

# ASSOCIATION of NATIONAL DEVELOPMENT FINANCE INSTITUTIONS

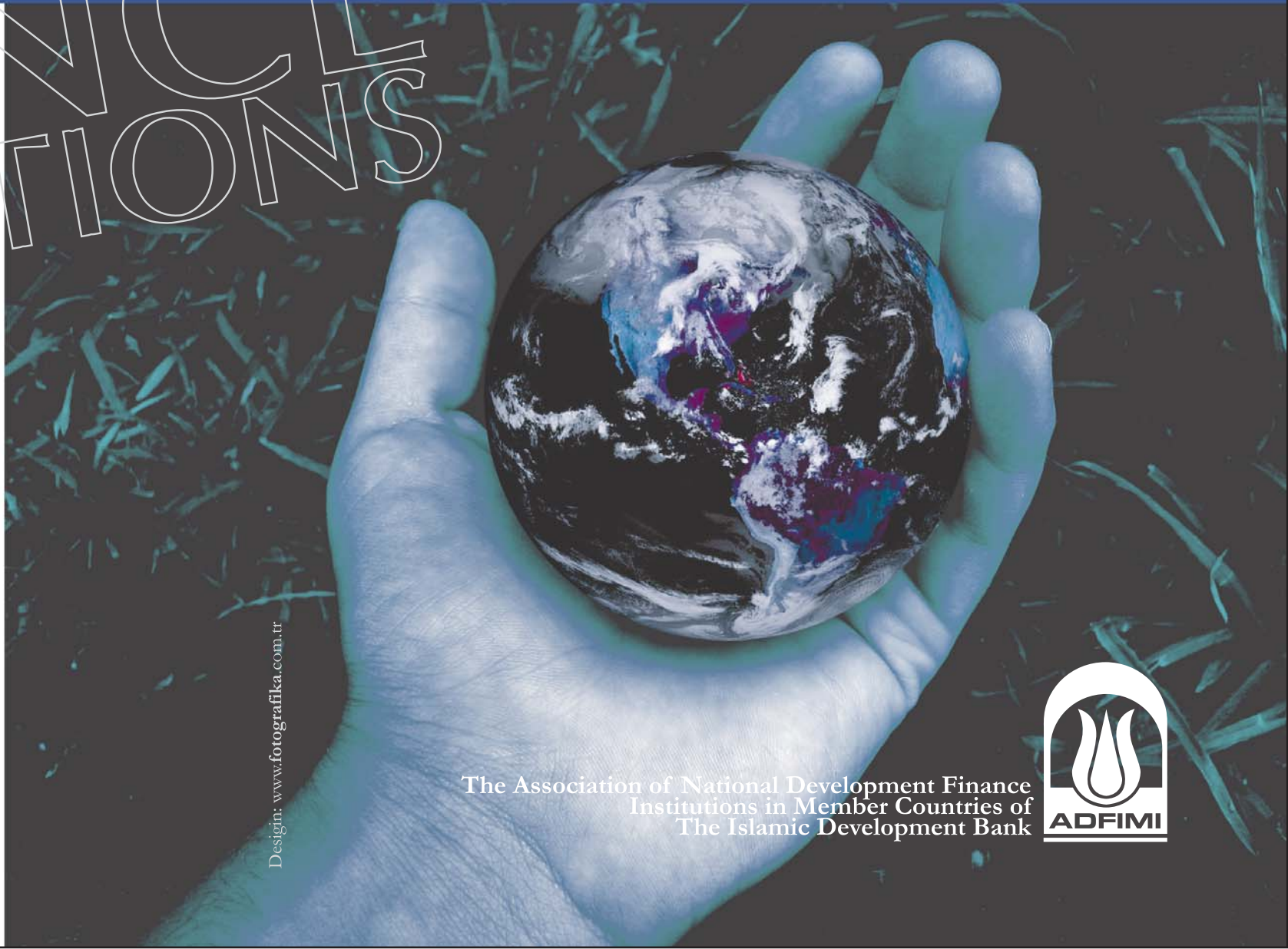
## WHY AND HOW to BECOME AN ADFIMI MEMBER?

### ADFIMI

Saka Mehmet Sk. No: 33-39 Kat: 2 Eminönü 34116 İstanbul TURKEY  
Phone : +90 212 526 51 26 / +90 212 526 51 27  
Fax : +90 212 526 51 28  
E-mail : [adfimi@adfimi.org](mailto:adfimi@adfimi.org) / [info@adfimi.org](mailto:info@adfimi.org)  
<http://www.adfimi.org>

Design: [www.fotografika.com.tr](http://www.fotografika.com.tr)

The Association of National Development Finance  
Institutions in Member Countries of  
The Islamic Development Bank



# **WHY and HOW to become AN ADFIMI MEMBER?**



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# WHAT IS ADFIMI?

## ESTABLISHMENT AND OBJECTIVES

### Establishment:

*The Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI)* was first conceived in 1982 during the 6<sup>th</sup> Islamic Development Bank (IDB) Governors Meeting held in Istanbul, Turkey.

This idea gained further impetus and was transformed into reality during the 11<sup>th</sup> IDB Governors Meeting held in Amman, Jordan, in March 1986. The representatives of the National Development Finance Institutions (NDFIs) of the IDB Member Countries, present as observers at the meeting, convened a provisional constituent assembly for the establishment of the ADFIMI on 19 March 1986. The very next day the founding members held their first General Assembly and decided that until its own headquarters were established, ADFIMI would operate within IDB headquarters in Jeddah, Saudi Arabia. The members also appointed **Br. Abdul Aziz Kunto Adji**, a seasoned NDFI man as the Secretary General.

Later, during the second General Assembly meeting of ADFIMI which was held concurrently with the 12<sup>th</sup> Board of Governors meeting of the IDB on 30 March 1987 in Istanbul, it was decided that the permanent headquarters of the Association be set up in Istanbul, Turkey upon invitation by the NDFIs from Turkey. A new Secretary General, Br. Aydemir Koc was elected following Mr. Adji's decision to stay on at IDB headquarters in Jeddah. The Government of Turkey issued a decree, recognizing the ADFIMI as an international legal entity and by 01 September 1987, ADFIMI formally began its activities at its new headquarters in Istanbul.

### Objectives:

The main objectives of the incorporation of the ADFIMI are as follows:

- To promote an understanding of the development potential and prospects of member countries and hindrances in development with the aim of accelerating the realization of such potential.
- To encourage research and studies for the purpose of developing ideas and methodology for development banking.
- To develop joint resources and set up facilities for the training and improvement of members' human resources in all aspects of development financing and institutional development.
- To promote and facilitate the co-operation of members with other similar associations of other regional or inter-regional organizations concerned with economic development and other objectives of the Association.
- To exchange information with a view to promoting possible joint financing between enterprises through its members.

## WHAT ARE THE BENEFITS of ADFIMI MEMBERSHIP?

### BENEFITS OF ADFIMI MEMBERSHIP

#### **Benefits for the Chief Executives:**

The Chief Executive of a bank as a competent leader is responsible to lead the Bank into growth, profitability and social responsibility. By virtue of this membership you are directly in contact with your leadership responsibility.

ADFIMI brings the Chief Executives directly into the network of Bankers among the Muslim Countries of the world, who are from Malaysia right across to Tunisia.

ADFIMI invites once every year the members of ADFIMI and Governors of Central Banks and Finance Ministers to attend its Annual General Meeting which is concurrently held with the Annual Meetings of the Islamic Development Bank Group. Each CEO has the opportunity to get into a one-to-one meeting with any organization and talk of collaboration for their banks. In recent years these Annual Meeting took place in Kualalump, Kuwait and Dakar.

The experience of the Annual Meeting enriches the bankers by creating contacts for strategic alliance and they come to know what's going on in the world of banking in this international financial sector industry and global economy.

In the same context the close affiliation with WFDFI brings similar benefits to the CEOs at the World Bank Group (WBG) Annual Meeting in Washington. The environment at the WBG Annual Meeting is another galvanizing experience. Of course here is the get-together of the financial world market players. There is much to be gained from this expose.

In pursue of good governance it is essential for the world community to recognize the good capability and honest leadership, now available in the Muslim World. It is only because of honest and competent leadership like yours will the Muslim World be able to attract foreign direct investment and assistance for their economies. The CEOs will be able to set new benchmarks when they see what's happening in the financial sector industry in the world. The CEO will be able to ask for cooperation from the friends that they make and the circle of influence will become international. Let's keep the future in mind and be responsible and be respected as international bankers. Your partnerships will emerge from here.

ADFIMI also organizes annually one special training program for Presidents and CEO of Banks in other Muslim Countries.

**Benefits for the Staff:**

For the staff of the bank, training programs for bankers are organized throughout the year. The staff gets to learn professional training along with bankers from different countries and the exposure to bankers from across the world is an enlightening experience.

For the members of ADFIMI, the training is free of cost except the travel expenses. The membership fee is based upon the total assets of a bank. If two staffs are trained in a year the cost of membership subscription is covered.

ADFIMI is still the only agency that organizes training program for its members free of cost; there are not many organizations on the international forum that do this.

This is the best investment possibility that is having your best staff trained for future responsibility. All competent leadership consider it wise to make this investment for the growth & future leadership and competent banking.

**Benefits for the NDFIs:**

Access to Research and Development. Since ADFIMI organizes Research and Development on various issues related to banking, trade, and investment, the members get a deeper understanding of all current issues. All research papers are available free of cost to the members.

Member NDFIs also benefit from being associated with ADFIMI partners, the other Regional Associations of Banks in the world, such as ADFIAP, ALIDE, AADFI, EDFI, and WFDFI.

There is a prestige and credibility attached to being a member of a Regional Association and ADFIMI provides such a prestige as it also councils and conducts training program for prudential banking. It believes in keeping pace with Basle Agreements and Regulations, which it disseminates to its members.

No NDFI can deny, in the contemporary context, the importance of networking. Membership of ADFIMI gives the best platform for networking to banks. There is no other platform accessible to banks of this magnitude and multi dimensional nature. This is where the banks of the entire world converge and meet to establish the outreach of their organization. **A truly unique platform for NDFIs.**

**ADFIMI**

**TRAINING PROGRAMMES:**

**WHAT ARE THE SUBJECTS?**

**WHERE ARE THEY HELD?**

**ADFIMI'S TRAINING PROGRAMMES, 2003-2007**

**TRAINING PROGRAMMES - 2003**

**Seminar on "Crisis Management"**

20-24 Jan, Girne, Turkish Republic of the Northern Cyprus

**Seminar on "Financial Analysis"**

27 Jan-06 Feb, Amman, Jordan

**Seminar on "Problem Solving & Decision Making"**

17-21 March, Cairo, Egypt

**Seminar on "The Globalization Challenges of the 3rd Millennium"**

21-25 April, Antalya, Turkey

**WFDFI Seminar on "Trainer in Development Banking"**

09-20 June, Washington D.C., USA

**Seminar on "Negotiation Skills"**

01-05 Dec, Hammamet, Tunisia

**Seminar on "Advanced Corporate Banking (Finance)"**

15-19 Dec, Karachi, Pakistan

**TRAINING PROGRAMMES - 2004**

**Seminar on "Project Management"**

17-29 Jan, Bangladesh

Hosted under the leadership of Shilpa Bank

**Seminar on "Advanced Corporate Credit Analysis"**

26-30 Jan, Kuala Lumpur, Malaysia

**Seminar on "Preparation and Control of Bank Customer Budgets"**

09-19 Feb, Amman, Jordan

**Seminar on "Training of Trainers"**

22-26 March, Antalya, Turkey

**Workshop on "Trade and Investment Possibilities between ADFIMI Members"**

First Stage: 12-16 April, Girne, Turkish Republic of the Northern Cyprus

Second Stage: 13 Aug, Kuala Lumpur, Malaysia

**Workshop on "Project Management Methodologies in the Third Millennium"**

16-27 Aug, Kuala Lumpur, Malaysia

**The CEO Forum on "Creating Innovative Financing for Small and Medium Scaled Enterprises"**

10-12 Aug, Kuala Lumpur, Malaysia

In collaboration of ADFIMI-ADFIAP-ADFIM

**The CEO Seminar on "The Basel Committee on Banking Supervision, WTO, and Bretton Woods Institutions"**

12 Sept, Tehran, Iran,

**Seminar on "Bank Credit Risk Management"**

30 Aug-9 Sept, Beirut, Lebanon

**Seminar on “Managing Strategic Change”**  
22-26 Nov, Hammamet, Tunisia

#### TRAINING PROGRAMMES – 2005

**Seminar on “Personal Development for Executives”**  
31 Jan-4 Feb, Girne, Turkish Republic of the Northern Cyprus

**ADFIMI Regional Conference on “WTO, Basel II and the Financial Sector Industry”**  
17-19 March, Karachi, Pakistan organized by Mohammad Rashid Zahir, CEO Saudi Pak (Pvt) Ltd.

**Seminar on “Total Relationship Management”**  
21-25 March, Sharm Al-Sheikh, Egypt

**Seminar on “Rehabilitation of Problem Projects”**  
18-29 April, Antalya, Turkey

**CEO Seminars on “Leadership Role” and “Privatization of Banks”**  
21 June, Putrajaya, Malaysia  
Zafar Iqbal, Mehmet Emin Ozcan

**Seminar on “Project Appraisal”**  
04-08 July, Baku, Azerbaijan

**Seminar on “Entrepreneurship Development for Executives”**  
22-26 Aug, Kuala Lumpur, Malaysia

**Second CEO Forum with Theme of “SMEs as the Engine of Growth”**  
12-13 Sept, Kuala Lumpur, Malaysia

**Seminar on “Project Identification, Preparation, Appraisal and Management”**  
19-30 Sept, Antalya, Turkey

#### TRAINING PROGRAMMES - 2006

**Workshop on ADFIMI’s Fourth “Three Year Training Programme”**

23 – 27 January 2006, 1 Week, Hammamet, Tunisia

**Seminar on “Executive Development”**  
20 – 24 February 2006, 1 Week, Girne, Turkish Republic of Northern Cyprus

**Seminar on “Management Information Systems”**  
13 – 24 March 2006, Antalya, Turkey

**Seminar on “Project Identification, Preparation, Appraisal and Management”**  
14 – 18 April 2006, 1 Week, Bakü, Azerbaijan

**Seminar on “Advanced Corporate Credit Analysis”**  
15 – 19 May 2006, Kuala Lumpur, Malaysia

**Seminar on “Advanced Corporate Finance and Project Finance”**  
22– 24 September 2006, Istanbul

**Seminar on “Competency based Human Resources Management and Organizational Learning”**  
25-27 December 2006, Kuala Lumpur, Malaysia

#### TRAINING PROGRAMMES - 2007

**Seminar on “Credit Risk Management”**  
7-9 April 2007, Girne, Turkish Republic of the Northern Cyprus

**Seminar on “Project Finance and Industrial Credit”**  
18-20 April 2007, Antalya, Turkey

**Seminar on “Strategic Management for Bankers”**  
11-13 June 2007, Damascus - Syria

**Workshop on "Financing SMEs for Export Promotion for the benefit of Central Asian Republics (CARs)"**  
2 - 3 July 2007, Baku – Azerbaijan

**CEO Seminar on SME Development and Finance in Pakistan and Microfinance in Bangladesh**  
27 May 2007, Dakar- Senegal

## Why and how to become an Adfimi member?

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### ADFIMI'S TRAINING PROGRAMMES, 2007-2009

#### ADFIMI'S TRAINING PROGRAMMES, 2007-2009

<b>* 2007</b>
The Project Seminar (Project Appraisal & Evaluation)
Budgeting and Financial Control
Change Management
Internal Audit Issues & Challenges
Human Resource Management
Problem Solving and Decision Making
Team Building
Basic Foundation Course for Bankers Newly Gained/Recruited
<b>* 2008</b>
Advanced Finance Statement Analysis
Rehabilitation of Problem Projects
Credit Risk Management
Entrepreneurship Development
Basel II
Training of Trainers
Negotiation Skills
Management Information Systems
Micro Finance
Time Management
<b>* 2009</b>
Financing of SME Projects
Asset Liability Management in Banks
Financial Analysis for Corporate Finance
Branch Management
Project Management
Money Laundering and Risk Management
Computer Spreadsheet Analysis for Banking Operation
Corporate Banking
Islamic Modes of Financing
Workshop on the ADFIMI's 5th Three Year Training Programme
<b>Additional Subjects</b>
Corporate Governance
Hedge Funds
Labour Standards in Development Finance
State of the Art in Sustainable Development and DFIs
Role of DFIs in Poverty Alleviation

## WHO ARE THE MEMBERS?

### LIST OF ADFIMI MEMBERS

#### ORDINARY MEMBERS

##### AZERBAIJAN

- UNIBANK
- AZERIGAZBANK
- RABITABANK
- ATABANK
- JOINT STOCK COMMERCIAL BANK (JSCB) RESPUBLIKA

##### BANGLADESH

- BANGLADESH FINANCE & INVESTMENT CO. LTD
- BANGLADESH KRISHI BANK
- SAUDI - BANGLADESH INDUSTRIAL & AGRICULTURAL INVESTMENT CO. LTD.
- BANGLADESH SHILPA RIN SANGSTHA
- PHOENIX FINANCE & INVESTMENTS LTD. (PHIL)

##### CAMEROUN

- SOCIETE NATIONALE D'INVESTISSEMENT

##### EGYPT

- INDUSTRIAL DEVELOPMENT BANK OF EGYPT

##### IRAN

- BANK OF INDUSTRY & MINE
- BANK KESHAVARZI

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### **MALAYSIA**

- BANK PERUSAHAN KECİL & SEDERHANA MALAYSIA BERHAD
- BANK PEMBANGUNAN MALAYSIA BERHAD
- BANK PERTANIAN MALAYSIA
- BANK KERJASAMA RAKYAT MALAYSIA BERHAD

### **OMAN**

- OMAN DEVELOPMENT BANK

### **PAKISTAN**

- INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN
- PAKISTAN INDUSTRIAL CREDIT & INVESTMENT CORP. (PICIC)
- SAUDI - PAK INDUSTRIAL & AGRICULTURAL INVESTMENT
- SME BANK LTD
- PAK KUWAIT INVESTMENT CO. (PVT.) LTD.
- PAK-OMAN INVESTMENT CO. LTD.
- SAUDI PAK LEASING COMPANY LTD.
- FIRST CREDIT AND INVESTMENT BANK LTD.

### **RUSSIA**

- BADR-FORTE BANK

### **SOMALIA**

- SOMALIA DEVELOPMENT BANK

### **SUDAN**

- AGRICULTURAL BANK OF SUDAN
- EL-NILEIN INDUSTRIAL DEVELOPMENT BANK OF SUDAN
- INDUSTRIAL DEVELOPMENT BANK OF SUDAN
- OMDURMAN NATIONAL BANK
- THE STRATEGIC RESERVE CORPORATION
- FINANCIAL INVESTMENT BANK OF SUDAN
- SUDAN RURAL DEVELOPMENT COMPANY

### **TUNISIA**

- BANQUE NATIONAL AGRICOLE TE TUNISIE

### **TURKEY**

- INDUSTRIAL DEVELOPMENT BANK OF TURKEY
- TÜRKİYE KALKINMA BANKASI
- TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI
- EXPORT CREDIT BANK OF TURKEY (EXIMBANK)
- TÜRKİYE VAKIFLAR BANKASI
- TÜRKİYE HALK BANKASI
- NUROL YATIRIM BANKASI

### **TURKISH REPUBLIC OF NOTHERN CYPRUS**

- KUZEY KIBRIS TÜRK CUMHURİYET KALKINMA BANKASI

**TURKMENISTAN**

- TURKMEN – TURKISH COMMERCIAL BANKS

**UGANDA**

- UGANDA DEVELOPMENT BANK

**YEMEN**

- COOPERATIVE & AGRICULTURAL CREDIT BANK (CACBANK)
- HOUSING CREDIT BANK OF YEMEN

**ASSOCIATE MEMBERS**

- ISLAMIC DEVELOPMENT BANK

**BANGLADESH**

- RUPALI BANK
- BANK OF SMALL INDUSTRIES & COMMERCE OF BANGLADESH (BASIC)

**PAKISTAN**

- ZARAI TARAQIATI BANK LIMITED

**TURKEY**

- IS LEASING

## **HOW TO BECOME A MEMBER ?**

### **Application Procedure**

Interested institutions shall submit the following to the ADFIMI Secretariat

- 1- A cover letter signed by the CEO of the institution declaring the interest to become a member of ADFIMI
- 2- Sign the Memorandum of Agreement (provided in the following pages)
- 3- Fill in the Questionnaire (provided in the following pages)
- 4- Provide an audit report or annual report of the institution for the year immediately preceding the the year the application being submitted.
- 5- A document showing that one time membership fee and the subscription fee for the first year has been deposited into the ADFIMI's account.

## MEMORANDUM OF AGREEMENT

Having duly considered the attached Constitution of the Association of National Development Finance Institutions in the Member Countries of the Islamic Development Bank, I, on behalf of my institution, agree:

- (i) to adopt the Constitution of Association of National Development Finance Institutions in the member countries of the Islamic Development Bank as approved on February 1<sup>st</sup>, 1985 ( Jumadal Ula 11, 1405H ) as amended by the 23rd General Assembly of ADFIMI on May 26th, 2007 (Jumad Awwal 9, 1428H); and
- (ii) to confirm our intent to become a member.

Title of N.D.F.I / Country      Full name of the Representative      Title of the Representative

Signature

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# QUESTIONNAIRE

## **DATA REQUESTED FROM APPLICANTS FOR MEMBERSHIP OF ADFIMI**

### **I. GENERAL INFORMATION:**

- 1) Official Name of NDFI:
  
- 2) Name and address for international correspondence:
  
- 3) Name and title of the Chief Executive:
  
- 4) Name and function of official in charge of liaison with ADFIMI:
  
- 5) Telephone:
  
- 6) Fax:
  
- 7) Telex:
- 8) SWIFT:
- 9) Cable address:
- 10) Web site:
- 11) E-mail:

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### II. DATE OF INCORPORATION OF NDFI:

### III. TOTAL ASSETS AS SHOWN IN BALANCE SHEET AT THE CLOSING OF THE LATEST FISCAL YEAR

(For determining annual subscription) (In US\$ and local Currency):

#### IV. 1. NUMBER OF STAFF:

1) Number of Professional Staff:

- a. Economist :
- b. Engineer :
- c. Financial Analyst :
- d. Banker :
- e. Other :
- TOTAL :

2) Number of Supporting Staff:

#### V. OPERATIONS OF LATEST FISCAL YEAR (In US\$ or Islamic Dinars):

1) Amount approved for:

- a. Equity participation :
- b. Investment loan :
- c. Working capital loan :
- d. Other modes of financing :

TOTAL:

2) Number of projects approved

(and amounts disbursed in US\$ or Islamic Dinar equivalent):

- a. In industry :
- b. In agriculture :
- c. Other :

TOTAL :

#### VI. COOPERATION WITH IDB:

1) Line of Equity (In US\$ or Islamic Dinar equivalent where applicable):

a. Amount of IDB financing facility:

b. Number of operations approved:

c. Total amount approved:

d. Total amount disbursed:

- 2) Line of Equity and Leasing:
  - a. Amount of IDB financing facility:
  - b. Number of operations approved:
  - c. Total amount approved:
  - d. Total amount disbursed:
- 3) Line of leasing.
  - a. Amount of IDB financing facility:
  - b. Number of operations approved:
  - c. Total amount approved:
  - d. Total amount disbursed:

**VII. ARE THERE TRAINING FACILITIES AVAILABLE AT OWN PREMISES?**

1) Yes  No

- 2) If yes:
  - a. Number of persons that can be accommodated concurrently for training:
  - b. Number of courses/seminars conducted by NDFI:
    - b1. During latest year :
    - b2. Cumulative total :

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### MEMBERSHIP FEES – 2007 (US\$)

#### *Category of Membership:*

#### **Ordinary Members:**

<b>1.</b> Membership Fee (once)	500,00
<b>2.</b> Annual Subscriptions:	
• Total assets up to US\$ 100 million	2.400,00
• Total assets from US\$ 101 million to US\$ 400 million	4.800,00
• Total assets from US\$ 401 million to US\$ 700 million	7.200,00
• Total assets above US\$ 701 million	12.000,00

#### **Associate Members:**

<b>1.</b> Membership Fee (once)	500,00
<b>2.</b> Annual Subscriptions:	
Membership falling under	
• Article 4.1(b) (i) and (ii)	6.000,00
• Article 4.1(b) (iii)	1.200,00

#### **Honorary Membership:**

<b>1.</b> Membership Fee	Nil
<b>2.</b> Annual Subscription	Nil

#### ADFIMI'S BANK ACCOUNT DETAILS:

USD Account No: 53000734  
Türkiye Halk Bankası A.S.  
Sultanhamam Branch (848)  
Eminonu, 34116, Istanbul, Turkey

SWIFT CODE: TRHBTR2A (Head Office)

# CONSTITUTION OF THE ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK

(This text includes amendments by the 23rd General Assembly Meeting in Dakar, 26 May, 2007)

## ARTICLE 1: NAME, HEADQUARTERS AND LEGAL PERSONALITY:

**1.1** There is hereby established an Association to be known as The Association of National Development Finance Institutions in the Member Countries of the Islamic Development Bank, abbreviated as "ADFIMI", hereinafter referred to as the "Association".

**1.2.** The Headquarters of the Association is in Istanbul, Turkey. The address of the Association is: Yeni Cami Caddesi, No: 10, Kat:3, Sultanhamam, Eminonu, 34412, Istanbul – Turkey.

**1.3** The Association shall have its own legal personality in Turkey. In furtherance of its objectives and functions, the Association shall have full capacity to;

- (i) institute legal proceedings;
- (ii) contract, acquire, and dispose of movable and immovable property; and
- (iii) do all such other acts that are necessary or incidental to the fulfillment of its objectives and functions.

## ARTICLE 2: OBJECTIVES OF THE ASSOCIATION:

The Association shall have the following objectives:

**2.1** To promote cooperation among members in all aspects and activities of development financing.

**2.2** To promote an understanding of the development potential of member countries and hindrances in development with the aim of accelerating the realization of such potential.

**2.3** To encourage research and studies for the purpose of developing ideas and methodology for development banking in accordance with Islamic Principles.

**2.4** To develop joint resources and set up facilities for the training and improvement of members' human resources in all aspects of development financing and institutional development.

**2.5** To promote establishment of joint venture projects with a view to accelerating the process of economic integration of member countries.

**2.6** To conduct research and evaluation of techniques of development financing, promote innovations and to disseminate the results of such work among members.

## **Why and how to become an Adfimi member?**

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2.7 To carry out or assign research and studies on the topics of common interest to members.

2.8 To organize and operate an information centre for all mutual use of data relevant to development financing activities.

2.9 To promote and facilitate networking and cooperation of members with other similar institutions or other regional or international organizations concerned with economic development and other objectives of this Association.

2.10 To exchange information with a view to promoting possible joint financing between enterprises through its members.

2.11 To act as the accreditation agency for certification and laying the criteria of good practices and quality education in financial sector industry.

### **ARTICLE 3: ACTIVITIES OF THE ASSOCIATION:**

For the purpose of achieving its objectives, the Association shall undertake the following activities:

3.1 Organize periodic meetings of the executives or staff of the members to review and exchange information on topics of common interest.

3.2 Organize courses, seminars, conferences and other similar training and development activities for the members' staff and operate on permanent basis facilities for such activities

3.3 Organize and conduct activities and have access to training and information facilities of national organizations in member countries where such activities are considered to be beneficial to members. For these activities, the Association may seek access to the facilities of other regional or international organizations.

3.4 Make arrangements for exchange of staff amongst the member NDFIs.

3.5 Make arrangements on permanent basis and set up facilities for the exchange of knowledge, ideas, information and experience among members with regard to the economic development.

3.6 Operate facilities for the exchange of information regarding financial resources for the development and technical assistance purposes.

3.7 Promote active transfer of know-how and technology available within member institutions.

3.8 Collect data on matters relevant to the development from members and their countries and make arrangements for their utilization by members.

3.9 Arrange or assign research and studies on matters concerning members or the objectives of the Association.

3.10 When requested by members, disseminate brief profile information to financial circles outside the Association as well as among the members about investment projects to facilitate financing of such proposals.

3.11 Publish periodicals or other printed materials on subjects related to the Association's objectives and activities.

3.12 Gather information and arrange studies on professional manpower needs and resources of members to facilitate human resource development and to realize optimum utilization of professional manpower among members on voluntary basis.

3.13 Make representations on behalf of the members on all matters which concern the Association.

3.14 Undertake any other activity which may advance its objectives.

#### **ARTICLE 4: MEMBERSHIP:**

##### **4.1 Categories of Membership:**

The Association shall have the following categories of membership:

a. *Ordinary Membership.* This shall be open to institutions of the Member Countries of the Islamic Development Bank which are engaged in the financing of development in industrial or other economic sectors as their main activity.

b. *Associate Membership.* This shall be open to:

(i) National, international, regional or sub regional institutions of the member countries of IDB which are engaged in development financing other than on the national level.

(ii) International, regional and other organizations and development finance institutions in nonmember countries with which the Association may decide to establish and maintain a relationship under Article 2.9 of this Constitution.

(iii) National institutions with limited national operations at state or provincial level.

c. *Honorary Membership.* This may be conferred by the General Assembly on individuals who have performed outstanding services in the field of development banking, or who have been closely connected with the profession of development banking and have provided outstanding services to the Association.

##### **4.2 Admission to Membership:**

a. Institutions eligible to ordinary or associate membership shall be admitted provisionally to membership on the vote of the simple majority of the Management Committee and the General Assembly shall be entitled to reconsider this decision at its first meeting following their admission.

b. Honorary Membership shall be conferred by the General Assembly upon recommendation of the Management Committee on a proposal received by it.

##### **4.3 Procedure for Admission to Membership:**

a. Eligible institutions seeking ordinary or associate membership in the Association shall submit applications in the prescribed form to the Secretary General.

b. The Secretary General shall submit applications for ordinary and associate membership to the first meeting of the Management Committee following the submission of such applications.

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### **ARTICLE 5: OBLIGATIONS OF MEMBERS:**

The ordinary and associate members of the Association shall have the following obligations:

**5.1** To settle their financial obligations towards the Association in full and on time in US Dollars.

**5.2** To participate in all meetings called by the Association.

**5.3** To participate and provide active contribution on any ad hoc tasks to be requested by the Secretariat of the Association.

**5.4** To provide promptly information of reasonable nature to be requested by the Association in connection with the Association's objectives and functions.

**5.5** To undertake, to the extent possible, any other assignment that may reasonably be required by the Association.

**5.6** To cooperate and collaborate fully with the Association in the fulfillment of the Association's objectives and functions.

### **ARTICLE 6: RIGHTS OF MEMBERS:**

**6.1** The ordinary and associate members of the Association shall have the following rights:

a. to attend all meetings of the General Assembly and other meetings that may be organized by the Association;

b. to benefit through participation or other ways from such services of the Association as courses, seminars, conferences and similar activities;

c. to request the cooperation and the collaboration of the Association as may be available for technical assistance and information on matters of interest and concern;

d. to receive publications and other information that may be prepared by the Association;

e. to move any special resolution at the Annual General Meeting by giving notice thereof in writing to the Secretary General not less than thirty (30) days before the date of such meeting and the Secretary General shall include the item on the agenda and send a copy of such notice to every member as soon as practicable.

**6.2** Associate members have the right to participate in all discussions and deliberations of the Association as the ordinary members but shall have no vote.

**6.3** Honorary Members have the right:

a. to attend all meetings of the General Assembly and other meetings that may be organized by the Association;

b. to receive publications and other appropriate information that may be supplied by the Association.

**6.4** Honorary Members may be invited by the Management Committee to attend meetings of the Management Committee on matters of interest and importance to the Association, and to serve on any Special Committee, from time to time, to study and advice to action taken on matters of interest or special importance to the Association.

**6.5** Honorary members shall have no vote in the meetings that they attend.

**ARTICLE 7: SUSPENSION OF MEMBERSHIP:**

7.1 Membership of any member, who persistently fails to fulfill its financial or any other obligations under this Constitution, may be suspended or terminated on the vote of a simple majority of the General Assembly upon the recommendations of the Management Committee.

7.2 While under suspension a member shall not be entitled to enjoy any rights under this Constitution but shall remain subject to all its obligations.

7.3 A member who has been suspended may be restored to good standing on the vote of a simple majority of the General Assembly.

**ARTICLE 8: LOSS OF MEMBERSHIP:**

Membership of the Association shall be lost:

8.1 By submission of a written notice of withdrawal to the Secretary General and upon the lapse of three months thereafter provided that all monies due from applicant for withdrawal have been paid.

8.2 By the dissolution of the legal entity or the death of the individual admitted to the membership of the Association.

8.3 By expulsion based on a serious cause by a vote representing not less than three-fourths of the members of the General Assembly present and voting.

**ARTICLE 9: BODIES OF THE ASSOCIATION:**

The Association shall have the following bodies:

9.1 The General Assembly.

9.2 The Management Committee.

9.3 The General Secretariat.

**ARTICLE 10: THE GENERAL ASSEMBLY:**

10.1 Composition:

The General Assembly shall be composed of:

- a. The duly authorized representative of members of the Association.
- b. The person himself in case the member is a natural person.

10.2 Powers:

In addition to being the supreme body of the Association in which all the powers necessary to accomplish the objectives of the Association are vested, the General Assembly shall have the following special powers:

- a. to consider and approve the annual report of the Association;
- b. to approve the budget of the Association submitted by the Management Committee within the framework of the plans and programs of the Association;

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- c. to confirm the admission of members and decide upon their suspension or expulsion;
- d. to elect the Management Committee;
- e. to fix the amount of the annual subscription or contribution and admission fee, and determine the conditions of membership upon the recommendations of the Management Committee;
- f. to consider and adopt rules, by-laws and general directives governing the activities of the Association and all its bodies including contributions to be received;
- g. to appoint the Secretary General on the recommendation of the Management Committee,
- h. to consider and take action upon any other matters submitted for its consideration by the Management Committee;
- j. to review the activities of the Association including the activities of all its bodies;
- k. to dissolve the Association in Accordance with Article 17 hereof and dispose of the assets of the Association in the event of such a dissolution.

### **10.3 Procedure:**

- a. An Ordinary Meeting of the General Assembly shall be held once a year immediately preceding or following the Annual Meeting of the Islamic Development Bank and in the same venue as the latter. Not less than forty five days notice shall be given for the Ordinary and Extra Ordinary Meetings of the General Assembly.
- b. Extra-ordinary meetings of the General Assembly may be convened:
  - (i) whenever requested by the Management Committee; or
  - (ii) upon the request of at least one-third of the ordinary members of the Association;
- c. Each ordinary member-represented at a meeting of the General Assembly shall have one vote.
- d. Except as otherwise expressly provided in this Constitution, all matters before the General Assembly shall be decided by a majority of the members present and voting.
- e. The majority of the ordinary members of the Association shall constitute a quorum for any meeting of the General Assembly.
- f. The Chairman of the Management Committee shall chair the meetings of the General Assembly.
- g. The Secretary General of the Association shall act as a Secretary for the meeting of the General Assembly.

## **ARTICLE 11: THE MANAGEMENT COMMITTEE:**

### **11.1 Composition:**

- a. The Association shall be managed by a non-resident Management Committee composed of nine ordinary members providing an adequate geographical representation of the Islamic Countries.
- b. The members of the Management Committee shall be elected by the General Assembly for a period of three years subject to Articles 11.1(d), 11.1(e) and 11.1(f).

c. Members of the Management Committee shall elect a Chairman from among themselves for a period of three years or for the remaining term of his tenure and who shall be the legal representative of the Association until the end of his term. The Chairman of the Committee shall be eligible for re-election but shall not serve more than two consecutive terms.

d. The Management Committee shall simultaneously elect a Vice-Chairman from among themselves for a period of three years or for the remaining term of his tenure. The Vice-Chairman shall be eligible for re-election but shall not serve more than two consecutive terms. The Vice-Chairman shall belong to another region other than that of the Chairman. The Vice-Chairman shall preside over all the meetings in the absence of the Chairman. He will also be the legal representative of the Association in the absence of the Chairman.

e. One-third of the elected members of the Management Committee shall retire by rotation from office at every annual meeting of the General Assembly. Such rotation shall not prejudice the adequate geographical representation.

f. The members of the Management Committee to retire in every year shall be those who have been longest in office since their last election.

g. No member of the Management Committee shall hold office for more than two consecutive terms and a retiring member after serving two consecutive terms in the Management Committee shall be eligible for re-election after a gap of two years.

h. The General Assembly may, at the meeting at which a member of the Management Committee retires in the manner aforesaid, fill the office by electing a person thereto, and in default the retiring member shall, if offering himself for re-election be deemed to have been reelected, unless at such meeting it is expressly resolved not to fill such vacancy or unless a resolution for the re-election of such member shall have been put to the meeting and lost.

i. The Management Committee shall have the power to appoint an ordinary member to fill a vacancy in the Management Committee. The person so appointed shall hold office only until the first annual meeting of the General Assembly following his appointment wherein he shall be eligible for election and may, if elected, serve for a full term.

j. A member who is unable to attend, or give proxy to somebody else to attend on his behalf, for two consecutive meetings of the Management Committee during his term, shall lose his seat in the Management Committee thereof.

#### **11.2 Powers:**

The Management Committee shall have the following powers:

- a. to convene the Ordinary and Extra-ordinary Meetings of the General Assembly;
- b. to review and recommend the programs, plans and the budget of the Association prepared by the Secretariat;
- c. to control and direct all the activities of the Association and the General Secretariat;
- d. to prepare and submit to the General Assembly an Annual Report on the activities of the Association including a statement of accounts for the year ended and a report on the implementation of the budget for the preceding year.
- e. to prepare such rules and by-laws as it may deem necessary and appropriate for the conduct of the business of the Association including financial rules and submit them to the General Assembly for approval;

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f. to undertake any such tasks as may be entrusted to it by the General Assembly.

### **11.3 Procedure:**

a. The Management Committee shall meet at least twice a year at the Headquarters of the Association or at such other place as it deems appropriate.

b. The presence of five (5) of the members of the Committee shall constitute a **QUORUM** for any meeting of the Committee.

c. Any Management Committee Member who cannot attend a meeting shall have the right to give proxy to someone from his institution or to another Management Committee Member to represent him at the Management Committee or General Assembly or the Extra- Ordinary General Assembly Meeting.

d. All matters before the Committee shall be decided by a majority of the members present and voting.

## **ARTICLE 12 GENERAL SECRETARIAT:**

**12.1** The General Secretariat shall consist of the executive personnel of the Association. It shall be headed by a Secretary General who shall be responsible to the Management Committee.

### **12.2 The Secretary General:**

a. The Secretary General shall be appointed by the General Assembly on the recommendation of the Management Committee for a period of three years upon such terms and conditions as the General Assembly may decide. He shall be accountable for the general affairs and responsible for good governance of the Association.

b. The Secretary General may be removed from the office by the General Assembly.

### **12.3 Duties and Powers of the Secretary General:**

The Secretary General shall, under the direction and guidance of the Management Committee, exercise the following duties and powers:

a. to appoint such staff he may consider necessary for the efficient conduct of the business of the Secretariat on such terms and conditions as the Management Committee may approve;

b. to be responsible for the day to day administration of the Association and its assets and to manage finances of the Association under the supervision of the Management Committee;

c. to prepare under the direction of the Management Committee programs, plans and the budget of the Association for approval by the General Assembly of the Association and be responsible for their implementation.

d. to prepare the annual statement of the accounts of the Association for the preceding year and to submit the same to the Management Committee for review;

e. to attend the meetings of the Management Committee and the General Assembly but shall have no vote;

f. to be responsible for the preparation of the Agenda of the General Assembly meetings, in consultation with the Management Committee, and for the circulation of all supporting documents to the members;

g. to co-ordinate and be responsible for making all necessary arrangements for the holding of the Management Committee and the General Assembly Meetings;

h. to organize conferences, seminars and other activities as are conducive to the fulfillment of the objectives of the Association under the supervision of the Management Committee;

j. to ensure constant co-ordination between all members and among the bodies of the Association for the realization of the objectives of the Association;

k. to carry out such other tasks as may be assigned to him by the Management Committee or the General Assembly.

**ARTICLE 13: RESOURCES OF THE ASSOCIATION:**

The resources of the Association shall consist of:

**13.1** Admission fees paid by the members,

**13.2** Annual subscriptions paid by the members.

**13.3** Grants, donations or other funds, or income of whatever kind, received by the Association from time to time from members or others.

**ARTICLE 14: AUDIT:**

The accounts of the Association shall be audited by an auditor appointed annually by members in the General Assembly.

**ARTICLE 15: INTERPRETATION AND SETTLEMENT OF DISPUTES:**

All matters and disputes concerning the interpretation and application of the provisions of this Constitution shall be decided and settled by an Ordinary or Extra-Ordinary Meeting of the General Assembly.

**ARTICLE 16: AMENDMENTS:**

**16.1** This Constitution may be amended by a two-third majority vote of the full members of the Association present at an Ordinary or Extra-Ordinary Meeting of the General Assembly.

**16.2** In all cases notice of any proposed amendment shall be communicated to each member of the General Assembly at least 45 days before the date fixed for obtaining the vote of the General Assembly on the proposed amendments.

**ARTICLE 17: DISSOLUTION OF THE ASSOCIATION:**

The dissolution of the Association shall take place as follows:

**17.1** The proposal for the dissolution of the Association and for the disposal of its assets and resources shall be discussed at an Extra-Ordinary Meeting of the General Assembly, convened solely for this purpose.

**17.2** The proposal for the dissolution of the Association shall be submitted in writing to the Management Committee by at least one-fifth of the total number of the full members of the Association.

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**17.3** The members of the General Assembly shall be notified in writing, sixty days in advance, as to the meeting at which the dissolution of the Association will be discussed.

**17.4** A resolution to dissolve the Association shall require the affirmative vote of two-thirds of the total number of the full members of the Association.

### **ARTICLE 18: INTERIM PROVISIONS:**

**18.1** This Constitution shall come into effect 60 days after at least one NDFI each in half of the member countries of the IDB has communicated adoption of this Constitution to the Provisional Management Committee or after at least one NDFI each in founder member countries has communicated adoption of the Constitution; whichever first happens. For the purposes of this article, a founder member country is one which was represented by one or more NDFIs at the 6th Annual Meeting of the National Development Finance Institutions of IDB member countries held on the 1st February 1985 in Dhaka, Bangladesh.

**18.2** After adoption of this Constitution, the members of the Technical Working Group appointed by the National Development Finance Institutions of the member countries of the Islamic Development Bank during the Annual Meeting held in Jeddah March 1983, shall act as a Provisional Management Committee as well as a Provisional Secretariat until the Inaugural Meeting of the General Assembly is held.

**18.3** After requisite number of NDFIs, as per Article 18.1, have signified their adoption of the Constitution, the Provisional Management Committee shall call for the Inaugural Meeting of the General Assembly within a maximum period of one year.

**18.4** In addition to any other item which the Provisional Management Committee may wish to put before it, the Inaugural Meeting of the General Assembly shall consider the following items:

- a. Election of the Management Committee.
- b. Appointment of the Secretary General.
- c. Setting of the time table for the submission of the first budget and the annual programme of the Association, and for the submission of the draft rules and by-laws of the Association for the approval of the General Assembly.
- d. Determination of legal steps necessary for the formalization of the establishment of the Association.

**18.5** Subject to Article 11.1 (b) hereof and unless otherwise agreed amongst members of the Management Committee the retirement of one-third of the members of the Management Committee at each first and second annual meetings of the General Assembly shall be determined by lot. Such retirement shall not prejudice adequate geographical representation in the Management Committee.

### **ARTICLE 19: LANGUAGE:**

This Constitution shall be available in Arabic, English, and French each of which shall be equally authoritative for the purpose of interpretation and deliberation.



