

**STATUTES OF THE
INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS**

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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

Definitions

“Associate” means an entity that does not fulfill all the criteria to be a Member, but which is considering the establishment of a deposit insurance system, or is part of a financial safety net and has a direct interest in the effectiveness of a deposit insurance system.

“Chair” means the person who serves as Chair of the Executive Council and who acts as the President of the Association.

“Chairperson” means the person appointed by the Executive Council to serve as chair of a committee the Executive Council establishes.

“Deposit insurance system” refers to depositor protection programs, including deposit guarantee arrangements.

“Designated Representative” means a person chosen by a Member to represent it who is entitled to participate in the activities of the Association.

“General Meeting of Members” means the Annual General Meeting of Members and any Extraordinary General Meetings (hereafter “General Meeting”).

“Member” means an entity that, under law or agreements, has a deposit insurance system, and has been approved for membership in the Association.

“Observer” means an interested party that is a Not-for-Profit entity which does not fulfill the criteria to be an Associate but has a direct interest in the effectiveness of deposit insurance systems; and may include international organizations, financial institutions and professional firms.

“Participant” means a Member, Associate or Observer of the Association.

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“Partner” means a Not-for-Profit entity that enters into a cooperative arrangement with the Association in the pursuit and furtherance of the Objects of the Association.

“Councilmember” is a Designated Representative who has been elected to the Executive Council by a General Meeting of Members, or has been appointed by the Member to serve the balance of the Councilmember’s term until the next election.

“Vice Chair” means the person who serves as the Vice Chair of the Executive Council.

Article 3

Objectives of the Association

- (a) The Objectives of the Association are to:
 - (1) contribute to the stability of financial systems by –
 - a. promoting international cooperation in the field of deposit insurance, and
 - b. providing guidance for establishing new, and enhancing existing, deposit insurance systems; and
 - (2) encourage wide international contact among deposit insurers and other interested parties.
- (b) In the furtherance of its Objectives, the Association will, in particular:
 - (1) develop principles, standards and guidance to enhance the effectiveness of deposit insurance systems – taking into account different circumstances, settings and structures;
 - (2) encourage consideration and voluntary application of its principles, standards and guidelines;
 - (3) develop methodologies for the assessment of compliance with its principles, standards, and guidelines, and facilitate assessment processes;
 - (4) enhance the understanding of common interests and issues related to deposit insurance;

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- (5) 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;
- (6) undertake research on issues relating to deposit insurance;
- (7) co-operate with other international organisations, particularly those involved in issues related to financial markets and promotion of financial growth, stability and integrity;
- (8) create awareness among supervisors and regulators of financial institutions concerning the key role of deposit insurance systems in maintaining financial stability; and
- (9) take such other action as may be necessary or useful for its Objectives and activities.

Article 4

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;
- (c) acquire and dispose of movable and immovable property; and
- (d) take such other action as may be necessary or useful for its purposes and activities.

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

1 Article 5

2
3 Financial Resources and Liabilities

4
5 The financial resources of the Association shall comprise:

- 6
7 (a) initial fund contributions from its Members, as set out in Article 8;
8
9 (b) annual fees collected from its Participants as set out in Article 8;
10
11 (c) charges established by the Executive Council for specific services; and
12
13 (d) donations, grants or other sources of revenue.

14
15 The financial resources of the Association shall exclusively be used for
16 pursuing the Objects of the Association and shall solely be applied to the
17 operating costs of the Association and the constitution of adequate reserves.
18 Participants shall have no rights to the assets of the Association and shall not
19 be liable for the liabilities of the Association.

20 **II. Participants**

21
22 Article 6

23
24 Members

25
26 Each Member shall designate in writing a person who will act as its
27 Designated Representative. Such Designated Representatives are entitled to
28 participate in the activities of the Association, vote at any General Meeting
29 and hold office in the Association.

30
31 Each Member may designate in writing an Alternate to act in lieu of the
32 Designated Representative, if the Designated Representative is unable to act.

33
34 A Designated Representative may also vote in advance of any General
35 Meeting by means of an absentee vote via correspondence pursuant to
36 Article 14.

37
38 Article 7

39
40 Associates and Observers

41
42 Associates are eligible to participate in the activities of the Association but
43 shall not vote at General Meetings nor hold office in the Association.

44
45 Observers are eligible to participate in the activities of the Association in a
46 manner determined by the Executive Council but shall not vote at General
47 Meetings nor hold office in the Association.

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Article 8

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 should 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.

Effective April 1, 2009, in the case of the initial fund contribution and the annual fees, the currency of payment shall be CHF. In the discretion of the Secretary General in consultation with the Chair all other sources of income may be payable in any recognized currency.

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 9

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.

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

5
6 **III. Partners**

7
8 Article 10

9
10 Partners are eligible to participate in the activities of the Association in a
11 manner determined by the Executive Council, but shall not vote at General
12 Meetings nor hold office in the Association.

13
14
15 **IV. Organization**

16
17 Article 11

18
19 Governing Bodies of the Association

20
21 The governing bodies of the Association are the General Meeting and the
22 Executive Council.

23
24 **a) General Meeting of Members**

25
26 Article 12

27
28 Attendance

29
30 All Participants and Partners may send representatives to attend General
31 Meetings. The Executive Council may restrict the attendance at these
32 meetings to Members only and it may limit the size of delegations that may
33 attend any meeting.

34
35 Article 13

36
37 Powers of the General Meeting

38
39 The General Meeting is the supreme authority of the Association.
40 Its main authorities include:

41
42 (a) making amendments to the Statutes;

43
44 (b) deciding upon the manner in which a General Meeting will conduct its
45 affairs;

46

1 (c) the election of the Chair, who will act as the President of the Association,
2 the Treasurer of the Association, who will oversee the financial affairs of the
3 Association, and the Councilmembers of the Executive Council;

4
5 (d) the appointment of the external Auditor;

6
7 (e) the approval of the annual budget and business plans including the annual
8 fees of Participants and fund contributions of Members pursuant to Article 8;

9
10 (f) the approval of the Annual Report and the audited financial statements and
11 the release of the Councilmembers from all responsibility in respect of the
12 past financial year;

13
14 (g) approving the process for developing guidance and approving the
15 establishment of guidance by the Executive Council to enhance the
16 effectiveness of deposit insurance systems;

17
18 (h) doing all things necessary to the sound functioning and furtherance of the
19 Association's Objects; and

20
21 (i) the dissolution of the Association.

22
23 Article 14

24
25 Passing of Resolutions and Voting

26
27
28 Each Member shall have one vote. Decisions of the Members at a
29 General Meeting shall be taken by a majority of the Members present and
30 casting a vote, except for amendments of the Statutes or dissolution of the
31 Association, which shall be subject to a two-thirds majority of the Members
32 casting a vote. The Members deemed present at a General Meeting for
33 purposes of voting shall include any designated Alternate voting on behalf
34 of an absent Designated Representative and any Designated
35 Representative voting absentee in accordance with Article 6. Final
36 decisions of the General Meeting shall generally be evidenced by
37 resolutions that are dated, numbered, signed and certified by the Chair,
38 and duly filed with the Office of the Secretariat.

39
40 Final decisions of Members may also be taken by correspondence. In
41 such a case, the vote may be preceded by a teleconference or any other
42 means of exchange of views deemed appropriate by the Executive
43 Council. Decisions taken by correspondence voting between General
44 Meetings shall be effective upon approval by correspondence vote and
45 shall be ratified at the next General Meeting.

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Article 15

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.

In general, written notice of the time, date and place of the Annual General Meeting and a proposed agenda should be sent to each Member sixty (60), but no less than ten (10), days before the Annual 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 should generally be provided to the Secretary General 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.

A Member may also propose to include additional items on the agenda at a 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 16

Composition, Election, Appointment, Term of Office and Vacancies

The Executive Council shall be composed of a minimum of twelve (12) and a maximum of Councilmembers as decided by a vote of the Members at a General Meeting taking into account a recommendation of the Executive Council. 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 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.

The General Meeting shall elect Councilmembers for specified terms so as to promote diverse representation and to maintain stability on the Executive Council. From among the Designated Representatives, the General Meeting

1 shall elect the Chair of the Executive Council and President of the
2 Association, the Treasurer of the Association and other Councilmembers for
3 specified terms. Also, the Executive Council shall elect from among the
4 Councilmembers a person to serve as its Vice Chair.
5

6 16 A In the event that the Chair of the Executive Council resigns or is
7 unable to hold office for a full term, the Vice Chair of the Executive Council
8 shall serve and carry out the duties and responsibilities of the office of the
9 Chair until the next General Meeting. In the event that both the Chair and
10 the Vice Chair of the Executive Council resign or are unable to hold office
11 for a full term, the Executive Council shall appoint Councilmembers to fill
12 each position. Similarly, in the event the Treasurer resigns or is unable to
13 hold office for a full term, the Executive Council shall appoint a
14 Councilmember to fill the position. In such cases, the Executive Council
15 shall cast a vote and a majority of the votes will carry the decision. The
16 Council shall forthwith send a notice to all Participants advising them of
17 the resignation and of the new appointment.
18

19 16 B In the event that a Councilmember resigns or is unable to hold office for
20 the full term of his or her appointment, the Member concerned shall designate
21 in writing a new person to act as a Councilmember until the next Annual
22 General Meeting. If a Member does not designate a replacement within 60
23 days of the receipt of the resignation, the Executive Council may consult with
24 other Members and appoint a replacement to fill that vacancy. In such a case,
25 the Executive Council shall cast a vote and the majority of the votes shall
26 carry the decision. The Executive Council shall forthwith advise Members of
27 its decision prior to sending a notice to all the Participants. All decisions taken
28 by the Council pursuant to Article 16 A and 16 B are final.
29

30 Article 17

31 Responsibilities

32 Councilmembers shall act in the best interests of the Association and serve
33 on good behavior.
34

35 The Executive Council may designate such other Officers as it considers
36 necessary from the Executive Council for its functioning and it may establish
37 rules of procedure.
38

39 Article 18

40 Powers of the Executive Council

41 The Executive Council shall act in all matters to ensure the sound functioning
42 of the business and affairs of the Association.
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- 1 It shall:
2
- 3 (a) recommend proposed amendments to the Statutes by the General
4 Meeting;
 - 5
6 (b) establish and implement by-laws or policies governing the business and
7 affairs of the Association;
 - 8
 - 9 (c) call General Meetings;
 - 10
 - 11 (d) consider and approve applications for participation in the Association;
 - 12
 - 13 (e) recommend for the approval of the General Meeting, the annual report,
14 the annual budget and business plans including changes to the initial fund
15 contributions of Members and the annual fees of participants;
 - 16
 - 17 (f) recommend the process for developing and establishing the guidance to
18 enhance the effectiveness of deposit insurance systems;
 - 19
 - 20 (g) develop policies for the provision of advice on deposit insurance issues;
 - 21
 - 22 (h) establish such Standing Committees as it deems necessary. The
23 Chairpersons of the Standing Committees shall be appointed by the
24 Executive Council, and shall report to the Executive Council on their activities;
 - 25
 - 26 (i) establish such Regional Committees as it deems necessary to reflect
27 regional interests. The Chairpersons of the Regional Committees shall be
28 appointed by the Executive Council, upon the recommendation of the
29 Members from that region, and shall report to the Executive Council on their
30 activities;
 - 31
 - 32 (j) establish committees and other bodies as required,
 - 33
 - 34 (k) set out mandates and responsibilities of Committees and other bodies it
35 may establish;
 - 36
 - 37 (l) appoint, if necessary, one or more of the Councilmembers to represent or
38 act for the Executive Council with respect to a particular activity;
 - 39
 - 40 (m) appoint the Secretary General and any other Employees of the
41 Association and determine their responsibilities;
 - 42
 - 43 (n) admit or exclude any Participant or Partner from the activities of the
44 Association without indication of reasons; and
 - 45
 - 46 (o) do all things necessary to ensure the sound functioning of the business
47 and affairs of the Association.

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Article 19

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 and the General Meeting;
- (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 Partners; and
- (g) to execute all other functions that are assigned by the Executive Council from time to time.

V. Auditor

Article 20

Appointment and Function

The Annual General Meeting shall appoint an external Auditor to audit the accounts and the annual financial statements of the Association for each financial year. An external auditor will serve on a rotating basis for such period as the Executive Council shall determine. In addition, following the conclusion of the external auditor’s term of appointment, no partner of the external auditor may audit the Association for a period of time to be specified.

The Auditor shall submit to the Executive Council an Audit Opinion for presentation to the next 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.

1 **VI. Final Provisions**

2 Article 21

3 Indemnification

4
5
6
7 A General Meeting may decide, on the recommendation of the Executive
8 Council, that the Association will indemnify all persons, currently or formerly
9 authorized to act on behalf of the Association against costs and charges in
10 respect of a civil, criminal or administrative proceeding to which he/she is
11 made a party by reason of having acted on behalf of the Association. Such
12 indemnification will be given only if that person acted honestly and in good
13 faith in fulfillment of his/her duties in pursuance or execution or intended
14 execution of the objects of the Association in accordance with the Statutes
15 and By-laws.

16
17 The Executive Council may establish reasonable limits on the indemnification
18 provided and it may purchase and maintain insurance to cover this risk.

19
20 Where the Executive Council can reasonably make a determination that a
21 person acted honestly and in good faith in the fulfillment of his/her duties, it
22 may advance funds to cover the costs of the involvement in a proceeding.
23 Such advance cannot exceed any limits of indemnification that may be set.

24
25 Article 22

26 Dissolution

27
28
29 The Members at a General Meeting may at any time decide to dissolve the
30 Association. Liquidation shall be carried out by the Executive Council unless
31 entrusted by the General Meeting to other persons. Any surplus assets of the
32 Association shall be applied in accordance with a decision taken by the
33 General Meeting that dissolves the Association.

34
35 Article 23

36 Financial Year

37
38
39 The financial year of the Association shall run from 1 April to 31 March or
40 the period determined at the General Meeting upon receiving a proposal
41 from the Executive Council.

1 Article 24

2
3 Governing Law and Dispute Resolution

4
5 The laws of Switzerland shall govern these Statutes and all by-laws and
6 regulations promulgated hereunder.

7
8 All disputes arising in connection with these Statutes, by-laws or regulations
9 based on these Statutes shall be settled by arbitration in accordance with the
10 United Nations Commission on International Trade Law (UNCITRAL)
11 Arbitration Rules as in force on the day on which the present Statutes were
12 approved by Members at the Constituent Meeting. The number of arbitrators
13 shall be one; the seat of arbitration shall be Basel, Switzerland; the language
14 to be used in the arbitral proceedings shall be English.

15
16