



A G R E E M E N T

Concerning the Organization
and Activities of the
International Bank for Economic Co-operation

S T A T U T E S

of the International Bank for Economic
Co-operation

*(With amendments introduced by the Protocols dated
18 December, 1970, 23 November, 1977 and 18 December, 1990)*



The Agreement of 22 October, 1963 was registered with the Secretariat of the United Nations Organization on 20 August, 1964, № 7388.



AGREEMENT

*Concerning the Organization and Activities
of the International Bank for Economic Co-operation
(with amendments introduced by the Protocols dated 18 December, 1970,
23 November, 1977 and 18 December, 1990)**

The Governments of the Republic of Bulgaria, the Hungarian Republic, the Mongolian People's Republic, the Republic of Poland, Romania, the Union of Soviet Socialist Republics and Czech and Slovak Federal Republic**, guided by the interests of national economic development of their countries and taking into consideration the transfer of their trade and production co-operation to a market basis, have agreed as follows:

Article I

For the purposes of promoting economic co-operation between the Contracting Parties and the development of their national economies, as well as of increasing their co-operation with other countries, an International Bank for Economic Co-operation shall be established with its head office in the city of Moscow.

The founding membership of the Bank shall consist of the Contracting Parties.

* *The title of the Agreement is given in accordance with the Protocol on amendments to the Agreement and the Statutes of the Bank of 18 December, 1990.*

** *The names of the countries here and hereafter in the Agreement and the Statutes of the Bank are given in accordance with the Protocols on amendments to the Agreement and the Statutes of the Bank of 18 December, 1970, 23 November, 1977 and 18 December, 1990*

The membership of the GDR, one of the founding members which signed this Agreement, ceased to have effect on 3 October, 1990 when it ceased to exist as subject of international law.



The main aims of the Bank shall be:

- to promote the development of foreign economic ties among the Bank's member-countries, their banks, enterprises and organizations as well as among them and banks, enterprises and organizations of other countries;
- to promote the establishment and activities of joint ventures, in the first instance with participation of enterprises of the Bank's member-countries;
- to facilitate transition of the interested member-countries of the Bank to the market economy, participation in the development of market-oriented economic relations among juridical persons in the countries members of the Bank and other countries.

The IBEC shall implement these aims by way of providing credit and settlement facilities to the Bank's clients regardless of forms of their ownership and by providing other banking services currently adopted in the world practice.

The Bank shall handle transactions in freely convertible currencies and other currencies in conformity with the international banking practice, in particular:

- a) Granting credits; placing deposits; discounting bills of exchange, purchasing and selling securities; participating in the capital of banking, financial and other organizations;
- b) Attracting deposits and credits; issuing securities;
- c) Keeping accounts of the Bank's clients and performing settlements on them; issuing bank guarantees; handling document circulation and performing payment and settlement transactions related to import and export; conversion, arbitrage transactions; cash transactions; banking consulting and other services; factoring;
- d) Conducting other banking operations in keeping with the Bank's aims and purposes.

In addition to the functions enumerated above the Bank may, out of its own and borrowed funds, provide financing and credit for international economic organization, banks and other organizations established by the Bank's member-countries as well as grant credits to banks of other countries in accordance with the principles and general conditions defined by the Bank's Council.



The Bank may provide financing to international economic and other organizations established by the Bank's member-countries out of funds allocated by the interested countries

The Bank's activities shall be governed by this Agreement, by its Statutes which form an integral part of this Agreement, as well as by the rules and regulations made by the Bank within its competence

Article II

The authorized capital of the Bank shall amount to 400 million ECU

The subscription quotas in the Bank's authorized capital of the Contracting Parties shall be for

	in million ECUs
the Republic of Bulgaria	272
the Hungarian Republic	335
the Socialist Republic of Vietnam*	14
the Republic of Cuba*	70
the Mongolian People's Republic	48
the Republic of Poland	432
Romania	255
the Union of Soviet Socialist Republics	1854
the Czech and Slovak Federal Republic	720

The amount of the Bank's authorized capital may be increased with the consent of the Bank's member-countries on proposal made by the Council of the Bank

The amount of the authorized capital of the Bank shall be increased with the accession of a new country to the membership of the Bank by the amount of its

* The Republic of Cuba joined the Agreement and became member of the Bank on 23 January 1974 the Socialist Republic of Vietnam on 27 May 1977



subscription quota in this capital. The Council of the Bank in agreement with the country concerned shall decide in what amount, how and when the contribution shall be made.

The Bank shall have a reserve capital; the Council of the Bank shall decide when, in what amount, for what purpose and how it shall be formed.

The Bank may have its own special funds established by decision of the Council of the Bank.

In accordance with agreements as may be concluded between the interested countries and the Bank, special funds may be established out of resources of these countries.

Article III

The activities of the International Bank for Economic Co-operation shall be conducted in conformity with the principles of full equality of rights of member-countries and respect for their sovereignty.

The member-countries of the Bank shall have equal rights in the consideration and determination of questions connected with the Bank's activities.

Article IV

On its lending operations the Bank shall charge interest in keeping with principles prevailing in international banking practice and to ensure the economic viability of the Bank.

The Bank shall pay interest on money in accounts or on deposit.

Article V

Neither membership in the International Bank for Economic Co-operation nor the activities of the Bank may in any way be used to hinder the development of direct financial and other business ties of the member-countries of the Bank with each other or with other countries.



Article VI

The International Bank for Economic Co-operation shall possess juridical personality. The Bank shall enjoy the legal capacity essential to the performance of its functions and the achievement of its aims set forth in this Agreement and in the Statutes of the Bank.

In its capacity of international organization the Bank may enter into international agreements.

The Bank, representatives of countries on the Council of the Bank and officers of the Bank shall enjoy, on the territory of every member-country of the Bank, the privileges and immunities which are necessary for the performance of the functions and the achievement of the purposes set forth in this Agreement and in the Statutes of the Bank. The privileges and immunities referred to above shall be defined in the Statutes of the Bank.

The Bank may open branches, agencies and representative offices in the country in which it has its head office and in other countries. Relations between the Bank and the country in which it has its head office, branches, agencies and representatives shall be determined by corresponding agreements.

Article VII

Other countries may accede to the present Agreement and become member of the Bank. To that effect the country shall transmit a declaration to the Council of the Bank stating that it subscribes to the purposes and principles of the Bank and accepts the obligations arising out of this Agreement and the Statutes of the Bank.

The accession to the Bank's membership shall be decided by the Council of the Bank.

A duly certified copy of the decision of the Bank's Council concerning the accession of a country to the membership of the Bank shall be transmitted to the country concerned and to the depositary of this Agreement. From the date of receipt of the said instrument together with the instrument (declaration) of accession by the depositary the country shall be considered as acceded to the Agreement and admitted to the membership of the Bank of which the depositary shall inform the Bank's member-countries and the Bank.



Article VIII

This Agreement shall be subject to ratification and shall enter into force on the date of deposit, by the last of the Contracting Parties, of its instrument of ratification with the depositary of this Agreement*.

Nevertheless, the Agreement shall be put into effect provisionally from 1 January, 1964 unless it has already entered into force by that date in accordance with the preceding paragraph.

Article IX

This Agreement may be amended only with the consent of all the member-countries of the Bank.

Any country may withdraw from this Agreement and from the membership in the Bank by giving the Council of the Bank not less than six months' notice. Within that period mutual liabilities of the Bank and the country concerned must be settled. The Council of the Bank shall formally notify the depositary of a country's withdrawal from this Agreement and from the Bank's membership.

This Agreement shall cease to have effect if two thirds or more of the Bank's member-countries denounce the Agreement and their membership in the Bank subject to observance of the second paragraph of this article.

Article X

This Agreement shall be deposited with the Secretariat of the Council for Mutual Economic Assistance, which shall act as the depositary of this Agreement.

Done at Moscow, on 22 October, 1963 in a single copy in Russian. Certified true copies of this Agreement shall be transmitted to all the Contracting Parties by the depositary.

* The Agreement entered into force on 18 May, 1964.



*Annex
to the Agreement Concerning the Organization
and Activities of the International Bank
for Economic Co-operation*

STATUTES

of the International Bank for Economic Co-operation
(with amendments introduced by the Protocols dated 18 December, 1970,
23 November, 1977 and 18 December, 1990)

The International Bank for Economic Co-operation is an institution established in pursuance of the Agreement entered into by the Governments of the Republic of Bulgaria, the Hungarian Republic, the Mongolian People's Republic, the Republic of Poland, Romania, the Union of Soviet Socialist Republics and the Czech and Slovak Federal Republic for the purposes of promoting economic co-operation between the member-countries of the Bank and the development of their economies, and of expanding their commercial and economic ties with other countries.

I GENERAL PROVISIONS

Article 1

The International Bank for Economic Co-operation, hereinafter called "the Bank", plans and carries out settlement, credit, financial and other banking operations.

Article 2

1. The Bank shall possess juridical personality under the name of "the International Bank for Economic Co-operation".



2. The Bank shall have the capacity:

- a) To contract and to engage in all transactions within the limits of its competence;
- b) To acquire, lease and alienate property;
- c) To institute and respond to proceedings before courts of law and arbitration bodies;
- d) To open branches and agencies and to have representatives in the country in which it has its head office and in other countries;
- e) To make rules and regulations on matters within its competence;
- f) To engage in other actions designed to carry out its functions under the present Statutes.

3. The Bank's liability shall be limited to its assets. The Bank shall not be responsible for the liabilities of the Bank's member-countries and they shall not be responsible for its liabilities.

4. The Bank shall have a seal with the inscription "International Bank for Economic Co-operation". Branches and agencies of the Bank shall have a seal with the same inscription and the name of the branch or agency concerned.

The head office of the Bank shall be in Moscow, USSR.

Article 3

The Bank shall ensure secrecy with regard to the transactions, accounts and deposits of its clients and correspondents.

All officers and employees of the Bank shall be bound to secrecy with regard to the transactions, accounts and deposits of the Bank, its clients and its correspondents.



II

CAPITAL AND FUNDS OF THE BANK

Article 4

The Bank's capital shall consist of authorized capital and reserve capital. It may also have special funds.

Article 5

The Bank's authorized capital shall be 400 million ECU.

The time and manner of making contributions to authorized capital shall be determined by the Council of the Bank.

The Bank's authorized capital shall serve to guarantee its liabilities and shall be used for the purposes envisaged by the Statutes of the Bank.

The amount of the Bank's authorized capital may be increased as provided by article II of the Agreement.

A country's contributions shall be repayable if it withdraws from the Bank. They shall be subject, however, to the deduction of an amount equal to the country's outstanding liability to the Bank.

If the Bank terminates its activities, contributions and any other assets of the Bank shall be repaid to the countries members of the Bank and distributed among them less the amount necessary to cover any liability resulting from the reciprocal settlement of claims of countries members of the Bank.

Article 6

A country that has made a contribution to the Bank's authorized capital shall be issued a certificate which shall constitute acknowledgement and proof that the contribution has been made.

Article 7

The Bank shall have a reserve capital; the Council of the Bank shall decide when, in what amount, for what purposes and how it shall be formed.



Article 8

The Bank may have its own special funds. The Council of the Bank shall decide for what purposes, in what amount, when and on what conditions these funds shall be formed and used.

Special funds may be also formed out of resources of the countries concerned. Purposes, amount, the manner in which they shall be formed and used shall be determined by agreements between the Bank and the countries concerned.

III

OPERATIONS OF THE BANK

Article 9

The Bank may open accounts in the names of banks, enterprises and organizations of the countries members of the Bank, of international economic organizations and associations, joint ventures as well as of other bodies corporate and of individuals and to effect settlements through these accounts in the manner established by the Bank.

Article 10

The Bank shall, in keeping with principles prescribed by the Council of the Bank, receive and invest funds in freely convertible currencies, as well as, taking into consideration the legislation of the country concerned, in national currencies of the Bank's member-countries. The Bank shall also effect other banking operations.

Operations shall be conducted and accounts of the Bank shall be opened, maintained and closed in accordance with principles prescribed by the Council of the Bank.

Holders of accounts having funds with the Bank in accounts in freely convertible currencies, as well as, taking into consideration the legislation of the country



concerned, in national currencies of the Bank's member-countries, may freely draw on the funds in such accounts.

Article 11

The Bank may effect settlement operations relating to the financing of capital investment or the extension of credit for enterprises and other projects jointly constructed, converted or operated by the countries concerned.

Article 12

The Bank may issue cheques in freely convertible currencies, as well as, taking into consideration the legislation of the country concerned, in national currencies of the Bank's member-countries and may use such cheques and other banks in the conduct of its operations. Other types of payment documents may be issued at the discretion of the Council of the Bank.

Article 13

The Bank may guarantee the money obligations of banks of member-countries, of other bodies corporate or of individuals.

Article 14

The Bank may co-operate with, or participate in, organizations whose activities are consistent with the functions of the Bank.

Article 15

The Bank shall conclude agreements with other banks and international organizations concerning the methods of effecting settlements and of managing the accounts opened at the Bank, and shall also conclude contracts with correspondents and other contracts.



Article 16

The Bank may provide financing, out of funds allocated by the countries concerned, for international economic and other organizations established by the Bank's member-countries.

Article 17

The Bank may extend and receive credits and loans in freely convertible and other currencies on a basis of agreements made with banks, enterprises and other organizations and establishments of the member-countries and of countries that are not members of the Bank, carry out in these currencies deposit, arbitrage, guarantee, settlement operations, as well as operations with bills of exchange and other operations prevailing in international banking practice, and operations with gold.

Borrowers shall pay interest on credit they obtain at the Bank at rates fixed in credit agreements.

The Bank shall have the right to take unencumbered goods and other valuables in pledge to secure liabilities of its clients. The manner in which valuables may be pledged at the Bank shall be determined by the Council of the Bank.

Article 18

The Bank shall charge interest on its credit operations;

The Bank shall pay interest on its borrowing operations.



IV

ADMINISTRATION

Article 19

The administrative organs of the Bank shall be the Council and the Board of Management of the Bank.

COUNCIL OF THE BANK

Article 20

The Council of the Bank shall be the highest administrative organ of the Bank and shall be responsible for the general direction of the Bank's activities.

The Council of the Bank shall consist of representatives of all countries members of the Bank, each country member having one vote irrespective of its share in the Bank's capital.

The members of the Council of the Bank shall be appointed by the Governments of the countries members of the Bank.

The Council of the Bank shall hold meetings as necessary, but not less often than twice a year.

The meetings of the Council shall be presided over by a representative of each country-member of the Bank in turn.

The Council shall draw up its own rules of procedure.

Article 21

The Council of the Bank shall examine and take decisions on basic matters determining the policies and the direction of activities of the Bank. It shall:

a) Determine the general policies of the Bank with regard to the establishment of business-like connections and of co-operation by the Bank with the banks of member-countries and other countries, with financial and banking as well as other international economic organizations, and with regard to co-operation with or participation in organizations whose activities are relevant to the Bank's functions;



b) Approve, on the recommendations of the Board of Management, the annual report, the balance sheet and the distribution of net income of the Bank, the organizational structure and manning-table of the Bank and the estimates of its administrative and management expenditure;

c) Establish special funds of the Bank;

d) Appoint the Chairman and members of the Board of Management;

e) Appoint the Audit Commission of the Bank, hear its reports and take decisions on them;

f) Authorize the opening and closing of branches, agencies and missions of the Bank;

g) Hear reports from the Board of Management on its activities and take decisions on them;

h) Take decisions regarding the admission of new members of the Bank;

i) Approve the Staff Rules of the Bank;

j) Perform such other functions deriving from these Statutes as may prove necessary for achieving the purposes and carrying out the tasks of the Bank.

The Council shall have the right to delegate the decision of certain matters within its competence under these Statutes to the Board of Management.

Article 22

Decisions of the Council of the Bank with regard to basic matters of the Bank' activities shall be adopted unanimously, with regard to other matters - by qualified majority of not less than three fourths of votes. However, the Council of the Bank has the power to adopt decisions if representatives of not less than three fourths of the countries members of the Bank are present at the meeting.

Decisions of the Council of the Bank shall be adopted unanimously when relating to the following matters:

a) Approvement of the annual report, balance sheet and distribution of net income of the Bank;

b) Recommendations regarding increase of the authorized capital of the Bank;

c) Time and manner of making contributions to authorized capital of the Bank by member-countries;

d) Opening and closing of branches, agencies and missions of the Bank;



- e) Appointment of the Chairman and members of the Board of Management and the Audit Commission of the Bank;
- f) Admission of new members of the Bank;
- g) Proposals for the amendment of the Agreement and the Statutes;
- h) Proposals concerning the time and procedure for termination of the Bank's activities pursuant to the Agreement.

BOARD OF MANAGEMENT OF THE BANK

Article 23

The Board of Management of the Bank shall be the executive organ and shall be responsible for direct guidance of the Bank's activities within the limits of the powers granted to it by these Statutes and in accordance with the decisions of the Council of the Bank.

The Board shall be responsible and accountable to the Council of the Bank.

The Board shall consist of a Chairman and members appointed from among nationals of all countries members of the Bank for a period of not more than five years. The number of members of the Board shall be determined by the Council of the Bank.

In the temporary absence of the Chairman of the Board, his functions shall be entrusted by decision of the Board to one of its members.

In the performance of their official duties the Chairman and members of the Board shall act as international officers independent of the organizations and officials of the countries of which they are nationals.

Article 24

The Board of Management of the Bank, in the person of its Chairman or of other officers of the Bank duly authorized by the Board, shall represent the Bank in all discussions and negotiations with officials, and State and international organizations and other bodies corporate, and shall submit claims and institute proceedings before courts of law and arbitration bodies in the name of the Bank.



The Board may issue special credentials empowering officers of the Bank and other bodies corporate or individuals to act on its behalf.

Obligations and credentials of the Bank shall be valid if they bear two signatures: those of the Chairman and a member of the Board, or, in the absence of the Chairman, those of two members of the Board, one of whom must be the acting Chairman of the Board, or those of other officers duly authorized by the Board.

Article 25

The Board of Management shall examine the main aspects of the Bank's operations, including:

a) Matters which under these Statutes it is the function of the Council of the Bank to decide or approve and concerning which the Board shall prepare the relevant materials and proposals for consideration by the Council of the Bank;

b) Adoption of procedures for the signature of documents relating to financial transactions and settlements, and of correspondence, in the name of the Bank; of procedures for the signature and issue of certifying documents in the name of branches and agencies of the Bank; of forms of documents for financial transactions and settlements used between the Bank and its clients; of rates of interest on loans, deposits and current and other accounts, of commission rates for transactions on behalf of its clients and correspondents; of procedures and conditions for guarantees; and of conditions for discounting and endorsing bills of exchange and other negotiable instruments;

c) Supervision of the work of departments and sections of the Bank and its branches, agencies and representatives;

d) Matters relating to the use of the Bank's assets and funds.

The field of competence of the Board shall also include:

- Approval of instructions relating to procedures for credit and other banking transactions;

- Establishment of business-like relations with financial, banking and other international economic organizations in accordance with decisions of the Council of the Bank relating to the general policies of the Bank in this field, with subsequent information of the Council of the Bank on this subject;



- Fixing the number of employees within the manning-table and scale of pay of operating staff and technical personnel within the limits of the payroll fund approved by the Council of the Bank for this purpose.

Within its field of competence, the Board of Management shall have the right to submit proposals for consideration by the Council of the Bank.

The Board shall be the master of its own procedure.

Decisions adopted by the Board shall be recorded in reports of its proceedings. In pursuance of its decisions, the Board may issue instructions, rules or regulations which shall be signed by the Chairman of the Board or, on his authorization, by a member of the Board.

The Board may delegate decision of certain matters within its competence to members of the Board, heads of departments and sections of the Bank, its branches and agencies.

Article 26

The Chairman of the Board shall direct the work of the Board and shall take measures to ensure performance of the tasks entrusted to the Bank by these Statutes.

The Chairman of the Board shall:

- a) Administer all the assets and funds of the Bank in accordance with these Statutes and the decisions of the Council of the Bank;
- b) Act as the representative of the Bank;
- c) Issue instructions and take decisions concerning the ordinary business of the Bank;
- d) Sign obligations and credentials in the name of the Bank in accordance with article 24 of these Statutes;
- e) Appoint and dismiss members of the staff of the Bank, except for directors who are members of the Board of Management and, in accordance with the manning-table and estimates of management and administrative costs approved by the Council, fix rates of pay and provide bonuses for meritorious staff;
- f) Carry out other functions deriving from these Statutes and decisions of the Council of the Bank.



V

ORGANIZATION

Article 27

The Bank shall have departments, sections, branches, agencies and missions established in accordance with the structure of the Bank approved by the Council of the Bank.

The personnel of the Bank shall be made up of citizens of the member-countries of the Bank in accordance with the Staff Rules.

In order to ensure the independent performance of their duties, the staff shall be granted privileges and immunities as provided by article 34 of these Statutes.

VI

AUDIT OF THE BANK'S OPERATIONS

Article 28

The auditing of the Bank's operations, including the checking of the annual report of the Board of Management, verification of cash on hand and other assets and scrutiny of the accounts, statistics and business correspondence of the Bank, its branches and its agencies shall be carried out by an Audit Commission consisting of a chairman and five members appointed by the Council of the Bank for a period of two years.

The chairman and members of the Audit Commission may not hold any other office in the Bank.

The Council of the Bank shall determine when and how audits shall be held.

Article 29

The Board of Management shall make available to the Audit Commission all documentation needed for the audits.

Reports of the Audit Commission shall be presented to the Council of the Bank.



VII

PROCEDURE IN DISPUTES

Article 30

Claims against the Bank must be made not later than two years from the time when the grounds for action arise.

Article 31

Disputes between the Bank and its clients from the countries members of the Bank shall be examined by an arbitration body selected from among those already in existence or especially created, as agreed upon between the parties.

In the absence of such agreement, the dispute shall be submitted for settlement to the arbitration body operating under the Chamber of Commerce and Industry of the country in which the Bank has its headquarters.

VIII

PRIVILEGES AND IMMUNITIES OF THE BANK AND ITS OFFICERS

Article 32

1. The property, assets and documents of the Bank, wherever situated, and its operations shall enjoy immunity from every form of administrative and legal process except in cases in which the Bank has waived its immunity. The premises of the Bank and of its branches, agencies and missions in the territory of any country-member of the Bank shall be inviolable.

2. In the territory of any country-member of the Bank, the Bank shall:

a) Be exempt from all direct taxes and duties levied either by State or by local authorities. This exemption shall not apply to charges for public utility and other services;

b) Be exempt from customs duties and restrictions on imports or exports of articles intended for official use;



c) Enjoy all the privileges enjoyed by diplomatic missions in the country with respect to priorities, rates and taxes in the use of postal, cable and telephone communications.

Article 33

1. Representatives of countries on the Council of the Bank shall while exercising their official functions be accorded in the territory of each country-member of the Bank the following privileges and immunities:

a) Immunity from personal arrest or detention and from the jurisdiction of judicial institutions in respect of any acts done by them in their capacity as representatives;

b) Inviolability for all papers and documents;

c) The same customs facilities in respect of their personal baggage as are accorded to members of comparable rank of diplomatic missions in the country concerned;

d) Exemption from national service obligations and from direct taxes and duties on money paid to them by the countries which appointed them.

2. The privileges and immunities provided in this article are accorded to the persons mentioned therein solely in the interests of their official functions. Each country-member of the Bank shall have the right and the duty to waive the immunity of its representative in any case where in the opinion of that country the immunity would impede the course of justice and can be waived without prejudice to the purpose for which it was accorded.

3. The provisions of paragraph 1 shall not apply as between a representative and the authorities of the country of which he is a national.

Article 34

1. The Council of the Bank, on the recommendation of the Board of Management of the Bank, shall specify the categories of officers of the Bank to which the provisions of this article shall apply. The names of such officers shall be communicated periodically by the Chairman of the Board to the competent authorities of the countries members of the Bank.

2. In the performance of their duties, officers of the Bank shall, in the territory of each country-member of the Bank:



a) Not be liable, legally or administratively, for any acts performed by them in their official capacity;

b) Be exempt from national service obligations and from direct taxes and duties on the salaries paid to them by the Bank. This provision shall not apply to officers of the Bank who are nationals of the country in which the Bank or in which the branch, agency or mission concerned is situated;

c) Have the right to the same customs facilities in respect of their personal baggage as are accorded to members of comparable rank of diplomatic missions in the country concerned.

3. The privileges and immunities provided in this article are accorded officers of the Bank solely in the interests of their official functions.

The Chairman of the Board of Management of the Bank shall have the right and the duty to waive the immunity of officers of the Bank in any case where in his opinion the immunity would impede the course of justice and can be waived without prejudice to the purpose for which it was accorded. In the case of the Chairman or members of the Board of Management, the right to waive immunity shall be vested in the Council of the Bank.

IX

STATEMENTS

Article 35

The Bank's financial year shall run from 1 January to 31 December inclusive. Annual statements shall be published by the Board in the manner directed by the Council of the Bank. The balance sheet of the Bank shall be expressed in European currency units (ECU).

X

DISTRIBUTION OF NET INCOME

Article 36

After approval of the annual report, the net income of the Bank shall be distributed at the discretion of the Council of the Bank and may be added to the reserve capital or used for other purposes.



XI

PROCEDURE FOR ADMISSION OF NEW MEMBERS AND WITHDRAWAL FROM THE BANK

Article 37

The procedure for admission of new members and withdrawal from the Bank is defined in articles VII and IX of the Agreement.

XII

FINAL PROVISIONS. PROCEDURE FOR AMENDMENT OF THE STATUTES

Article 38

Any country-member of the Bank may make proposals for the amendment of these Statutes. Amendments to the Statutes of the Bank shall be made with the consent of all the countries members of the Bank.

TERMINATION OF THE BANK'S ACTIVITIES

Article 39

The Bank's activities may be terminated in accordance with the provisions of third paragraph of article IX of the Agreement. Countries members of the Bank shall determine the time and procedure for termination of the Bank's activities and winding-up of its affairs.

МЕЖДУНАРОДНЫЙ БАНК ЭКОНОМИЧЕСКОГО СОТРУДНИЧЕСТВА
INTERNATIONAL BANK FOR ECONOMIC CO-OPERATION

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Moscow, January, 1999

TO: CORRESPONDENT BANKS AND THE IBEC'S CLIENTS

Dear Sirs,

According to the decision of the Council of the International Bank for Economic Co-operation relating to the change of the balance sheet currency from ECU to euro we would like to notify you that starting January 1, 1999, the International Bank for Economic Co-operation have switched to the new currency of its balance sheet - euro.

The authorized capital of the IBEC is also stated from that date in the same currency at 400 million euros, which is divided among the countries as follows:

(in thousand euros)

Republic of Bulgaria.....	27 200.0
Hungarian Republic *.....	33 500.0
Socialist Republic of Vietnam.....	1 400.0
Republic of Cuba.....	7 000.0
Mongolia.....	4 800.0
Republic of Poland.....	43 200.0
Russian Federation.....	185 400.0
Romania.....	25 500.0
Slovak Republic.....	24 000.0
Czech Republic.....	48 000.0

Total

400 000.0

** The IBEC pursues the negotiations on the settlement of mutual liabilities with Hungary in connection with withdrawal of the Hungarian Republic from the Bank's membership.*

From January 1, 1999, the IBEC carries out operations in the main convertible currencies and national currencies of the IBEC member-countries, as well as in euro.

Sincerely Yours,

The International Bank for Economic Co-operation