
International Finance Corporation

By-Laws

(As Amended through May 17, 2021)



WASHINGTON, D.C.

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INTERNATIONAL FINANCE CORPORATION

By-Laws

(As amended through May 17, 2021)

These By-Laws are adopted under the authority of, and are intended to be complementary to, the Articles of Agreement of the International Finance Corporation (hereinafter called the Corporation), and they shall be construed accordingly.

In the event of a conflict between anything in these By-Laws and any provision or requirement of the Articles of Agreement, the Articles of Agreement shall prevail.

SECTION 1. *Meetings of the Board of Governors*

(a) Special meetings of the Board of Governors may be called at any time by the Board of Governors or the Board of Directors.

(b) Any meeting of the Board of Governors at which a quorum shall not be present may be adjourned from time to time by a majority of the Governors present and notice of the adjourned meeting need not be given.

SECTION 2. *Notice of Meetings of the Board of Governors*

The Chair of the Board of Directors shall cause notice of the time and place of each meeting of the Board of Governors to be given to each member of the Corporation by any rapid means of communication which shall be dispatched not less than 42 days prior to the date set for such meeting, except that in urgent cases such notice shall be sufficient if dispatched by telegram or cable not less than 10 days prior to the date set for such meeting.

SECTION 3. *Attendance of Directors and Observers at Meetings of the Board of Governors*

(a) The Directors and their Alternates may attend all meetings of the Board of Governors and may participate in such meetings, but a Director or Alternate shall not be entitled to vote at any such meeting unless they shall be entitled to vote as a Governor or an Alternate or a temporary Alternate of a Governor.

(b) The Chair of the Board of Governors, in consultation with the Board of Directors, may invite observers to attend any meeting of the Board of Governors.

SECTION 4. *Agenda of Meetings of the Board of Governors*

(a) Under the direction of the Board of Directors, the Chair of the Board of Directors shall prepare a brief agenda for each meeting of the Board of Governors and shall cause such agenda to be transmitted to each member of the Corporation with the notice of such meeting.

(b) Additional subjects may be placed on the agenda for any meeting of the Board of Governors by any Governor provided that the Governor shall give notice thereof to the Chair of the Board of Directors not less than seven days prior to the date set for such meeting. In special circumstances the Chair of the Board of Directors by direction of the Board of Directors may at any time place additional subjects on the agenda for any meeting of the Board of Governors. The Chair of the Board of Directors shall cause notice of the addition of any subjects to the agenda for any meeting of the Board of Governors to be given as promptly as possible to each member of the Corporation.

(c) The Board of Governors may at any time authorize any subject to be placed on the agenda for any meeting of such Board even though the notice required by this section shall not have been given.

(d) Except as otherwise specifically directed by the Board of Governors, the Chair of the Board of Governors jointly with the Chair of the Board of Directors shall have charge of all arrangements for the holding of meetings of the Board of Governors.

SECTION 5. *Chair and Vice-Chair*

The Chair and Vice-Chair of the Board of Governors of the International Bank for Reconstruction and Development (hereinafter called the Bank) shall be, provided that they are Governors of the Corporation, the Chair and Vice-Chair, respectively, of the Board of Governors of the Corporation. If, however, the Chair of the Board of Governors of the Bank shall not be a Governor of the Corporation, the Board of Governors of the Corporation at its annual meeting shall select a Governor to act as Chair. As used in this Section, the term "Chair of the Board of Governors of the Bank" shall include any Vice-Chair acting in place of the Chair.

SECTION 6. *Secretary*

The Secretary of the Corporation shall serve as Secretary of the Board of Governors.

SECTION 7. *Minutes*

The Board of Governors shall keep a summary record of its proceedings which shall be available to all members and which shall be filed with the Board of Directors for its guidance.

SECTION 8. *Annual Report*

The Board of Directors shall have prepared for presentation at the annual meeting of the Board of Governors one or more reports in which shall be discussed the operations and policies of the Corporation and which shall make recommendations to the Board of Governors on the problems confronting the Corporation.

SECTION 9. *Voting*

Except as otherwise specifically provided in the Articles of Agreement, all decisions of the Board of Governors shall be made by a majority of the votes cast. At any meeting the Chair may

ascertain the sense of the meeting in lieu of a formal vote but the Chair shall require a formal vote upon the request of any Governor. Whenever a formal vote is required the written text of the motion shall be distributed to the voting members.

SECTION 10. *Proxies*

No Governor or Alternate may vote at any meeting by proxy, but a member may make provision for the designation of a temporary Alternate to vote for the Governor at any Board session at which the regularly designated Alternate is unable to be present.

SECTION 11. *Voting without Meeting*

Whenever, in the judgment of the Board of Directors, any action by the Corporation must be taken by the Board of Governors which should not be postponed until the next regular meeting of the Board and does not warrant the calling of a special meeting of the Board, the Board of Directors shall present to each member by any rapid means of communication a motion embodying the proposed action with a request for a vote by the Board of Governors. Votes shall be cast during such period as the Board of Directors may prescribe, provided that no Governor shall vote on any such motion until 7 days after dispatch of the motion unless the Governor is notified that the Board of Directors has waived this requirement. At the expiration of the period prescribed for voting, the Board of Directors shall record the results and the Chair of the Board of Directors shall notify all members. If the replies received do not include a majority of the Governors exercising two-thirds of the total voting power, the motion shall be considered lost.

SECTION 12. *Terms of Service*

(a) Governors and Alternates shall be reimbursed for their expenses in attending meetings on behalf of the Corporation on the same basis as they are reimbursed for expenses in attending meetings on behalf of the Bank; provided, however, that with respect to any meeting held on behalf of the Corporation at or about the same time as a meeting held on behalf of the Bank, they shall be reimbursed only for additional expenses incurred in attending the meeting on behalf of the Corporation.

(b) The Corporation shall pay Governors and Directors and their Alternates, the Chair of the Board of Directors, the President, and staff members and other employees, except those whose employment contracts state otherwise, an allowance for taxes they are required to pay on their salaries and allowances on the same basis that tax allowances are paid by the Bank on corresponding salaries and allowances.

(c) The Chair of the Board of Directors shall serve without compensation. The Corporation shall pay any reasonable expenses incurred by the Chair in the interest of the Corporation.

(d) The salary of the President and the term of the President's contract shall be as determined by the Board of Directors. The Corporation shall also pay any reasonable expenses incurred by the President in the interest of the Corporation (including travel and transportation expenses for the President, and expenses for the President's family and personal effects in moving once to the seat

of the Corporation during or immediately before the President's term of office and in moving once from the seat during or immediately after the President's term of office).

(e) It shall be the duty of a Director and Alternate to devote all the time and attention to the business of the Corporation that its interests require, and between them to be continuously available at the seat of the Corporation. A Director who is unable to attend any meeting of the Board of Directors or a committee thereof may designate a temporary Alternate Director to attend and act for the Director at such meeting. The terms Alternate and Alternate Director whenever used in these By-Laws shall, unless the context shall otherwise require, include any such temporary Alternate Director.

(f) A Director or Alternate Director receiving compensation on a full-time basis for services as Executive Director or Alternate Executive Director, respectively, of the Bank, or of the Bank and the International Monetary Fund (hereinafter called the Fund), shall not receive any additional compensation for services as a Director or Alternate Director of the Corporation. A Director or Alternate Director receiving compensation on a part-time basis for services to the Bank, or to the Bank and Fund, shall receive compensation for such additional time as they may spend in the service of the Corporation at the same rate applicable to their services to the Bank. The aggregate of the remuneration and leave and resettlement allowances received for such services by a Director or Alternate Director from the Corporation and the Bank (or from the Corporation, the Bank and the Fund) shall not exceed the maximum to which they would be entitled if they served either the Bank or the Fund, as the case may be, on a full-time basis.

(g) Compensation received by a Director or an Alternate Director pursuant to paragraph (f) above shall be in lieu of all other salary and expense allowances, including allowances for housing, entertainment and other expenses, except as provided hereinafter. Each Director or Alternate Director who does not reside at or near the seat of the Corporation shall be entitled to a reasonable allowance for expenses incurred by them in attending meetings of the Board of Directors or committees thereof, but only over and above those which would have been incurred in any event in attending meetings of the Executive Directors of the Bank. Each Director and Alternate Director who shall at the request of the President perform designated service for the Corporation shall be entitled to a reasonable allowance for expenses incurred by them in the performance thereof. Nothing herein shall preclude the Corporation from entering into appropriate arrangements with the Bank for sharing remuneration, allowances and other expenses paid to the Directors and Alternates by either institution.

(h) An individual claiming reimbursement or allowance for any expenses incurred by the individual shall include in the individual's claim a representation that said individual has not received and will not claim reimbursement or allowance in respect to those expenses from any other source.

(i) Administration of this Section shall be governed, to the extent applicable, by the established practices of the Bank.

SECTION 13. *Delegation of Authority*

The Board of Directors may exercise all the powers of the Corporation except those reserved to the Board of Governors by Article IV, Section 2 (c) and other provisions of the Articles of Agreement. The Board of Directors shall not take any action pursuant to powers delegated by the Board of Governors which is inconsistent with any action taken by the Board of Governors.

SECTION 14. *Rules and Regulations*

The Board of Directors may adopt such rules and regulations, including financial regulations, as may be necessary or appropriate to conduct the business of the Corporation. Any rules and regulations so adopted, and any amendments thereof, shall be subject to review by the Board of Governors at its next annual meeting.

SECTION 15. *Representation of Members not Entitled to Appoint a Director*

Whenever the Board of Directors is to consider a request made by, or a matter particularly affecting a member not entitled to appoint an Executive Director of the Bank, the member shall be promptly informed in writing of the date set for its consideration. No final action shall be taken by the Board of Directors, nor any question affecting the member submitted to the Board of Governors, until the member has been offered a reasonable opportunity to present its views and to be heard at a meeting of the Board of Directors of which the member has had reasonable notice. Any member so electing may waive this provision.

SECTION 16. *Budget and Audits*

The Board of Directors shall have an audit of the accounts of the Corporation made at least once each year and on the basis of this audit shall submit a statement of its accounts, including a balance sheet and a statement of profit and loss, to the Board of Governors to be considered by it at its annual meeting.

The Board of Directors shall instruct the President to prepare an annual administrative budget for the Board's approval. The budget as approved shall be presented to the Board of Governors at its annual meeting.

SECTION 17. *Application for Membership*

Subject to any special provisions that may be made for countries listed in Schedule A of the Articles of Agreement, any member of the Bank may apply for membership in the Corporation by filling with the Corporation an application setting forth all relevant facts.

When submitting an application to the Board of Governors, the Board of Directors, after consultation with the applicant country, shall make recommendations to the Board of Governors as to the number of shares of capital stock to be subscribed and such other conditions as, in the opinion of the Board of Directors, should be prescribed by the Board of Governors.

SECTION 18. *Suspension of Membership*

Before any member is suspended from membership in the Corporation (other than under Section 3 of Article V of the Articles of Agreement), the matter shall be considered by the Board of Directors which shall inform the member in reasonable time of the complaint against it and allow the member an adequate opportunity for stating its case both orally and in writing. The Board of Directors shall recommend to the Board of Governors the action it deems appropriate. The member shall be informed of the recommendation and the date on which its case will be considered by the Board of Governors and shall be given a reasonable time within which to present its case to the Board of Governors both orally and in writing. Any member so electing may waive this provision.

SECTION 19. *Amendment to By-Laws*

These By-Laws may be amended by the Board of Governors at any meeting thereof or by vote without a meeting as provided in Section 11.