
International Bank for Reconstruction and Development

By-Laws

(As amended through May 17, 2021)



WASHINGTON, D.C.

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**BY-LAWS
OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

(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 Bank for Reconstruction and Development; 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. *Places of Business*

(a) The principal office of the Bank shall be located within the metropolitan area of Washington, D.C., United States of America.

(b) The Executive Directors may establish and maintain agencies or branch offices and regional offices at any place in the territories of any member, whenever it is necessary to do so in order to facilitate the efficient conduct of the business of the Bank.

SECTION 2. *Meetings of the Board of Governors*

(a) The Annual Meeting of the Board of Governors shall be held at such time and place as the Board of Governors shall determine; provided, however, that, if the Executive Directors shall, because of special circumstances, deem it necessary to do so, the Executive Directors may change the time and place of such Annual Meeting.

(b) Special meetings of the Board of Governors may be called at any time by the Board of Governors or the Executive Directors and shall be called upon the request of five members of the Bank or of members of the Bank having in the aggregate one-fourth of the total voting power. Whenever any member of the Bank shall request the Executive Directors to call a special meeting of the Board of Governors, the President shall notify all members of the Bank of such request and of the reasons which shall have been given therefor.

(c) A quorum for any meeting of the Board of Governors shall be a majority of the Governors, exercising not less than two-thirds of the total voting power. 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 3. *Notice of Meetings of the Board of Governors*

The President shall cause notice of the time and place of each meeting of the Board of Governors to be given to each member of the Bank by 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 notice shall be sufficient if dispatched by rapid means of communication not less than 10 days prior to the date set for the meeting.

SECTION 4. *Attendance at Meetings*

(a) An Executive Director and Alternate may attend all meetings of the Board of Governors and may participate in such meetings, but an Executive 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 Executive Directors, may invite observers to attend any meeting of the Board of Governors.

(c) The Executive Directors are authorized to invite the International Monetary Fund to send a representative of the Fund to meetings of the Board of Governors or of the Executive Directors who may participate in such meetings, but shall have no vote.

(d) The Executive Directors are authorized to accept invitations from the Fund to send a representative of the Bank to participate in meetings of the Board of Governors or the Executive Board of the Fund.

SECTION 5. *Agenda of Meetings of the Board of Governors*

(a) Under the direction of the Executive Directors, the President shall prepare an agenda for each meeting of the Board of Governors and shall cause the agenda to be transmitted to each member of the Bank with the notice of the meeting.

(b) Additional subjects may be placed on the agenda for any meeting of Governors by any Governor provided that the Governor shall give notice thereof to the President not less than seven days prior to the date set for the meeting. In special circumstances the President, by direction of the Executive Directors, may at any time place additional subjects on the agenda for any meeting of the Board of Governors. The President 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 Bank.

(c) The Board of Governors may at any time place any subject on the agenda for any meeting of the Board of Governors even though the notice required by this Section has not been given.

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

SECTION 6. *Selection of Chair and Vice-Chair*

(a) At each annual meeting the Board of Governors shall select a Governor to act as Chair and at least two other Governors to act as Vice-Chair until the end of the next annual meeting.

(b) In the absence of the Chair, the Vice-Chair designated by the Chair shall act in the Chair's place.

SECTION 7. *Secretary*

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

SECTION 8. *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 Executive Directors for their guidance.

SECTION 9. *Report of Executive Directors*

The Executive Directors shall have prepared for presentation at the annual meeting of the Board of Governors an annual report in which shall be discussed the operations and policies of the Bank and which shall make recommendations to the Board of Governors on the problems confronting the Bank.

SECTION 10. *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 11. *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 session of the Board of Governors at which the regularly designated Alternate is unable to be present.

SECTION 12. *Voting without Meeting*

(a) Whenever, in the judgment of the Executive Directors, any action by the Bank must be taken by the Board of Governors which should not be postponed until the next regular meeting of the Board of Governors and does not warrant the calling of a special meeting of the Board of Governors, the Executive Directors shall request the Governors to vote without meeting.

(b) The Executive Directors shall present to each member by rapid means of communication a motion embodying the proposed action.

(c) Votes shall be cast during such period as the Executive Directors may prescribe.

(d) The Executive Directors may provide that no Governor shall vote on a motion during such period after dispatch of the motion as the Executive Directors prescribe.

(e) At the expiration of the period prescribed for voting, the Executive Directors shall record the results, and the President shall notify all members. If the replies received do not include a majority of the Governors exercising two-thirds of the total voting power, which is required for a quorum of the Board of Governors, the motion shall be considered lost.

SECTION 13. *Terms of Service*

(a) Governors and Alternates shall receive reimbursement for reasonable expenses incurred in attending meetings of the Board of Governors.

(b) Pending the necessary action being taken by members to exempt from national taxation salaries and allowances paid out of the budget of the Bank, the Governors and the Executive Directors, their Alternates, the President, and staff members and other employees of the Bank, except those whose employment contracts state otherwise, shall receive from the Bank a tax allowance that the Executive Directors determine to be reasonably related to the taxes paid by them on such salaries and allowances. In computing the amount of tax adjustment to be made with respect to any individual, it shall be presumed for the purposes of the computation that the income received from the Bank is the individual's total income. All salaries and allowances prescribed by or pursuant to this section are stated as net on the above basis.

(c) The salary of the President shall be determined by the Board of Governors and shall be included in the President's contract. The Bank shall also pay any reasonable expenses incurred by the President in the interest of the Bank (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 Bank during or immediately before the President's term of office and in moving once from the seat during or within a reasonable period after the President's term of office). The initial contract of the President shall be for a term of five years. Any renewal of the contract may be for the same or for a shorter term.

(d) It shall be the duty of an Executive Director and Alternate to devote all the time and attention to the business of the Bank that its interests require, and between them to be continuously available at the principal office of the Bank; however, in the event that both an Executive Director and Alternate are unable to be available at the principal office of the Bank for reasons of health, absence while on business of the Bank, or similar reasons, the Executive Director may designate a temporary Alternate to act for the Executive Director. A temporary Alternate shall receive no salary or expense allowance for the temporary Alternate's services in this capacity. The terms Alternate and Alternate Executive Director whenever used in these By-Laws shall, unless the context shall otherwise require, include any such temporary Alternate Executive Director.

(e) (i) Executive Directors and their Alternates shall be entitled to remuneration in the form of salary and supplemental allowances at such annual rates as shall be determined from time to time by the Board of Governors. Remuneration as determined shall continue until changed by the Board of Governors. Such remuneration shall be prorated, in accordance with such rules and regulations

as the Executive Directors shall from time to time approve, according to the time spent by the Executive Director or Alternate Executive Director in the service of the Bank.

(ii) A standing Joint Committee on the Remuneration of Executive Directors and their Alternates, appointed by the Chairs of the Boards of Governors of the Fund and Bank and consisting of one of the Chairs and two former Governors or Alternate Governors of the Fund or Bank, chosen by the Chairs in consultation with the Managing Director of the Fund and the President of the Bank, shall be constituted following each Annual Meeting. The Joint Committee shall consider all matters affecting the remuneration and other benefits of the Executive Directors of the Bank and Fund, and of their Alternates, and from time to time, but at least by July 1 of each year in which a regular election of Executive Directors is scheduled to be held, shall make such recommendations for any action by the Board of Governors on the said matters as the Joint Committee shall deem advisable. In making proposals with respect to the remuneration of the Executive Directors and their Alternates, the Committee shall bear in mind their functions under the Articles of Agreement of the Bank in relation to those of the President.

(f) The Executive Directors may by regulation make appropriate provision whereby (i) each Executive Director and Alternate Executive Director who shall at the request of the President perform designated service for the Bank shall be entitled to a reasonable allowance for expenses incurred by them in the performance thereof; (ii) each Executive Director and Alternate Executive Director, but not a temporary Alternate Executive Director, shall be entitled to reasonable leave and resettlement allowances with due regard to the time spent by them in the service of the Bank; and (iii) each Executive Director or Alternate Executive Director shall be entitled to reimbursement of reasonable expenses incurred by them in connection with official Bank business to entertain senior officials of the governments or central banks or prominent representatives of the academic, public or private sectors of the countries that appointed, elected or designated them. The allowances provided pursuant to this Sub-section shall be in addition to remuneration under Sub-section (e) (i) of this Section.

(g) For any period in which an Executive Director or Alternate Executive Director shall also be an Executive Director or Alternate Executive Director of the International Monetary Fund, the aggregate of the remuneration and leave and resettlement allowances received by the Executive Director or Alternate Executive Director from the Fund and the Bank shall not exceed the maximum to which they would be entitled if they served either the Bank or the Fund on a full-time basis.

(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) Secretarial and other staff services, office space, and other services incidental to the performance of the duties of the Executive Directors and Alternates shall be provided by the Bank.

SECTION 14. *Delegation of Authority*

The Executive Directors are authorized by the Board of Governors to exercise all the powers of the Bank except those reserved to the Board of Governors by Article V, Section 2 (b) and other

provisions of the Articles of Agreement. The Executive 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 15. *Rules and Regulations*

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

SECTION 16. *Vacant Directorships*

(a) Whenever a new Executive Director must be elected because of a vacancy requiring an election, the President shall notify the members who elected the former Executive Director of the existence of the vacancy. The President may convene a meeting of the Governors of these members exclusively for the purpose of electing a new Executive Director; or may request nominations and conduct ballots by rapid means of communication. Successive ballots shall be cast until one candidate has a majority; and after each ballot, the candidate with the smallest number of votes shall be dropped from the next ballot.

(b) When a new elective Executive Director is named, the office of Alternate shall be deemed to be vacant and an Alternate shall be named by the newly elected Executive Director.

SECTION 17. *Representation of Members not entitled to appoint an Executive Director*

Whenever the Executive Directors are to consider a request made by, or a matter particularly affecting, a member not entitled to appoint an Executive Director, the member shall be promptly informed by rapid means of communication of the date set for its consideration. No final action shall be taken by the Executive 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 Executive Directors of which the member has had reasonable notice. Any member, so electing, may waive this provision.

SECTION 18. *Budget and Audits*

(a) The Executive Directors shall have an audit of the accounts of the Bank 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 them at their annual meeting.

(b) The President shall prepare an annual administrative budget to be presented to the Executive Directors for approval. The Budget as approved shall be incorporated in the annual report presented to the Board of Governors at their annual meeting.

SECTION 19. *Application for Membership*

(a) Any member of the International Monetary Fund may apply for membership in the Bank by filing with the Bank an application setting forth all relevant facts.

(b) The Executive Directors shall report on all applications to the Board of Governors. When an application is submitted to the Board of Governors, with a recommendation that the applicant country be admitted to membership, the Executive Directors after consultation with the applicant country shall recommend to the Board of Governors the number of shares of capital stock to be subscribed and such other conditions as, in the opinion of the Executive Directors, the Board of Governors may wish to prescribe.

SECTION 20. *Suspension of Membership*

Before any member is suspended from membership in the Bank, the matter shall be considered by the Executive Directors who 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 Executive Directors shall recommend to the Board of Governors the action they deem 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 21. *Settlement of Disagreements*

The President of the International Court of Justice is prescribed as the authority to appoint an umpire whenever there arises a disagreement of the type referred to in Article IX (c) of the Articles of Agreement.

SECTION 22. *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 12.