



## **CONSTITUTION**

### **THE GIBRALTAR ASSOCIATION OF COMPLIANCE OFFICERS**

**2019**

Version	Date	Author	Reason	Sections
1.0	01 January 2004	GACO Executive Committee	Establishment of the Constitution	<All>
2.0	14 April 2015	GACO Executive Committee	Overhauling of the Constitution to keep it up to date	<All>
3.0	01 January 2019	GACO Executive Committee	General refresher of the Constitution to maintain it up to date	<All>

## **THE GIBRALTAR ASSOCIATION OF COMPLIANCE OFFICERS CONSTITUTION**

### **1. NAME:**

The name of the Association is “THE GIBRALTAR ASSOCIATION OF COMPLIANCE OFFICERS” and is abbreviated to “GACO”.

### **2. AIMS AND OBJECTIVES:**

The aims and objectives of the Association are to provide support to members in various forms on any matters associated with risk management, anti-money laundering and compliance, primarily through the following actions:

2.1 To provide a forum for discussion having due regard for all matters that may be of a confidential nature;

2.2 To provide information and other services in order to assist all business sectors reflected by the Association membership;

2.3 To act as a representative body and as appropriate to assist and liaise with the pertinent Government, Regulatory bodies and other relevant stakeholders in Gibraltar in the interests of our members;

2.4 To provide and support the provision of relevant educational programs, training courses, seminars and presentations to the membership;

2.5 To create and maintain open channels of communication with other local and non-local Associations and Government/Regulatory bodies in order to ensure the sharing of mutual information that may be relevant to all parties.

2.6 To promote membership to local industries that may benefit from the Association and to receive and manage membership fees in the best interest of all members of the Association.

### **3. MEMBERSHIP**

3.1 Membership shall be open to individuals in employment in Gibraltar as Risk Managers, Compliance Officers or Money Laundering Reporting Officers, and to individuals whose employment comprises in whole or in part a compliance function in Gibraltar, and to any such person as the Executive Committee shall approve. (Such Membership shall be referred to herein as “Individual Membership”);

3.2 Membership shall also be open to Gibraltar legal entities that have a compliance function within their operations in Gibraltar. (Such Membership shall be collectively referred to herein as “Corporate Membership and for the avoidance of confusion will include gaming companies, lawyers, high value dealers and other similar industries);

3.3 Both Individual and Corporate Members shall be entitled to one vote on all required matters. Corporate members may appoint one person in their employment to vote on their behalf.

3.4 The Executive Committee (see section 9) may at its discretion appoint honorary members.

3.5 Membership shall remain valid provided that:

3.5.1 The appropriate annual subscription fee, has been paid in full and in advance;

3.5.2 In the case of Individual Memberships, the individual remains in employment in Gibraltar in a compliance related capacity, or whose continued membership enjoys the majority support of the Executive Committee;

3.5.3 In the case of Corporate Memberships, the legal entity continues trading activity within Gibraltar, maintains a compliance function of its operations and has not been prohibited or suspended from carrying out regulated activity for reasons of wrongdoing or breach of regulation as determined by such regulator or has been decided by the Executive that the Corporate Member has not acted in accordance with the objectives or the spirit required by a member of GACO.

3.5.4 To terminate, for any good and sufficient reason, as determined by the Executive Committee, the Membership of any Individual Member or Corporate Member provided that the Individual Member concerned or the Individual representing such Corporate Member (as the case may be) shall have the right to know the grounds for the termination and to be heard by the Executive Committee before a final decision is made.

#### **4. APPLICATION FOR MEMBERSHIP**

4.1 Applications for Membership shall be made using the appropriate application forms, (Individual Membership Application Form and Corporate Membership Application Forms) as amended and agreed by the Executive Committee from time to time; Applications can be made and paid online using the following links: <https://www.gaco.gi/member-application/individual-application>; <https://www.gaco.gi/member-application/corporate-application>;

4.2 All Applications for Membership must be submitted in the first instance to the Executive Committee, which shall decide as soon after receipt of the same as possible and convenient, for the purposes of reviewing, approving and processing the applications;

4.3 Approval of Applications for Membership may be granted by a simple majority of the officers of the Executive Committee;

4.4 Should the Executive Committee fail to arrive at a majority sufficient for the approval of a particular application, then such failure must be immediately notified in writing to the applicant, who must also be notified that their application may be submitted to the members for approval at general meeting upon the written request of the applicant;

4.5 Applications for Membership submitted to the members at general meeting may be approved by no less than a simple majority of the members entitled to attend and vote at the general meeting.

4.6 Applications for Membership must be accompanied by such supporting documentation and information as the Executive Committee shall determine and stipulate from time to time.

## **5. REGISTER OF MEMBERS**

5.1 The names, business addresses, titles and occupations, and other information as the Executive Committee shall determine, of every member shall be entered in a Register of Members;

5.2 Subject to clause 13 hereof the maintenance of the Register of Members shall be the ultimate responsibility of the Secretary to the Association or to such persons as the Executive Committee shall decide from time to time.

## **6. MEMBERSHIP CERTIFICATES**

6.1 Every member shall be entitled to receive a Membership Certificate as prima facie evidence of membership;

6.2 Membership Certificates shall be issued upon receipt of the appropriate annual subscription;

6.3 Membership Certificates must be signed (electronic signature being acceptable) by any two officers of the Executive Committee;

6.4 Membership Certificates must be surrendered on cessation of membership for cancellation.

## **7. TERMINATION AND CESSATION OF MEMBERSHIP**

7.1 Subject to clause 3.5.4 hereof;

7.2 Membership of the Association may be terminated upon the written request of the Member;

7.3 Membership shall cease to remain effective in the event of non-payment of the appropriate annual subscription fee;

7.4 An Individual Membership may be terminated immediately on conviction of a member for a criminal offence, regulatory or legal breach of position held, or other acts as determined and agreed by the Executive Committee based on reasonable evidence of such offence or breach;

7.5 An Individual Membership may be terminated in the event the individual ceases to be employed as a Compliance Officer or Money Laundering Reporting Officer, or whose employment ceases to involve a compliance function in whole or in part;

7.6 A Corporate Membership shall be terminated at the discretion of the Executive Committee upon criminal offence, revocation or suspension of license from carrying on regulated activity for reasons of wrongdoing or breach of regulation, legal breach of position held or other acts;

7.7 A Corporate Membership shall at the discretion of the Executive Committee be terminated upon the cessation of trading of the member, or in the event a member is placed into administration, receivership, voluntary or compulsory liquidation or otherwise on the commencement of winding up proceedings.

## **8. MEETINGS OF MEMBERS**

8.1 The members of the Association shall be invited to meet at least once every calendar year for the purposes of receiving the annual accounts, together with the Report of the Chairperson and the Report of the Treasurer, and in order to elect the officers of the Executive Committee for the next year. Such meetings shall be termed annual general meetings ('AGM') and no more than fifteen months must elapse between AGMs.

8.2 Extraordinary General Meetings ('EGM') of members shall be held as and when required at the discretion of the Executive Committee or as requested by a member and agreed by the Executive Committee on a particular matter of concern.

8.3 No business may be transacted at any EGM unless a quorum of members is present at the time when the meeting proceeds to business. An EGM would be considered quorate if all members have been given 14 days' notice and passed by not less than two thirds of the members present and voting at a general meeting of the meeting and where there is a minimum of five members present.

8.4 Each member, whether Individual or Corporate, is entitled to one vote in any General Meeting, with the exception of the Chairperson (either the Chairperson of the Association or any person acting as chairperson of any meeting at which the Chairperson of the Association is absent) who shall, if necessary, have a second and casting vote.

## **9. THE EXECUTIVE COMMITTEE**

9.1 The minimum number of officers of the Executive Committee shall be four, and shall comprise the offices of Chairperson, Vice-Chairperson, Treasurer and Secretary. Officers of the Executive Committee shall be members in good standing.

9.2 The maximum number of officers of the Executive Committee is eighteen.

9.3 The Members of the Association may by way of vote in a general meeting vary the maximum number of officers of the Executive Committee, but shall not reduce the minimum number to less than four.

9.4 Each officer of the Executive Committee shall have one vote on matters of the Executive Committee (this vote can also be done by telephone or by email correspondence), with the exception of the Chairperson who if necessary shall have a second and casting vote.

9.5 The tenure of the officers of the Executive Committee shall be one year. Every officer of the Executive Committee shall be entitled to stand for re-election at the AGM provided they are a member in good standing.

9.6 Persons shall be entitled to occupy the position of Chairperson for three consecutive years, or may be entitled to stay in the position for longer provided that;

9.6.1. No other qualified candidates have come forward to stand for the position of Chairperson;

9.6.2. The Executive Committee agrees by majority vote and;

9.6.3 It is agreed at a general meeting of the members.

9.7 If there is no qualified candidate for election as Chairperson, the Vice-Chairperson shall automatically succeed the retiring Chairperson. The Vice-Chairperson may reject the offer of Chairperson therefore invoking the procedure as set out in 9.6.

9.8 No business may be transacted at any meeting of the Executive Committee unless all officers of the Executive Committee have been advised of the meeting with at least 7 days' notice and a quorum is present at the time when the meeting proceeds to business.

9.9 Records of all business conducted by the Executive Committee are to be approved by the Executive Committee and added to the minute book and shall be considered valid and effectual for all purposes as a resolution of the officers of the Executive Committee at a meeting duly convened and held.

## **10. APPOINTMENT AND REMOVAL OF MEMBERS OF THE EXECUTIVE COMMITTEE**

10.1 The officers of the Executive Committee shall not be required to retire by rotation.

10.2 Subject to clause 9.3 hereof, the officers of the Executive Committee shall have the power at any time, and from time to time, to co-opt additional officers to the Executive Committee, either to fill a casual vacancy or as an additional officer of the Executive Committee.

10.3 Without prejudice to the powers of the Executive Committee under clause 10.2 above, the Members of the Association in general meeting (passed by not less than two thirds of the members present and voting at the general meeting) may co-opt additional officers to the

Executive Committee either to fill a casual vacancy or as an additional officer of the Executive Committee.

10.4 Any person co-opted to fill a casual vacancy on the Executive Committee shall be subject to election at the next general meeting.

10.5 An officer of the Executive Committee may be removed from office;

10.5.1 Upon summary conviction for a criminal offence as determined and agreed by the Executive Committee based on reasonable evidence of such offence; or

10.5.2 In the event of a regulatory or legal breach of position held as determined and agreed by the Executive Committee based on reasonable evidence of such breach; or

10.5.3 Where evidence is provided of commission of an unethical or immoral act as determined and agreed by the Executive Committee based on reasonable evidence of such act; or

10.5.4 Being absent from the meetings of the Executive Committee for six months without leave of a majority of the other officers of the Executive Committee.

10.6 In those instances described under clauses 10.5.1 to 10.5.3 inclusive above the members of the Association shall pass a simple resolution, at a general meeting duly convened and held, giving effect to the removal of the officer of the Executive Committee to whom this clause shall apply. In those instances described under clause 10.5.4 above the remaining officers of the Executive Committee shall pass a simple resolution, at a meeting of the Executive Committee duly convened and held, giving effect to the removal of the officer of the Executive Committee to whom this clause shall apply.

10.7 An officer of the Executive Committee should disclose any conflicts of interest on any matters which are to be voted on or to be discussed by the Executive. If any conflict of interest is deemed relevant to a specific proposal by a majority of the Executive Committee the officer would be asked not to be present at the discussion and will not be entailed to vote on the proposal.

10.8 The Executive Committee will put in place and retain a Conflict of Interest Policy which will be held by the Secretary which can be viewed by Members upon written request to do so within 14 days.

10.9 All Members of the Executive Committee not holding the position of Chairperson, Vice-Chairperson, Treasurer or Secretary shall form part of one of the sub-committees.

## **11. DISQUALIFICATION OF THE OFFICERS OF THE EXECUTIVE COMMITTEE**

An officer of the Executive Committee may be disqualified:



- (i) If he is judged bankrupt;
- (ii) If he becomes incapable by reason of illness or injury of continuing to act as a member of the Executive Committee;
- (iii) If by notice in writing (included by email) sent to the Executive Committee, he resigns;
- (iv) If he is removed from office under the provisions of clause 10 hereof.

## **12. COLLECTIVE RESPONSIBILITIES, POWERS AND DUTIES OF THE EXECUTIVE COMMITTEE**

12.1 The Executive Committee shall be responsible for the maintenance of proper accounting records and records of meetings of both the Executive Committee and of the Members of the Association.

12.2 The Executive Committee shall make available the accounting records and records of meetings or any extracts thereof to any Member of the Association in good standing upon written request to do so within 30 days.

12.3 The Executive Committee shall cause a bank account or bank accounts to be opened in the name of the Association, the signatories to which must be at least two officers signing jointly of the Executive Committee.

12.4 Subject to ratification of the Membership, the Executive Committee may exercise all the powers of the Association to borrow or to otherwise raise monies and to charge any assets of the Association.

12.5 The Executive Committee shall recommend, subject to ratification of the Membership, and from time to time and at any time to vary the amounts and levels of membership subscription fees due and the terms under which they may be payable.

## **13. INDIVIDUAL RESPONSIBILITIES, POWERS AND DUTIES OF OFFICERS OF THE EXECUTIVE COMMITTEE**

13.1 The **Chairperson** shall (i) preside at and conduct all Members' meetings of the Association and meetings of the Executive Committee and, in consultation with the Executive Committee, (ii) act as the official representative of the Association in its external dealings (iii) appoint all standing and special committees and (iv) formulate an annual Action Plan for adoption by the Executive Committee.

13.2 The **Vice-Chairperson** shall (i) assume the duties of Chairperson in his absence (ii) assist the Chairperson in the formulation of the Action Plan, and (iii) be responsible for overseeing the work of the standing and special committees of the Association

13.3 The **Secretary** shall (i) keep minutes and attendance of all Executive Committee and Members' meetings, and prepare an agenda for these meetings (ii) assume the duties of the Vice-Chairperson in his absence, (iii) distribute notices, memoranda, and informative material to Officers of the Executive Committee, and (iv) perform other duties which the Chairperson and the Executive Committee may from time to time assign.

13.4 The **Treasurer** shall (i) manage the finances of the Association by collecting dues, writing receipts, controlling budget expenditures and authorising disbursements, (ii) propose and oversee the Association's fund raising initiatives, and (iii) prepare and present the Annual Financial Report.

#### **14. ADMINISTRATOR**

14.1 The **Administrator** shall (i) maintain directories of current members and present updated membership lists to the Executive Committee from time to time, (ii) promote the recruitment of new members (iii) distribute information about the Association to potential individual and corporate members, (iv) maintain regular contact with members to ensure that programmes of the Association continue to meet their needs and interests, and (v) assist the Technical, Training and Social, Media & Networking sub-committee Chairpersons in the performance of his/her duties, (vi) carry out such other duties as may assist the Executive and/or as contained in any agreement between the Executive Committee and the Administrator.

#### **15. SUB-COMMITTEES, APPOINTMENT OF STANDING AND SPECIAL COMMITTEES**

15.1 The Executive Committee will operate with three 'Sub-Committees' to enable better coverage and focus for important Association responsibilities. The three committees and their subsequent responsibilities are as follows;

- (i) The Training Committee will :
  - provide training for members and non-members
  - provide sources for members to complete their required annual AML Training option
  - develop and promote periodical conferences and other events, to bring the Gibraltar jurisdiction the latest on compliance, risk and related trends
  
- (ii) The Technical Committee will:
  - endeavour to ensure its members are aware of upcoming and relevant regulation and legislation, sourcing advice and assistance where available and met by demand.
  - work with the Government of Gibraltar, Gibraltar authorities and Gibraltar regulatory bodies to assist GACO members in having a voice in local, regulatory compliance, considering items such as responses to consultation papers.
  - work with other trade organisations to establish need and supply of information on relevant industry topics.
  - work with GACO training committee to ensure that training is offered in areas required by legislation.

- communicate with members (and potential members) in respect to technical matters.
- (iii) The Social, Media & Networking Committee will:
- increase GACOs commitment to develop its profile, the industry profile, along with the profile of the Gibraltar jurisdiction through:
  - Continued liaison with Government and other trade bodies to identify mutual membership benefits and
  - Identifying opportunities to improve and promote the profile of GACO and its members generally and
  - Add communication with members (and potential members) in respect to marketing matters and
  - Arranging social events for its members.

15.2 Each sub-committee shall have an elected Chairperson (as detailed in 13.5 – 13.7). This officer shall hold the responsibility of organising regular sub-committee meetings and ensuring relevant subjects are discussed to the benefit of members.

15.3 Each sub-committee shall hold separate meetings to discuss current issues, events and items of their responsibility. The Chairperson or suitable other person from the sub-committee shall then report on its actions and development back to the Executive Committee.

15.4 Each sub-committee has under the agreement of its Chairperson and through the election by the Executive Committee, the ability to budget up to £1,000 for expenses incurred in its planning of events, training, website development, engagement of professional etc without having to refer to the Executive Committee for approval. Any such expenses incurred should always be communicated to the Treasurer immediately and Chairperson of the Executive Committee for the purposes of administration and accounting. Any larger amounts must be voted on and approved by the Executive Committee.

15.5 Non-Executive Committee members may be invited to participate in standing and special committees.

## **16. NOTICES OF MEETINGS**

16.1 A general meeting of the Members of the Association may be called by no less than 14 days written notice.

16.2 An annual general meeting of the Members of the Association may be called by no less than 21 days written notice.

16.3 Unless all officers of the Executive Committee agree to accept short notice of any meeting, a meeting of the Executive Committee may be called by no less than 7 days' notice.

16.4 The Members of the Association may accept short notice of any meeting upon the agreement of the majority of their number entitled to attend and vote at meetings.

16.5 Notice is defined as when the Association gives to any member either personally or by e-mail to him at an e-mail address supplied by him to the Association for the giving of notices to him, or by facsimile to a fax number supplied by him to the Association for the giving of notices to him, or by sending it by post to him at his address supplied by him to the Association for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of twenty-four hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

## **17. INDEMNITY**

17.1 The Executive Committee and any other officers or servants from time to time of the Association acting in relation to any of the affairs of the Association or every one of them shall be indemnified and secured harmless out of assets and profits of the Association from and against all actions, claims, demands, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any contract entered into or any act done concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices except such (if any) as they shall incur or sustain by or through their own wilful neglect or wilful default respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity or for any bankers or other persons with whom any moneys or effects belonging to the Association shall or may be lodged or deposited for safe custody, or for any defect of title of the Association to any property purchased, or for any insufficiency or deficiency of or defect of title of the Association to any security upon which any moneys of or belonging to the Association shall be placed out or invested or for any loss, misfortune or damage resulting from any such cause as aforesaid, or which may happen in the execution of their respective offices or in relation thereto, except where the same shall happen by or through their own wilful neglect or wilful default respectively.

17.2 By virtue of a majority vote by members of the Executive Committee, the Committee is entitled to effect Directors and Officers and Professional Indemnity insurance cover, the cost for which will be covered by the funds of GACO.

17.3 For the avoidance of any doubt: GACO does not provide tax, investment, legal, audit, accounting or any other type of advice. Any material prepared by GACO and sent to members by email, provided via GACO training courses, seminars and/or other types of events and/or published on the webpage is prepared and disseminated for informational purposes only, and is not intended to provide, and should not be relied on for, tax, investment, legal, audit, accounting or any other type of advice. GACO will always advise that anyone receiving information from the Association, consult their own tax, legal, audit, investment, accounting or other professional advisors as deemed appropriate before engaging in any transaction or taking any decision. GACO and its Executive Members and Administrators will not assume any responsibility or liability for any possible claim for damages arising from any decision that members or other parties make based on information or other content made available to them through GACO's webpage, via GACO training courses, seminars and/or other types of

events, published on the webpage, circulated/sent by e-mail or any other means of communication.

## **18. ALTERATIONS TO THE CONSTITUTION**

The constitution may be altered by a majority decision of the Executive Committee or by a resolution passed by not less than two thirds of the members present and voting at a general meeting. In case the alteration of the constitution is to be voted at a general meeting, the notice of the general meeting must include notice of the resolution, setting out the terms of the alteration proposed.

Dated this 1<sup>st</sup> day of January of 2019.