

CHANGING THE BYLAWS *Infographic*

Why change your bylaws(/articles of association/statutes)?

There can be several reasons for changing the bylaws of your study association or foundation. For example, because they are outdated, the bylaws no longer fit your organization or because you want to incorporate the new Act on Management and Supervision of Legal Entities (WBTR). The what?!

The WBTR according to the government (Rijksoverheid)

"The Act on Management and Supervision of Legal Entities provides measures to improve the quality of management and supervision within associations and foundations. It covers associations and foundations from small to large, that is, from professional organizations to societies and sports associations. Most of the law will enter into force on July 1, 2021."

 \mathcal{L} What does this mean?



WBTR IN A NUTSHELL

There are five new measures in the WBTR:

- 1. It provides a legal basis to have a supervisory body (Supervisory Board) or monistic board model (supervisors are part of the board; one-tier board);
- 2. When board members have a conflict of interest, they may not participate in decisionmaking;
- 3. Board members' liability rules in case of bankruptcy as a result of improper performance of duties;
- 4. For foundations: dismissal of board members by a judge (via PPC/interested party);
- 5. The articles of association must include a provision for absence or inability to act, and must include that a board member can't cast more votes than the other board members combined.



MANAGE THE GOVERNANCE AND SUPERVISION OF YOUR ORGANISATION **Business Government NL**

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WBTR AND YOUR STUDY ASSOCIATION

The amendments of the WBTR also affect your study association/foundation. Specifically, this means that you must include or modify some elements of your bylaws; after all, bylaws may not conflict with the law. There is therefore a transition period: after 5 years from the entry into force of the law, the articles in your bylaws will no longer apply if they go against the WBTR. This does not mean that you are obliged to change your articles of association: it simply means that as of July 1, 2026, the articles that go against the WBTR are no longer valid. Therefore, it does make sense to amend your bylaws, as it may cause confusion. Note that if your bylaws violate the WBTR in the area of multiple voting rights, you do have an obligation to amend your bylaws before July 1, 2026!

RESULTS OF THE WBTR FOR ASSOCIATIONS AND FOUNDATIONS (Dutch) Ministry of Justice and Security



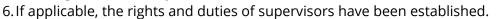
WHAT SHOULD THE BYLAWS INCLUDE?

It is important that when you amend your bylaws, you do so properly. You should change the following elements anyway:

1. The president should not be vice treasurer, and vice versa;

2. Board members should always put the interest of the association or foundation first, and

- act from that perspective. There must be rules for conflicts of interest;
- 3. There must be rules for decision-making in the event of a board member's absence or inability to act;
- 4.A board member is allowed to have more votes than another, but may never cast more votes than the other board members combined;
- 5. It is defined how board members are appointed. If there is a binding nomination, the membership meeting has little influence. There are rules for those situations that you should go over carefully with each other;



THIS IS WHAT THE WBTR MEANS FOR YOUR ORGANISATION Chamber of Commerce

ACT ON MANAGEMENT AND SUPERVISION OF LEGAL ENTITIES (WBTR) CMTC-OVM

GOVERNANCE AND SUPERVISION OF LEGAL ENTITIES ACT (WBTR) SKIN, based on the Dutch Association of Volunteers (NOV) and Network DAK

WBTR IN BRIEF (PPT) **SKIN Nederland**

IMPLEMENTING THE CHANGES

It is important to properly organize and execute major policy changes, such as a bylaws amendment. Changing the bylaws can require quite a bit of work and knowledge. Therefore, consider the following tips:

- 1.A bylaws change does not have to take place in one board year. Be sure not to rush through the process. In addition, it can also be valuable to hand it over to your successors, because with new board members come new insights.
- 2. Appoint a working group/committee to focus specifically on changing the bylaws. In that way, members who know a lot about it can deal with it with full focus.
- 3. Make use of the internet: search online for bylaws that have been recently changed (or use VIDIUS Knowledge Base, for example).
- 4. Seek knowledge: both from former board members, fellow Humanities board members and people with law knowledge, you can seek information on what to look out for and how to properly approach amending the bylaws.



FOCUS POINTS

Now that you are in the process of amending the bylaws, you can also start working on issues other than just the WBTR. Perhaps the bylaws no longer match how your association/foundation operates in practice, or they still contain old information. It is important to keep the following focus points in mind when changing the bylaws:

- 1. Use inclusive language. You can consult the UU's writing guide for this.
- 2.Member democracy = important! In a study association, you govern on behalf of the members, and thus the GMA is the highest decision-making body. Look critically at how member democracy is regulated in the bylaws.
- 3. The bylaws also include rules about amending the bylaws. Are these rules still accurate? Or do they need to be revised?



Have any more questions or want more information?

BESTUURLIJK ACTIEF UTRECHT Utrecht University & Hogeschool Utrecht

bestuurlijkactiefuu@uu.nl

