

ANTIGUA AND BARBUDA



RESOLUTION OF THE HOUSE OF REPRESENTATIVES RATIFYING THE  
CONSTITUTIVE AGREEMENT OF THE BANK OF ALBA, 2019

STATUTORY INSTRUMENT

2019, No. 57

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**ANTIGUA AND BARBUDA****RESOLUTION OF THE HOUSE OF REPRESENTATIVES RATIFYING THE  
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**WHEREAS** the Ratification of Treaties Act Cap. 364 provides under Section 3 *inter alia* that where the treaty to which Antigua and Barbuda becomes a party is one which affects or concerns the relationship of Antigua and Barbuda with any international organization, association or similar body, such treaty shall not enter into force in Antigua and Barbuda unless it has been ratified or approved in accordance with ratification of Treaties Act; and

**WHEREAS** the Bank of ALBA is an international body which Antigua and Barbuda has become a member on December 4, 2018 at the 65<sup>th</sup> Meeting of the ALBA Executive Board and Ministerial Council; and

**WHEREAS** the Bank of ALBA is an international body which is governed by international law and concerns the relationship of Antigua and Barbuda with the Bank;

**NOW, THEREFORE, BE IT RESOLVED** by this Honourable House that the Constitutive Agreement of the Bank of ALBA to which Antigua and Barbuda is a signatory, the text of which is attached hereto as a Schedule, be ratified as a treaty under section 3(1)(c) of the Ratification of Treaties Act. Cap. 364

Passed the House of Representatives this 1st day of October, 2019.

**Sir Gerald Watt QC**  
*Speaker of the House of Representatives.*

**Ms. Alison Peters**  
*Clerk to the House of Representatives. (Ag).*

**SCHEDULE**



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**CONSTITUTIVE  
AGREEMENT**

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**November 5, 2008**

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The Republic of Bolivia, the Republic of Cuba, the Republic of Nicaragua  
and the Bolivarian Republic of Venezuela,

TAKING INTO ACCOUNT that on the sixth day of June of the year two  
thousand and seven representatives of the four countries signed in the  
city of Caracas, capital of the Bolivarian Republic of Venezuela, the  
Memorandum of Understanding for the Creation of the Bank of ALBA;

RECALLING that at the same time as on the twenty sixth day of January  
of the year two thousand and eight the Presidents of the four countries  
subscribed the Founding Charter of the Bank of ALBA, an instrument by  
which they agreed to create a financial entity under Public International  
Law called THE BANK OF ALBA;

BEARING IN MIND that to revert the migratory trend and reduce the  
concentration of income within the framework of human and sustainable  
development it is necessary to accelerate economic growth, as well  
as the generation of decent employment, the strengthening of internal  
markets, and the substantial improvement of the living standards of the  
population;

BEING AWARE that Latin American and Caribbean integration should  
constitute for the peoples of the region a space dedicated to the  
promotion of social and economic development, the convergence and  
complementarity of economic integration processes, and the reduction  
of asymmetries and poverty and social exclusion;

CONSIDERING that the economic and financial structures of Latin  
America and the Caribbean require the development of their internal  
financial markets to increase cash availability, channel resources toward  
national and regional programs and projects, revitalize investment and fair  
trade, develop the integrating infrastructure, and activate a fundamental  
process for the political, cultural, economic and social transformation of  
the region;

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CONVINCED that the importance of designing and implementing a new regional financial architecture in the shortest possible term, incorporated under the sovereign control of Latin American and Caribbean countries, aimed at reaffirming the region's leadership, reduce the external vulnerability of regional economies, and transforming the overall production system by prioritizing the basic needs of our peoples;

CONSIDERING that within the scope of this new regional financial architecture institutions incorporated under the sovereign control of ALBA member countries are required to foster and streamline the production capacity needed by our economies, the institutional purpose of which should exclusively focus on the promotion and financing of the common economic and social development of our nations;

Have agreed to enter into the following Articles of Association:

## CHAPTER I

### INCORPORATION, DENOMINATION, TERM MEMBERSHIP, PURPOSE, FUNCTIONS AND OPERATIONS

#### ARTICLE 1. CONSTITUTION AND DENOMINATION

An International Public Law financial entity is hereby incorporated with own personality, under the name of BANK OF ALBA, or merely the acronym BANALBA, which shall be governed by the provisions comprised in these Articles of Association and other provisions legally adopted and drafted in the Spanish language. BANALBA shall last fifty (50) years and this term may be extended for equal and consecutive terms on prior agreement by an absolute majority of the Ministerial Council convened and gathered for this purpose.

BANALBA shall be fully entitled to enter into agreements with any entity

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of a general or specialized nature, in related fields compatible with the purpose of these Articles of Association. Furthermore, BANALBA may enter into agreements, acquire and alienate real and personal property, and commence judicial proceedings.

The official language of BANALBA is Spanish. Other languages may be recognized, with their pertinent nature, as other countries join as members of the Bank.

**ARTICLE 2. FUNDING MEMBER COUNTRIES, MEMBER COUNTRIES,  
PARTNER COUNTRIES AND HEADQUARTERS**

The founding members of BANALBA are the Republics of Bolivia, Cuba, Nicaragua and the Bolivarian Republic of Venezuela. Other countries from Latin America and the Caribbean may be accepted as members, as long as they subscribe the Agreement of the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA, PEOPLE'S TRADE AGREEMENT (ALBA-TCP). Likewise, other regional and extra-regional countries may be accepted as BANALBA associates if they adhere to the Articles of Association of the BANALBA. Public law organs may also adhere as associates.

BANALBA shall have its main headquarters in the city of Caracas, capital of the Bolivarian Republic of Venezuela, and may establish the necessary sub-headquarters, branches or representation offices in the founding countries, the countries that integrate it in the future or in any other country the competent instance agrees upon, in compliance with what is set forth in the present Articles of Association.

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<sup>1</sup> In Resolution 02 04 2017 (CA) of the 19th Meeting of the Multilateral Council held on June 23, 2017 which modifies articles 1 and 2 of the Constitutive Agreement.



**ARTICLE 3. PURPOSE**

The purpose of BANALBA is to assist with sustainable social and economic development, reduce poverty and asymmetries, strengthen integration, promote a fair, dynamic, harmonic and balanced economic exchange among member countries of the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA, PEOPLE'S TRADE AGREEMENT (ALBA-TCP) inspired on the principles of solidarity, complementarity, cooperation and respect to the sovereignty of the peoples.

**ARTICLE 4. FUNCTIONS**

For compliance with its purpose, BANALBA shall perform the following functions:

**4.1. Finance programs and projects for Class A shareholders of BANALBA:**

4.1.1. Economic development of key sectors of the economy aimed at improving productivity and efficiency, generation of jobs, scientific-technical development, innovation, invention, complementarity and development of production chains, aggregation of value, maximization of the use of raw materials produced and exploited in the region, protection of the natural resources and conservation of the environment.

4.1.2. Social development in health, education, housing and social security matters, as well as in those aimed at the promotion and strengthening of participatory democracy, reduction of social exclusion, elimination of gender and ethnic discrimination, and others that contribute to the improvement of the living standards of these peoples.

4.1.3. Expansion and connection of these countries' infrastructure.

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4.1.4. Promotion, strengthening and development of micro-, small- and medium-size production, as well as associative economies, in all economic sectors in order to optimize their capabilities and ensure, among other things, food sovereignty and security.

4.1.5. Creation of bi-national, grand national companies or any other modality of associative organization that promotes mutual interest investments comprised within the objectives of ALBA.

4.2. Promote, create and administer reimbursable and non-reimbursable finance funds aimed at fostering economic, social and environmental development.

4.3. Provide resources for technical assistance, pre-investment, research and development studies, transfer and absorption of technology.

4.4. Develop and promote fair trading practices in goods and services.

4.5. Others that contribute to the purpose of BANALBA.

#### ARTICLE 5. OPERATIONS

BANALBA may perform the following operations.

5.1. Give credits, credit facilities, bonds, collateral and other guarantees.

5.2. Issue, place, structure and administer all kinds of securities.

5.3. Render services for clearance and settlement of economic, commercial and financial transactions.

5.4. Render administration services for portfolios, and organize, constitute and administer trusts, mandates and other trustworthy operations.

5.5. Act as commission agent and depository of securities.

5.6. Render treasury services to governmental, inter-governmental and international entities, as well as state, semi-state and associative entities promoted by BANALBA member countries.

5.7. Any other type of financial operations or services that contribute to the purpose of BANALBA.

## CHAPTER II

### CAPITAL STOCK OF BANALBA

#### ARTICLE 6. CAPITAL STOCK

6.1 BANALBA capital stock subscribed to shall be Eight Hundred and Fifty Billion Dollars of the United States of America (US\$850,000,000.00) represented by Eighty Five Thousand (85,000) common registered shares, the par value of which shall be Ten Thousand Dollars of the United States of America (US\$10,000.00) each. This capital stock may be increased through the issuance of new shares in the proportion decided by the Ministerial Council when deemed appropriate. The amount of the Authorized Capital Stock is Two Thousand Billion Dollars of the United States of America (US\$2,000,000,000.00).

The shares shall not be represented in certificates, may not be jointly held, and are indivisible. The shares shall be kept in accounts and shall be registered in the name of each of the shareholders of BANALBA. The respective account books shall meet the formalities set forth by the Board of Directors. No pledge or guarantee may be constituted on the shares to secure the obligations assumed by the shareholders with third parties.

The right to vote shall be suspended for members of the Ministerial Council and of the Board of Directors representing BANALBA shareholders when

said members and partners are in arrears with their integration duties pertaining to the shares subscribed to in accordance with the rules set forth in these Articles of Association:

6.2. Classes of ordinary shares. The capital stock of BANALBA is divided into:

6.2.1. Class A shares. Latin American and Caribbean Nation States that are part of the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA, PEOPLE'S TRADE AGREEMENT (ALBA-TCP) or who have signed or adhered to these Articles of Association may be holders of Class A shares.

6.2.2. Class B shares. Regional Nation States, whether they are or not members of the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA, PEOPLE'S TRADE AGREEMENT (ALBA-TCP), as well as States outside the region, may hold Class B shares.

6.2.3. Class C shares. Central banks, financial and non-financial, state, mixed or semi-state entities, it being understood as such those entities in which the State has a shareholding greater than fifty per cent (50%) of the capital stock, and multilateral credit bodies, may hold class C shares.

6.3. Participation in the subscription of BANALBA capital stock by Class A member countries. Each Class A member country shall subscribe shares in accordance with the time schedule agreed by the Ministerial Council.

6.4. Integration of shares.

6.4.1. Integration of Class A shares. Each Class A share subscribed shall be integrated as follows: at least fifty per cent (50%) of the par value of each share shall be integrated in foreign currency and the

remaining amount in the currency of the State or country subscribing such share in accordance with the time schedule agreed by the Ministerial Council.

6.4.2. Integration of Class B and Class C shares. Each Class B and Class C share subscribed shall be integrated in cash, in foreign currency, within the terms and other modalities determined by the Ministerial Council.

6.4.3. Integration of shares of new shareholders. Notwithstanding the provisions in the preceding paragraphs 6.4.1 and 6.4.2 of these Articles of Association, the integration of Class A, B or C shares shall, in all cases, be made under the terms and financial conditions (terms, amounts, installments and other modalities) timely established by the Ministerial Council.

6.5. Limitation of responsibility. The responsibility of BANALBA shareholders is limited to the subscribed capital stock, which shall be apportionately determined based on the shareholding corresponding to each shareholder in the total capital stock subscribed.

## ARTICLE 7. ISSUE AND TRANSFER OF SHARES

7.1. Shares of any class are non-transferable, except as provided in paragraphs 12.2.2 and 12.2.3 of Article 12 and paragraph 23.2 of Article 23 of these Articles of Association.

7.2. Every issue of new shares due to capital increase, capitalization of profits or any other concept shall be made by Classes, preserving the proportion existing among the different Classes at the time a decision is made on a new issue.

## CHAPTER III

### ADJUSTMENT OF THE PORTFOLIO VALUE AND OTHER CREDITS, DEPOSITORY AND EXPOSURE LIMITS

#### ARTICLE 8. DETERMINATION AND ADJUSTMENT OF THE PORTFOLIO VALUE AND OTHER CREDITS

For purposes of processing the settlement or amortization of an obligation assumed by a State holder of Class A shares in national currency of such country, BANALBA shall take the official exchange rate reported by the country's Central Bank or similar monetary authority on the date when said payment takes place.

#### ARTICLE 9. DEPOSITORY

In case of BANALBA related transactions, member countries and partners shall request from their central banks or state banks that they become gratuitous depositories of any amount of money, whether in foreign currency or in local currency, to be paid to BANALBA under any concept, including but not limited to the payment of amounts due for capital integration pursuant to the rules provided for in Article 6 and other concurrent articles hereof.

#### ARTICLE 10. EXPOSURE LIMITS

10.1. The maximum indebtedness limit in BANALBA may not be higher than ten (10) times the net equity of BANALBA, in the understanding that such limit is the capital stock amount effectively integrated by the shareholders, equity reserves and other equity accounts.

10.2. Total loans and investments of BANALBA plus the total amount of any other borrowings, including contingency borrowings, may not exceed an amount equal to ten (10) times the net equity of BANALBA.

10.3. BANALBA may not provide credit assistance under any form or of any nature to States who are not members that hold Class A shares, or to individuals or legal entities whose corporate headquarters or principal seats of their businesses or principal activities are developed or located in some of BANALBA non-member States.

10.4. BANALBA may not assume financial commitments, nor establish any encumbrance on the collection rights of capital contributions from member countries.

## CHAPTER IV

### ORGANIZATION AND ADMINISTRATION

#### ARTICLE 11. GOVERNMENT AND ADMINISTRATION

BANALBA government and administration structure shall be composed by the Ministerial Council, the Board of Directors and the General Manager.

#### ARTICLE 12. MINISTERIAL COUNCIL

##### 12.1. Supreme Body. Composition and Functioning

The Ministerial Council is the supreme body of BANALBA and it is composed by the Minister of Economy, Treasury or Finance, or by the President of the Central Bank of each member country. Each country shall designate a principal member and an alternate member

The Ministerial Council shall appoint the President of the Ministerial Council during its annual meeting following the alphabetical order of the member countries. The President shall have coordination and representation powers, as well as an alternate who shall cover temporary absences of the President. The President of the Ministerial Council shall exercise his functions for a one (1)-year term.

The Ministerial Council shall hold an ordinary annual meeting in the country where BANALBA has its seat or in another member country, as decided by the Council. The meeting shall be regularly held within the first three (3) calendar months, except during the first year of the incorporation of BANALBA.

The President of the Ministerial Council shall convene its members one (1) month before the date set for the meeting, and inform them of the agenda proposed for the meeting. The Ministerial Council may also hold special meetings when so required by one member of the Ministerial Council or at the request of the Board of Directors, as set forth herein.

Except when these Articles of Association set forth a proportion equal or greater than seventy five per cent (75%) of the members of the Ministerial Council, this body shall make its decisions with the favorable vote of an absolute majority of its members. For this purpose, it is hereby set forth that each member country shall be entitled to cast a vote, regardless of its shareholding.

## 12.2. Powers of the Ministerial Council

12.2.1. Formulate the short-, mid- and long-term general policies of BANALBA.

12.2.2. Admit new members or partners, determine the conditions for their admission and authorize transfers of shares between shareholders. The favorable vote of an absolute majority is required to admit new members and authorize transfers between



Class A shareholders. The favorable vote of all members of the Ministerial Council is required for the incorporation of Class B or C shareholders, as well as for any other transfer that Class B or C shareholders wish to make between them.

12.2.3. Suspend shareholders in accordance with article 22 of these Articles of Association.

12.2.4. Decide on the suspension or termination of operations, and the voluntary settlement and extinction of BANALBA.

12.2.5. Interpret the Articles of Association.

12.2.6. Increase, re-establish or decrease the capital stock of BANALBA.

12.2.7. Designate the Chairman of the Board of Directors based on the proposal prepared by this body.

12.2.8. Know each country's designated Directors and formalize their incorporation to the Board of Directors, as well as determine their installation and stay at BANALBA headquarters if deemed necessary.

12.2.9. Approve the annual management of the Board of Directors during the immediately preceding fiscal year.

12.2.10. Appoint the General Manager based on a short list of candidates submitted by the Board of Directors, as well as know and issue a binding opinion on the extensions of his term, suspension, dismissal or revocation in accordance with the provisions of article 15 of these Articles of Association.

12.2.11. Set the compensation for members of the Board of Directors, permanent and per diem when traveling, as well as the compensation for the Chairman of the Board of Directors.

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12.2.12. Approve the amendments of the Articles of Association proposed by the Board of Directors, for which a favorable vote equal to or greater than seventy five per cent (75%) of the members of the Ministerial Council shall be required.

12.2.13. Approve the Financial Statements, the Annual Report and other reports of BANALBA presented by the Board of Directors.

12.2.14. Approve the Annual Budget of BANALBA prepared by the Executive Director

12.2.15. Appoint the external auditors of BANALBA.

12.2.16. Designate the Internal Auditor of BANALBA in accordance with the adopted mechanisms.

12.2.17. Consider the reports of internal and external audits, the report of the Statutory Auditor and any other report, as well as adopt the pertinent actions

12.2.18. Approve the opening of subsidiary headquarters, branches and representation offices necessary in founding member countries, in countries that will join in the future, or in any other country in accordance with the provisions of these Articles of Association.

12.2.19. Handle or resolve any other matter not expressly assigned in the previous paragraphs.

ARTICLE 13. BOARD OF DIRECTORS

13.1. Composition. The Board of Directors shall be composed by representatives designated by members holding Class A shares and representatives of partners holding Class B shares in BANALBA. These representatives shall be chosen for a three (3)-year period pursuant to the rules set forth in item 13.2 of this article, extendable for equal and

consecutive periods. Each principal Director shall have an alternate Director who shall be fully authorized to act in lieu of the principal Director in the case of temporary absences of the latter. The Directors shall continue holding office until their successor are designated or chosen and they may be ceased early by the member country that designated them.

13.2. Designation. Member countries holding Class A shares and shareholders holding Class B shares shall designate Principal Directors and Alternate Directors pursuant to the following rules.

13.2.1. Each member holding Class A shares shall designate one (1) Principal Director and one (1) Alternate Director.

13.2.2. All shareholders holding Class B shares shall have only one (1) Principal Director and one (1) Alternate Director, who shall represent them and be designated by all Class B shareholders when the capital stock subscribed to by them, as a whole, exceeds five per cent (5%) of the capital stock subscribed to of BANALBA.

13.2.2.1 The designation of this Principal Director and his Alternate Director shall be made in a special meeting of Class B shareholders pursuant to the rules timely issued by the Ministerial Council.

13.2.2.2 To designate the Principal Director and the Alternate Director, each Class B shareholder shall be entitled to one vote, regardless of the capital stock they have subscribed. The results of the vote shall be provided in writing the President of the Ministerial Council upon said vote.

13.3. Quorum. The Board of Directors may hold valid sessions with the participation of at least half plus one of all its Directors

13.4. Resolutions. Each Director shall have one vote in the meetings of the Board. The resolutions shall be passed by a proportion equal to or greater than seventy five per cent (75%) of the members of the Board of Directors.

13.5. Administrative Organization and Coordination of the Board of Directors. The Board of Directors shall in its annual meeting and in accordance with the alphabetical order of rotation of each country, present one of its members to the Ministerial Council to be designated as Chairman of the Board of Directors. This official shall have coordination authority over the Board of Directors and the administration and legal representation of BANALBA. Moreover, the Board of Directors shall have a Secretary appointed outside this body and his authorities shall be to transmit the decisions of the Board of Directors, prepare the entries for their Minutes, and certify the Minutes.

13.6. Authorities. The Board of Directors of BANALBA shall have the following authorities:

13.6.1. Ensure compliance with the economic and financial policy of BANALBA set forth by the Ministerial Council.

13.6.2. Conduct the businesses and activities of the Bank with broad authority to guide the acts, contracts and operations leading to the purpose of BANALBA.

13.6.3. Annually approve the Financial Statements of BANALBA, and the income and expenditure Budget of the following fiscal year, and submit both to the Ministerial Council.

13.6.4. Create executive committees or other subsidiary entities for the best operation of BANALBA and appoint representatives among the members of the Board of Directors to ensure compliance with the goals and policies of BANALBA.

13.6.5. Approve and amend the organizational structure and the internal regulations of BANALBA.

13.6.6. Propose the Ministerial Council amendments to the Articles of Association of BANALBA.

13.6.7. Present for consideration by the Ministerial Council a group of three candidates proposed to hold the office of General Manager based on the requirements defined and formulated by the BANALBA Board of Directors, as well as propose the extension of the term, suspension, removal or revocation of the General Manager in accordance with the provisions of Article 15 of these Articles of Association.

13.6.8. Handle and resolve any other matter entrusted by him by the Ministerial Council

13.6.9. Designate special, general and judicial attorneys of BANALBA deemed appropriate to best defense and represent its rights and interests

13.7. Sessions. The Board of Directors of BANALBA shall hold ordinary meetings at least once (1) every month at the BANALBA headquarters or in another location defined by its members. The Board may hold special meetings at the request of half plus one of its members or at the request of its Chairman.

13.8 Minutes and Resolutions. A summary of the discussions and resolutions of the Board of Directors shall be included in the Minutes kept in a special book under the responsibility of the Secretary of the Board of Directors. The Minutes shall be signed by the Chairman and the Secretary of the Board. The resolutions of the Board of Directors shall be valid with the signatures of the Directors.

## ARTICLE 14. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Executive Board will serve for a period of three (03) years, extendable to five (05) years. The mandate of the President of the Executive Board may be revoked by the request of all the members of the Executive Board to the Ministerial Council. This request for revocation must be approved unanimously by the members of the Ministerial Council. \*

Only the Directors representing Class "A" actions shall be entitled to be elected as the Presidents of the Executive Board.

### 14.1. Powers of the Chairman of the Board of Directors:

14.1.1. Coordinate the Board of Directors

14.1.2. Convene and chair the meetings of the Board of Directors.

14.1.3. Exercise the legal representation of BANALBA.

## ARTICLE 15. GENERAL MANAGER

The General Manager shall, in his capacity as first executive authority, be responsible for the daily operations of BANALBA for a three (3)-year term and may be reelected for equal and consecutive terms.

Each country holding Class A shares shall be entitled to present candidates, and the Board of Directors shall choose three among them and present their names to the Ministerial Council for appointment of the General Manager, who shall be an appropriate person with broad experience in economic, financial or banking matters.

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\* In the fourth resolution C/M-RES-07.2013 of the IV MINISTERIAL COUNCIL held on June 7, 2013 which amends Article 14 of the Constitutive Agreement.

At the end of the term or the extensions, if any, the General Manager shall remain in office until its successor is appointed. Nevertheless, the Board of Directors may suspend or revoke the General Manager at any time on non-binding opinion by the Ministerial Council.

15.1. Powers of the General Manager. The General Manager shall be responsible for the general administration of BANALBA, and shall in particular:

15.1.1. Implement the economic and financial policy of BANALBA set forth by the Ministerial Council following instructions of the Board of Directors through its Chairman.

15.1.2. Request from the Chairman of the Board of Directors, by way of exception, meetings of the Board of Directors.

15.1.3. Receive reports from officials and employees of BANALBA regarding the performance of their functions, except from the Auditor.

15.1.4. Attend meetings of the Board of Directors having the right to hold the floor but not having the right to vote.

15.1.5. Present for consideration by the Board of Directors the Annual Budget, Balance Sheet and other financial statements, either monthly or at the intervals required by the relevant professional association.

15.1.6. Perform the actions necessary to assume the debts previously authorized by the Board of Directors.

15.1.7. Authorize active and passive operations, investments and any other operations, contracts or transactions which purpose is to implement the objective set forth in these Articles of Association and the policies periodically established by the Ministerial Council.

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15.1.8. Carry out other activities entrusted to him by the Board of Directors and linked to the purpose of BANALBA and the nature of his office.

## CHAPTER V

### FISCAL YEAR AND PROFITS

#### ARTICLE 16. FISCAL YEAR

The fiscal year of BANALBA shall be a period of one year commencing on the first (1) day of January and ending the thirty first (31) day of December of each calendar year, except the first period, which shall commence at the time of its founding and adhere to the temporary provisions of these Articles and the provisions deemed appropriate by the Board of Directors.

#### ARTICLE 17. ACCOUNTS

Accounts shall be closed and BANALBA financial statements be prepared on the day on which the fiscal year ends.

#### ARTICLE 18. PROFITS

The Ministerial Council shall annually determine the part of the net profits to be reinvested or distributed, as well as the manner and the currency in which such investments and distributions shall be made. Nevertheless, distributions may only be made when the reserves reach a level deemed appropriate by the Ministerial Council. The distribution shall take into account the ordinary capital resources in proportion to the number of



shares and the approval required of a proportion equal to or greater than seventy five per cent (75%) of the total number of its members.

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#### **ARTICLE 19: AUDITORS**

BANALBA shall retain the services of a well-known auditing company that shall certify the Annual Financial Statements of the Bank to be submitted by the Board of Directors to the Ministerial Council.

#### **ARTICLE 20: PUBLICATION OF REPORTS AND SUPPLY OF INFORMATION**

BANALBA shall annually publish a report including a reviewed statement of accounts, and every three (3) months, or at shorter intervals, BANALBA shall provide the shareholders with a summary statement on the financial position and a profit and loss statement showing the results of BANALBA operations.

BANALBA may also publish other reports deemed appropriate to carry out its purposes.

A copy of all reports, financial statements and publications referred to in this section shall be provided to all members.

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## CHAPTER VI

### WITHDRAWAL AND SUSPENSION OF MEMBER COUNTRIES

#### ARTICLE 21. WITHDRAWAL

Any shareholder may withdraw from BANALBA by means of a written notice to the Ministerial Council delivered through the Chairman of the Board of Directors of the Bank, notifying its decision to withdraw at least ninety (90) days following the date on which the notice has been delivered to the Chairman of the Board of Directors of BANALBA.

Even after its withdrawal, the former shareholder shall continue to bear responsibility for all his direct and contingent obligations towards BANALBA.

#### ARTICLE 22. SUSPENSION OF A SHAREHOLDER

A shareholder who does not comply with some of its obligations, and such non-compliance affects the operations, solvency and credibility of BANALBA, may be suspended on prior assessment by the Ministerial Council and when such Council so decides in a proportion equal to or greater than seventy five per cent (75%) of its members.

A suspended shareholder shall automatically cease to be a member of BANALBA after one (1) year has elapsed since the date of the suspension notice, except when the Ministerial Council agrees to terminate the suspension by a proportion equal to or greater than seventy five per cent (75%) of its members. Whilst the suspension lasts, both the shareholder and the Director designated by the shareholder or the Member of the Ministerial Council may not exercise any of the rights conferred to them by these Articles of Association, except withdrawal, but the shareholder shall remain subject to compliance with all its obligations.

**ARTICLE 23. SETTLEMENT OF ACCOUNTS**

23.1 Since the time when a member presents its withdrawal request, such member shall cease to participate in the profits or losses of BANALBA that may correspond to it under the characteristics of the classes of shares such member holds, and shall not incur in responsibilities regarding the loans or guarantees given by BANALBA thereafter. However, such member shall continue to be responsible for all sums of money it owes to BANALBA and to have the power to exercise its rights as creditor.

23.2. BANALBA may agree with any country ceasing to be a member on the reacquisition of the shares in the conditions deemed appropriate by both of them under the pertinent circumstances, and the provisions in the following article shall not be applicable. Such agreement may, among other things, provide the final settlement of all obligations assumed by the above-mentioned shareholder toward BANALBA, as well as by the institutions and companies of the exiting country.

23.3. If the agreement referred to in the previous item does not take place within six (6) months following the date on which the country ceases to be a member or within the term agreed by both of them, the price for reacquisition of the shares shall be equal to the book value they have in BANALBA accounting books on the date when such country has ceased to belong to BANALBA. In such a case, the reacquisition shall be performed as follows:

23.3.1. Payment of the price of the shares shall be made after the shareholder ceasing to be a member has formalized the transfer of its shares in the respective Registry Book of Shareholders. Such payment may be made in installments, in the terms and in the available currencies and instruments determined by BANALBA taking into account its financial position.

23.3.2. From the amounts owned by BANALBA under the concept of reacquisition of shares to a shareholder ceasing to be a member, BANALBA may withhold the amount due for such reacquisition whilst the country, its political subdivisions or its governmental agencies maintain obligations towards BANALBA resulting from loan or warranty operations. The amount withheld could, at the discretion of BANALBA, be applied to the settlement of any of such obligations.

23.4. No shareholder may be paid any amount due to it for its shares under this section until six (6) months have elapsed starting on the date when the country ceased to be a member of BANALBA. If BANALBA ends its operations within such term, the rights of the mentioned shareholder shall be governed by the provisions of Article 26 and the shareholder shall continue to be considered a member of BANALBA for purposes of such article, except that such shareholder shall not be entitled to vote.

## CHAPTER VII

### SUSPENSION AND TERMINATION OF OPERATIONS

#### ARTICLE 24. SUSPENSION OF OPERATIONS

Where exceptional circumstances arise, exceptional circumstances being every act that may be comprised within an act of God or Force Majeure event, that make granting new credits impossible or extremely risky, as well as any other act that make impossible the use of the technological system of the Bank or any other resources or support of the Bank required for granting the respective credits, the Executive Director may suspend operations related to new loans and guarantees until the Ministerial Council has the opportunity to examine the situation and take the pertinent measures.

**ARTICLE 25. TERMINATION OF OPERATIONS**

BANALBA may terminate its operations through a decision adopted by a proportion equal to or greater than seventy five per cent (75%) of the members of the Ministerial Council. Upon completion of operations, BANALBA shall immediately cease all its activities, except those which purpose is to conserve, preserve and realize its assets and pay its obligations.

**ARTICLE 26. RESPONSIBILITY OF THE SHAREHOLDERS AND PAYMENT OF DEBTS**

The responsibility of the shareholders arising from capital stock subscriptions under the rules of these Articles of Association shall continue in force until all BANALBA obligations are settled.

Creditors shall be paid with BANALBA assets and then with the funds obtained from collection of the part due of the ordinary capital. Before any payment is made to creditors, the Board of Directors shall adopt the measures necessary, in its opinion, to ensure distribution among such creditors.

**ARTICLE 27. DISTRIBUTION OF ASSETS**

No asset distribution to the shareholders shall be made on the account of the shares they hold in BANALBA until all obligations with its creditors have been met or until the respective provision for their payment has been made. It shall further be required that the Ministerial Council reaches a decision, in a proportion equal to or greater than seventy five per cent (75%) of its members, to effect the distribution according to the shareholding of the respective shareholders.

Every asset distribution among member countries or shareholders shall be made proportionally to the number of shares they hold. There shall

be no need for the assets distributed among the various shareholders to be of the same class. No member shall be entitled to receive its part in the mentioned distribution of assets until such member has settled all its obligations towards BANALBA.

## CHAPTER VIII

### IMMUNITIES, EXEMPTIONS AND PRIVILEGES

#### ARTICLE 28. SCOPE

In order to comply with its purposes and perform its functions and its operations, BANALBA shall have the immunities, exemptions and privileges set forth in this Chapter in the territory of each one of its member countries.

#### ARTICLE 29. IMMUNITY OF THE GOODS AND ASSETS OF THE BANK

The goods and other assets of BANALBA, regardless of their location or who holds them, shall be considered international public property and have immunity with regard to any form of forced seizure or alienation through executive or legislative action.

#### ARTICLE 30. INVIOABILITY OF THE FILES

BANALBA files shall be inviolable.

**ARTICLE 31. PRIVILEGE FOR COMMUNICATIONS**

Each member country shall treat official communications<sup>1</sup> with BANALBA equal to how it treats official communications with other member countries.

**ARTICLE 32. TAX EXEMPTIONS**

BANALBA, its revenues, goods and other assets, as well as the operations and transactions carried out in fulfillment of its purpose, shall be exempted from all kinds of taxes and customs duties. For this purpose, each member country shall obtain such exemptions in accordance with their respective legal systems.

The wages and fees paid by BANALBA to its directors, officials and employees who are not citizens or locals of the country where BANALBA has its headquarters, sub-headquarters, branches, agencies or representations offices, shall be tax exempted.

States holding Class A shares shall not levy any kind of taxes on the obligations or values issued or guaranteed by BANALBA, not to dividend or interest on the loans or other credit operations granted by BANALBA.

**ARTICLE 33. PERSONAL IMMUNITIES AND PRIVILEGES**

33.1. The directors, officials and employees of BANALBA shall have:

33.1.1. immunity regarding judicial and administrative proceedings related to the activities carried out by such directors, officials and employees in their capacity as such, except where BANALBA justifiably waives such immunity;

33.1.2. when they are not citizens of the countries where they

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render their services, the same immunities regarding immigration restrictions, foreigner registration requirements and military service obligations, and the same opportunities regarding foreign exchange provisions as those given by such country to directors, officials and employees from other States with a comparable rank, whether such States are or not shareholders of BANALBA; and

33.1.3. the same privileges regarding travelling as those given by member countries to directors, officials and employees of other BANALBA members with a comparable rank.

33.2 Member countries shall, in accordance with their particular internal legal system, adopt the provisions necessary to enforce the immunities, exemptions and privileges listed in this Chapter



## CHAPTER IX

### GENERAL PROVISIONS

#### ARTICLE 34. TERM

34.1. These Articles of Association shall enter into force thirty (30) calendar days after the day following the deposit of the second ratification Instrument at the People's Ministry for Foreign Relations of the Bolivarian Republic of Venezuela. For the other signatories, these Articles of Association shall enter into force on the thirtieth (30) calendar day after the day when they deposit the respective ratification instrument and in the order in which the ratifications were deposited. The ratifications shall include a statement by which each party notifies compliance with the internal constitutional or legal requirements provided for this purpose.

34.2. The ratification instruments shall be deposited at the People's Ministry for Foreign Relations of the Bolivarian Republic of Venezuela, who shall notify the deposit date to the Governments of the States who have signed these Articles of Association and those who have adhered to them. The People's Ministry for Foreign Relations of the Bolivarian Republic of Venezuela shall notify each signatory State the date on which these Articles of Association enter into force.

34.3. These Articles of Association are open to be signed by their founding members. Furthermore, after their entry into force, they shall remain open to accession by these countries that so request it, and shall enter into force for the accessing country thirty (30) calendar days after the day following the date when the respective ratification instrument was deposited.

34.4. These Articles of Association may not be signed with reservations, nor may reservations be accepted at the time of their ratification or accession.

#### ARTICLE 35. AMENDMENT

These Articles of Association may be amended or modified at the initiative of the Board of Directors through a written notice delivered to the President of the Ministerial Council. The Ministerial Council shall send the proposal to member countries and the proposal shall be submitted to vote in the next meeting of the Council. The amendment shall be considered as passed with the favorable vote of a proportion equal to or greater than seventy five per cent (75%) of the attending and voting members.

The adopted amendments or modifications shall enter into force after they have been accepted by all BANALBA member countries by depositing the respective instrument at the People's Ministry for Interior Relations of the Bolivarian Republic of Venezuela.

#### ARTICLE 36. JUDICIAL PROCEEDINGS

36.1 BANALBA shall have immunity regarding all kinds of judicial proceedings, except in cases arising from or related to the exercise of its functions of financial intermediation, to guarantee obligations, or when BANALBA expressly waives jurisdiction immunity.

36.2. In the cases comprised within the exception stipulated in the first paragraph, judicial proceedings against BANALBA may only be filed at a court with jurisdiction in the territory of a State holding Class A shares.

36.3. Without prejudice to the provisions in the preceding paragraphs, member countries may not file any judicial proceedings against BANALBA and may only enforce their rights through the special procedures for the resolution of disputes established in these Articles of Association or that shall be defined in the future.

**ARTICLE 37. SETTLEMENT OF DISPUTES**

37.1. Any dispute that may arise between any member and BANALBA or between member countries shall be submitted to a decision by the Board of Directors. Any member country may demand that the dispute resolved by the Board of Directors in accordance with the preceding article be submitted to the Ministerial Council, which decision shall be final.

37.2. In case of disputes between BANALBA and a country that has ceased to be a member, or between BANALBA and a member after the termination of BANALBA operations has been agreed, such disputes shall be submitted to the Political Commission of the BOLIVARIAN ALTERNATIVE FOR THE PEOPLES OF OUR AMERICA (ALBA), who shall settle the dispute in a final manner pursuant to the procedure set forth for this purpose.

37.3. If disputes arise between BANALBA and any of its partners, such disputes shall be submitted to ad hoc arbitration made up by three arbitrators. Each party to the dispute shall designate an arbitrator, and the two designated arbitrators shall designate a third arbitrator who shall be the president of the arbitration court.

If within thirty (30) days following the request for arbitration any of the parties to the dispute has not designated its arbitrator, or if within fifty (50) days following the designation of the two arbitrators the third arbitrator has not been designated, either party to the dispute may request the President of the International Court of Justice or any other authority previously designated by BANALBA Ministerial Council to designate the missing arbitrator.

The arbitration shall follow the rules, procedures and terms provided in the Model Law on International Commercial Arbitration approved by the United Nations Commission on International Trade Law (UNCITRAL) on June 21, 1995 and amended on July 7, 2006. The language and place of the arbitration shall be established by the arbitrators.

The Arbitration Court shall decide by a majority vote any matter related to the arbitration procedure. The costs of the invoked arbitration procedure shall be cover by the parties in equal proportion.

The Arbitration Court shall issue the award by a majority vote based on this Articles of Association, the international legal instruments signed by BANALBA, the internal legal rules established by BANALBA, and the principles and rules of Public international law

## CHAPTER X

### TEMPORARY PROVISIONS

#### ARTICLE 38. APPOINTMENTS

After these Articles of Association become effective as provided in the preceding Chapter IX, the signatories who ratified these Articles or the representatives designated by them shall meet in the corporate headquarters of BANALBA and proceed with the following in the name and on behalf of their respective States:

38.1. The appointment of the President of the Ministerial Council for the first term shall fall on the Venezuelan member, who shall commence by way of exception the cycle provided in Article 12.1 hereof.

38.2. On the assumption that only two Class A shareholders subscribe shares and whilst such situation lasts, each of them may designate three (3) principal directors and an equal number of alternate directors. On the assumption that three Class A shareholders subscribe shares and whilst such situation lasts, each of them may designate two (2) principal directors and an equal number of alternate directors.

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38.3. The appointment of the Chairman of the Board of Directors for the first term shall fall on a Venezuelan member of the Board of Directors who shall commence by way of exception the cycle provided in Article 14 of these Articles of Association on designations, always have the prior and favorable opinion of the Ministerial Council.

38.4. The term in which the Board of Directors shall hold meetings and be permanently installed in the headquarters of BANALBA,

For commencement of operations and functioning of BANALBA, temporary working groups shall be created and composed by member countries. They shall determine all matters related to technological and organizational, legal, financial and international cooperation matters, as well as all matters related to the recruiting and selection process of technical and operating personnel. They shall be coordinated by the Chairman of the Board of Directors.

In witness whereof, the undersigned, duly authorized by their respective Governments, sign these Articles of Association in five (5) counterparts, in the city of Caracas, Bolivarian Republic of Venezuela, the fifth (5) day of the month of November of the year two thousand and eight (2008).

By the Republic of Bolivia

By the Republic of Cuba

By the Republic of Nicaragua

By the Bolivarian Republic  
of Venezuela