



**EXPLANATORY NOTES FOR PROPOSED NEW BYE-LAWS 2010
PREPARED BY THE HONORARY SOLICITOR**

These explanatory notes refer to the “New Bye-laws 2010” for the CILT can be downloaded from the Institute’s web-site at <http://www.ciltinternational.org/web/downloads/newbyelaws2010draft.pdf>

The changes to the Bye-laws fall into two categories: those made to “tidy up” and clarify existing bye-laws; and those that are substantive.

In this context it is useful to reflect that the international structure of the CILT is complex. The Institute comprises the established and substantially self-managing Territorial Organisations and the growth areas; where CILT has enormous potential to apply its expertise and experience in achieving its objectives to advance the science and art of logistics and transport, through education and training.

“Logistics & Transport” are global activities and CILT is uniquely placed to serve that international market. This means that we have to adapt our structure to give us the flexibility to meet this global challenge whilst always adhering to the overriding principle, namely to ensure that CILT, as an English chartered body and a registered charity, complies with the terms of its Charter and with English charities and trust law.

The explanations for the proposed changes are set out in the following table using the Bye-law or section heading for reference. Where there is no comment an amendment is either purely “administrative tidying up” or self-explanatory.

Bye Law	Explanatory Notes
3	Amendments are made to assist in interpretation and for clarification
5	This is just to clarify the period of office
7	The change simply makes appointment of Honorary officers a requirement, not an option
17 and 18	The position is clarified to reflect the current position that subscriptions, fees and other amounts are often collected by Territorial Organisations under contract to the CILT International Secretariat.
22	The amendments clarify and reinforce the power of the Council to promote and procure good corporate governance and compliance
29 and 30	The amendments bring the Bye-laws up-to-date and increase transparency
37 to 42 inclusive	<p>CILT has grown globally and its structure has not developed to reflect that growth. As mentioned above, the overriding principle is compliance with the Charter and English law.</p> <p>Recent changes, in particular the Charities Act 2006, have focussed attention on the constitution of the Council and its role in ensuring the Institute is able to maintain the highest standards of corporate governance and compliance with English charities law.</p> <p>Under new English charity law the <i>charity trustees</i> are those people with ultimate responsibility for the management and control of the</p>



	<p>affairs of the charity and delivering the charitable objectives set out in the Charter. Under the Charter that body is “the Council”. A Council comprising a constantly changing international group cannot be expected to be properly versed in English charity and trust law and perform trustees’ obligations. The proposal is therefore to revert to a structure more in accord with that contemplated in the Charter so that:</p> <ul style="list-style-type: none"> • “the Council” (to be known as “the Council of Trustees”) will comprise a smaller number of CILT members, including the Officers, who will act collectively as the charity trustees and have the powers set out in bye-law 38 (which is unchanged). • “the International committee” (to be known as “the International Council”) comprising nominees from all Territorial Organisations and Institute Branches, including regional representatives, will continue to be the forum for developing global strategy (as set out in proposed bye-law 42D). <p>Its constitution is unchanged but introduced is the concept of the Regional Forum. This will allow smaller and less well-funded CILT branches to collaborate and appoint regional representatives to the International Council meetings. This ensures all members and branches have can contribute to our plans for growth</p>
44	<p>Delegation Agreements will be created in which the specific powers, authority and responsibilities delegated by the Council to a Territorial Organisation are set out in some detail. This would be a binding, legally enforceable agreement and allow for much stricter corporate governance than simply relying on interpretation of general provisions in the bye-laws.</p> <p>It allows for bespoke arrangements to reflect the managerial and financial capacity of a particular Territorial Organisation to manage different aspects of membership, education and growth.</p>
48A	<p>This new bye-law introduces a right of audit so that Council can ensure compliance by Territorial Organisations</p>

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A letter of commendation from the President is published on the web-site at <http://www.ciltinternational.org/web/downloads/egmpresidentletter.pdf>

For comparative purposes the existing Bye-laws can be viewed at <http://www.ciltinternational.org/web/downloads/currentbyelaws.pdf>