



Alliance for Financial Inclusion Articles of Association

Article 1: Name, Status, Location

The body is hereby established and shall be known as the Alliance for Financial Inclusion (hereinafter referred to as “AFI”), which shall operate as an independent international organization and non-commercial entity. AFI shall be located in Kuala Lumpur, Malaysia, which shall host the AFI head office. AFI may establish offices in other countries.

*Amended on
13 September
2017*

Article 2: Juridical Personality

AFI shall have full juridical personality separate from its members and shall have perpetual succession. AFI shall have full capacity to:

- Contract;
- Sue or be sued in its own name or institute legal proceedings; and
- Acquire, hold, and dispose of assets and property.

Article 3: Objectives

3.1 AFI is a global network of financial regulatory and financial inclusion policymaking institutions from developing and emerging countries, and high-income emerging countries. Through knowledge-sharing and peer learning, AFI provides its member institutions with the knowledge, tools, and resources to develop and implement evidence-based, cutting-edge financial inclusion policies. The ultimate goal is to improve the access, usage, and quality of appropriate financial services to the unbanked through more effective policies.

*Amended on 7
September
2016*

3.1.1 Notwithstanding Article 3.1, an AFI Member that attains the developed economy status is eligible to continue as a member of AFI.

*Amended on
11 September
2019*

3.2 AFI engages with developed countries to further financial inclusion through knowledge-sharing.

*Amended on 7
September
2016*

Article 4: Prohibition against electioneering

No substantial part of the activities of the AFI shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the AFI shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

*Amended on 7
September
2016*

Article 5: Net earnings

No part of the net earnings of the AFI shall be used for the personal benefit of, or be distributable to its members, trustees, officers, or other private persons, except that AFI shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles.

*Amended on 7
September
2016*

Article 6: Composition of the Alliance for Financial Inclusion

AFI shall comprise of AFI Members, AFI Membership Council, AFI Board of Directors, AFI Committees, AFI Management Unit, Executive Director and such other officers and staff to perform such duties as AFI may determine.

Article 7: AFI Members

- 7.1 AFI Membership shall consist of Principal Members and Associate Members. One country may have up to five AFI member institutions, with a maximum of two Principal Members. Where there are two Principal Members, the Principal Members shall between themselves agree on which Principal Member shall have voting rights and advise AFI in advance. *Amended on 5 September 2018*
- 7.2 Principal Member(s) shall be the financial regulatory or financial inclusion policymaking institution(s) in the country with a mandate for financial inclusion. Associate Members shall be supporting financial regulatory and policymaking institutions in financial inclusion in the country. *Amended on 5 September 2018*
- 7.3 The AFI Management Unit will process and approve applications for AFI membership from financial regulatory and financial inclusion policymaking institutions (such as central banks, ministries of finance, and supervisory bodies) in developing and emerging countries, and high-income emerging countries. *Amended on 7 September 2016*
- 7.4 The determination of which membership category shall apply to a new applicant institution will be made by the AFI Management Unit and AFI may consult any relevant institution in the applicant's country.
- 7.5 AFI Members shall have the following rights: *Amended on 5 September 2018*
- (a) Fully paid-up Principal Members shall have the right to participate in AFI activities, attend and vote at the AFI Annual General Meeting, and to be nominated to serve as a member of the AFI Board of Directors or Committees;
 - (b) Fully paid-up Associate Members shall have the right to attend the AFI Annual General Meeting but shall not be eligible to vote at the AFI Annual General Meeting; and
- 7.6 AFI Members shall have the following responsibilities:
- (a) Adhere to the shared values and principles of the AFI network, including the commitment to prevent corrupt practices;
 - (b) Pay membership fees;
 - (c) Commit to key AFI declarations and commitments for financial inclusion;
 - (d) Actively share information on policy developments from country/institution; and
 - (e) Participate in policy discussions and network activities.

Article 8: AFI Principal Member and Associate Member Benefits

Paid-up Principal and Associate Members may be entitled to such benefits as the Board of Directors may prescribe. The Board of Directors may revise the members' benefits on an annual basis and present it to the Membership Council at the Annual General Meeting for approval. *Amended on 5 September 2018*

Article 9: AFI Membership Fee, Term of Membership and Fee Methodology

- 9.1 An annual AFI membership fee is due for payment by each AFI Member institution at the beginning of each membership term, which starts on 1 January and ends on 31 December each year. Non-payment of fees may result in membership deactivation or suspension of membership benefits as the AFI Board of Directors may from time to time provide. *Amended on 7 September 2016*

- 9.2 The AFI fee methodology will be determined by the AFI Board of Directors and submitted for approval to the AFI Membership Council on recommendation of the AFI Board of Directors during the AFI Annual General Meeting. Fees will be adjusted based on the periodic update of data used to calculate the fees, but no earlier than three years following the last adjustment. *Amended on 7 September 2016*
- Article 10: Membership Resignation**
- 10.1 An AFI Member may terminate its membership by sending written or electronic notice to the Chair of the AFI Board of Directors and/or the Executive Director (ED) of the AFI Management Unit. Written notice of at least 90 days is required to facilitate a smooth transition. *Amended on 11 September 2019*
- 10.2 Where a member serves a notice to terminate its membership, the annual AFI membership fee for the period following the notice will still be due. Where the notice period extends into the following year's fee period, the fee due shall be on a pro rata basis. The member is also required to fulfill all its pending obligations with AFI including outstanding grants, Board or Committee responsibilities, co-hosting of an event, peer reviews and assigned duties under the Working Groups until the withdrawal takes effect. The exiting AFI Member is entitled, however, to make use of its membership rights until the withdrawal takes effect. *Amended on 11 September 2019*
- Article 11: Membership Dismissal**
- 11.1 In the case of misconduct, such as the misuse of funds (grants, sponsorships), an AFI Member may be dismissed by decision of the AFI Board of Directors. The AFI Management Unit shall submit documentation outlining details of the alleged misconduct to the AFI Board of Directors, and the Member shall be informed in writing and invited to make representations before the AFI Board of Directors. For a member to be dismissed, at least two-thirds majority vote of the AFI Board of Directors is required.
- 11.2 Where a member is dismissed, the annual AFI membership fee will not be refunded. The dismissed AFI Member is *not* entitled to make use of its AFI membership rights for the remainder of the annual AFI membership term.
- Article 12: Member Disputes**
- Should any AFI-related disputes arise between or among AFI Members, the AFI Board of Directors shall arbitrate and help resolve the issue. In the case that a dispute arises between or among members of the AFI Board of Directors, other non-affected AFI Board members shall arbitrate and help resolve the dispute.
- Article 13: AFI Membership Council**
- 13.1 The AFI Membership Council is comprised of Principal Members and Associate Members who are subject to their respective rights and entitled to attend the AFI Annual General Meeting. *Amended on 5 September 2018*
- 13.2 The AFI Membership Council shall meet once a year at the Annual General Meeting. Members shall receive notice of the Annual General Meeting at least six months prior to the meeting.
- Article 14: Annual General Meetings**
- 14.1 The Annual General Meeting shall be held annually at the Global Policy Forum or where the policy forum is not held, the Annual General Meeting may be held at any location that the AFI Board of Directors may decide. Members hosting meetings of AFI must guarantee that those entitled to attend will be allowed to do so. *Amended on 7 September 2016*

- 14.2 The business of the Annual General Meeting shall be to;
- (a) Approve minutes of the previous General Meeting;
 - (b) Receive the Annual Report of the AFI Board of Directors;
 - (c) Approve or ratify appointment of Directors of the Board or members of AFI Committees;
 - (d) Receive audited statement of accounts for the past financial year;
 - (e) Elect every two years the AFI Board of Directors for a two-year term;
 - (f) Approve any alteration to membership fee structure;
 - (g) Approve any amendments to the Articles of Association;
 - (h) Approve strategic decisions affecting the entire AFI membership or changing the fundamental structure of AFI;
 - (i) Approve the AFI Annual Report; and
 - (j) Conduct any business of AFI which the AFI Board of Directors refers to it or is required to consider under these Articles.
- Amended on 7
September
2016*
- Article 15: Extraordinary General Meeting**
- 15.1 An Extraordinary General Meeting of AFI may be convened for purposes of conducting any business considered by the AFI Board of Directors to be an emergency and requiring a decision to be made by the Membership Council. *Amended on 7
September
2016*
- 15.2 The business for which the Extraordinary General Meeting is called shall be specified. No other business except confirmation of minutes of last general meeting and the business for which the meeting is called, shall be conducted at an Extraordinary General Meeting. *Amended on 7
September
2016*
- Article 16: Voting**
- 16.1 Only Principal Members are entitled to vote at the AFI Annual General Meeting with one vote per country. In the case of countries with more than one Principal Member, the decision-making shall be coordinated between or among the Principal Member institutions in compliance with one vote per country.
- 16.2 Decisions of the AFI Membership Council shall be passed by simple majority voting with at least two thirds of fully paid-up Principal Members present.
- 16.3 Approval of any fundamental change to the Articles of Association such as change to membership structure, amendments to the Articles of Association or major adjustments to the membership fee structure however, requires at least two thirds majority vote with at least two thirds of the fully paid-up Principal Members present.
- Article 17: Affiliates, Partners and Observers** *Amended on 9
September
2020*
- 17.1 AFI may enter into cooperative arrangements with partners. These are entities that support AFI shared values and principles of cooperation and have financial inclusion initiatives, objectives or influence that impact or align with AFI's strategic objectives. All cooperative arrangements entered by AFI shall be to the benefit of AFI members. *Amended on 5
September
2018*
- 17.2 AFI may admit individuals as its Affiliates. Affiliates are individuals who believe in, provide support and have the knowledge, intellectual capacity and track record, to advance AFI's financial inclusion objectives and goals but who do not fall within the categories of AFI membership or public or private partners. Affiliates may pay an affiliation fee to AFI as may be determined by the Membership Council. *Amended on 5
September
2018*

- 17.3 AFI Affiliates and Partners shall have the following roles and responsibilities:
 (a) Attend by invitation, AFI events in line with the terms agreed with AFI;
 (b) Endorse AFI's declarations and commitments for financial inclusion; and
 (c) Pay annual fees in line with the terms of engagement. *Amended on 9 September 2020*
- 17.4 AFI may admit as an Observer, a financial regulatory institution from a developed country which:
 (a) Promotes or implements financial inclusion objectives; and
 (b) Has mutual benefits for peer learning to advance financial inclusion goals of the AFI network. *Amended on 9 September 2020*
- 17.5 An Observer shall comply with the following terms and conditions:
 (a) Pay an annual Observer fee as shall be determined by the Board from time to time;
 (b) Participate in AFI events by invitation only;
 (c) Provide technical support to AFI members on invitation by AFI Management Unit;
 (d) Participate in Annual General Meeting as an observer and may speak on invitation by the Chair of the AGM but without the right to vote on any resolution; and
 (e) Not eligible to take up any role in AFI governance committees.
 (f) Adhere to AFI's collaborative approach that imbeds mutual respect and equality irrespective of status and economic differences between countries. *Amended on 9 September 2020*
- 17.6 AFI Management Unit shall process an application for Observership based on the criteria stipulated in Article 17.4 and submit to the Board for its review and decision. AFI Management Unit shall communicate the Board's decision to the applicant. *Amended on 9 September 2020*
- 17.7 An institution shall cease to be an Observer if it:
 (a) fails to pay the annual Observer fee;
 (b) fails to adhere to AFI values stipulated in Article 17.5(f); and
 (c) fails to comply with the terms and conditions of participating in AFI events, activities and Annual General Meeting stipulated in Article 17.5. *Amended on 9 September 2020*
- 17.8 Where an institution ceases to be an Observer, the annual Observer fee will not be refunded. *Amended on 9 September 2020*
- 17.9 An institution may withdraw as an Observer provided it submits a written notice of at least 90 days and meets all outstanding obligations, if any, to AFI. *Amended on 9 September 2020*
- Article 18: AFI Board of Directors**
- 18.1 **Composition and Secretariat** *Amended on 9 September 2020*
- The AFI Board of Directors shall act as the governing body of AFI, and shall consist of:
 (a) nine principal voting members elected from Principal Member institutions provided that to enhance gender balance, at least three shall be women in the event the Board has higher male representation, and men where the Board has higher female representation;
 (b) one external non-voting member selected from among AFI main funders or cooperating partners; and
 (c) the Executive Director of the AFI Management Unit who shall serve as a non-voting member of the AFI Board of Directors;
 the AFI Management Unit shall provide secretarial support during meetings of the AFI Board of Directors. *Amended on 9 September 2020*

18.2 Responsibilities

The AFI Board of Directors shall:

- (a) Provide strategic guidance to the AFI Management Unit;
- (b) Evaluate nominations for and decide on the AFI Executive Director;
- (c) Evaluate nominations to the AFI Board of Directors for the AFI Membership Council's approval;
- (d) Review the AFI Annual Report;
- (e) Decide on the establishment and approve the Terms of Reference for all Committees;
- (f) Appoint members of Committees;
- (g) Arbitrate in the case of dispute between or among AFI Members;
- (h) Integrate external (non-AFI Member) perspective, expertise, and informal advice into the governance structure of AFI through the possible establishment of advisory groups;
- (i) Propose the adjustment of membership fees for the AFI Membership Council's approval;
- (j) Propose amendments to AFI's Articles of Association for the AFI Membership Council's approval;
- (k) Ratify all cooperative arrangements entered by AFI; and
- (l) Decide on any other matter referred to it by the AFI Management Unit.

*Amended on 7
September
2016*

18.3 Powers

The AFI Board of Directors will also have the power to:

- (a) Dismiss the Executive Director, any Board Member, and Committee Member in the case of misconduct;
- (b) Decide on reduced participation, deactivation, and dismissal of an AFI Member; and
- (c) Decide on the dissolution of temporary Committees.

18.4 Voting

- (a) Decisions of the AFI Board of Directors are generally passed by simple majority vote of AFI Board of Directors with at least two thirds of all AFI Board Members present, unless otherwise provided by any specific Article.
- (b) Decisions on the adjustment of membership fees, amendments to AFI's Articles of Association, and the dismissal of an AFI Member institution require at least two-thirds majority vote with at least two thirds of AFI Board Members present.
- (c) The Chair of the AFI Board of Directors shall have a casting vote in the case of an equality of vote.

18.5 Compensation

AFI Board membership is not a paid position. Members of the AFI Board of Directors may, however, receive reimbursement of reasonable costs incurred when required to attend meetings of the AFI Board of Directors.

18.6 Eligibility

- (a) Heads or Deputy Heads of Institutions of Principal Members are eligible to serve on the AFI Board of Directors according to the term of office prescribed in Article 18.8. One term of office for the AFI Board of Directors is two years, and a Principal Member may serve a maximum of two consecutive terms. Any Board member appointed to the AFI Board of Directors following a vacancy shall be regarded as having served the first term at the expiry of the Board term. Thereafter, one full term must pass before a Principal Member that has served two consecutive terms is eligible to serve again on the AFI Board of Directors.
- (b) A Principal Member serving on the AFI Board of Directors may serve in other Committees except for the Budget and Finance Committee and the Audit Committee.

*Amended on 9
September
2020*

*Amended on 5
September
2018*

18.7 Nomination to the AFI Board of Directors

- (a) A Principal Member is entitled to nominate itself or another Principal Member to the AFI Board of Directors when there is vacancy on the AFI Board of Directors.
- (b) The AFI Board of Directors will evaluate nominations taking into account:
- (i) Eligibility, qualification, and level of AFI engagement of the nominated Principal Member including commitment to AFI's vision and values, and demonstrates historical or emerging leadership in the AFI network;
 - (ii) The need to strive for balanced economic, geographical, and gender representation of AFI Members on the AFI Board of Directors;
 - (iii) No region is represented by more than two AFI Board Members (a region refers to the grouping of member institutions into a common geographical area as may be determined by the AFI Board of Directors from time to time; currently, this includes but is not limited to Eastern Europe and Central Asia, Latin America and the Caribbean, Sub-Saharan Africa, North Africa and the Middle East, Asia, and the Pacific); and
 - (iv) At least three of the seats for Principal members should be filled in accordance with Article 18.1.
- (c) Once the nomination is approved by the Board, the nominated person as elected in accordance with Article 18.1 and Article 18.6 shall be the principal representative on the AFI Board provided that the Board may approve a nomination from among deputy heads of an institution where the existing pool of heads of institutions is insufficient to provide for gender balance as provided in Article 18.1. The principal representative should meet the following qualifications:
- (i) Substantial knowledge/experience in and contributions to the field of financial inclusion and/or at least one AFI policy area;
 - (ii) Ability to dedicate substantial time and effort to support AFI's mission as well as the mandate of the AFI Board of Directors; and
 - (iii) No potential conflict of interest with his/her other ongoing activities or commitments.
- (d) A Principal member is also required to appoint, in advance, and submit to the AFI Board of Directors the name of the alternate delegate to represent the institution in the absence of the principal representative. The alternate delegate shall be Deputy Head of institution and should have full power to bind the institution.

*Amended on 9
September
2020*

*Amended on 9
September
2020*

*Amended on
13 September
2017*

18.8 Appointment and Term

- (a) At the commencement of a new Board term, all nominated Board members shall be approved by the Membership Council.
- (b) In the case of a vacancy on the AFI Board of Directors, a nominated member will be approved by the AFI Board of Directors whose name shall be notified to the Membership Council at the next Annual General Meeting as having assumed office following the vacancy.
- (c) In case of a vacancy on the AFI Board of Directors falling before the expiry of its term, the AFI Board of Directors may in addition to any nomination from the outgoing Board member's institution, consider nominations from other AFI Members to fill the vacant position.
- (d) The term of office for the AFI Board of Directors shall be two years, and a Board Member may serve a maximum of two consecutive terms. To ensure continuity, nominations for a second term of office shall be limited to a maximum of four Board members to provide for new Board nominations.

*Amended on 7
September
2016*

*Amended on 7
September
2016*

*Amended on 7
September
2016*

*Amended on 9
September
2020*

- (e) One full term must pass before a Principal Member that has served two terms is eligible to serve again on the AFI Board of Directors. *Amended on 9 September 2020*
- (f) Any Board member appointed to the AFI Board of Directors following an unexpected vacancy during an ongoing Board term shall be regarded as having served the duration of the term if more than one year remains before its expiry. *Amended on 9 September 2020*
- (g) The AFI Board may appoint an external non-voting Board member selected from among AFI's main funders or cooperating partners with a strong track record of driving financial inclusion efforts. The institution to be considered for appointment shall demonstrate the following qualities and attributes: *Amended on 11 September 2019*
- (i) Strong support and commitment to the mission and work of AFI;
 - (ii) Has a strategic focus on financial inclusion and is aligned with AFI members' interests;
 - (iii) Supportive of AFI's strategic approach and peer learning development model;
 - (iv) Provide substantial contribution as may be determined by the Board from time to time to support its administration, programs and activities; and
 - (v) Willing to support activities that are relevant and beneficial to, and in demand by AFI members;
- provided that the institution shall not be a private sector institution incorporated to provide a financial or regulated service in any of AFI members' countries and whose activities shall not be in conflict with the activities of AFI. Once appointed, the institution shall nominate a suitably qualified official to represent it on the Board.
- (h) The term of office of an external Board member is two years and shall be aligned to the term of Board, and an external Board member may, subject to re-nomination and appointment, serve a maximum of two consecutive terms. Re-appointment of the external Board member shall be decided by the AFI Board considering commitment to the activities of the Board of Directors in the previous term and compliance to the criteria stated in Article 18.8(e). *Amended on 11 September 2019*
- 18.9 Cessation**
- A Board member shall cease to be on the AFI Board of Directors if she/he: *Amended on 7 September 2016*
- (a) becomes of unsound mind or otherwise becomes incapable of carrying out her/his duties;
 - (b) becomes separated from the institution that nominated her/him;
 - (c) is under any form of restriction or bond under any law relating to the prevention of crime;
 - (d) becomes a bankrupt, suspends payments or compounds with creditors;
 - (e) has been charged for a criminal offence under any written law punishable by imprisonment, whether by itself, or in lieu, or in addition to, a fine in any court of law; or
 - (f) is guilty of serious misconduct in relation to his duties.
- 18.10 Chair and Vice-Chair of the AFI Board of Directors**
- (a) The position of Chair of the AFI Board of Directors shall be held by a Head of a Principal Member institution. *Amended on 9 September 2020*
 - (b) The position of Chair of the AFI Board of Directors shall be assumed by rotation from the position of Vice-Chair following the ending of the term of the exiting Chair of AFI Board of Directors provided he/she does not exceed the limit of two consecutive terms. *Amended on 9 September 2020*

- (c) Where the Vice-Chair cannot assume the position of Chair due to limit of consecutive terms on the Board, the Board shall by simple majority elect a new Chair from among the qualifying Board members at its first sitting. *Amended on 9 September 2020*
- (d) The position of Vice-Chair shall be held by a Head of a Principal member institution elected by the Board at its first sitting following the approval of its constitution by the Membership Council. To ensure continuity, the Vice-Chair shall be elected by simple majority voting from among the members serving the first term of office. *Amended on 9 September 2020*
- (e) A Principal Member institution represented on the Board by a Deputy Head of institution nominated in terms of Article 18.1 qualifies to be elected as Vice Chair, provided the institution confirms to the Board in writing that the Head of institution will assume the role of Board member. *Amended on 9 September 2020*
- (f) A new Vice-Chair shall be elected from within the AFI Board of Directors by simple majority voting and with at least two thirds of all Board members present with each rotation of a new Chair. *Amended on 9 September 2020*
- (g) In the event that both the Chair and Vice-Chair have exceeded the limit of two consecutive terms, the remaining Board members shall elect a new Chair and new Vice-Chair from among themselves. *Amended on 13 September 2017*
- (h) In the event of an unexpected vacancy on the position of Chair, the Vice-Chair assume the position of Chair until the next AGM and the AFI Board of Directors shall elect a Vice-Chair from among the Board members present.
- (i) The role of the Chair is to facilitate discussions and preside over meetings of the AFI Board of Directors. The Vice-Chair will facilitate discussions and preside over meetings in the absence of the Chair. Where both the Chair and Vice-Chair are absent, the remaining Board members may elect another person from among themselves to chair the meeting.
- (j) A Principal Member from AFI's host country may serve on the AFI Board of Directors but shall not be eligible to serve as Chair or Vice-Chair of the AFI Board of Directors.
- 18.11 Resignation**
- (a) An AFI Board member as an individual may resign by sending written or electronic notice to the Chair of the AFI Board of Directors (and in the case of the Chair of the AFI Board of Directors, the Vice-Chair). Written notice at least 30 days in advance should be given to facilitate a smooth transition, unless a shorter time is agreed with the AFI Board of Directors.
- (b) In the case of separation of a Board representative of a member institution from the member institution, the representative shall cease to be a Board member. A transition period not exceeding 30 days may be given by the Chair or Vice-Chair to facilitate smooth handover. *Amended on 7 September 2016*
- 18.12 Dismissal**
- In the case of gross misconduct, an AFI Board member may be removed by decision of the AFI Board of Directors by at least two-thirds majority vote of the Board members present. Gross misconduct includes breach of duty, dishonesty, and conduct likely to bring AFI into disrepute.
- 18.13 Frequency of Meetings**
- (a) General Meetings of the AFI Board of Directors shall be held at least three times a year. Special Meetings may be called on an ad-hoc basis by the Secretary of the AFI Board of Directors. Where an urgent matter requiring Board attention arises and the AFI Board of Directors is unable to meet in a formal meeting, the AFI Board of Directors may vote on a specific issue on circulation basis without calling a meeting of the AFI Board of Directors. *Amended on 7 September 2016*
- (b) Two General Meetings of the AFI Board of Directors shall be attended in person, with one of these during the annual Global Policy Forum and the other at another venue. The third General Meeting and any Special Meetings may be held via video conferences and/or conference calls.

18.14 Notice of Meetings and Communications

General Meetings of the AFI Board of Directors shall be called by written notice of the Secretary no less than 45 days before the meeting date. The date, time, and place (if any) of such meetings will be determined by the Secretary in consultation with the AFI Board members. The Secretary shall inform the AFI Board members of the meeting agenda and circulate related documentation at least 14 days prior to the scheduled date of the meeting. Special Meetings may be called with shorter notice.

18.15 Meeting Participation

- (a) AFI Board members shall make every effort to attend all meetings. An AFI Board member who cannot attend a meeting may appoint an alternate delegate in accordance with Article 18.7 to represent the member and vote on behalf of the AFI Board member in a meeting.
- (b) The Annual General Meeting and Global Policy Forum are mandatory and only in exceptional circumstances may an AFI Board member be represented by the alternate qualified substitute at the Annual General Meeting and Global Policy Forum.
- (c) An AFI Board member who misses three consecutive General and Special Meetings may have their Board membership reconsidered by the AFI Board of Directors.

18.16 Record of Meetings

Decisions, advice, and recommendations made in a meeting of the AFI Board of Directors shall be recorded and meeting minutes shall be distributed to all members of the AFI Board of Directors. The minutes of an AFI Board of Directors meeting shall be approved by the AFI Board of Directors at the following meeting and retained in the permanent records of AFI.

Article 19: AFI Committees

19.1 Role and Composition

- (a) Committees shall provide specialized support to the AFI Board of Directors.
- (b) Committees are either permanent, or temporary (established for a two-year period or less). The Budget and Finance Committee, the Audit Committee, the Global Standards and Policy Committee and the Gender Inclusive Finance Committee, are permanent Committees that can only be dissolved by modification of AFI's Articles of Association. Other permanent Committees can be similarly established and dissolved by modification of the Articles of Association. Temporary Committees can be established and dissolved by decision of the AFI Board of Directors and will operate for a fixed duration to achieve a predefined set of objectives. Each Committee will operate in accordance with its specific Terms of Reference. The AFI Board of Directors shall approve members to serve on any temporary Committee.
- (c) Each Committee shall consist of five to seven members. The Executive Director shall nominate an appropriate AFI Management Unit representative to serve as the Secretary of a Committee.
- (d) A Committee may permit other persons with relevant expertise to attend its Committee meeting when it is required but such other persons are not eligible to vote on any matter called to a vote.

*Amended on
11 September
2019*

19.2 Responsibilities

A Committee will have the responsibilities as set forth in the Terms of Reference for that specific Committee, as determined by the AFI Board of Directors.

19.3 Voting

Decisions of the Committees are made by simple majority with at least two thirds of all Committee members present. The Chair of the Committee shall have a casting vote in the case of an equality of vote.

19.4 Compensation

Committee membership is not a paid position. Committee members may, however, receive reimbursement of reasonable costs incurred when required to attend Committee meetings in person.

19.5 Eligibility

- (a) Only Principal Members are eligible to serve on a Committee. Principal Members serving on a Committee are eligible to serve on the same Committee for a maximum of two consecutive terms. Thereafter, one full term must pass before the Principal Member is eligible to serve again on the same Committee.
- (b) A Principal Member on the AFI Board of Directors may serve in other Committees except for the Budget and Finance Committee and the Audit Committee.
- (c) A Principal Member may serve on more than one Committee, including the Budget and Finance Committee or the Audit Committee.

*Amended on 5
September
2018*

*Amended on 5
September
2018*

19.6 Nomination to the AFI Committee

- (a) A Principal Member is entitled to nominate itself or another Principal Member to any AFI Committee when there is vacancy.
- (b) The AFI Board of Directors will evaluate nominations taking into account:
 - (i) Eligibility, qualification, and level of AFI engagement of the nominated Principal Member;
 - (ii) The need to strive for balanced economic, geographical and gender representation of AFI Members on the AFI Committee; and
 - (iii) No region is represented by more than two AFI Committee Members (a region refers to the grouping of member institutions into a common geographical area as may be determined by the AFI Board of Directors from time to time; currently, this includes but is not limited to Eastern Europe and Central Asia, Latin America and the Caribbean, Sub-Saharan Africa, North Africa and the Middle East, Asia, and the Pacific).
- (c) The nominated Principal Member should then propose a delegate to represent the institution and who meets the following qualifications:
 - (i) Commitment to AFI's vision and values;
 - (ii) Demonstrated historical or emerging leadership in the AFI network;
 - (iii) Substantial knowledge/experience in and contributions to the field of financial inclusion and/or at least one AFI policy area;
 - (iv) Ability to dedicate substantial time and effort to support AFI's mission as well as the mandate of the Committee;
 - (v) No potential conflict of interest with his/her other ongoing activities or commitments; and
 - (vi) Leadership position in the Principal Member institution.

*Amended on 5
September
2018*

19.7 Appointment and Term

- (a) Any new permanent Committee members will be proposed by the AFI Board of Directors to the Membership Council during the Annual General Meeting. Following approval by the AFI Membership Council, the new AFI Committee members will commence their roles at the conclusion of the corresponding Global Policy Forum.
- (b) Each AFI Committee member will be appointed for a two-year term.
- (c) For permanent Committees, a Principal Member is eligible to serve on the same Committee for a maximum of two consecutive two-year terms. Thereafter, at least one full term of two years shall pass before the Principal Member is eligible to serve again on the same Committee. AFI permanent Committees will strive to retain at least half of its members in office to ensure continuity.

- (d) In the event of an unexpected vacancy (e.g. as a result of the delegate's death, resignation or dismissal), the AFI Board of Directors shall appoint a new Committee member. The member institution from which a vacancy arises may nominate a replacement to be considered alongside candidate similarly nominated.

19.8 Chair and Vice-Chair of the AFI Committee

- (a) Committee members shall elect a Chair as well as a Vice-Chair from within the group by simple majority with at least two thirds of all Committee members present. For permanent Committees, at the end of the first two-year period, the Vice-Chair shall serve as the Chair for the following period to ensure continuity. A new Vice-Chair shall be elected by the Committee with each rotation of a new Chair.
- (b) The role of the Chair is to facilitate discussions and preside over meetings of the Committee. The Vice-Chair will facilitate discussions and preside over meetings in the absence of the Chair.

19.9 Resignation

- (a) A Committee member as an individual may resign by sending written or electronic notice to the Chair of the Committee (and in the case of the Chair of the Committee, the Vice-Chair). Written notice at least 30 days in advance should be given to facilitate a smooth transition, unless a shorter time is agreed with the AFI Board of Directors.
- (b) In the event of separation of a Committee member from a member institution, the member shall cease to be Committee member and the AFI Board of Directors may appoint a replacement.

*Amended on 7
September
2016*

19.10 Dismissal

In the case of gross misconduct, a Committee member may be removed by decision of the AFI Board of Directors. Gross misconduct includes breach of duty, dishonesty, and conduct likely to bring AFI into disrepute.

19.11 Frequency of Meetings

A Committee shall meet at least twice per year, of which at least once shall be in person. Other meetings may be held via videoconference and/or conference calls.

19.12 Notice of Meetings and Communications

A meeting requiring attendance in person shall be called by written notice by the Committee Chair no less than 45 days before the meeting date. Other meetings may be called with shorter notice. The date, time, and place (if any) of such meetings will be determined by the Chair and AFI Management Unit in consultation with the Members of the respective Committee. The Chair or the AFI Management Unit shall inform the members of the respective Committee of the meeting agenda and related documentation at least 14 days prior to the scheduled day of the meeting.

19.13 Meeting Participation

- (a) Committee members shall make every effort to attend all meetings. A Committee member who cannot attend a meeting may appoint a qualified substitute to represent and vote on behalf of the Committee member in a meeting.
- (b) Notwithstanding the above provision, a Committee member who misses three consecutive meetings may have their Committee membership reconsidered by the AFI Board of Directors.

19.14 Record of Meetings

All resolutions of a Committee shall be recorded and minutes of the meeting shall be distributed to all Committee members. The minutes of a Committee meeting shall be approved by the respective Committee at the following meeting and retained in the permanent records of AFI.

- Article 20: AFI Management Unit**
- 20.1 Role and Responsibility**
The AFI Management Unit is the Secretariat of the AFI Board of Directors and is responsible for the execution of AFI’s mission. *Amended on 7 September 2016*
- 20.2 Executive Director**
The Executive Director shall be appointed by the AFI Board of Directors as the head of the AFI Management Unit and shall be accountable to the AFI Board of Directors. The Executive Director shall be responsible for heading the AFI Management Unit’s operations. The Executive Director shall appoint members of staff of the AFI Management Unit striving for balanced gender representation, and determine their duties and conditions in accordance with a service scheme approved by the AFI Board of Directors. *Amended on 5 September 2018*
- 20.3 Tenure, Resignation, and Dismissal of Executive Director**
- (a) The Executive Director shall serve for a term of five years, and is eligible for reappointment by the AFI Board of Directors.
 - (b) In case of gross misconduct, the Executive Director may be removed by resolution of the AFI Board of Directors. Gross misconduct includes breach of duty, dishonesty, and conduct likely to bring AFI into disrepute.
 - (c) In the event of unexpected vacancy (e.g. as a result of death, resignation, or dismissal), the AFI Board of Directors will appoint a new Executive Director. The Chair of the AFI Board of Directors may appoint an acting Executive Director in the interim.
- 20.4 The Executive Team**
The Executive Director shall be supported by Deputy Executive Director and the Chief Operations Officer, together they shall constitute the AFI Executive Team. The AFI Executive Team is responsible for the day-to-day operations of AFI, which includes: *Amended on 11 September 2019*
- (a) Execution of AFI services and programs;
 - (b) Organization of AFI events;
 - (c) Coordination of meetings of the AFI Board of Directors and Committees;
 - (d) Execution of agreements and contracts according to the delegation of authority mandate to be approved by the Board from time to time;
 - (e) Membership fee collection and registration;
 - (f) Keeping accurate records and accounts; and
 - (g) Generation of annual and financial reports.
- 20.5 Control from External Influence**
In the discharge of their duties, the Executive Director and the staff of the AFI Management Unit shall not seek or accept instructions from any government, person, or any external authority. They shall refrain from any actions which might adversely reflect on their positions as international officials. *Amended on 7 September 2016*
- Article 21: Conduct**
The Executive Director and staff of the AFI Management Unit shall be committed to the highest ethical standards in the furtherance of the functions and objectives set forth under these Articles. They will conduct themselves with integrity in all dealings with and on behalf of AFI, conscientiously strive for excellence in their work and be accountable for their ethical conduct and compliance with applicable laws and AFI policies and procedures. *Amended on 7 September 2016*
- Article 22: Funding and Resources**
- 22.1** AFI will be funded by member subscriptions calculated in accordance with the membership scheme to be approved by the Members from time to time and by voluntary contributions from Members. *Amended on 7 September 2016*

22.2 AFI may also receive funds, grants and donations from other organizations and partners that share similar ideals. *Amended on 7 September 2016*

Article 23: AFI Fund and Investments

AFI may establish a Fund and make investments of its funds in such form or forms as it may deem appropriate in the circumstances. The AFI Board of Directors will approve AFI's Investment Guidelines. *Amended on 7 September 2016*

Article 24: Financial Statements

24.1 The financial year of AFI shall begin on 1st January and end on 31st December. *Amended on 7 September 2016*

24.2 The financial statements of AFI shall be prepared in accordance with International Financial Reporting Standards. *Amended on 7 September 2016*

Article 25: External Audit

25.1 The appointment of the external auditor shall be in accordance with international standards and shall be approved by the AFI Board of Directors based on the recommendation of the AFI Audit Committee. *Amended on 5 September 2018*

25.2 The annual financial statements of AFI shall be audited by an independent external auditor, reviewed by AFI's Audit Committee, approved by the AFI Board of Directors, and submitted to the AFI Membership Council at the Annual General Meeting. *Amended on 5 September 2018*

25.3 The audited financial statements of AFI shall be made publicly available. *Amended on 7 September 2016*

Article 26: Dissolution of AFI

26.1 The AFI may be dissolved only on approval by at least two-thirds majority vote of the fully paid up Principal Members following a submission of a full Board resolution calling for the dissolution of AFI. *Amended on 7 September 2016*

26.2 Upon the dissolution of the AFI, its assets and property should be used for settlements of the AFI's debts, obligations, and necessary final expenses. Any assets lawfully available for distribution after settlement of such debts, obligations, and expenses, shall be distributed to one or more other organizations, or governmental bodies, as selected by the AFI Board of Directors for a public or charitable purpose. The criteria for selecting the asset recipient in the event of AFI's dissolution shall be explicitly aligned to the objectives of AFI in the decision made by way of selective tender. *Amended on 7 September 2016*

26.3 The following procedures shall apply in the distribution of assets upon dissolution of AFI: *Amended on 7 September 2016*

- (a) The AFI Management Unit shall develop a dissolution plan which must include a proposal for how the assets are to be distributed. The proposal should list the name, address and purpose/objective of each proposed recipient, the amount or asset to be distributed to each proposed recipient, and the means of transfer (for example, transfer of cash from one bank account to the other, or the transfer of title of the asset);
- (b) For the purpose of accountability and controls, the asset distribution plan shall prescribe a timeline for distribution of assets and the authorized signatories for validation of asset transfer transactions;
- (c) The AFI Management Unit shall present the dissolution plan including the asset distribution proposal to the AFI Board of Directors for approval;

- (d) The AFI Board of Directors shall consider the asset distribution plan based on the proposed recipient's programs, services offered, relevance of its purpose to the purpose of AFI, and the potential for continuity of AFI's purpose through the recipient's activities; and
- (e) The AFI Board of Directors shall upon consideration of the dissolution plan, vote to approve, reject or revise the plan. The distribution of AFI's assets can only be effected when the dissolution plan including the asset distribution proposal is approved by a majority of the AFI Board of Directors.
- 26.4** Any residual assets not so disposed of shall be disposed of by a Court of competent jurisdiction in Malaysia or such other county in which the principal office or regional office is located, exclusively for such purposes or to such organization or organizations, as the said Court shall determine, which are organized and operated exclusively for such purposes as provided in Article 25.3 (d). *Amended on 7 September 2016*
- Article 27: Miscellaneous Provisions**
In addition to the provisions specified elsewhere in these Articles, AFI shall have the power to:
- (a) borrow funds, to support its operations and in that connection to furnish such collateral or other security as it shall determine; provided, however, that before providing such collateral or making such undertaking the prior approval of the AFI Board of Directors shall be obtained; and
- (b) invest funds not immediately required to finance its programs in such obligations as it may determine in any marketable securities in any jurisdiction of an AFI Member or any other jurisdiction deemed appropriate for such investment in accordance with investment guidelines to be approved by the AFI Board of Directors. *Amended on 7 September 2016*
- Article 28: Interpretation and Arbitration**
- 28.1** Any question of interpretation of the provisions of these Articles arising between any Member and AFI or between any Members of AFI shall be submitted to the AFI Board of Directors for its decision. The decision taken by the AFI Board of Directors shall be final. *Amended on 7 September 2016*
- 28.2** Whenever a disagreement arises between AFI and an institution which has ceased to be a member, such disagreement failing amicable resolution may be submitted to arbitration by a tribunal of three arbitrators, one appointed by AFI, another by the institution involved and an umpire to be appointed on agreement between the institution and AFI. The umpire shall have full power to settle all questions of procedure in any case where the parties are in disagreement with respect thereto. *Amended on 7 September 2016*
- Article 29: Effective Date of AFI's Articles of Association**
- 29.1** The AFI's Articles of Association shall come into effect and AFI shall be formally established on the date when no fewer than five Principal Members ascribe their duly authorized signatures below.
- 29.2** After these Articles of Association shall have entered into effect, it shall be open for signature on behalf of any member whose membership has been approved pursuant to Article 7 by submission of a prescribed membership affirmation form.

IN WITNESS WHEREOF the following Principal Members have set their respective hands:

Abraão F. de Vasconcelos, Governor
Banco Central de Timor-Leste
28 May 2015



Daniel Schydrowsky, Superintendent
Superintendencia de Banca Seguros y AFP (SBS) del Peru
5 June 2015



Atiur Rahman, Governor
Bank Bangladesh
10 June 2015



Georgette Jean-Louis, Board Member
(on behalf of the Governor)
Banque de la Republique d'Haiti
11 June 2015



Tan Sri Dato' Zeti Akhtar Aziz, Governor
Bank Negara Malaysia
29 July 2015

