



**ARTICLES OF ASSOCIATION  
OF  
THE ASSOCIATION OF  
COMMERCIAL BANKS OF THE COMMON MARKET  
FOR EASTERN AND SOUTHERN AFRICA**

The Articles of Association of the COMESA Bankers' Association shall be amended according to the decisions of the General Assembly, acting by under the powers vested in it by virtue of Article 10 1 (j) at its Seventh Meeting held in Blantyre (Malawi) on December 6, 2001. The amended Articles of Association is published in its amended format, having taken cognisance of the original text and incorporating the Amendments as adopted by the Fourth Meeting of the General Assembly held in Blantyre – Malawi on November 30, 1998

**4<sup>th</sup> EDITION – December 2001**

# COMESA BANKERS' ASSOCIATION

## ARTICLES OF ASSOCIATION

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## **Preamble**

The National Bankers' Associations or individual Banks, as the case may be, of Angola, Burundi, Comores, Democratic Republic of Congo, Djibouti, Egypt Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

**Noting** that the countries of Eastern and Southern Africa have established a Common Market in order to foster closer economic links between and among themselves so as to achieve self-sustained economic growth and development for the member countries;

**Aware** that the establishment of the Common Market for Eastern and Southern Africa is a first step towards the establishment of an Economic Community for Eastern and Southern Africa and eventually of an African Economic Community, in line with the Lagos Plan of Action and Final Act of Lagos;

**Convinced** that the promotion of harmonious economic development calls for effective co-operation through a determined and concerted policy of self-reliance.

**Conscious** of the special role of trade and commerce in promoting sub-regional economic growth and development;

**Recognising** the crucial role played by banking and financial institutions in the facilitation of trade and commerce, and the development of the production and service sectors with emphasis on priority areas such as agriculture, industry, transport, communications and tourism;

**Anxious** to foster trade expansion and monetary and financial integration among the countries of Eastern and Southern Africa with a view to facilitating the realisation of the objectives of the Common Market;

**Recalling** the decision of the Third Meeting of Commercial Banks held in Kampala, Uganda from 16<sup>th</sup> to 17<sup>th</sup> November 1987, to form an association of PTA Commercial Banks, which was lauded by the Sixth Meeting of the PTA Authority of Heads of State and Government held in Kampala, Uganda from 3<sup>rd</sup> to 4<sup>th</sup> December 1987.

**HEREBY AGREE AS FOLLOWS:**

### **ARTICLE I**

#### *Interpretation*

In these Articles of Association:

“Association” means the COMESA Bankers' Association;

“A Bank” means a Banking Institution registered as such in terms of the Laws of country in which it conducts the business of Banking;

“Clearing House” means the COMESA Clearing House;

“COMESA” means the Common Market for Eastern and Southern Africa

“Executive Council” means the Executive Council of the Association as provided for in Article 7 of these Articles;

“Executive Secretary” means Executive Secretary of the Association as provided for under Article 15 of these Articles;

“General Assembly” means the General Assembly of the Association as provided for in Article 7 of these Articles;

“Member” means a National Bankers’ Association, Bank Financial Institution or other organisation in a Member State, which has been admitted to membership of the Association in terms of the provisions of Article 3 of these Articles;

“Member State” means a COMESA Member State;

“PTA Bank” means the PTA Bank established under Article 2 of the COMESA Charter
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“Secretary General” means the Secretary General of COMESA;

“Treaty” means the Treaty establishing the Common Market for Eastern and Southern Africa;

“ZEP-RE” means the PTA Reinsurance Company established by Article 2 of the Agreement establishing the PTA Re-insurance Company (ZEP-RE);

## **ARTICLE 2**

### *Establishment of the Association*

There is hereby established the “COMESA Bankers’ Association which shall be governed by the provisions of these Articles.

The location of the Association’s Head Office shall be determined by the General Assembly.

## **ARTICLE 3**

### *Membership of the Association*

1. Membership of the Association shall be open to:
  - (a) National Associations of Banks of COMESA Member States;
  - (b) Individual Banks in cases where the National Association in that country is not a member of the Association;
- a. The General Assembly may also admit as an associate member or observer, a bank, financial institution or any other organisation within the COMESA region sharing in the objectives of the Association.
- b. Where a bank is designated under paragraph 1 (b), that bank shall for all purposes be the Member while the designation remains in force.

### **ARTICLE 4**

#### *Obligations of Members*

1. Members shall pay their contributions within the time prescribed by the General Assembly, and any delayed contributions shall be liable to interest on arrears as may be prescribed by the General Assembly.
2. Members shall provide the Executive Secretary with all the information necessary for the realisation of the objectives of the Association.
3. All Members undertake to respect the provisions of the Articles of Association and any decisions that may be taken by the General Assembly.

### **ARTICLE 5**

#### *Objectives of the Association*

The objectives of the Association shall be:

- (a) to act as a forum for the exchange of information on banking practices in the sub-region of COMESA and to serve as a forum for the discussion of common problems;
- (b) to enhance the promotion and strengthening of links between banks in the sub-region;
- (c) to serve as a medium of discussions between banks and relevant organs of COMESA;

- (d) to seek ways and means by which the Association can contribute to the development of banking, trade, commerce, agriculture, industry, transport, communications and tourism within the COMESA region;
- (e) to facilitate training in the field of banking through the exchange of trainers and students between and among training institutions existing within the Common Market;
- (f) to facilitate the harmonisation of training of banking personnel with a view to forming a sub-regional Institute of Bankers in the COMESA region;
- (g) to facilitate the harmonisation of banking operations; and
- (h) to undertake such other activities and provide such other services as may advance the objectives of the Association and of COMESA;

## **ARTICLE 6**

### *Functions and Activities*

1. In order to attain its objectives, the Association shall undertake, among others, the following functions:
  - (a) foster the exchange of ideas and experiences in the field of monetary, financial and banking affairs, particularly through periodical seminars, conferences, courses and meetings;
  - (b) publish a banking news magazine and a bankers' almanac of the sub-region;
  - (c) identify training opportunities existing in the sub-region and communicate the information to its Members with a view to facilitating the exchange of trainers and students;
  - (d) facilitate the establishment of correspondent relationships between banks in the Common Market;
  - (e) circulate information to its Members on exchange control, trade regulations, banking practices and general economic conditions prevailing in the Common Market member countries;
  - (f) publicise the facilities of the Clearing House and educate the general public on the advantages and mechanisms of using the Clearing House;

- (g) circulate information to Members on the experience of banks in the use of the facilities of the Clearing House;
  - (h) provide information related to the trade financing facilities of the PTA Bank;
  - (i) undertake a survey of banking practices in the COMESA Member States and circulate information relating to frauds and attempted frauds; and
  - (j) co-ordination of staff exchange programmes among banks.
2. In the exercise of its functions, the Association shall endeavour to establish and maintain appropriate relations with sub-regional and international organisations with similar or related objectives, particularly with the Clearing House, the PTA Bank, the PTA Re-insurance Company (ZEP-RE) and other COMESA Organs.

## **ARTICLE 7**

### *Structure and Organisation*

The Association shall comprise the following organs:-

- (a) The General Assembly
- (b) The Executive Council; and
- (c) The Secretariat

## **ARTICLE 8**

### *Composition of the General Assembly*

The General Assembly shall be composed of representatives of all Members.

## **ARTICLE 9**

### *Officers of the General Assembly*

The officers of the General Assembly shall be:-

- (a) The Chairman;
- (b) The Vice-Chairman; and

- (c) The Rapporteur.

## **ARTICLE 10**

### *Powers and Functions of the General Assembly*

1. All the powers of the Association shall, subject to these Articles, be vested in the General Assembly, which shall be the supreme organ of the Association. The General Assembly shall in particular have the following functions:-
  - (a) determine the policies governing the activities of the Association;
  - (b) subject to the provisions of these Articles, elect officers of the Association and of the Executive Council from among its Members;
  - (c) appoint the Executive Secretary of the Association;
  - (d) appoint or remove from office auditors of the Association;
  - (e) consider and approve the programme of activities, reports, accounts and budgets of the Association;
  - (f) consider and approve applications for membership;
  - (g) decide on cases of suspension and revocation of membership;
  - (h) fix on the recommendation of the Executive Council, the scale of contributions of the Members to the budget of the Association;
  - (i) establish such subordinate committees as it may consider necessary for the discharge of its functions;
  - (j) adopt amendments to these articles;
  - (k) decide on the dissolution of the Association; and
  - (l) perform such other functions as may be necessary for the achievements of the objectives of the Associations;
2. The General Assembly shall not delegate the functions set out in Paragraph 1 (a) to (k) of this Article, provided that under sub-paragraph (f), the Executive Council may consider and approve applications for membership subject to ratification by the General Assembly.

## ARTICLE 11

### *Meetings of the General Assembly*

1. The General Assembly shall meet at least once every twelve months.
2. The General Assembly may hold extra-ordinary meetings at the request of the Executive Council or upon the request of the Members of the General Assembly representing two-thirds of the Members.
3. The General Assembly shall elect from among its Members a Chairman. Vice-Chairman and Rapporteur, who will serve for a term of two years at the end of which they will be eligible for re-election for one more term only. The term of two years shall be deemed to expire when new office bearers are elected at an ordinary meeting of the General Assembly, provided that, in the event of an office bearer having vacated office prematurely, the election of a replacement office bearer shall be for the remaining period of the term the vacating office bearer was elected for.
4. All meetings of the General Assembly shall be convened by the Executive Secretary after consultation with, and the approval of, the Chairman.
5. The Chairman shall preside at meetings of the General Assembly. If the Chairman is absent from a meeting of the General Assembly, the Vice-Chairman will preside. If the Chairman and the Vice-Chairman are absent, the Rapporteur will preside. If the Rapporteur is absent, the General Assembly shall elect one Member to act.
6. The Chairman shall open and close the meetings of the General Assembly, direct discussions, give speakers the floor in the order in which it is requested, submit matters under discussion for decision and announce the decision and rule on questions of procedure in accordance with these Articles.
7. The General Assembly may at a meeting decide the date of its next meeting provided that in cases it is desirable that a meeting of the General Assembly should be held prior to the date set down for its next meeting, a meeting of the General Assembly may be held after consultation between the Chairman and the Members.
8. Proposals or draft resolutions for consideration at a meeting of the General Assembly shall be submitted in writing and circulated by the Executive Secretary in advance of the meeting to the Members, provided, however, that the General Assembly shall, if it deems it expedient or desirable, consider at a meeting a proposal or draft resolution in respect of which no text has been circulated in advance of a meeting.

9. A proposal or draft resolution may, with the consent of the Chairman, be withdrawn by the Member who sponsored it, but without prejudice to the same proposal or draft resolution being moved by another Member.
10. The General Assembly may make provisions for the dispatch of business at times when it is not meeting.
11. Subject to the provisions of these Articles, the General Assembly shall determine its own rules of procedures.

## **ARTICLE 12**

### *Composition of the Executive Council*

The Executive Council shall consist of:

- (a) The Chairman, Vice-Chairman and Rapporteur who shall be ex-officio members; and
- (b) Two other Members not represented in the offices of the Chairman, Vice-Chairman and Rapporteur, elected by the General Assembly, for a two-year term having due regard to the equitable geographic and linguistic distribution.
- (c) In the event of the Chairman of the Executive Council no longer being employed in the Banking industry, or vacate the position as Chairman, he shall vacate the office held under this Article and the Vice Chairman shall fill the position until the next meeting of the General Assembly Executive Council.

## **ARTICLE 13**

### *Functions of the Executive Council*

Subject to the directions of the General Assembly, the Executive Council shall have the following powers and functions:

- (a) consider and submit for the approval of the General Assembly the programme of activities, the budget and accounts of the Association.
- (b) present to the General Assembly reports on the activities of the Association and on the implementation of its policies;

- (c) give directions to the Executive Secretary on the implementation of policies of the Association;
- (d) recommend for the approval of the General Assembly the subscriptions to be paid by Members;
- (e) approve the rules governing the financial, administrative and other activities of the Association;
- (f) recommend for appointment by the General Assembly, the Executive Secretary of the Association and approve the appointment of senior staff of the Secretariat;
- (g) establish such committees as it may consider necessary; and
- (h) appoint all the professional staff of the Association's Secretariat;
- (i) perform such other functions as may be prescribed or delegated by the General Assembly or as may advance the objectives of the Association;

#### **ARTICLE 14**

##### *Meetings of the Executive Council*

1. The Executive Council shall meet at least twice every twelve months.
2. One of the meetings of the Executive Council shall be held immediately prior to the Annual Meeting of the General Assembly.
3. Subject to these Articles and any directions of the General Assembly, the Executive Council shall determine its own rules of procedure.

#### **ARTICLE 15**

##### *The Secretariat*

1. There shall be established a Secretariat of the Association.
2. The Secretariat shall be headed by the Executive Secretary who shall be appointed by the General Assembly to serve for a term of four years and shall be eligible for re-appointment for one more term only.
3. The Executive Secretary shall be the principal executive officer. In addition to the Executive Secretary, there shall be such other staff of the Secretariat as the Executive Council may determine. The Executive Secretary shall be responsible for the administration of the Secretariat and shall in particular:-

- (a) subject to the directives of the General Assembly and the Executive Council, ensure implementation of the decisions of the General Assembly and the Executive Council;
- (b) ensure the proper conduct of the administrative and financial matters of the Association;
- (c) carry out duties and research related to the objectives of the Association on his own initiative or as the Executive Council or General Assembly may determine;
- (d) keep up to date with current developments concerning the objectives of the Association and advise the Members of such developments;
- (e) submit to the Executive Council the audited accounts of the Association;
- (f) submit to the Executive Council the draft work programme and budget of the Association;
- (g) submit to the Executive Council draft rules and regulations governing the financial and administrative activities of the Association;
- (h) report to the Executive Council paid and unpaid subscriptions as well as any assistance received;
- (i) provide Secretariat services for the meetings of the General Assembly, the Executive Council and any other committee that the General Assembly or the Executive Council may establish from time to time; and cause minutes of the meetings to be kept and as soon as possible transmit copies thereof to the Members of the General Assembly or Executive Council or any committee, as the case may be;
- (j) in consultation with the Chairman, prepare the provisional agenda of the meetings of the General Assembly and of the Executive Council;
- (k) prepare the provisional agenda of any committee as may be established from time to time;
- (l) attend meetings of the General Assembly, the Executive Council and of any committee that may be established but without the right to vote;
- (m) prepare and submit an annual report on the activities of the Association to the General Assembly and the Executive Council;
- (n) prepare and submit to the Executive Council a report on the activities of committees which may be established;
- (o) establish for each financial year the programme, the budget and the status of implementation of the current budget of the Association and submit them to

the Executive Council for consideration and to the General Assembly for approval;

- (p) when the budget has been approved by the General Assembly, transmit it to Members together with all related documents and the budget shall be accompanied with the statement of annual contributions which shall be paid by the 31<sup>st</sup> day of December preceding the beginning of the financial year to which they relate;
- (q) in accordance with the guidelines laid down by the Executive Council, be the custodian of the funds of the Association and be responsible for implementing its budget;
- (r) submit to Members immediately after every quarter, a statement of contributions paid and outstanding;
- (s) on behalf of the COMESA Bankers' Association, accept any donations, legacies and other gifts given to the Association, providing such gifts are compatible with the objectives of the Association and have been approved by the Executive Council;
- (t) use the services of banks or banking institutions within the sub-region approved by the Executive Council for depositing and administering the funds of the Association;
- (u) perform the functions of the Association provided for in Article 5 of these Articles;

## **ARTICLE 16**

### *Financial Year*

The Financial Year of the Association shall begin on January 1 and end on December 31.

## **ARTICLE 17**

### *Unit of Account*

The accounts of the Association shall be kept and maintained in the Unit of Account of the Common Market, which is the COMESA Dollar.

## **ARTICLE 18**

### *Financial Control and External Audit*

1. The Executive Council shall each year nominate a firm of external auditors to examine all documents and books of Accounts relating to the operations and administration of the Association and recommend same for the adoption of the General Assembly.
2. All operations concerning the accounts of the Association shall be subject to control, the guidelines of which shall be recommended by the Executive Council for the approval of the General Assembly.

## **ARTICLE 19**

### *Status, Privileges and Immunities*

1. The Association shall be registered in the host Member State as an international corporate entity.
2. It shall have:
  - (a) the legal capacity required for the performance of its functions under these Articles; and
  - (b) power to acquire or dispose of movable and immovable property in accordance with the laws and regulations in force in the host Member State.
3. The Association in the exercise of its legal personality shall be represented by the Executive Secretary duly authorised by the Chairman of the Executive Council.
4. The Executive Secretary, acting on behalf of the Association shall conclude with the Government of the host Member State an agreement relating to the legal capacity and the privileges and immunities to be recognised and granted in connection therewith by that host Member State.

## **ARTICLE 20**

### *Withdrawal*

1. Any member wishing to withdraw from the Association shall give to the Executive Secretary one year's written notice of his intention to withdraw and at the end of such year shall, if such notice is not withdrawn, cease to be a member.
2. During the period of one year referred to in paragraph 1 of this Article, the Member concerned shall nevertheless observe the provisions of the Articles and any rules made thereunder and shall remain liable for the discharge of his obligations.

## **ARTICLE 21**

### *Amendments*

These Articles may be amended at any time by a meeting of the General Assembly by a two-thirds majority of the Members.

## **ARTICLE 22**

### *Settlement of Disputes*

1. If a dispute shall arise regarding the interpretation or application of the provisions of these Articles, such dispute shall be submitted to an arbitral tribunal composed of three arbitrators, which shall be appointed by the General Assembly.
2. A majority vote of the arbitrators shall be sufficient to reach a decision, which decision shall be final and binding on the parties.

## **ARTICLE 23**

### *Dissolution*

1. The COMESA Bankers' Association shall be of indefinite duration provided that it may be dissolved by the General Assembly by two-thirds majority vote of the members.
2. The General Assembly shall not consider a proposal for the dissolution of the Association, unless it has been sent to all members thereof, at least three months in advance.
3. When a decision has been taken in accordance with the provisions of paragraph 1 of this Article, the General Assembly shall immediately establish a committee to ensure the orderly dissolution of the Association.
4. The assets and the liabilities of the Association shall, upon its dissolution, be shared among the members in accordance with the formula used to determine their contributions to the budget of the said Association.

## **ARTICLE 24**

*Official Languages*

The official languages of the Association shall be English, French and Portuguese.

**ARTICLE 25**

*Entry into Force and Accession*

1. These Articles shall enter into force when at least seven eligible members have signed.
2. Any National Association of Banks of a COMESA Member State, any Bank or any Institution referred to in Article 3 of the Articles of Association, desirous of joining the Association after the entry into force of the Articles of Association, shall deposit its instruments of accession to these Articles to the depository of these Articles.

**ARTICLE 26**

*Transitory Provisions*

1. Until the General Assembly appoints the Executive Secretary, the functions of the Executive Secretary, stipulated under Article 15 of the Articles of Association, shall be vested in such person as is designated by the Malawi Bankers' Association.
2. An Agreement stipulating this relationship shall be signed between the COMESA Bankers' Association and the Malawi Bankers' Association.

**ARTICLE 27**

*Depository*

These amended Articles of Association shall be deposited with the Secretary General of COMESA, who shall transmit certified true copies thereof to all members.

**DONE** at Arusha, the United Republic of Tanzania, on the twelfth day of November, in the year one thousand nine hundred and eighty eight, in the English and French languages, the two texts being equally authentic.

**IN WITNESS WHEREOF** the undersigned being duly authorised have placed their signatures at the end of these Articles, the day and year herein before referred to:

Dumas Ndimwezinga

**For the Association des Banques Commerciales du Burundi**

Ahmed Shallo

**For Kenya Bankers' Association**

Mjedo Mkandawire

**For National Bank of Malawi and Commercial Bank of Malawi**

Cyril Provencal

**For Mauritius Bankers' Association**

Ambassador Amon J. Nsekela

**For the National Bank of Commerce of the United Republic of Tanzania**

Gilbert F. Silver

**For Uganda Bankers' Association**

Tilahun Abbay

**For Commercial Bank of Ethiopia**

**1<sup>st</sup> June, 1989**

Pasteur Bizimungu      Zadok Majabo

**For the Association des Banques du Rwanda**

**1er Juin, 1980**

Ahmed Suleiman Osman

**For Commercial and Savings Bank of Somalia**

**1<sup>st</sup> June, 1989**

Elias K. Dlamini

**For Swaziland Development and Savings Bank**

**1<sup>st</sup> June, 1989**

Clement Mabutwe

**For Zambia Bankers' Association**

**1<sup>st</sup> June, 1989**