Constituent Charter
of the Bank for International Settlements\textsuperscript{1}
(of 20 January 1930)\textsuperscript{2}

Whereas the Powers signatory to the Hague Agreement of January, 1930, have adopted a Plan which contemplates the founding by the central banks of Belgium, France, Germany, Great Britain, Italy and Japan and by a financial institution of the United States of America of an International Bank to be called the Bank for International Settlements;

And whereas the said central banks and a banking group including Messrs. J. P. Morgan & Company of New York, the First National Bank of New York, New York, and the First National Bank of Chicago, Chicago, have undertaken to found the said Bank and have guaranteed or arranged for the guarantee of the subscription of its authorised capital amounting to five hundred million Swiss francs equal to 145,161,290.32 grammes fine gold, divided into 200,000 shares;

And whereas the Swiss Federal Government has entered into a treaty with the Governments of Germany, Belgium, France, Great Britain, Italy and Japan whereby the said Federal Government has agreed to grant the present Constituent Charter of the Bank for International Settlements and not to repeal, amend or supplement the said Charter and not to sanction amendments to the Statutes of the Bank referred to in

\textsuperscript{1} The footnotes in this document have been prepared for explanatory purposes by the Bank’s Legal Service.

\textsuperscript{2} Text amended on account of the renumbering of the Articles of the Statutes and sanctioned on 10 December 1969 in accordance with the conditions laid down in Article 1 of the Convention respecting the Bank for International Settlements.
Paragraph 4 of the present Charter except in agreement with the said Powers;

1. The Bank for International Settlements (hereinafter called the Bank) is hereby incorporated.

2. Its constitution, operations and activities are defined and governed by the annexed Statutes\(^3\) which are hereby sanctioned.

3. Amendment of Articles of the said Statutes other than those enumerated in Paragraph 4 hereof may be made and shall be put into force as provided in Article 57 of the said Statutes and not otherwise.

4. Articles 2, 3, 8, 14, 19, 24, 27, 44, 51, 54, 57 and 58 of the said Statutes shall not be amended except subject to the following conditions: the amendment must be adopted by a two-thirds majority of the Board, approved by a majority of the General Meeting and sanctioned by a law supplementing the present Charter.

5. The said Statutes and any amendments which may be made thereto in accordance with Paragraphs 3 or 4 hereof respectively shall be valid and operative notwithstanding any inconsistency therewith in the provisions of any present or future Swiss law.

6. The Bank shall be exempt and immune from all taxation included in the following categories:

(a) stamp, registration and other duties on all deeds or other documents relating to the incorporation or liquidation of the Bank;

(b) stamp and registration duties on any first issue of its shares by the Bank to a central bank, financial institution, banking group or underwriter at or before the time of

\(^3\) See text of the Statutes currently in force.
incorporation or in pursuance of Articles 5, 6, 8 or 9 of the Statutes;

(c) all taxes on the Bank's capital, reserves or profits, whether distributed or not, and whether assessed on the profits of the Bank before distribution or imposed at the time of distribution under the form of a coupon tax payable or deductible by the Bank. This provision is without prejudice to the State's right to tax the residents of Switzerland other than the Bank as it thinks fit;

(d) all taxes upon any agreements which the Bank may make in connection with the issue of loans for mobilising the German annuities and upon the bonds of such loans issued on a foreign market;

(e) all taxes on the remunerations and salaries paid by the Bank to members of its administration or its employees of non-Swiss nationality.

7. All funds deposited with the Bank by any Government in pursuance of the Plan adopted by the Hague Agreement of January, 1930, shall be exempt and immune from taxation whether by way of deduction by the Bank on behalf of the authority imposing the same or otherwise.

8. The foregoing exemptions and immunities shall apply to present and future taxation by whatsoever name it may be described, and whether imposed by the Confederation, or by the cantonal, communal or other public authorities.

9. Moreover, without prejudice to the exemptions specified above, there may not be levied on the Bank, its operation or its personnel any taxation other than that of a general character and to which other banking establishments established at Basle or in Switzerland, their operations and their personnel, are not subjected *de facto* and *de jure*.

10. The Bank, its property and assets and all deposits and other funds entrusted to it shall be immune in time of peace and in time of war from any measure such as expropriation, requisition, seizure, confiscation, prohibition or restriction of
gold or currency export or import, and any other similar measures.

11. Any dispute between the Swiss Government and the Bank as to the interpretation or application of the present Charter shall be referred to the Arbitral Tribunal provided for by the Hague Agreement of January, 1930.

The Swiss Government shall appoint a member to sit on the occasion of such dispute, the President having a casting vote.

In having recourse to the said Tribunal the Parties may nevertheless agree to submit their dispute to the President or to a member of the Tribunal chosen to act as sole arbiter.