

Charter of the International SME Loop Association

§ 1 Name, location, and fiscal year

- 1.1. The name of the Association is "International SME Loop Association e.V."
- 1.2. The Association is registered in Berlin. The administration seat can be different from the place of registration.
- 1.3. The fiscal year is the calendar year.

§ 2 Purpose

2.1. The Association's purpose is to promote and disseminate the methodical approach SME Business Training and Coaching Loop (SME Loop)¹ and related tools for the promotion of micro, small and medium-sized enterprises to contribute to poverty reduction, inclusive and sustainable economic growth, employment promotion and income increase, in countries of the Global South².

The work of the association aims at

- Promoting the SME Loop internationally and thus strengthening as many entrepreneurs of micro, small and medium-sized enterprises (MSMES) as possible in their entrepreneurial activities through SME Loop training and coaching.
- Organizing experience exchange and international contacts among SME Loop practitioners
- Facilitating open access to all information, methodology and resources related to the SME Loop internationally; including through the operation of a website and regularly held webinars.
- Certification of national and international SME Loop Senior Coaches and SME Loop Master Coaches
- Maintaining a database of licensed SME Loop coaches
- Collectively contributing to product development and setting quality standards for SME Loop products, and compliance with these standards

2.2. For the fulfilment of these statutory purposes, appropriate funds via contributions, donations, subsidies, benefits, and other shall be used.

2.3. The association pursues exclusively and directly charitable purposes within the meaning of the section "tax-privileged purposes" of the German Tax Code.

2.4. The Association shall act selflessly. It does not primarily pursue its own economic purposes.

2.5. Means of the Association may only be used for purposes conforming to the Charter. Members do not receive allowances from the sources of the Association. Office holders elected in line with the

¹ The development of the approach was supported and funded by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

² According to the DAC list of developing countries and territories (valid for the reporting years 2022 and 2023) of the Federal Ministry for Economic Cooperation and Development (BMZ):
<https://www.bmz.de/resource/blob/146702/dac-laenderliste-berichtsjahr-2022-2023.pdf>

Charter may receive an adequate compensation for their activities. They may also receive a remuneration for services provided.

2.6. No individual person is allowed to benefit from expenditures not in line with the purpose of the organization or from disproportionately high compensation.

§ 3 Membership

3.1. Every natural person can become a member of the Association. Membership is international, i.e., members can originate from any country and have any nationality.

3.2. They qualify for membership by being SME Loop practitioners. The term “practitioner” is defined and agreed upon by the General Assembly.

§ 4 Rights and duties of the members

4.1 The members are entitled to attend all events organized by the organization. Further they have the right to bring forward proposals towards the Board and the General Assembly. During the General Assembly, voting rights may be exercised personally or by another person who has been empowered in writing to represent the individual member.

4.2 The members are obliged to support the Association and its purpose also in the public in an appropriate manner according to the Code of Conduct of the Association to be agreed upon by the General Assembly.

§ 5 Beginning and termination of membership

5.1 The declaration of interest to join the Association has to be presented in written form towards the Board. The Board decides about the application with a relative majority of votes. The Board is not compelled to communicate reasons for a negative decision to the applicant.

5.2 Membership in the Association begins with the positive decision by the Board on the application and payment of the membership fee by the applicant.

5.3 The membership ends with a voluntary exit, exclusion or death of the member.

5.4 The voluntary withdrawal has to be submitted via a written notice towards the Board for the end of the fiscal year.

5.5 Membership can be suspended with immediate effect and for important reasons, when the member has acted against the Charter of the Association, its regulations, the purpose or interests of the Association. The suspension will be decided by the Board with a relative majority of votes. The Board has to give the member a deadline of 2 weeks to give him/ her the possibility to express his/ her opinion. After the end of the deadline, the board decides upon the termination or the continuation of the membership with a relative majority of votes.

5.6 With the ending of the membership, no matter for what reason, all demands and rights out of this membership expire with immediate effect. A refund of contributions, donations or other supporting benefits is not possible.

5.7. Written notice under 5.1 und 5.3 can be given in electronic form (e-mail).

§ 6 Membership fees

6.1 The amount of membership fees, support contributions, admission fees and/ or cost allocations is stipulated in the respective membership fees regulation. This regulation is to be agreed upon by the General Assembly.

§ 7 Bodies of the Association

7.1 Bodies of the Association are (1) the General Assembly and (2) the Board.

§ 8 The General Assembly

8.1 Supreme institution is the General Assembly; it has in particular the following functions:

- To receive and to discuss the annual reports and financial statement of the previous fiscal year; formal approval of the activities of the Board of the previous fiscal year
- To elect the Board
- To decide upon the Charter, changes of the Charter as well as the liquidation of the Association
- To elect the financial auditors, who can neither be part of the Board nor part of a body which is appointed by the Board. Furthermore, they cannot be employees of the Association.

8.2 A General Assembly will be announced by the Board according to requirements, but at least once in the fiscal year. The invitation will be sent in written form by e-mail by the Board at least one month before the meeting. It contains the preliminary agenda and will be sent to the last known address of the member.

8.3 The agenda of the General Assembly has to include in particular the following points:

- Reporting of the Board
- Reporting of the financial auditors
- Formal approval of the activities of the Board of the previous year (discharge)
- Election of two financial auditors
- Approval of the budget presented by the Board for the current fiscal year
- Decision on membership fee regulations and cost allocation for the current financial year
- Decision on instant member requests and proposals.

8.4 Requests and proposals of the members are to be presented to the Board at least 2 weeks before the General Assembly. Such submitted requests and proposals have to be made available to the members in sufficient time before the meeting.

8.5 Requests and proposals made during the meeting – have to be set on the agenda if the majority of the present members agree on handling the requests and proposals (application of urgency).

8.6 The Board has to organize an Extraordinary Assembly immediately if the interest of the Association is concerned or if the meeting is demanded by at least one third of the members. The demand has to be presented in written form indicating the reasons and the purpose.

8.7 The president of the Board or his/ her representative is chairing the General Assembly. At the president's suggestion, the Assembly can decide on another chairperson for the meeting.

8.8 Resolutions of the General Assembly will be recorded in protocol within 2 weeks after the meeting and signed by at least 2 members of the Board. The protocol will be sent to all members by e-mail.

8.9. The General Assembly can be held virtually or in a hybrid mode, combining in-person and online participation. The Board decides on the mode and informs members in the invitation.

§ 9 Right to vote/ quorum

9.1. All members are entitled to vote, as long as they have paid their membership fees. The right to vote derives from membership in the Association and payment of membership fees as described in Paras 5.1 and 5.2.

9.2. The General Assembly can take decisions if a minimum number of five members is present. Presence can be physical or online.

9.3. Decisions are taken with a relative majority of votes. Abstentions from voting remain out of consideration. At a tie vote, the proposal is declined.

9.4. Voting is done openly by raising hands or acclamation, or by casting ballot papers if wished so explicitly by a member. Members who are not able to participate physically, can do so online or make their opinion known in written form to the General Assembly by letter or electronically or can be represented by an authorized other person.

9.5. For an amendment of the Charter or the dissolution of the Association, a three-quarter majority of votes of present members or authorized representatives is required.

§ 10 The Board

10.1. The Board consists of

- Chairperson
- Deputy chairperson
- Treasurer
- Secretary
- Co-Secretary

10.2. The right to be elected to the Board derives from membership in the Association and payment of membership fees as described in Paras 5.1 and 5.2.

10.3. The Board will be elected for a two-year period. The indefinite re-election of Board members is permitted. After their term ends, Board members will remain in office until their successors will take office.

10.4. The Board is responsible for governing the work of the Association. It can create rules and regulations for itself, can delegate particular tasks to its members or can convolve working groups for the preparation and realization of activities.

10.5. Board in the sense of § 26 BGB are the Chairperson, the Deputy Chairperson, the treasurer, the secretary and the co-secretary. Two Board members represent the Association judicially and extra-judicially.

10.6. The Board decides with relative majority of the present members. The Board is able to take decisions if at least two members are present or have confirmed in writing, including electronic communication. In the event of a tie vote, the proposed application is to be rejected.

10.7. Decisions made by the Board are written down in a protocol and signed by at least 2 authorized Board members.

§ 11 Financial auditors

11.1 Via the General Assembly, two financial auditors have to be elected for a period of one year. The financial auditors have the duty to control the invoices as well as their adequate and orderly accounting. They also have to control the use of funds and have to assess in particular the statutorily and fiscally correct use of funds. The audit does not include an assessment of the expediency of the expenses made by the Board. The financial auditors have to inform the General Assembly of the result of the financial audit.

11.2 The right to be elected as financial auditor derives from membership in the Association and payment of membership fees as described in Paras 5.1 and 5.2.

§ 12 Dissolution of the Association

12.1 In case of the dissolution or annulment of the Association or in the event of the discontinuation of tax-privileged purposes, the entire funds of the Association shall be paid out to a legal entity under public law or another tax-privileged corporation for the use on development cooperation purposes.

12.2 As far as the General Assembly does not take any contrary decision, the Board members in office who are authorized to represent the Association are to be appointed as liquidators.

§12.3 The above Charter was approved by the General Assembly held on December 12th, 2024.