

# Transparency International India

*Registered under the Societies Registration Act 1860, Delhi*

## **Current Legal Status of Transparency International India post March 3, 2016**

**New Delhi, August 16, 2016:** Transparency International India (hereafter TII) was set up in 1997 as an independent civil society with the help of Late Shri SD Sharma, an octogenarian Gandhian and Late Admiral Tahlilani, along with Shri Kuldip Nayar and other stalwarts under the Societies Registration Act 1860.

Since its inception, TII has remained politically neutral, unbiased and in the last twenty years have stayed away from controversy. TII has worked relentlessly to make India a corruption free society and has always made efforts in the best interest of Indian citizens.

TII and Transparency International (hereafter TI) are two different legal entities. In 1998, TII and TI signed a Memorandum of Understanding. Relationship between TII (as any other national chapter) and TI are governed by National Accreditation Agreement (hereafter NACC). NACC is kind of a Memorandum of Understanding between TI and any national chapter. NACC makes triennial review of a national chapter mandatory and has a well laid internal dispute resolution mechanism between TI and its national chapter, including informal arbitration.

A due review of Indian chapter was done in July 2014 by Membership Accreditation Committee (MAC), an apex recommendatory body on chapter accreditation. The review was done through consulting wide variety of stakeholders, namely Central Vigilance Commission, leading central Public Sector Undertakings and likeminded NGOs. In October 2014, MAC recommended accreditation to TII.

However on March 3, 2016, a meeting with Regional Director, Asia Pacific region of TI with TII Board of Management (hereafter BOM) offered a six point proposal as a precondition for renewal of MoU. Some of the proposal points were unpractical and not implementable.

The BOM rejected the proposal which were eventually withdrawn. On March 12, 2016 an urgent Special General Body meeting was called by TII. The General Body of TII re imposed faith in their Board of Management and authorized the Board to take future decision including invoking informal arbitration. Central Vigilance Commission, which is the nodal agency for implementing TII's flagship project-Integrity Pact, was apprised of the situation.

As per NACC and governance manual of TI, if any chapter is not satisfied with accreditation review or the decision taken by the Board of TI, the national chapter can invoke informal arbitration. Informal arbitration is a mandatory internal mechanism of dispute resolution as per procedure of TI laid in NACC before approaching the judiciary. TII has sent the notice of informal arbitration on April 12 2016 which was duly acknowledged by the counsel of TI. However, the reply on informal arbitration is still awaited.

TI lawyer, Mr. Alexander Papachristou on August 9, 2016 wrote to TII Chairman Mr. I C Srivastava expressing TI's intention of resuming relationship with TII. TII Board will take decision at appropriate time.

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The informal arbitration and all other details on the development was communicated to all the stakeholders of TII via its quarterly newsletter published in April 2016, both by book post and email.

TII, in the past 20 years has emerged as a leading anti-corruption civil society in India. In the Annual General Meeting (AGM), apex decision making body of TII, conducted on March 12, 2016, it was decided that TII continues its work as usual. The decision of informal arbitration will determine the future course of relationship between TII and TI. TII is the legal owner of name and logo. There is no diminution of our commitment to the twin cause of anti corruption and good governance.