & responsibilities as well as responsibilities for financial matters and so forth.

In 1988, the UIA published the first volume of the **International Association Statutes** book series in order to document the statutes/structure of some major international non-governmental organizations, provide model texts for others to use and to serve as a registry and research tool. Changes in the

structural environment for international associations have been few since that time.

The major changes occur to the governance environment when national legislation is modified/updated to address legal and fiscal issues of the day - as was the case in Belgium circa 2001.

From the required legal minimums an association's governance structures are developed and elaborated: either through further defined roles and responsibilities (in bylaws or statutes refined and modified over time) or operationally in such documents as handbooks or project documents.

There are organizations and associations which exist without formal legal structure and they do so for a wide variety of reasons. Many find that when matters of finance (partnership, grants/foundation support, corporate sponsorship, etc.) increase in importance so does the need to have a formal legal/fiscal personality.

What has changed in the time since 1988 are the means by which we all communicate and do business. The Internet, open borders, the end of the Cold War, advances in telecommunications and travel all mean that things can happen more quickly, with more people from more nations and from greater distances from a central location. In addition to the daily life of an association, these developments also impact how 'official' association business (announcements, the handling of proxies, etc) is conducted.

COUNTRY OF REGISTRATION VS. OFFICE LOCATIONS

It should be noted that while an association may be registered, or domiciled, in a particular country this nation may not be the one in which its day to day Secretariat activities take place. The reasons for this are also varied: officers may be voluntary with roles rotating every few years; the operational office may be hosted by a university department or a corpo-



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ration; the real daily business of the association may take place in Brussels, Washington, Paris, Nairobi or Geneva or New York.

Registering a transnational association can be a daunting project with logistics, language, law and finance all playing a role. Luckily a growing cadre of professionals - association management companies, lawyers, accountants, and local facilitators/promoters - are available to assist organizations in establishing themselves and getting their governance structures firmly rooted.

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