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3 **STATUTES OF THE**
4 **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

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.

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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.

Article 5

Financial Resources and Liabilities

The financial resources of the Association shall comprise:

- (a) initial fund contributions from its Members, as set out in Article 8;
- (b) annual fees collected from its Participants as set out in Article 8;
- (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.

1 **II. Participants**

2 Article 6

3 Members

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7 Each Member shall designate in writing a person who will act as its
8 Designated Representative. Such Designated Representatives are entitled to
9 participate in the activities of the Association, vote at any General Meeting
10 and hold office in the Association.

11
12 Each Member may designate in writing an Alternate to act in lieu of the
13 Designated Representative, if the Designated Representative is unable to act.

14 Article 7

15 Associates and Observers

16
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18
19 Associates are eligible to participate in the activities of the Association but
20 shall not vote at General Meetings nor hold office in the Association.

21
22 Observers are eligible to participate in the activities of the Association in a
23 manner determined by the Executive Council but shall not vote at General
24 Meetings nor hold office in the Association.

25 Article 8

26 Initial Fund Contributions and Annual Fees

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29
30 The initial fund contribution for each Member shall not exceed 10,000 USD
31 and payment is due within ninety (90) days of receipt of an invoice or such
32 other period as determined by the Executive Council. Associates and
33 Observers are not required to make any fund contributions.

34
35 The annual fees collected from each Participant in the Association shall be
36 determined through a vote by the Members at a General Meeting upon
37 recommendation of the Executive Council, provided however that the annual
38 fee for each Member should not exceed 20,000 USD, and the annual fee
39 pertaining to Associates shall not exceed 75% of the annual fee of Members
40 and the annual fee of Observers shall not exceed 50% of the annual fee of
41 Members. The annual fees of each Participant shall be due within ninety (90)
42 days of receipt of an invoice.

43
44 Effective April 1, 2009, in the case of the initial fund contribution and the
45 annual fees, the currency of payment shall be CHF. In the discretion of the
46 Secretary General in consultation with the Chair all other sources of income
47 may be payable in any recognized currency.

1
2 The Executive Council shall have the authority in certain circumstances to
3 decide on the modalities of payment of the initial fund contributions and/or
4 annual fees. Furthermore, the Executive Council shall have, in exceptional
5 circumstances, the authority to reduce or waive the annual fee of a specific
6 Observer.

7
8 The Executive Council may expel any Participant from the Association if the
9 annual fee is not paid within thirty (30) days after written notice of non-
10 payment has been dispatched.

11
12 In the event of the resignation or expulsion of a Participant, any annual fees
13 paid, including fund contributions, are not refundable.

14
15 Article 9

16
17 Admission and Resignation

18
19 Applications for admission shall be addressed to the Secretary General who
20 will forward the applications to the Executive Council for consideration and
21 approval. The Executive Council shall have the power to reject applications
22 without indication of reasons and without the right to appeal.

23
24 Any Participant may resign at any time from the Association upon giving prior
25 written notice thereof to the Secretary General. Any such resignation shall
26 take effect at the end of the calendar month following the month in which the
27 notice is received, unless a later date is specified in the notice.

28
29 **III. Partners**

30
31 Article 10

32
33 Partners are eligible to participate in the activities of the Association in a
34 manner determined by the Executive Council, but shall not vote at General
35 Meetings nor hold office in the Association.

1 **IV. Organization**

2 Article 11

3 Governing Bodies of the Association

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

9
10 **a) General Meeting of Members**

11 Article 12

12 Attendance

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16 All Participants and Partners may send representatives to attend General
17 Meetings. The Executive Council may restrict the attendance at these
18 meetings to Members only and it may limit the size of delegations that may
19 attend any meeting.

20
21 Article 13

22 Powers of the General Meeting

23
24
25 The General Meeting is the supreme authority of the Association.
26 Its main authorities include:

- 27
28 (a) making amendments to the Statutes;
29
30 (b) deciding upon the manner in which a General Meeting will conduct its
31 affairs;
32
33 (c) the election of the Chair, who will act as the President of the Association,
34 the Treasurer of the Association, who will oversee the financial affairs of the
35 Association, and the Councilmembers of the Executive Council;
36
37 (d) the appointment of the external Auditor;
38
39 (e) the approval of the annual budget and business plans including the annual
40 fees of Participants and fund contributions of Members pursuant to Article 8;
41
42 (f) the approval of the Annual Report and the audited financial statements and
43 the release of the Councilmembers from all responsibility in respect of the
44 past financial year;
45

1 (g) approving the process for developing guidance and approving the
2 establishment of guidance by the Executive Council to enhance the
3 effectiveness of deposit insurance systems;

4
5 (h) doing all things necessary to the sound functioning and furtherance of the
6 Association's Objects; and

7
8 (i) the dissolution of the Association.
9

10 Article 14

11 Passing of Resolutions and Voting

12
13
14 Each Member shall have one vote. Decisions of the Members at a General
15 Meeting shall be taken by a majority of the Members present and casting a
16 vote, except for amendments of the Statutes or dissolution of the Association,
17 which shall be subject to a two-thirds majority of the Members casting a vote.
18 Final decisions of the General Meeting shall generally be evidenced by
19 resolutions that are dated, numbered, signed and certified by the Chair, and
20 duly filed with the Office of the Secretariat.

21
22 Final decisions of the General Meeting may also be taken by
23 correspondence. In such a case, the vote may be preceded by a
24 teleconference or any other means of exchange of views deemed appropriate
25 by the Executive Council.

26 Article 15

27 Convocation

28
29
30
31 The Association shall convene once a year in an Annual General Meeting
32 upon invitation by the Executive Council. Furthermore, the Members may
33 convene in an Extraordinary General Meeting if so decided at the Annual
34 General Meeting, or by the Executive Council, or if requested by one-fifth of
35 the Members stating the grounds in writing.

36
37 In general, written notice of the time, date and place of the Annual General
38 Meeting and a proposed agenda should be sent to each Member sixty (60),
39 but no less than ten (10), days before the Annual General Meeting. Any
40 necessary resolutions or documents requiring the attention of the Members
41 shall be sent to each Member at least ten (10) days prior to the date of the
42 meeting. If a Member wishes to have an item added to the agenda of a
43 General Meeting, the request should generally be provided to the Secretary
44 General forty (40) days prior to the meeting. If an Extraordinary General
45 Meeting is called, the Executive Council shall send the notice of the meeting
46 and the proposed agenda as soon as practicable but no later than thirty (30)
47 days before such a meeting.

1 A Member may also propose to include additional items on the agenda at a
2 General Meeting. Upon receipt of such a proposal, the amendment to the
3 agenda will be considered and decided by a majority of Members casting a
4 vote.

5
6 **b) Executive Council**

7
8 Article 16

9
10 Composition, Election, Appointment, Term of Office and Vacancies

11
12 The Executive Council shall be composed of a minimum of twelve (12) and a
13 maximum of Councilmembers as decided by a vote of the Members at a
14 General Meeting taking into account a recommendation of the Executive
15 Council. Together with the proposed agenda of the Annual General Meeting,
16 the Executive Council shall propose a list of candidates drawn from the
17 Designated Representatives of the Members for election by the Annual
18 General Meeting, ensuring, insofar as possible, that the list of candidates
19 reflects the regional interests of the Association. Members may also nominate
20 Designated Representatives to be added to the list of candidates for election
21 by sending a notice in writing to the Secretary General of the Association at
22 least forty (40) days prior to the date of the Annual General Meeting.

23
24 The General Meeting shall elect Councilmembers for specified terms so as to
25 promote diverse representation and to maintain stability on the Executive
26 Council. From among the Designated Representatives, the General Meeting
27 shall elect the Chair of the Executive Council and President of the
28 Association, the Treasurer of the Association and other Councilmembers for
29 specified terms. Also, the Executive Council shall elect from among the
30 Councilmembers a person to serve as its Vice Chair.

31
32 16 A In the event that the Chair of the Executive Council resigns or is
33 unable to hold office for a full term, the Vice Chair of the Executive Council
34 shall serve and carry out the duties and responsibilities of the office of the
35 Chair until the next General Meeting. In the event that both the Chair and
36 the Vice Chair of the Executive Council resign or are unable to hold office
37 for a full term, the Executive Council shall appoint Councilmembers to fill
38 each position. Similarly, in the event the Treasurer resigns or is unable to
39 hold office for a full term, the Executive Council shall appoint a
40 Councilmember to fill the position. In such cases, the Executive Council
41 shall cast a vote and a majority of the votes will carry the decision. The
42 Council shall forthwith send a notice to all Participants advising them of
43 the resignation and of the new appointment.

44
45 16 B In the event that a Councilmember resigns or is unable to hold office for
46 the full term of his or her appointment, the Member concerned shall designate
47 in writing a new person to act as a Councilmember until the next Annual

1 General Meeting. If a Member does not designate a replacement within 60
2 days of the receipt of the resignation, the Executive Council may consult with
3 other Members and appoint a replacement to fill that vacancy. In such a case,
4 the Executive Council shall cast a vote and the majority of the votes shall
5 carry the decision. The Executive Council shall forthwith advise Members of
6 its decision prior to sending a notice to all the Participants. All decisions taken
7 by the Council pursuant to Article 16 A and 16 B are final.

8
9 Article 17

10
11 Responsibilities

12
13 Councilmembers shall act in the best interests of the Association and serve
14 on good behavior.

15
16 The Executive Council may designate such other Officers as it considers
17 necessary from the Executive Council for its functioning and it may establish
18 rules of procedure.

19
20 Article 18

21
22 Powers of the Executive Council

23
24 The Executive Council shall act in all matters to ensure the sound functioning
25 of the business and affairs of the Association.

26
27 It shall:

28
29 (a) recommend proposed amendments to the Statutes by the General
30 Meeting;

31
32 (b) establish and implement by-laws or policies governing the business and
33 affairs of the Association;

34
35 (c) call General Meetings;

36
37 (d) consider and approve applications for participation in the Association;

38
39 (e) recommend for the approval of the General Meeting, the annual report,
40 the annual budget and business plans including changes to the initial fund
41 contributions of Members and the annual fees of participants;

42
43 (f) recommend the process for developing and establishing the guidance to
44 enhance the effectiveness of deposit insurance systems;

45
46 (g) develop policies for the provision of advice on deposit insurance issues;

47

1 (h) establish such Standing Committees as it deems necessary. The
2 Chairpersons of the Standing Committees shall be appointed by the
3 Executive Council, and shall report to the Executive Council on their activities;
4

5 (i) establish such Regional Committees as it deems necessary to reflect
6 regional interests. The Chairpersons of the Regional Committees shall be
7 appointed by the Executive Council, upon the recommendation of the
8 Members from that region, and shall report to the Executive Council on their
9 activities;

10 (j) establish committees and other bodies as required,

11 (k) set out mandates and responsibilities of Committees and other bodies it
12 may establish;

13 (l) appoint, if necessary, one or more of the Councilmembers to represent or
14 act for the Executive Council with respect to a particular activity;

15 (m) appoint the Secretary General and any other Employees of the
16 Association and determine their responsibilities;

17 (n) admit or exclude any Participant or Partner from the activities of the
18 Association without indication of reasons; and

19 (o) do all things necessary to ensure the sound functioning of the business
20 and affairs of the Association.
21

22 Article 19

23 Secretary General

24 The Secretary General shall be appointed by the Executive Council. The
25 expenses for the operation of the Secretariat shall be borne by the
26 Association.
27

28 The main responsibilities of the Secretary General are:

29 (a) to act as the Secretary to the Executive Council and the General Meeting;

30 (b) to manage the Secretariat and provide services to the Association;

31 (c) to process applications for participation in the Association;

32 (d) to maintain minutes of meetings and essential records of the Association;

33 (e) to maintain appropriate accounts of the Association;
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- 1 (f) to maintain a register of Participants and Partners; and
2
3 (g) to execute all other functions that are assigned by the Executive Council
4 from time to time.

5
6 **V. Auditor**

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8 Article 20

9
10 Appointment and Function

11
12 The Annual General Meeting shall appoint an external Auditor to audit the
13 accounts and the annual financial statements of the Association for each
14 financial year. An external auditor will serve on a rotating basis for such
15 period as the Executive Council shall determine. In addition, following the
16 conclusion of the external auditor's term of appointment, no partner of the
17 external auditor may audit the Association for a period of time to be specified.

18
19 The Auditor shall submit to the Executive Council an Audit Opinion for
20 presentation to the next Annual General Meeting for approval of the annual
21 financial statements and for discharging the Executive Council from all
22 responsibility in respect of the past financial year.

23
24 **VI. Final Provisions**

25
26 Article 21

27
28 Indemnification

29
30 A General Meeting may decide, on the recommendation of the Executive
31 Council, that the Association will indemnify all persons, currently or formerly
32 authorized to act on behalf of the Association against costs and charges in
33 respect of a civil, criminal or administrative proceeding to which he/she is
34 made a party by reason of having acted on behalf of the Association. Such
35 indemnification will be given only if that person acted honestly and in good
36 faith in fulfillment of his/her duties in pursuance or execution or intended
37 execution of the objects of the Association in accordance with the Statutes
38 and By-laws.

39
40 The Executive Council may establish reasonable limits on the indemnification
41 provided and it may purchase and maintain insurance to cover this risk.

42
43 Where the Executive Council can reasonably make a determination that a
44 person acted honestly and in good faith in the fulfillment of his/her duties, it
45 may advance funds to cover the costs of the involvement in a proceeding.
46 Such advance cannot exceed any limits of indemnification that may be set.

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Article 22

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 23

Financial Year

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

Article 24

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 United Nations Commission on International Trade Law (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.