

Lay auditor report

1. General recommendations

Due to the approval of the ASBL reform in Luxembourg of **August 7, 2023** we need to take some actions and be stricter when it comes to our internal procedures.

Our Statutes currently refer to the old law, **therefore my first recommendation is to approve the Statutes changes to comply with the new law**. We are already late, as the statutes changes were due in September 2025.

It's also important to notice that **we might need help from a professional accountant who is an expert in Luxembourgian law**, at least for a one-shot consultation to check if we are on a good path of compliance.

During my review of the bank movement I noticed that in some cases the money we received from member parties were hard to “decipher”, especially when the account generating the payment was held by a natural person. I therefore recommend members who pay their member fees **to always write in the description either the party and the year or, better, the invoice number. In case of late payments, please specify for which years is the payment for**. In one case the payment was described both as a donation and a membership fee. This could be a problem in case we are subject to auditing as we “know” that it's a membership fee, but the auditor might think otherwise.

2. Compliance with the August 7th, 2023 law

Following the 2023 reform, Luxembourgian non-profits (ASBLs) are subject to stricter transparency rules.

I need to stress that these steps must not be taken as-is, but submitted to a professional accountant in Luxembourg to understand if more steps are required.

1. Submission of the approved final budget to the RCS

Although we haven't yet approved any Statutes changes related to the new law, its obligations still stand. In particular, we need to upload to the RCS our final approved budget, merged with the mandatory “Annexe” (Appendix) in a single file in **PDF/A** format.

At this point in time I think we need to submit both the **2024** and **2025** approved final budgets, completed with the compiled appendix.

It is my understanding that we do not need to upload the Minutes of Meeting documenting these approvals, but we need to keep them ready for inspection (see below).

2. Records to be kept

The new law requires the following documents to be kept **at the registered office**, even in digital form:

- **register of Members,**
- **accounting Ledger,**
- **minutes of the Council Meetings.**

It is perfectly acceptable that invoices and bills addressed to PPEU are paid by natural persons, however, if they do not want to be reimbursed the **In-kind** entries in the ledger documenting them need to be supported by a signed "Waiver of Reimbursement".

We need to keep at the registered office also a copy of **all the supporting documentation** (invoices, receipts and waivers).

3. Statutes Update

As already stated in the general remarks, the transitional period to update the Statutes ended in **September 2025**. We must therefore amend our Statutes to replace references to the repealed 1928 law with the new one.