

ICF STATUTES - Proposed changes linked to the seat based in Hungary

Editor: NF / BoD / Committ ee	CR/PR/S R	ART.	EXISTING WORDING	PROPOSED WORDING. All modifications must be written in bold blue	EFFECTIVENESS	MODIFICATION REQUIRED/RECOMMENDED	Legal counsel position	BOARD STAND	CONGRESS November 2024
MODIFICATIONS REQUIRED FOR THE SEAT TRANSFER EFFECTIVE ONLY FROM THE REGISTRATION									
Board	Statutes	Article 4	ARTICLE 4 – HEADQUARTERS The ICF Headquarters shall be in the country decided by the ICF Board of Directors.	ARTICLE 4 – HEADQUARTERS AND GOVERNING LAW The ICF Headquarters shall be in the country decided by the ICF Board of Directors and ratified by the Congress. The ICF headquarters is in Budapest, Hungary and the ICF is governed by Hungarian law. The exact location of the headquarters within Budapest shall be determined by the Board of Directors in a Board meeting resolution.	Conditional provision - with effectiveness from the registration of the seat transfer in Hungary.	MODIFICATION REQUIRED	Under Section 30/E (1) and (3) of the Sport Act, in relation to the Statutes need to meet the following requirements: •.... • a Hungarian seat needs to be indicated and • Hungarian law needs to be indicated as governing law.	In Favour Meeting 2nd October 2024	
Board	Statutes	NEW Article 19	-	ADD - NEW 19. SPECIAL CONGRESS 1. A Special Congress may adopt written resolutions for a) the approval of the annual financial report, b) the entry into force of a previous Congress decision. 2. The delegates to the Special Congress are entitled to pass written decisions via mail or electronic means, i.e. without a formal meeting of the Congress. Decisions made via written decision-making procedure (postal or electronic) have the same value as those made during a meeting of the ICF Congress. 3. The agenda and the motions for the Special Congress shall be sent out by the ICF Secretary General via e-mail, which must contain information regarding the fact that voting will take place via electronic means, and the consequences of failure to send the vote within the deadline. The members of the Special Congress have 15 days to send their written votes to ICF via e-mail. If a member of the Special Congress does not send its written note within the deadline, the proposal shall automatically be considered as accepted by the member. 4. The ICF is obliged to accept its annual financial report every year. The financial, tax and accounting period of the ICF shall start on 1 January and end on 31 December each year. The acceptance of the financial report falls under the competence of the members of the Congress. 5. The Special Congress is also entitled to decide on the entry into force of one or more previously adopted but not yet effective Congress decisions on any topic (including amendments to the Statutes).	Conditional provision - with effectiveness from the registration of the seat transfer in Hungary.	MODIFICATION REQUIRED	• In Hungary, all entities must prepare financial statements every year that need to be approved by the supreme body. Therefore, under the Financial Rules also the following topics need to be regulated: • ICF' business year ends on 31 December, • the annual reports need to be approved by the Congress, • since the Congress meetings are held every second year only, it is necessary to introduce an accelerated procedure for the purpose of the approval of the annual report (e.g decision-making via electronic means) The annual report must be approved by the highest authority and this new structure and opportunity would present a more transparent a modern approach. • According to Hungarian Law all modification applications to the Court must be submitted within 60 days as of the day when the respective decision is made.	To be reviewed at the Board meeting on 6 November 2024	
Board	Statutes	Article 21.	5.The ICF Board of Directors shall have the power to amend or change a decision of Congress provided that: a.The ICF President has decided that the circumstances which prevailed at the time the decision was taken by Congress have changed significantly to a material extent; and b.The decision by the ICF Board of Directors is taken by not less than 80% of the members present.	5.The ICF Board of Directors shall have the power to amend or change a decision of Congress provided that: a.The ICF President has decided that the circumstances which prevailed at the time the decision was taken by Congress have changed significantly to a material extent; and b.The decision by the ICF Board of Directors is taken by not less than 80% of the members present.	Conditional provision - with effectiveness from the registration of the seat transfer in Hungary.	MODIFICATION RECOMMENDED	As a general principle the Congress shall be the highest authority of the Federation and this is a very unusual provision. We cannot exclude that the court might find it violating general principles of Hungarian law.	In Favour Meeting 2nd October 2024	
Board	Statutes	Article 18.	2.The ICF Executive Committee shall fix the place and date of an Extraordinary Congress.	2.The ICF Executive Committee shall fix the place and date of an Extraordinary Congress. The ICF may hold the Extraordinary Congress electronically.	Conditional provision - with effectiveness from the registration of the seat transfer in Hungary.	MODIFICATION RECOMMENDED	Ensure that Congress has an additional transparent and cost-effective decision-making process.	To be reviewed at the Board meeting on 6 November 2024	
Board	Statutes	Chapter I Article 3	6.To establish international championships.	ADD - To promote cordial and friendly relations between its members, to uphold proper operating procedures of the member Federations and Continental Associations to lead and organize canoeing paddling activities throughout the world.' • To organize ICF events, to supervise events organized by its members and to participate in the organization of Olympic and international championship events. • To promote the ideals and objectives behind of the Olympic movements.'	Conditional provision - with effectiveness from the registration of the seat transfer in Hungary.	MODIFICATION REQUIRED	In the Civil Act such economic-business activities are defined as income- or wealth-generating, profit-oriented economic activities conducted on a regular basis, except for: b) activities aimed at achieving the objectives outlined in the deed of foundation (including public benefit activities).The profit before tax derived from the core activities laid down in the deed of foundation of ICF would not be subject to corporate income tax. Therefore, it is crucial to clearly define all the aspects of the activities ICF intends to perform as an association in Hungary in order to reach the envisaged tax exempt status from a corporate income tax perspective.	In Favour Meeting 2nd October 2024	

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Board	Statutes	Article 26	ARTICLE 26 – ICF BOARD OF DIRECTORS	Article 26 - ADD - 4. The ICF President and ICF Secretary General shall be entitled to sign on behalf of ICF and represent the ICF towards third parties. Both of them shall have independent representation right.	Conditional provision - with effectiveness from the registration of the seat transfer in Hungary.	MODIFICATION REQUIRED	It needs to be regulated, which officers are entitled to represent and sign on behalf of ICF (for example, the President, the Secretary General, etc.) and whether they have individual or joint signature right. The representatives will also be registered in the Hungarian public registry , therefore, this information must be included in the ICF. Byelaws regarding expenditure over 50.000 euros remain unchanged.	In Favour Meeting 2nd October 2024	
Board	STANDING BYELAWS TO THE FINANCIAL RULES		In all financial matters of the ICF, the Euro (€) serves as official basic currency for all calculations.	'In all financial matters of the ICF, the Euro serves as official basic currency for all calculations. ICF also keeps its accounting books and prepares its annual financial reports in Euro. '	Conditional provision - with effectiveness from the registration of the seat transfer in Hungary.	MODIFICATION REQUIRED		Approved Meeting 2nd October 2024	

MODIFICATIONS RECOMMENDED FOR THE SEAT CHANGE WITH IMMEDIATE EFFECT AFTER THE CONGRESS

Board	Statutes	Article 21	ARTICLE 21 - AMENDMENTS TO THE STATUTES AND COMPETITION RULES 1.The Congress may amend the Statutes every two years.	ARTICLE 21 - AMENDMENTS TO THE STATUTES AND COMPETITION RULES 1.The Congress may amend the Statutes every two years.	Article 25	MODIFICATION RECOMMENDED	According to the current wording, the modification of the Statutes is allowed only "every two years". Such a restriction would be quite unusual under Hungarian law and can make an obstacle to make necessary amendments on time.	In Favour Meeting 2nd October 2024	
Board	Statutes	Article 21	3.The ICF Board of Directors may amend the Byelaws of the Statutes and the ICF Sports Rules (SR) every two years during the first ICF Board of Directors meeting in the year of the Congress.	3. The ICF Board of Directors may amend the Byelaws of the Statutes every two years. 4. The ICF Board of Directors may amend the ICF Sports Rules (SR) every two years during the first ICF Board of Directors meeting in the year of the Congress.	Article 25	MODIFICATION RECOMMENDED	The Board should be able to respond to situations and possible challenges arising from the relocation of the seat.	In Favour Meeting 2nd October 2024	
Board	Statutes	Article 15	All decisions of the Congress are final (except in the case of Article 29 b 1 & 2).	All decisions of the Congress are final (except in the case of Article 29 b 1 & 2).	Article 25	MODIFICATION RECOMMENDED	Reference to and article which shall be deleted.	In Favour Meeting 2nd October 2024	
Board	STANDING BYELAWS TO MEETINGS PROCEDURES		3. No correction or alteration to the Minutes will be accepted unless written notification has been received and acknowledged by the Headquarters within two (2) months of the date of circulation of the Congress Minutes and within one (1) month of the date of circulation of the Minutes of the ICF Board of Directors, of the ICF Executive Committee and of the ICF Standing Committees. Additional changes can be made at the next meeting should there be a valid explanation for the change to the minutes.	3. No correction or alteration to the Minutes will be accepted unless written notification has been received and acknowledged by the Headquarters within two (2) months of the date of circulation of the Congress Minutes and within one (1) month of the date of circulation of the Minutes of the ICF Board of Directors, of the ICF Executive Committee and of the ICF Standing Committees. Additional changes can be made at the next meeting should there be a valid explanation for the change to the minutes.	Article 25	MODIFICATION RECOMMENDED	If either Member intends to challenge the decision before the court, under Section 3:36 (1) of the Civil Code, the following deadlines will be applicable: "An action for annulment of the decision may be filed against the legal entity within thirty days from the date on which the right holder [in the present case, the Member] became aware of the decision or could have become aware of the decision. A lawsuit cannot be initiated after the expiry of the one-year limitation period from the decision. "	Approved Meeting 2nd October 2024	