



**INTERNATIONAL FINANCE CORPORATION**  
**BOARD OF GOVERNORS**

**Resolution No. 256**

**Amendment to the Articles of Agreement and 2010 Selective Capital Increase**

WHEREAS at its April 2010 meeting, the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries endorsed proposals for the second phase of reforms to enhance the voice and participation of developing countries and countries in transition in the World Bank Group.

WHEREAS in their Report approved on July 20, 2010, the Board of Directors recommends that the Board of Governors approves:

- (a) an increase in Basic Votes which requires an amendment of the Articles of Agreement of the Corporation as set forth in Part (A) of this Resolution;
- (b) an increase in the authorized capital stock of the Corporation as set forth in Part (B) of this Resolution;
- (c) an allocation of shares to members as set forth in Part (C) of this Resolution; and
- (d) a periodic review of the Corporation's shareholding as set forth in Part (D) of this Resolution.

NOW THEREFORE, the Board of Governors, noting the recommendations and the said Report of the Board of Directors, hereby resolves as set forth below.

(A) Increase in Basic Votes and Amendment of the Articles of Agreement of the Corporation

The Board of Governors hereby resolves that:

1. Article IV, Section 3(a) of the Articles of Agreement of the Corporation shall be amended to read as follows:

Section 3. Voting

“(a) The voting power of each member shall be equal to the sum of its basic votes and share votes.

- (i) The basic votes of each member shall be the number of votes that results from the equal distribution among all members of 5.55 percent of the aggregate sum of the voting power of all the members, provided that there shall be no fractional basic votes.
- (ii) The share votes of each member shall be the number of votes that results from the allocation of one vote for each share of stock held.”

2. The amendment above shall enter into force for all members as of the date three months after the Corporation certifies, by formal communication addressed to all members, that three-fifths of the Governors exercising eighty-five percent of the total voting power, have accepted the amendment.

**(B) Increase in the Authorized Capital Stock of the Corporation**

The Board of Governors hereby resolves that:

1. The authorized capital stock of the Corporation is hereby increased by \$130 million in terms of United States dollars, by the creation of 130,000 additional shares having a par value of one thousand United States dollars (US\$1,000) each.
2. In the absence of notice received by the Corporation from any member within 21 days of the date of the transmission of this Resolution to the Governors for voting, that it intends to exercise its right under Article II, Section 2(d) of the Articles of Agreement, to subscribe its proportionate share of the increase in the authorized capital stock provided under paragraph 1 above, such member will be deemed to have waived such right.
3. The increase of authorized capital stock of the Corporation shall become effective when (i) the amendment in Part (A) of this Resolution shall have entered into force; (ii) Governors exercising not less than four-fifths majority of the total voting power have voted in favor of Part B of this Resolution; and (iii) if all members have waived their rights to subscribe to their proportionate share of the increase in the authorized capital stock of the Corporation under paragraph 2 above.

**(C) Allocation of Shares and Terms and Conditions of Subscription and Payment**

The Board of Governors hereby resolves that the Corporation is hereby authorized to accept additional subscriptions to shares of its capital stock upon the following conditions:

1. Each of the members of the Corporation listed in the Table below may subscribe up to the number of shares of stock of the Corporation set forth opposite its name.

<b>MEMBER</b>	<b>NUMBER OF SHARES ALLOCATED</b>	<b>MEMBER</b>	<b>NUMBER OF SHARES ALLOCATED</b>
Algeria	163	Malaysia	1,378
Argentina	4,276	Mexico	2,943
Bangladesh	595	Morocco	595
Belarus	105	Nigeria	6,004
Brazil	21,394	Pakistan	1,904
Bulgaria	67	Peru	1,469
Chile	933	Philippines	1,047
China	37,093	Poland	367
Colombia	1,047	Romania	1,617
Czech Republic	579	Russian Federation	21,511
Egypt, Arab Republic of	1,016	Saudi Arabia	18,512
Ghana	475	Slovak Republic	16
Hungary	835	South Africa	1,470
India	21,511	Sri Lanka	354
Indonesia	3,063	Switzerland	2,483
Japan	21,360	Thailand	836
Kazakhstan	38	Turkey	1,292
Korea, Republic of	12,149	Ukraine	654
Kuwait	4,704	Venezuela, Rep. Bolivariana de	2,942
Macedonia, FYR of	108	Zimbabwe	1,095
<b>TOTAL:</b>			<b>200,000</b>

2. Each subscription authorized pursuant to paragraph 1 above shall be on the following terms and conditions:

- (a) No member may subscribe to any shares until the increase of authorized capital stock in Part (B) of this Resolution has become effective.
- (b) Each subscription shall be made by the subscribing member depositing with the Corporation not later than the second anniversary of the date of effectiveness of the increase in the authorized capital stock of the Corporation (or such later date as the Board of Directors may determine), in a form acceptable to the Corporation, an Instrument of Subscription whereby the member:
  - (i) subscribes to the total number of shares specified in such Instrument;
  - (ii) commits itself to pay for such total number of shares in a manner consistent with the terms of this Resolution;
  - (iii) represents to the Corporation that it has taken all action necessary to authorize such subscription; and
  - (iv) undertakes to furnish to the Corporation such information as to the foregoing matters as the Corporation may request.
- (c) Any member who is not interested in exercising its right of subscription in respect of all or part of the shares listed in paragraph 1 above is encouraged to notify the Corporation as soon as possible, preferably no later than six months following the date of effectiveness of the increase in the authorized capital stock of the Corporation, by depositing with the Corporation, in a form acceptable to the Corporation, an Instrument of Renunciation, whereby the member irrevocably and unconditionally renounces to the subscription of the shares referred to therein.
- (d) The subscription price per share shall be \$1,000 in terms of United States dollars or other freely convertible currency or currencies; provided that, if payment is made in such currency or currencies other than United States dollars, the Corporation shall exercise its best efforts to cause such currency or currencies to be promptly converted into United States dollars and the same shall constitute payment of, or towards, the subscription price only to the extent that the Corporation shall have received effective payment of United States dollars.
- (e) Payment of the subscription price for shares subscribed shall be made, for all such shares at any time or for some such shares from time to time, prior to the third anniversary of the date of effectiveness of the increase in the authorized capital stock of the Corporation; provided that, if any member shall so request, the Board of Directors may, at any time, determine that such period shall be extended by an additional period, not in any case later than December 31, 2014, as the Board of Directors may determine at the request of such member.
- (f) Payment of the subscription price shall be made either in cash or by way of on demand non-interest bearing promissory notes denominated in United States dollars and otherwise in a form acceptable to the Corporation. Those promissory notes shall be promptly presented for encashment by the Corporation.
- (g) Shares of capital stock shall be issued to a subscribing member, which has deposited an Instrument of Subscription in accordance with paragraph 2(b) above, only as full cash payment is made or, as the case may be, promissory notes are delivered for such shares at any time or from time to time, and such member shall hold such shares upon such issue; provided, however, that all rights, including voting rights, acquired in respect of shares issued against a promissory note for which payment is not made within a period of two months of its presentation for encashment shall be suspended until payment is made, and such issued shares and related promissory note shall be canceled if payment in respect thereof is not

made on or before the date on which unpaid subscriptions become void pursuant to paragraph (j) below.

- (h) Any shares of capital stock referred to in an Instrument of Renunciation or remaining unsubscribed after the date prescribed under paragraph 2(b) above, shall be allocated from time to time, upon availability of those shares, to Saudi Arabia and Kuwait in the following proportions: Saudi Arabia (85.57%) and Kuwait (14.43%); provided, however, that the maximum number of such shares shall not exceed 2,372 shares for Saudi Arabia and 400 shares for Kuwait. Any other remaining shares shall be allocated to the members listed in paragraph 1 above (including Saudi Arabia and Kuwait), other than those members who have not deposited an Instrument of Subscription in accordance with paragraph 2 (b) above, for subscription pro rata to the number of shares initially offered to them for subscription in paragraph 1 above (with the number of shares set forth opposite Saudi Arabia and Kuwait being adjusted for the sole purpose of this calculation to 20,884 and 5,104, respectively).
- (i) Subscription of the shares referred in paragraph (h) above shall be made promptly upon allocation of those shares, but no later than six months following the date prescribed under paragraph 2(b) above, by depositing with the Corporation an Instrument of Subscription in a form acceptable to the Corporation and substantially identical to the Instrument of Subscription referred to in paragraph 2(b) above. Payment of those shares shall be made pursuant to the terms and conditions set forth in paragraphs (d), (e), (f) and (g) above.
- (j) To the extent that any shares of capital stock, which have been subscribed pursuant to this Resolution, shall not have been effectively paid for in full in United States dollars on or before the last date prescribed for payment for such shares in accordance with this Resolution, the subscription of such shares shall become void.
- (k) Subject to the provisions of paragraph 2(h) above, any shares of capital stock remaining unsubscribed or unpaid after the dates prescribed under this Resolution shall remain authorized and unissued, issuable by the Corporation in accordance with its Articles of Agreement.

(D) Periodic Shareholding Review

The Board of Governors hereby resolves that IFC shareholding shall be reviewed every five years, starting in 2015.

*(Adopted on March 9, 2012)*