



The Global Language of Business

GS1 Membership Conditions

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1 GS1 AISBL – Fundamental legal information

- GS1 is organised as a federation of independent legal entities with a central hub (GS1 AISBL or, together with its subsidiaries, GS1 Global Office).
- By joining GS1, an organisation legally becomes a member of **GS1 AISBL** (Association Internationale Sans But Lucratif), an international not for profit association, incorporated in Belgium and with registered office in Brussels.
- The mere accession to membership implies that an organisation agrees to abide with the statutes of GS1 AISBL (the “**GS1 Statutes**”, enclosed in Annex), its internal regulations and any other decisions adopted by its governance bodies from time to time.
- Key rights of an GS1 Member Organisation:
 - GS1 AISBL licenses to an organisation admitted as GS1 Member Organisation a number bank under a GS1 Prefix
 - as well as the right to administer the GS1 System of standards and services in its country.
- The GS1 Statutes also define a GS1 Member Organisation’s duties.
- A GS1 Member Organisation may have three sets of activities:
 - Developer of local standards complementing and compliant with the global GS1 standards
 - Issuer of GS1 identification numbers to implement the standards
 - Provider of services that support the implementation of standards
- GS1 Core Values:
 - Neutral and not-for-profit
 - User-driven and user-governed
 - Global and local
 - Inclusive and collaborative

2 GS1 Membership Conditions - Who can join

GS1 considers membership applications from **dedicated organisations** that are newly registered or in the process of registering and have been set up with the backing of trade and industry (manufacturers and retailers) in a country.

Existing companies or trade and industry organisations are **not** entitled to apply for membership in their own right but should join a collective effort to establish a new, legally independent, dedicated GS1 organisation.

Each organisation applying for GS1 membership must meet the following conditions per the GS1 Statutes (see **Annex**):

- Be a legal entity, i.e., the GS1 activities should be conducted independently by a separate legal entity;
- Come from a sovereign and internationally recognised state;
- Be a not—profit organisation
- Enjoy broad support from local trade and industry (manufacturers and retailers);
- Be recognised as an authority in its own country for identification matters;

- Be in a position to assume the role of sole recognised GS1 organisation in its country;
- Have a Management Board (or equivalent governance body) composed of companies that are users of GS1 standards;
- Have the financial resources to attain its objectives and meet its obligations to GS1;
- Have (or be in a position to acquire) the technical competence required to run a GS1 Organisation;
- Demonstrate that there is sufficient demand for GS1 standards and services in its country to justify the establishment of a GS1 organisation and the application for GS1 membership.
- Undertake in writing to abide by the GS1 Statutes and regulations.

3 Five steps to GS1 membership

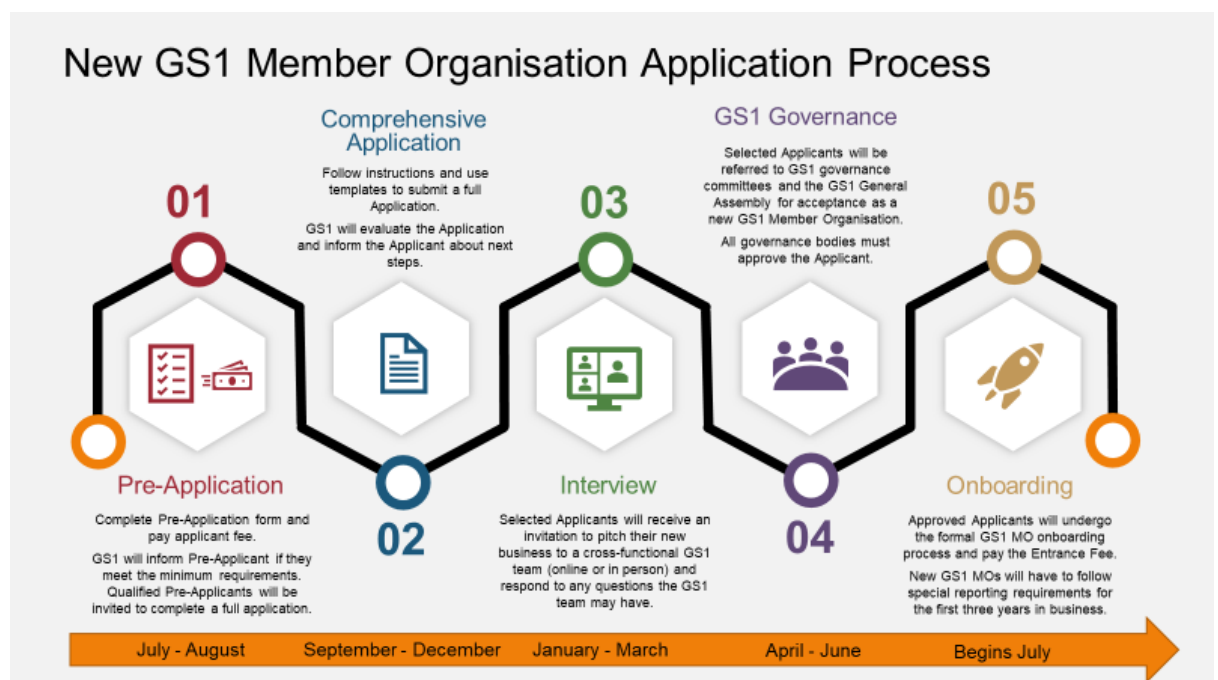
Organisations interested in becoming a GS1 Member Organisation will participate in a one-year application process consisting of five distinct stages. At each stage, GS1 will assess whether the application may proceed to the next step.

The process starts with a 4-week application window in July of each year.

If at any point GS1 determines that the application or the organisation seeking to become a member is not yet ready, the process ends, and the organisation may apply again at a later time.

The graph below describes the 5 steps of the GS1 Member Organisations application process.

It should be understood that the submission of a complete application does not guarantee admission into GS1 as a Member Organisation, which requires a vote of the GS1 General Assembly.



3.1 Stage 1: Pre-Application

Once an agreement has been reached by local user companies to establish a GS1 Member Organisation and apply for GS1 membership, a pre-application document needs to be prepared by the founding members. The organisation seeking GS1 membership needs to fulfil certain minimum requirements before it will be invited to submit a full application. These requirements are:

- Demonstrating awareness of other entities in their country attempting to become a GS1 Member Organisation
- Commitment to operate on a not-for-profit basis
- Evidence of sufficient industry support (five letters of support by independent industry leaders)
- Proof of adequate qualifications to run a start-up GS1 Member Organisation (education, prior start-up experience, written testimony)
- Payment of application fee (amount determined by country's GDP)

The pre-applicant must complete the *Pre-Application Form* and submit it from 1 – 31 July of each year.

3.2 Stage 2: Comprehensive Application

Pre-Applicants that meet the minimum requirements are invited to submit a comprehensive application. At this stage, they become formal applicants. The comprehensive application describes how the organisation sees itself integrating into the GS1 federation and what type of services it is considering providing. Stage 2 is the most work-intensive step in the process.

The comprehensive application file needs to be prepared by the founding members, and it must be submitted no later than 30 October of each year.

Applicants will be informed by 31 December whether they proceed to the next stage of the application process.

The application file should follow the *Application Template* provided by GS1 and contain, among other, the following important elements:

1. Executive summary
2. Organisational description
3. Business plan
4. Start-up organisation
5. Conclusion

Detailed requirements for of each section are provided in the "*Application for GS1 Membership Instructions.*"

GS1 Membership Application Template:



Step2_GS1
Membership Applicati

Application Instructions:



Step2_Application_in
structions_Dec2022.d

3.3 Stage 3: Interview

Applicants who have advanced to Stage 3, will be asked to pitch their business plan to a cross-functional GS1 team between January and March.

The interview consists of a 45-minute presentation by the applicant followed by a 45-minute question-and-answer session. In total, the interview should not take more than two hours.

The interview may take place face to face in Brussels or by video call.

The intent of the interview is to review together with the applicant their business plan to ensure alignment with the GS1 system and its federated, non-profit operating model.

Applicants will be informed shortly after the interview whether they will proceed to Stage 4 of the application process.

Interview Instructions:



Step3_Interview_instructions_Final.pdf

3.4 Stage 4: GS1 Governance

Per the GS1 Statutes, the application is submitted to the GS1 Global Office. The GS1 Global Office Legal Team reviews compliance with the membership requirements under supervision of the "Internal Compliance Committee" (the "ICC", a committee of the GS1 Management Board). The ICC issues a recommendation to the GS1 Management Board, who then decides to submit to a vote of the GS1 General Assembly (see **Annex**).

In practice, the GS1 Global Office Legal Team:

- reviews the applications together with a cross-functional business team,
- informs the applicant of any conditions of the GS1 Statutes that may not be met,
- where available, recommends changes to enable meeting all conditions of the GS1 Statutes, and
- reports back to the ICC.

The ultimate decision about the acceptance of an organisation into GS1 is made by the GS1 General Assembly. GS1 convenes a general assembly every year in May/June. The new member application process is tailored to align with the assembly's calendar, but there is no guarantee that an applicant's application will in fact be submitted to the very next general assembly meeting. The ICC may defer the application to another year, find the applicant's submission insufficient and recommend revisions, or it may reject the application entirely.

GS1 Global Office notifies the applicant in writing about the outcome of the GS1 General Assembly's decision.

3.5 Stage 5: Onboarding

Applicants accepted by the GS1 General Assembly undergo formal onboarding process led by the GS1 Customer Service Team.

In addition, upon approval of the membership application by the GS1 General Assembly, the GS1 entrance fee of €15,000 (Euros) is due.

3.5.1 Payment of the Entrance Fee

The entrance fee (€15,000) may be paid all at once or in three equal instalments of 3 years. The already paid application fee will be applied to the first instalment of the total entrance fee. Member Organisations will not be able to vote at GS1 General Assembly meetings until the entrance fee has been paid in full.

The payment of the entrance fee is the final step in the GS1 membership application process. If the entrance fee has not been paid within three years, the membership will be cancelled.

3.5.2 Allocation of GS1 Prefix

Upon payment of the entrance fee (full fee or first instalment), GS1 Global Office allocates a 3-digit GS1 prefix to the new member organisation and gives it access to its own number bank and membership database.

The GS1 organisation will now be able to start operating as a GS1 Member Organisation and issue GS1 Company Prefixes and GS1 identification numbers to its member companies.

3.5.3 GS1 annual fees

Each GS1 organisation pays an annual fee to GS1. The amount of these fees is voted each year by the GS1 General Assembly. The GS1 General Assembly represents all GS1 Member Organisations. At present, the annual membership fee is 7.5% of the member organisation's "Financial Strength" from the previous year. "Financial Strength" is defined as *"all funds collected annually by the GS1 Organisation that derive from or are received in relation to the GS1 System"*. The annual fee is invoiced to each GS1 Member Organisation during the month of July. The GS1 financial year is from 1 July to 30 June. GS1 Member Organisations will not be required to pay an annual fee to GS1 the first year of membership.

3.5.4 Observer and 3-year reporting requirement

For the first three years as GS1 Member Organisation, the successful applicant has to submit detailed financial reports using the same GS1 financial forecast template that is used in the application process.

In addition, for the first three years, the Member Organisation has to complete a questionnaire that aids in the overall assessment of business operations.

The GS1 Finance, Legal and Community Engagement Team will assess the provided documents and may recommend corrective actions to ensure long-term success of the start-up Member Organisation.

Also for the first year, the new GS1 Member Organisation will be assigned by GS1 Global Office an observer who will attend the new organisation's board meetings and who will serve as advisor to the leadership team.

4 Role and functions of a GS1 Member Organisation

The role and functions of a GS1 Member Organisation are principally as follows:

1. To manage the GS1 number bank under the GS1 Prefix. A GS1 Member Organisation is responsible for assigning unique GS1 identification numbers to companies wishing to use GS1 standards.
2. To deploy the GS1 standards to the local industry;
3. To provide implementation support, to its members including:
 - Help desk, newsletters, web site, etc.
 - Seminars, conferences, training workshops, etc.
 - Educational materials and guidelines to encourage understanding and correct implementation of the standards.
 - Barcode quality and symbol testing service.
4. To act as an interest group on behalf of its members by:
 - Gathering and disseminating business cases on the application of the standards;
 - Liaison with industry groups, trade associations, government bodies, etc., to co-ordinate developments and broaden the use of the standards.
 - Participating in the international activities of GS1 and contributing to its on-going work and development.
 - Liaison with software and hardware equipment suppliers, packaging designers, printers etc., to ensure that their products and services support GS1 standards.