

Treaty establishing the EEC - Protocol on the Statute of the European Investment Bank (Rome, 25 March 1957)


Caption: The Treaty establishing the European Economic Community (EEC) was signed in Rome on 25 March 1957 by the representatives of the Federal Republic of Germany, Belgium, France, Italy, Luxembourg and the Netherlands. It includes a protocol that lays down the tasks and Statute of the European Investment Bank (EIB).

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Treaty establishing the EEC - Protocol on the Statute of the European Investment Bank

THE HIGH CONTRACTING PARTIES,

DESIROUS Of laying down the Statute of the European Investment Bank provided for in Article 129 of this Treaty,

HAVE AGREED On the following provisions which shall be annexed to this Treaty:

Article 1

The European Investment Bank established by Article 129 of this Treaty, hereinafter referred to as “the Bank”, shall be constituted and carry out its functions and activities in conformity with the provisions of this Treaty and of this Statute.

The seat of the Bank shall be fixed by the Governments of the Member States acting in common agreement.

Article 2

The purposes of the Bank shall be those laid down in Article 130 of this Treaty.

Article 3

In accordance with Article 129 of this Treaty, the following shall be members of the Bank:

- the Kingdom of Belgium;
- the Federal Republic of Germany;
- the French Republic;
- the Italian Republic;
- the Grand Duchy of Luxembourg; and
- the Kingdom of the Netherlands.

Article 4

1. The Bank shall be provided with a capital of one thousand million units of account subscribed by the Member States in the following amounts:

Germany	300 million
France	300 million
Italy	240 million
Belgium	86.5 million
Netherlands	71.5 million
Luxembourg	2 million

The value of one unit of account shall be 0.88867088 grammes of fine gold.

The Member States shall be responsible only up to the amount of their share of the capital subscribed and not paid up.

2. The admission of a new member shall entail an increase in the subscribed capital corresponding to the additional capital brought in by the new member.
3. The Board of Governors, acting by means of a unanimous vote, may decide to increase the subscribed capital.
4. The share of the subscribed capital may not be ceded or given as collateral security and shall not be attachable.

Article 5

1. The Member States shall pay up 25 per cent of the subscribed capital, by five equal payments to be made not later than two months, nine months, sixteen months, twenty-three months and thirty months, respectively, after the date of the entry into force of this Treaty.

Each payment shall be made as to one-quarter in gold or a freely convertible currency and as to three-quarters in national currency.

2. The Board of Directors may require that the remaining 75 per cent of the subscribed capital be paid up, to the extent that such payment becomes necessary in order to meet the obligations of the Bank towards those who have provided its funds.

Each Member State shall pay an amount proportionate to its share of the subscribed capital in the currencies needed by the Bank in order to meet such obligations.

Article 6

1. The Board of Governors, acting by means of a qualified majority vote on a proposal of the Board of Directors, may decide that Member States shall grant to the Bank special interest-bearing loans if and in so far as the Bank shall need such loans in order to finance specific projects, provided that the Board of Directors shows that the Bank is unable to obtain the necessary resources in the capital markets on conditions which are suitable, having regard to the nature and object of the projects to be financed.

2. Special loans may not be demanded until the beginning of the fourth year after the date of the entry into force of this Treaty. They shall not exceed 400 million units of account *in toto*, or 100 million units of account *per annum*.

3. The duration of special loans shall be fixed in accordance with the duration of the loans or guarantees which the Bank proposes to grant by means of such special loans; it shall not exceed a period of twenty years. The Board of Governors, acting by means of a qualified majority vote on a proposal of the Board of Directors, may decide upon anticipated repayment of such special loans.

4. Special loans shall bear interest at the rate of 4 per cent *per annum*, unless the Board of Governors, taking due account of the trend and level of rates of interest in the capital markets, decides to fix a different rate.

5. Special loans shall be granted by the Member States prorata to their subscription to the capital; they shall be paid in national currency within a period of six months after having been called.

6. In the event of the liquidation of the Bank, the special loans by Member States shall be repaid only after settlement of the other debts of the Bank.

Article 7

1. Where the par value of the currency of a Member State in relation to the unit of account as defined in Article 4 is reduced, the amount of that State's share of the capital paid up by it in its national currency shall

be adjusted, proportionately to the change occurring in the par value, by a complementary payment made to the credit of the Bank by the State concerned. The amount subject to adjustment may not, however, exceed the total amount of loans granted by the Bank in the currency concerned and the Bank's holdings in that currency. The complementary payment shall be made within a period of two months or, to the extent that it corresponds to such loans, on the dates on which such loans fall due.

2. Where the par value of the currency of a Member State in relation to the unit of account as defined in Article 4 is increased, the amount of that State's share of the capital paid up by it in its national currency shall be adjusted, proportionately to the change occurring in the par value, by a repayment made to the credit of that State by the Bank. The amount subject to such adjustment may not, however, exceed the total amount of loans granted by the Bank in the currency concerned and the Bank's holdings in that currency. The repayment shall be made within a period of two months or, to the extent that it corresponds to loans, on the dates on which such loans fall due.

3. The par value of the currency of a Member State in relation to the unit of account as defined in Article 4 shall be the relation between the weight of fine gold contained in the unit of account and the weight of fine gold corresponding to the par value of such currency as declared to the International Monetary Fund. Failing this, the par value shall be taken from the rate of exchange in relation to a currency either quoted in or convertible into gold, as applied by the Member State for current payments.

4. The Board of Governors may decide that the rules laid down in paragraphs 1 and 2 shall not be applied in the event of a uniformly proportionate adjustment being made in the par value of all the currencies of the countries members of the International Monetary Fund or of the members of the Bank.

Article 8

The Bank shall be administered and managed by a Board of Governors, a Board of Directors and a Management Committee.

Article 9

1. The Board of Governors shall be composed of Ministers appointed by the Member States.

2. The Board of Governors shall lay down general directives concerning the credit policy of the Bank, particularly with regard to those objectives which will call for consideration during the progressive realisation of the Common Market.

The Board of Governors shall ensure the implementation of these directives.

3. In addition, the Board of Governors shall:

(a) decide, in accordance with Article 4, paragraph 3, on any increase of the subscribed capital;

(b) exercise the powers provided for in Article 6 with regard to special loans;

(c) exercise the powers provided for in Articles 11 and 13 with regard to the appointment and removal from office of members of the Board of Directors and the Management Committee;

(d) authorise the derogation provided for in Article 18, paragraph 1 ;

(e) approve the annual report drawn up by the Board of Directors;

(f) approve the annual balance sheet and the profit and loss account;

(g) exercise the powers and competence provided for in Articles 7, 14, 17, 26 and 27; and

(h) approve the rules of procedure of the Bank.

4. The Board of Governors, acting by means of a unanimous vote, is empowered to take, within the framework of this Treaty and this Statute, any decisions in regard to suspension of the Bank's activities and its possible liquidation.

Article 10

Except where otherwise provided for in this Statute, the decisions of the Board of Governors shall be taken by means of a majority vote of its members. Voting by the Board of Governors shall be governed by the provisions of Article 148 of this Treaty.

Article 11

1. The Board of Directors shall have exclusive powers of decision in respect of the granting of loans and guarantees and of the raising of loans; it shall fix the rates of interest for loans granted and the guarantee commissions; it shall supervise and ensure the sound administration of the Bank; it shall ensure that the Bank is managed in conformity with the provisions of this Treaty and Statute and with the general directives laid down by the Board of Governors.

The Board of Directors shall submit a report as at the end of the financial year to the Board of Governors and shall publish it after approval.

2. The Board of Directors shall be composed of twelve directors and twelve alternates.

The directors shall be appointed by the Board of Governors for a term of five years, on nomination by the Member States and the Commission respectively, as follows:

3 directors nominated by the Federal Republic of Germany;

3 directors nominated by the French Republic;

3 directors nominated by the Italian Republic;

2 directors nominated by the Benelux countries acting in common agreement ; and

1 director nominated by the Commission.

Their term of office shall be renewable.

Each director shall be assisted by an alternate appointed under the same conditions and according to the same procedure as the directors.

The alternates may take part in the meetings of the Board of Directors; they shall not have a right to vote unless replacing a director when the latter is unable to carry out his duties.

The Chairman or, in his absence, one of the Vice-Chairmen of the Management Committee shall preside over meetings of the Board of Directors, but shall not vote.

The members of the Board of Directors shall be chosen from among persons of indisputable independence and competence; they shall be responsible only to the Bank.

3. A director may be removed from office by the Board of Governors, acting by means of a qualified majority vote, only in the case where he no longer fulfils the conditions necessary for the exercise of his

functions.

The non-approval of the annual report shall entail the resignation of the Board of Directors.

4. In the event of any vacancy arising as a result of death or of individual or collective resignation or of removal from office, such vacancy shall be filled according to the rules laid down in paragraph 2. Save in cases of entire renewal, members shall be replaced for the remainder of their term of office.

5. The Board of Governors shall fix the remuneration of members of the Board of Directors. The Board of Governors, acting by means of a unanimous vote, shall determine what matters are incompatible with regard to the functions of a director or an alternate.

Article 12

1. Each director shall have one vote on the Board of Directors.

2. Unless otherwise provided for in this Statute, the Board of Directors shall take its decisions by simple majority of the members of the Board entitled to vote. A qualified majority shall mean a majority of at least eight votes. The rules of procedure of the Bank shall fix the quorum necessary for the deliberations of the Board of Directors.

Article 13

1. The Management Committee shall be composed of a Chairman and two Vice-Chairmen appointed for a term of six years by the Board of Governors on a proposal of the Board of Directors. Their term of office shall be renewable.

2. On a proposal of the Board of Directors, acting by means of a qualified majority vote, the Board of Governors, acting in its turn by means of a qualified majority vote, may remove members of the Management Committee from office.

3. The Management Committee shall be responsible for the management of the current affairs of the Bank, under the authority of the Chairman and under the supervision of the Board of Directors.

It shall prepare the decisions of the Board of Directors with regard, in particular, to the raising of loans and the granting of loans and guarantees; it shall be responsible for the implementation of such decisions.

4. The Management Committee, acting by means of a majority vote, shall formulate its opinions concerning projects for the granting of loans and guarantees and for the raising of loans.

5. The Board of Governors shall fix the remuneration of the members of the Management Committee and shall determine what matters are incompatible with their functions.

6. The Chairman, or, if he is unable to carry out his duties, one of the Vice-Chairmen shall represent the Bank in legal or non-legal matters.

7. The officials and other employees of the Bank shall be under the authority of the Chairman. They shall be engaged and dismissed by him. In the choice of staff, due account shall be taken not only of personal ability and professional qualifications but also of an equitable representation of the nationals of Member States.

8. The Management Committee and the staff of the Bank shall be responsible only to the Bank and shall be completely independent in the exercise of their functions.

Article 14

1. A Committee composed of three members, appointed on grounds of their competence by the Board of Governors, shall annually verify that the operations of the Bank are properly conducted and the books properly kept.
2. The Committee shall confirm that the balance sheet and profit and loss account are in conformity with the accounts and vouchers and faithfully reflect the situation of the Bank in regard to assets and liabilities.

Article 15

The Bank shall communicate with each Member State through the channel of the authority designated by the State concerned. In the conduct of financial operations, the Bank shall have recourse to the bank of issue of the Member State concerned or to other financial institutions approved by the latter.

Article 16

1. The Bank shall co-operate with all international organisations whose fields of activity are similar to its own.
2. The Bank shall seek all suitable contacts with a view to co-operating with the banking and financial institutions of the countries to which it extends its operations.

Article 17

The Board of Governors shall, at the request of a Member State or of the Commission or *ex officio*, interpret or supplement, under the same conditions as those under which they were adopted, the directives laid down by the Board under the terms of Article 9 of this Statute.

Article 18

1. The Bank shall, within the framework of the task defined in Article 130 of this Treaty, grant loans to its members or to public or private enterprises for investment projects to be carried out within the European territories of Member States, to the extent that means from other sources are not available on reasonable terms.

The Bank may, however, by way of an exception, authorised unanimously by the Board of Governors on a proposal of the Board of Directors, grant loans for investment projects to be carried out, in whole or in part, outside the European territories of Member States.

2. The granting of loans shall, as far as possible, be made subject to the employment of other means of financing.
3. The Bank shall, when it has approved a loan to an enterprise or body other than a Member State, make the granting of such loan subject either to a guarantee from the Member State, within whose territory the project is to be carried out, or to other adequate guarantees.
4. The Bank may guarantee loans raised by public or private enterprises or other bodies for the purpose of carrying out the operations provided for in Article 130 of this Treaty.
5. The total of outstanding loans and guarantees granted by the Bank shall not exceed 250 per cent of the amount of the subscribed capital.
6. The Bank shall protect itself against exchange risks by including in contracts for loans or guarantees such clauses as it considers appropriate.

Article 19

1. The rates of interest on loans to be granted by the Bank and the guarantee commissions shall be adapted to conditions prevailing in the capital market and shall be calculated in such a manner that the receipts resulting therefrom shall enable the Bank to meet its obligations, to cover its expenses and to constitute a reserve fund as provided for in Article 24.

2. The Bank shall not grant any reduction in rates of interest. Where a reduction in the rate of interest appears desirable, having regard to the particular nature of the project to be financed, the Member State concerned or a third party may grant a rebate on the interest to the extent that the grant of such rebate is compatible with the rules laid down in Article 92 of this Treaty.

Article 20

In its operations relating to loans and guarantees, the Bank shall observe the following principles:

1. It shall ensure that its funds are employed in the most rational manner in the interest of the Community.

It may grant loans or provide guarantees for raising loans only:

(a) where the service of interest and amortisation is guaranteed, in the case of projects carried out by enterprises in the sector of production by earnings, or in the case of other projects by an obligation of the State in which the project is carried out or by any other means; and

(b) where the execution of the project contributes to the increase of economic productivity in general and promotes the development of the Common Market.

2. It shall not acquire any interest in enterprises or undertake any responsibility in the management thereof unless the protection of its rights so requires in order to assure recovery of the debt concerned.

3. It may dispose of its claims in the capital market and may, for this purpose, require its debtors to issue bonds or other securities.

4. Neither the Bank nor the Member States shall impose any conditions according to which the sums lent by the Bank shall be expended within the territory of any specific Member State.

5. It may subject the granting of such loans to the inviting of international tenders.

6. It shall not finance, either in whole or in part, any project which is opposed by the Member State within whose territory it is to be carried out.

Article 21

1. Applications for loans or guarantees may be addressed to the Bank either through the intermediary of the Commission or through the intermediary of the Member State in whose territory the project is to be carried out. An enterprise may also apply directly to the Bank for a loan or guarantee.

2. Applications made through the intermediary of the Commission shall be submitted for an opinion to the Member State in whose territory the project is to be carried out. Applications made through the intermediary of the State shall be submitted for an opinion to the Commission. Applications made direct by an enterprise shall be submitted to the Member State concerned and to the Commission.

The Member States concerned and the Commission shall give their opinions within a period of not more than two months. Failing a reply within this time-limit, the Bank may assume that the project concerned does not give rise to any objections.

3. The Board of Directors shall rule as to applications for loans or guarantees which are submitted to it by the Management Committee.
4. The Management Committee shall examine whether applications for loans or guarantees submitted to it are in conformity with the provisions of this Statute, in particular, of Article 20. If the Management Committee rules in favour of granting the loan or guarantee, it shall submit the draft contract to the Board of Directors; the Committee may make its favourable opinion subject to such conditions as it thinks essential. If the Committee rules against the granting of the loan or guarantee, it shall submit to the Board of Directors the relevant documents together with its opinion.
5. Where the Management Committee gives an unfavourable opinion, the Board of Directors may only grant such loan or guarantee by means of a unanimous vote.
6. Where the Commission gives an unfavourable opinion, the Board of Directors may only grant such loan or guarantee by means of a unanimous vote, the director appointed on nomination by the Commission abstaining from voting on this occasion.
7. Where both the Management Committee and the Commission give an unfavourable opinion, the Board of Directors may not grant such loan or guarantee.

Article 22

1. The Bank shall borrow in the international capital markets the funds necessary to the accomplishment of its tasks.
2. The Bank may borrow in the capital market of a Member State within the framework of the legal provisions applying to internal issues or, failing such provisions in a Member State, after the Member State concerned and the Bank have consulted together and reached an agreement concerning the loan contemplated by the latter.

The assent of the competent agencies in the Member State may only be refused if serious disturbances in the capital market of that State are to be feared.

Article 23

1. The Bank may employ any available funds which it does not immediately need in order to meet its obligations, under the following conditions:
 - (a) it may make investments in the money markets;
 - (b) it may, subject to the provisions of Article 20, paragraph 2, buy and sell securities issued by itself or by its debtors; or
 - (c) it may effect any other financial operation relating to its objective.
2. Without prejudice to the provisions of Article 25, the Bank shall not, in managing its investments, engage in any currency arbitrage which is not directly necessitated by the realisation of its loans or by the fulfilment of the obligations which it has contracted by reason of loans floated or guarantees granted by it.
3. The Bank shall, in the sphere referred to in this Article, act in agreement with the competent authorities of the Member States or with their respective bank of issue.

Article 24

1. A reserve fund, amounting to 10 per cent of the capital subscribed, shall be built up progressively. If the

position of the Bank's obligations justifies it, the Board of Directors may decide upon the constitution of additional reserves. For as long as this reserve fund has not been completely built up, it shall be fed by:

(a) receipts from interest on loans granted by the Bank out of the amounts to be paid up by Member States under Article 5; and

(b) receipts from interest on loans granted by the Bank out of the funds derived from repayment to it of the loans referred to in subparagraph (a),

to the extent that these receipts from interest are not required to meet the obligations of the Bank or to cover its expenses.

2. The amounts in the reserve fund shall be invested so as to be at any time available to meet the purpose of that fund.

Article 25

1. The Bank shall at all times be authorised to transfer its holdings in the currency of one of the Member States into the currency of another Member State in order to carry out financial operations in conformity with its task as defined in Article 130 of this Treaty and due account being taken of the provisions of Article 23 of this Statute. The Bank shall, as far as possible, avoid making such transfers if it possesses holdings available directly or on call in the currency needed by it.

2. The Bank may not convert its holdings in the currency of one of the Member States into the currency of a third country without the agreement of the Member State concerned.

3. The Bank may freely dispose both of that part of its capital which is paid up in gold or convertible currencies and of foreign currencies borrowed in markets outside the Community.

4. The Member States undertake to make available to the Bank's debtors the foreign currency necessary for the repayment of capital and interest on loans granted or guaranteed by the Bank for projects to be carried out in their territories.

Article 26

If a Member State fails to fulfil the obligations of membership resulting from this Statute and, in particular, that of paying up its share of the subscribed capital or its special loans or of ensuring the service of its borrowings to it, the granting of loans or guarantees to that Member State or to its nationals may be suspended by a decision of the Board of Governors acting by means of a qualified majority vote.

Such decision shall not release either the State itself or its nationals from their obligations towards the Bank.

Article 27

1. If the Board of Governors decides to suspend the activities of the Bank, all these activities shall immediately cease, with the exception of operations necessary to ensure the due utilisation, protection and conservation of its assets and the settlement of its obligations.

2. In the event of liquidation, the Board of Governors shall appoint the liquidators and give them instructions for carrying out the liquidation.

Article 28

1. The Bank shall, in each of the Member States, possess the most extensive legal capacity accorded to legal persons under their respective municipal law; it may, in particular, acquire and transfer movable and

immovable property and may sue and be sued in its own name.

The privileges and immunities to be granted to the Bank shall be laid down in the Protocol provided for in Article 218 of this Treaty.

2. The property of the Bank shall be exempt from requisitioning or expropriation in any form whatsoever.

Article 29

Any litigation between the Bank, on the one hand, and its creditors or debtors or any third parties, on the other hand, shall, subject to the competence conferred upon the Court of Justice, be decided upon by the competent domestic courts or tribunals.

The Bank shall elect domicile in each of the Member States. It may, however, in any contract, elect a special domicile or provide for an arbitration procedure.

The property and assets of the Bank shall not, except by judicial decision, be subject to seizure or to forced execution.

Done at Rome, on the twenty-fifth day of March in the year one thousand-nine hundred and fifty-seven.

P. H. SPAAK.	J. CH. SNOY et d'OPPUERS.
ADENAUER.	HALLSTEIN.
PINEAU.	M. FAURE.
Antonio SEGNI.	Gaetano MARTINO.
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J. LUNS.	J. LINTHORST HOMAN.