



# UNION EUROPÉENNE DES MÉDECINS SPÉCIALISTES EUROPEAN UNION OF MEDICAL SPECIALISTS

*Association internationale sans but lucratif*

*International non-profit organisation*

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## UEMS 2013/15

### INTERNAL MEMORANDUM

**Financial, accounting and reporting guidelines relating to the UEMS Sections  
and their Boards**

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## I. Introduction

1.

The « *Union Européenne des Médecins Spécialistes* » (the “UEMS”) is an international non-profit association incorporated in Belgium and, hence, governed by the law of 27 June 1921 relating to non-profit associations, international non-profit associations and foundations (the « Law »).

According to its articles of association, the UEMS has three types of members: (i) full (effective) members, (ii) associate members and (iii) observers whose respective rights are different and foreseen in the UEMS articles of association and the UEMS 2010/26 rules of procedure (the “ROP”).

In addition, the UEMS may also create specialist sections (the “Section”) upon request of a full member in accordance with article X. of its by-laws and articles VI. and following of the ROP and the Sections may create its own Board for scientific and training purposes (article X.1 of the UEMS articles of association).

2.

According to Belgian law, the UEMS is a “large” AISBL and must therefore keep accounts like a Belgian commercial company with balance sheets, income statements and notes.

Annually, the Executive must draft these financial accounts closed on 31 December of the preceding year and submit them to the Board during its first following meeting for approval pursuant to article XIV of the articles of association of the UEMS. Once approved, the UEMS must submit its financial accounts to the clerk office of the Commercial Court and the National Bank within 30 days of their approval.

3.

The Sections are not separate legal entities towards the UEMS, but can benefit from autonomy with regard to their financial management, within internally established limits.

However, the UEMS and its Executive (as defined in the articles of association) are liable for ensuring that appropriate compliance of the financial arrangements of the Sections do occur in accordance with Belgian law.

It is of utmost importance to provide clear guidelines relating to the financial management of the Sections which must be complied with by the latter.

This memorandum does provide these guidelines which will apply both to the Sections and their Boards (if any), it being specified that when the word “Section” is used in this memorandum, it will also include where appropriate their Boards. However, for the sake of clarity, it is expressly specified that this internal memorandum shall not prevail the articles of association of the UEMS and the ROP in case of conflict between the terms of the present document and these contained in the aforementioned deeds.

## II. The financial statements of the Sections and their approval

4.

Notwithstanding the fact that Sections are not separate legal entities, article VI.7 of the ROP provides that, within the organization of the UEMS, each Section is responsible for the financing of its activities and is entitled to raise funding through subscription fees to be paid by the members of the Sections.

Moreover, each treasurer of the Sections must (i) collect the annual subscriptions of the Section, (ii) draw-up an annual balance sheet which must be sent to the Secretary General (together with supporting accounting pieces), and (iii) draw-up a provisional budget for the following year.

Provided that these obligations have been strictly complied with, the Secretary General and the Treasurer of the UEMS may resolve to formally approve, upon express request of a Section, the financial statements of a Section. This approval shall only be granted if the approval request relating to a financial year is made to the Secretariat of the UEMS by the Section by 31 March of the year following the one for which approval is sought.

5.

With regard to expenses of the Sections, the UEMS is legally required to include them in its own financial accounts. Also, we draw your attention to the fact that the UEMS must file monthly VAT declarations.

As a result, it is essential that each Section submit all invoices/proof of payment/tickets relating to all expenses incurred by the Section to the UEMS Secretariat on a **monthly basis**.

The aforementioned accounting reporting as well as the delivery of all invoices/proof of payment/tickets relating to all expenses incurred by the Section are not subject to a specific format or sheet prepared by the UEMS. However, this should be done by the Sections with the highest duty of clarity, accuracy and completeness as to allow the Secretary General and the Treasurer of the UEMS to have a fair view on the financial position of each Section.

6.

The revenues of each Section result from the following:

- subscription fees to be paid by the members of the Sections;
- income from EACCME evaluations;
- income from European Examination;
- any other income aimed at supporting the Sections' activities.

These revenues must be paid into the Account of each Section (as defined in the following title of the memorandum).

### **III. Payments to the UEMS by the organizations delegating specialists to the Sections**

7.

The subscription fees paid to the Sections of the UEMS consist mainly in bank wire transfer to a bank account of the UEMS (i.e. the one allocated to the Section concerned – please refer to the following title).

In principle, organizations delegating specialists to the Sections are, under Belgian law, considered as third parties towards the UEMS. Moreover, they are, in principle, legal entities that do not, under their respective governing laws, seek profits.

Under Belgian law, payments (in cash and through bank wire transfer) by third parties to an AISBL, such as UEMS, by (foreign) non-for-profit organizations must be interpreted as contribution in kind for free (*“apport à titre gratuit”*).

In order for these payments (in cash and through bank wire transfer) to be compliant with Belgian law and avoid certain interpretation issues as to the legal qualification of it, we strongly urge each Section to make sure that payments to them (in cash and through bank wire transfer) by their respective members are executed with neutrality which means that the wire transfer/deposit cannot contain any reference or any mention whatsoever.

We also recommend to only provide the members of the Sections with a document acknowledging the cash payments after the latter has been made and, hence, *not* formally proceed with a call for payment of the subscription fees prior thereto. In this respect, we recommend to use the document called “Contribution in kind for free” which has been provided to you earlier and which is again attached to this memorandum as Annex 1.

It must be pointed out that VAT is not due under Belgian law on contribution in kind for free (*“apport à titre gratuit”*).

8.

Please note that the Executive considers whether establishment of a new additional category of members allowing the organizations delegating specialists to the Sections would become members of the UEMS. This could clarify their position towards the UEMS and would allow to avoid any legal and/or tax issue relating to the payment of the subscription fees due by the members of the Sections but at the same time would introduce new organizational challenges and has to be considered very carefully.

This decision would also imply a modification of the articles of association of the UEMS and compliance with the procedure provided by Belgian law.

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## IV. Bank accounts of the Sections

10.

The Sections of the UEMS are not entitled to open a bank account on behalf of the UEMS. Only the President and the Secretary General of the UEMS are permitted to open an UEMS bank account.

However, the UEMS has opened named bank accounts with the Brussels-based bank BNP Paribas Fortis for each of the UEMS Section that requires a separate bank account for its functioning.

These are designated “UEMS account managed by UEMS [name of Section] (hereafter the “Account”)

The practical management of the Account by the Sections must comply with the following guidelines:

- a) Each Account must be held in Belgium and must have been opened by the President and the Secretary General of the UEMS;
- b) The UEMS cannot be held responsible for any bank account which has not been opened via the President and the Secretary General of the UEMS.
- c) The president, secretaries and treasurers of each Section are empowered to ensure the daily management of the Account of the concerned Section (“Signatories”);
- d) The daily management will be facilitated by the Secretariat of the UEMS and shall take place under the supervision of the President and Secretary-General of the UEMS;
- e) Unless in case of reasonable evidence of fraud or neglect, President and Secretary-General of the UEMS shall not intervene in the day-to-day running of the Account of the Sections;
- f) Each transfer of funds from the Account to a third-party exceeding an amount of € 10,000 shall need to be approved by the President or the Secretary-General of the UEMS;
- g) Management of the Account is operated electronically by the Signatories by using a PC Banking for which an access card and a reader card is necessary. The bank needs to know the contact details of the Signatory and the UEMS office has to be informed immediately about any change in the mandate or in the length of the mandate. In case of change of Signatory, it will be necessary for the Section to send the Secretariat the following information regarding the proposed new Signatory:
  - Name
  - Address
  - City and country
  - A copy of his/her identity card/passport
  - Name of the UEMS Section
  - Function
  - Start date of their mandate

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This information will be communicated to the bank and a bank account application form will have to be signed by the UEMS President, the UEMS Secretary General and the representative of the UEMS Section.

After validation of this document, the bank will activate PC Banking and will send a “card reader” to the representative of the UEMS Section to allow him/her to make transactions.

- h) Bureau of the Section, and Treasurer in particular will take care not to overdraw the account and in case funds are urgently needed for Section’s functioning they will ask UEMS Executive for financial support with plan on how the shortfall will be covered by the Section.
- i) The Signatories are responsible for the documentation of all transfer of funds occurring on the Account of the concerned Section. As already communicated to the Sections, all transactions on the Account will have to be justified and supporting documents sent on a monthly basis to the UEMS Secretariat (at the latest, by the fourth day of the next following month during which the transactions occurred). According to Belgian accountancy rules, annual profit and loss accounts can only be legally established if all expenses and revenues are duly justified. Therefore, it is mandatory for each Section to provide the UEMS office with necessary supporting documents for its expenses and revenues.

## V. Miscellaneous

11.

Please note that this memorandum and payment options listed above do not apply to the European exams which will be governed by a separate memorandum that will be provided to you in the near future.

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Brussels, 8 October 2013.

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**UEMS 2013/15 - Annex**

Re.: Contribution in kind for free to UEMS Sections 2013

Dear....,

UEMS has recently been evaluated by Belgian authorities and is now categorised as a large non-profit international organisation (AISBL), liable to payment of VAT and full accounting.

As a consequence,

- all financial transactions have to occur in the name of UEMS, represented by the President and/or Secretary General,
- to ensure adequate reporting to Belgian authorities all Sections have to work through the bank account of UEMS, Section/MJC of [name] already having transferred its money to a Section/MJC account at BNP Paribas at Brussels (see below),

Apart from the above, we acknowledge your intention to contribute, this year, to the financing of the UEMS Section [...] through a bank wire transfer on the bank account of the UEMS Section for an amount of [...] EUR ([...] euros) and we thank you for this.

In executing your financial contribution, we would be grateful if you could comply with the following guidelines and instructions:

- **Please use the following bank account number** [number of account of the Section/MJC]
- **Please, follow this procedure regarding the title of transfer:**
  1. **If in your country a title of money transfer is NOT required, please leave the title of transfer BLANK.**
  2. **If in your country a title of money transfer is required, please use “apport à titre gratuit” or use a translation of this title into your local language and add “(apport à titre gratuit)”.**
- **VAT is not due on this kind of free transfers.**

**Please note: This new bank account of ..... Section will be valid for all future financial transactions.**

Signature by President/Treasurer of the Section