

Made on: 6 May 2002

Amended: 22 October 2003

Amended: 27 October 2004

Amended: 27 September 2005

International Association of Deposit Insurers (IADI)

Statutes

Annotated Version – For Internal Use Only

I. General Provisions

Article 1

Name, Headquarters and Duration

An association by the name of **International Association of Deposit Insurers (IADI)** (hereinafter “the Association”) domiciled in Basel, Switzerland, at the Bank for International Settlements (BIS), is hereby established pursuant to Article 60 of the Swiss Civil Code. The Association is a non-profit organization. The duration of the Association is unlimited.

Article 2

Objects of the Association

The Objects of the Association are to contribute to the stability of financial systems by promoting international cooperation in the field of deposit insurance and to encourage wide international contact among deposit insurers and other interested parties.

In the furtherance of its Objects, the Association will, in particular:

- (a) enhance the understanding of common interests and issues related to deposit insurance;
- (b) set out guidance to enhance the effectiveness of deposit insurance systems - such guidance shall take into account different circumstances, settings and structures;
- (c) facilitate the sharing and exchange of expertise and information on deposit insurance issues through training, development and educational programs and provide advice on the establishment or enhancement of effective deposit insurance systems;
- (d) undertake research on issues relating to deposit insurance; and
- (e) take such other action as may be necessary or useful for its Objects and activities.

Article 3
Legal Personality

The Association has a separate legal personality effective as of the date of the adoption of these Statutes by the Constituent Meeting. It shall, in particular, have the power to:

- (a) contract;
- (b) sue and be sued in its own name; and
- (c) acquire and dispose of movable and immovable property.

The Association shall be represented and legally committed in its dealings with third parties either by the signature of the Chair of the Executive Council or of the Secretary General, or of any other duly authorized official of the Association or any third party duly authorized by the Chair of the Executive Council or the Secretary General to sign on behalf of the Association.

Article 4
Financial Resources and Liabilities

The financial resources of the Association shall comprise:

- (a) fund contributions from its Members, as set out below in Article 7;
- (b) annual fees collected from its Participants as set out below in Article 7;
- (c) charges established by the Executive Council for specific services; and
- (d) donations, grants or other sources of revenue.

The financial resources of the Association shall exclusively be used for pursuing the Objects of the Association and shall solely be applied to the operating costs of the Association and the constitution of adequate reserves. Participants shall have no rights to the assets of the Association and shall not be liable for the liabilities of the Association.

II. Participants

Participants in the Association shall be Members, Associates or Observers.

Article 5
Members

The Members shall be entities that, under law or agreements, provide deposit insurance, depositor protection or deposit guarantee arrangements (a “deposit insurance system”). Each Member shall designate in writing an individual who will act as its designated representative. Such designated representatives are entitled to participate in the activities of the Association, vote at any meeting of Members and hold office in the Association.

Each Member may designate in writing an alternate to act in lieu of the designated representative, if the designated representative is unable to act.

Article 6

Associates and Observers

Associates shall be entities that do not fulfill all the criteria of Members, but who are considering the establishment of a deposit insurance system or other entities that are part of a financial safety net and have a direct interest in the effectiveness of a deposit insurance system. Associates are eligible to participate in the activities of the Association but shall not vote at Annual General Meetings or Extraordinary General Meetings nor hold office in the Association.

Observers shall be all other interested parties such as international organizations, financial institutions or professional firms. They may be involved in the activities of the Association in a manner determined by the Executive Council but shall not vote at Annual General Meetings or Extraordinary General Meetings nor hold office in the Association.

Article 7

Initial Fund Contributions and Annual Fees

The initial fund contribution for each Member shall not exceed 10,000 USD and payment is due within ninety (90) days of receipt of an invoice or such other period as determined by the Executive Council. Associates and Observers are not required to make any fund contributions.

The annual fees collected from each Participant in the Association shall be determined through a vote by the Members at a General Meeting upon recommendation of the Executive Council, provided however that the annual fee for each Member shall not exceed 20,000 USD, and the annual fee pertaining to Associates shall not exceed 75% of the annual fee of Members and the annual fee of Observers shall not exceed 50% of the annual fee of Members. The annual fees of each Participant shall be due within ninety (90) days of receipt of an invoice.

The Executive Council shall have the authority in certain circumstances to decide on the modalities of payment of the initial fund contributions and/or annual fees. Furthermore, the Executive Council shall have, in exceptional circumstances, the authority to reduce or waive the annual fee of a specific Observer.

The Executive Council may expel any Participant from the Association if the annual fee is not paid within thirty (30) days after written notice of non-payment has been dispatched.

In the event of the resignation or expulsion of a Participant, any annual fees paid, including fund contributions, are not refundable.

Article 8

Admission and Resignation

Applications for admission shall be addressed to the Secretary General who will forward the applications to the Executive Council for consideration and approval. The Executive Council shall have the power to reject applications without indication of reasons and without the right to appeal.

Any Participant may resign at any time from the Association upon giving prior written notice thereof to the Secretary General. Any such resignation shall take effect at the end of the calendar month following the month in which the notice is received, unless a later date is specified in the notice.

III. Partners

Article 9

Partners shall be entities who enter into cooperative arrangements with the Association in the pursuit and furtherance of the Objects of the Association. They may be involved in the activities of the Association in a manner determined by the Executive Council.

IV. Organization

Article 10

Governing Bodies of the Association

The governing bodies of the Association are the General Meeting of Members and the Executive Council.

a) General Meeting of Members

Article 11

Attendance

All Participants shall be entitled to send representatives to attend General Meetings and any Extraordinary General Meetings. The Executive Council may restrict the attendance at these meetings to Members only and it may limit the size of delegations that may attend any meeting.

Decisions of the General Meetings may also be taken by correspondence. In such a case, the vote may be preceded by a teleconference or any other means of exchange of views deemed appropriate by the Executive Council.

Article 12

Powers of the General Meeting

The General Meeting of Members is the supreme authority of the Association.

Its main authorities include:

- (a) making amendments to the Statutes;
- (b) deciding upon the manner in which the Annual General Meeting or any Extraordinary General Meeting will conduct its affairs;
- (c) the election of the Chair of the Executive Council, who will act as the President of the Association, the Treasurer of the Association, who will oversee the financial affairs of the Association, and the other members of the Executive Council;
- (d) the appointment of the external Auditor;
- (e) the approval of the annual budget and business plans including the annual fees of Participants and fund contributions of Members pursuant to Article 7;
- (f) the approval of the Annual Report and the audited financial statements and the release of the members of the Executive Council from all responsibility in respect of the past financial year;
- (g) approving the process for setting out guidance and approving the establishment of guidance to enhance the effectiveness of deposit insurance systems;
- (h) doing all things necessary to the sound functioning and furtherance of the Association's Objects; and
- (i) the dissolution of the Association.

Article 13

Passing of Resolutions and Voting

Each Member shall have one vote. Decisions of the Members at a General Meeting shall be taken by a majority of the Members casting a vote, except resolutions regarding amendments of the Statutes or dissolution of the Association, which shall be subject to a two-thirds majority of the Members casting a vote.

Article 14

Convocation

The Association shall convene once a year in an Annual General Meeting upon invitation by the Executive Council. Furthermore, the Members may convene in an Extraordinary General Meeting if so decided at the Annual General Meeting, or by the Executive Council, or if requested by one-fifth of the Members stating the grounds in writing.

Written notice of the time, date and place of the Annual General Meeting and a proposed agenda shall be sent to each Member at least sixty (60) days before the General Meeting. Any necessary resolutions or documents requiring the attention of the Members shall be sent to each Member at least ten (10) days prior to the date of the meeting. If a Member wishes to have an item added to the agenda of a General Meeting, the request must be provided to the Secretary General at least forty (40) days prior to the meeting. If an Extraordinary General Meeting is called, the Executive Council shall send the notice of the meeting and the proposed agenda as soon as practicable but no later than thirty (30) days before such a meeting.

History:

- *Amended in October 2004*

Written notice of the time, date and place of the Annual General Meeting, including a proposed agenda and any necessary resolutions requiring the attention of Members shall be sent to each Member at least sixty (60) days before the General Meeting. If a Member wishes to have an item added to the agenda of a General Meeting, the request must be provided to the Secretary General at least forty (40) days prior to the meeting. If an Extraordinary General Meeting is called, the Executive Council shall send the notice of the meeting and the proposed agenda as soon as practicable but no later than thirty (30) days before such a meeting.

- *Explanation:*

The new Article 14 alters the previous language that said that necessary resolutions or documents be sent to Members at least sixty (60) days prior to the date of the General Meeting. The new provision states that the necessary resolutions or documents requiring the attention of the Members be sent to each Member at least ten (10) days prior to the date of the meeting.

A designated representative of a Member may propose to include additional items on the agenda at the Annual General Meeting or Extraordinary General Meeting. Upon receipt of such a proposal, the amendment to the agenda will be considered and decided by a majority of Members casting a vote.

b) Executive Council

Article 15

Composition, Appointment, Term of Office and Vacancies

The Executive Council shall be composed of a minimum of twelve (12) and a maximum of designated representatives as decided by a vote of the Members at a General Meeting taking into account a recommendation of the Executive Council. The General Meeting shall elect the Chair of the Executive Council, the Treasurer of the Association and other members of the Executive Council for specified terms so as to ensure that the terms of office of approximately one third of the Members of the Executive Council shall expire every year.

History:

- *Amended in October 2004*

The Executive Council shall be composed of a minimum of twelve (12) and a maximum of twenty one (21) (as decided by a vote of the Members at a General Meeting) designated representatives of Members. The General Meeting shall elect the Chair of the Executive Council, the Treasurer of the Association and the other members of the Executive Council for terms of three (3) years. Elections for the first year shall be organized in such a manner (including staggered terms of office

up to three years) so as to ensure that the term of office of approximately one-third of the Members of the Executive Council shall expire every year.

- *Explanation*

The new Article 15 removes the statutory limit on the number of individuals that can be elected to the Executive Council. It was determined that this matter should be decided each year by the Members with the benefit of a recommendation from the Executive Council. As well, the new Article removes the reference to three-year terms to allow more flexibility in meeting the principle that one third of the terms of the members of the Executive Council should expire each year.

Together with the proposed agenda of the Annual General Meeting, the Executive Council shall propose a list of candidates drawn from the designated representatives of the Members for election by the Annual General Meeting, ensuring, insofar as possible, that the list of candidates reflects the composition of the membership and regional interests of the Association. Members may also nominate designated representatives to be added to the list of candidates for election by sending a notice in writing to the Secretary General of the Association at least forty (40) days prior to the date of the Annual General Meeting.

15 A In the event that the Chair of the Executive Council or the Treasurer of the Association resign or is unable to hold Office for the full term of their appointment, the Executive Council shall appoint one of its members to hold that Office until the next General Meeting. In such cases, the Executive Council shall cast a vote and a majority of the votes will carry the decision. The Council shall forthwith send a notice to all Participants advising them of the resignation and of the new appointment.

15 B In the event that a member of the Executive Council resigns or is unable to hold office for the full term of his or her appointment, the Member concerned shall designate in writing a new person to act as a member of the Executive Council until the next Annual General Meeting. If a Member does not designate a replacement within 60 days of the receipt of the resignation, the Executive Council may consult with other Members interests and appoint a replacement to fill that vacancy. In such a case, the Executive Council shall cast a vote and the majority of the votes shall carry the decision. The Executive Council shall forthwith advise Members of its decision prior to sending a notice to all the Participants.

All decisions taken by the Council pursuant to Article 15A and 15B are final.

History:

- Sections 15A and 15B were added in October 2003

Explanation:

Article 15A deals with the matter of the Chair of the Executive Council and the Treasurer in the event that he or she resigns or is unable to hold office for the full term of their appointment. If that were to happen, the Executive Council is empowered to appoint one of its members to hold office until the next General Meeting. Once that action is taken, the Executive Council must send a notice to all Participants advising them of the resignation and of the new appointment.

Article 15B deals vacancies that may occur on the Executive Council. In the event that a member of the Executive Council resigns or is unable to hold office for the full term of his or her appointment, the Member may designate another person to act as a member of the

Executive Council until the next General Meeting. If the Member does not wish to designate a replacement within sixty (60) days of the receipt of the notification of the resignation, then the Executive Council may consult with other Members interested in serving on the Executive Council and appoint a replacement to fill the vacancy. The Executive Council must then inform the Members of its decision.

The two amendments were made to ensure the ongoing business and affairs of the Association. It should be noted that all decisions taken under Articles 15A and 15B by the Executive Council are final.

Article 16

Responsibilities

Members of the Executive Council shall act in the best interests of the Association and serve on good behavior.

The Executive Council may designate such other officers as it considers necessary from the Executive Council and it may establish rules of procedure for its functioning.

Article 17

Powers of the Executive Council

The Executive Council shall act in all matters to ensure the sound functioning of the business and affairs of the Association.

It shall:

- (a) establish and implement by-laws or policies governing the business and affairs of the Association;
- (b) call the Annual General Meeting or any Extraordinary General Meetings;
- (c) consider and approve applications for participation in the Association;
- (d) recommend the approval of the annual report, the annual budget and business plans including the annual fees of participants and fund contributions of members;
- (e) recommend a process for developing and setting out guidance to enhance deposit insurance systems;
- (f) develop policies for the provision of advice on deposit insurance issues;
- (g) establish such regional committees as it deems necessary to reflect regional interests. The Chairs of the regional committees shall be appointed by the Executive Council, upon the recommendation of the Members from that region, and shall report to the Executive Council on their activities;
- (h) establish other bodies or committees as required, and set their mandates and responsibilities;
- (i) appoint, if necessary, one or more of its members to represent or act for the Executive Council with respect to a particular activity;
- (j) appoint the Secretary General and any other employees of the Association and determine their responsibilities;

- (k) admit or exclude any Participant from the activities of the Association without indication of reasons; and
- (l) do all things necessary to ensure the sound functioning of the business and affairs of the Association.

Article 18

Secretary General

The Secretary General shall be appointed by the Executive Council. The expenses for the operation of the Secretariat shall be borne by the Association.

The main responsibilities of the Secretary General are:

- (a) to act as the Secretary to the Executive Council, the Annual General Meeting or any Extraordinary General Meetings;
- (b) to manage the Secretariat and provide services to the Association;
- (c) to process applications for participation in the Association;
- (d) to maintain minutes of meetings and essential records of the Association;
- (e) to maintain appropriate accounts of the Association;
- (f) to maintain a register of Participants; and
- (g) to execute all other functions that are assigned by the Executive Council from time to time.

V. Auditor

Article 19

Appointment and Function

The Annual General Meeting shall appoint an external Auditor to audit the accounts and the annual financial statements for the next financial year. The Auditor shall submit to the Executive Council an Audit Opinion for presentation to the Annual General Meeting for approval of the annual financial statements and for discharging the Executive Council from all responsibility in respect of the past financial year.

VI. Final Provisions

Article 20

Indemnification

The Annual General Meeting or Extraordinary General Meeting may decide, on the recommendation of the Executive Council, that the Association will indemnify current or former Officers of the Association (hereinafter defined as “members of the Executive Council, the Secretary General and any other employee of the Association, as well as any person duly authorized to act on behalf of the Association”), against costs and charges in respect of a civil, criminal or administrative proceeding to which he/she is made a party by reason of being or having been an Officer of the Association, if that

person acted honestly and in good faith in fulfillment of his/her duties with a view to the best interests of the Association.

The Executive Council may establish reasonable limits on the indemnification provided and it may purchase and maintain insurance to cover this risk. The Executive Council may advance funds to current or former Officers of the Association to cover the cost of involvement in a proceeding.

Article 21

Dissolution

The Members at a General Meeting may at any time decide to dissolve the Association. Liquidation shall be carried out by the Executive Council unless entrusted by the General Meeting to other persons. Any surplus assets of the Association shall be applied in accordance with a decision taken by the General Meeting that dissolves the Association.

Article 22

Financial Year

The financial year of the Association shall run from 1 July to 30 June or the period determined at the General Meeting upon receiving a proposal from the Executive Council. The first financial year of the Association shall start from the day of adoption of these Statutes at the Constituent Meeting until 30 June of the following year.

History:

- *Amended on 27 September 2005*

The financial year of the Association runs from 1 April to 31 March following the acceptance by the Members on 27 September 2005 of a proposal by the Executive Council. The change in the financial year end of IADI is effective from 1 July 2005.

- *Explanation:*

The change in the financial year end was made to help balance the workload of the Secretariat.

Article 23

Governing Law and Dispute Resolution

The laws of Switzerland shall govern these Statutes and all by-laws and regulations promulgated hereunder.

All disputes arising in connection with these Statutes, by-laws or regulations based on these Statutes shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as in force on the day on which the present Statutes were approved by Members at the Constituent Meeting. The number of arbitrators shall be one; the seat of arbitration shall be Basel, Switzerland; the language to be used in the arbitral proceedings shall be English.

History:

- *The Statutes were approved and entered into force at the Constituent Meeting held on 6 May 2002. The Statutes were amended by adding Articles 15A and 15B at a General Meeting held on 22 October 2003. The amendments to Articles 14 and 15 were adopted at the General Meeting that took place on 27 October 2004. The change in Article 22 took effect on 1 July 2005 following the*

*acceptance by the Members of a resolution proposed by the Executive Council.
The present Statutes are the Statutes of the Association currently in force.*

Done at Basel on 9 November 2005.

A handwritten signature in black ink, appearing to read "Ray LaBrosse". The signature is fluid and cursive, with the first name "Ray" and the last name "LaBrosse" clearly distinguishable.

John Raymond LaBrosse
Secretary General
International Association of Deposit Insurers

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS

LIST OF FOUNDING MEMBERS

<i>Organization</i>	<i>Name of Representative</i>	<i>Title</i>
Canada Deposit Insurance Corporation	Mr. Jean Pierre Sabourin President and Chief Executive Officer	Original Signed
Central Deposit Insurance Corporation (Taiwan)	Mr. Chin-Tsair Tsay Chairman	Original Signed
Deposit Insurance Corporation (Bahamas)	Mr. Philip Bethel Senior Assistant Manger	Original Signed
Deposit Insurance Corporation of Japan	Mr. Hajime Shinohara Deputy Governor	Original Signed
Deposit Insurance Corporation of Jordan	Mr. Mohammed Said Shahin Director General	Original Signed
Deposit Insurance Corporation (Trinidad & Tobago)	Mr. Junior Frederick General Manager	Original Signed
Deposit Insurance Fund (Bulgaria)	Mr. Mileti Mladenov Chairman	Original Signed
Deposit Insurance Fund Czech Republic	Mr. Josef Tauber Chairman of the Board of Administration	Original Signed
Deposit Protection Fund Board (Kenya)	Mr. James O. Ogundo Director	Original Signed
Federal Deposit Insurance Corporation (USA)	Mr. George Hanc Associate Director	Original Signed
Fonds de garantie de dépôts (France)	M. Charles Cornut Président du Directoire	Original Signed
Fundo Garantidor de Créditos (Brazil)	Mr. Antonio Carlos Bueno Chief Executive Officer	Original Signed
Instituto de Garantia de Depositos (El Savador)	Mr. Oscar Armando Perez Merino President	Original Signed
Instituto para la Proteccion al Ahorro Bancario (Mexico)	Mr. Carlos Isoard Member of the Board of Governors	Original Signed
Jamaica Deposit Insurance Corporation	Mr. Winston Carr Chief Executive Officer	Original Signed
Korea Deposit Insurance Corporation	Mr. In Won Lee Chairman and President	Original Signed

Organization	Name of Representative	Title
National Deposit Insurance Fund (Hungary)	Mr. Dániel Jánossy Managing Director	Original Signed
Nigeria Deposit Insurance Corporation	Mr. Ganiyu A. Ogunleye Managing Director and Chief Executive Officer	Original Signed
Peruvian Deposit Insurance Fund	Mr. Juan Klingenberger President	Original Signed
Philippine Deposit Insurance Corporation	Mr. Norberto C. Nazareno President and Chief Executive Officer	Original Signed
Régis de l'assurance-dépôts du Québec	M. Normand Côté Directeur Général Adjoint	Original Signed
Savings Deposit Insurance Fund Banking Regulation and Supervision Agency (Turkey)	Mr. Muhammet Unal Acting Vice President	Original Signed
Seguro de Depositos Sociedad Anonima (Argentina)	Dr. José Carlos Jaime Chairman	Original Signed
Swedish Deposit Guarantee Board	Mr. Hans Jacobson Chairman	Original Signed
The Household Deposit Insurance Fund (Ukraine)	Mr. Valeriy I. Ogiyenko Chief Executive	Original Signed