



Statement of reasons for the update of CEMLA's Statutes on October 12, 2022

Currently, there are no clear rules regarding the termination of the term of debts due to non payment of CEMLA membership quotas and, consequently, accounts receivable can accumulate indefinitely. This problem not only has an impact on the accounting information, with inflated and growing accounts receivable that distort the Center's financial reality, but also on the determination of the amount of deferred Income Tax (ISR) and Employee Profit Sharing (PTU) payable.

Consequently, both CEMLA's Audit Committee and the external auditors recommended establishing in detail the times or conditions under which these receivables should be written off, thus avoiding having a portfolio of very old receivables with significant balances.

CEMLA's Assembly intends to resolve this issue with an amendment to Article 8 of the Center's Statutes.

Thus, Article 8 would read as follows:

Article 8. The Associates of the Center have the following rights and obligations:

- a) Be represented in the Assembly and propose any amendment to these Statutes through the Governing Board;
- b) Participate in the election of the Governing Board as well as be part of it.
- c) Have access to the activities and services organized by the Center in accordance with the programs approved by the Governing Board.
- d) Contribute to the maintenance of the Center with the contributions agreed by the Assembly.
- e) Provide the Center with effective and permanent assistance in obtaining reports for conducting its investigations and in general for the achievement of its purposes.
- f) Participate in monitoring the activities of the Center.

When the Associate, for two consecutive years does not comply with the obligation to cover the payment of its fee, the rights established in this Article will be suspended and its membership will be canceled, which may be recovered by paying a reinstatement fee to CEMLA equivalent to two years of his/her last dues as an Associate Member.