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#### COVER NOTE

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From:	Ms Marjut SANTONI, Secretary General of the European Investment Bank
date of receipt:	11 October 2018
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

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Subject:	Amendment of the EIB's Statute - Request to launch the Article 308 procedure
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Delegations will find attached the EIB's request to the Council to amend the EIB's Statute based on the special legislative procedure laid down in Article 308 TFEU.

HAVING REGARD TO Article 308 of the Treaty on the Functioning of the European Union, pursuant to which the European Investment Bank may request the Council to amend the Statute by special legislative procedure,

WHEREAS the United Kingdom is expected to withdraw from the European Union as of 30 March 2019 in accordance with the provisions of Article 50 of the Treaty on European Union,

WHEREAS in accordance with Article 308 of the Treaty on the Functioning of the European Union, the members of the European Investment Bank are the Member States,

WHEREAS the withdrawal of the United Kingdom from the European Union will bring an end to the membership of the United Kingdom in the European Investment Bank, to its subscribed capital in the Bank, to its right to nominate members and alternate members of the Board of Directors, and to the term of office of the members and alternate members of the Board of Directors nominated by the United Kingdom,

WHEREAS the maintenance of the capital of the Bank requires an increase of the capital subscribed by the remaining Member States,

WHEREAS the increase of the capital subscribed by the remaining Member States should go in parallel with a further strengthening of the governance of the Bank,

WHEREAS the function of the Board of Directors should be strengthened, allowing the nomination of additional alternates, and better use should be made of alternate Board members and non-voting experts to enhance their support to the decision-making process of the Board of Directors, in particular regarding the analysis of financing proposals,

WHEREAS the use of qualified majority voting in the Board of Directors and the Board of Governors should be extended to crucial areas, namely the decision on the Bank's Operational Plan, the appointment of members of the Management Committee and the approval of the Rules of Procedure,

WHEREAS the Bank should take further initiatives to reflect, in line with best banking practice, the principles of "three lines of defence", at all relevant levels of the institution, including in the Management Committee,

WHEREAS in line with Member States' expectations, lending volumes should be kept sustainable and a framework for determining sustainable lending levels should be further developed,

WHEREAS the function of the Audit Committee shall be strengthened by making sure that the Committee has amongst its members knowledge on supervisory issues, the selection process for members of the Audit Committee should also be explored to ensure, *inter alia*, that the Audit Committee always includes members drawn from a banking supervisory authority from both inside and outside the euro area,

WHEREAS certain of these changes require changes to the Statute of the European Investment Bank,

**THE BOARD OF GOVERNORS OF THE EUROPEAN INVESTMENT BANK HAS THEREFORE DECIDED TO SUBMIT THE FOLLOWING REQUEST TO THE COUNCIL IN ACCORDANCE WITH ARTICLE 308 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION:**

The European Investment Bank hereby requests the Council, in accordance with the procedure set out in Article 308 of the Treaty on the Functioning of the European Union, to amend Protocol (No. 5)

on the Statute of the European Investment Bank as follows, and to provide that the amendments take effect immediately on the withdrawal of the United Kingdom from the European Union.

(1) Article 4, Paragraph 1, shall be amended as follows:

(a) The following line in the list after the first sentence shall be deleted:

‘United Kingdom 39 195 022 000’

(b) Unless a decision to increase the capital of the Bank has been adopted with effect immediately on or before the withdrawal of the United Kingdom from the European Union, the first sentence shall be replaced by the following:

‘The capital of the Bank shall be EUR 204 089 132 500, subscribed by the Member States as follows:’

(2) Article 7, Paragraph 3, Subparagraph (h), shall be replaced by the following:

‘(h) approve, acting by a qualified majority, the Rules of Procedure of the Bank.’

(3) Article 9, Paragraph 1, shall be amended as follows:

The following words shall be inserted at the end of the first Subparagraph:

‘It shall, acting by a qualified majority, decide on the Bank’s operational plan.’

(4) Article 9, Paragraph 2, shall be amended as follows:

(a) The first sentence shall be replaced by the following:

‘The Board of Directors shall consist of twenty-eight directors and of alternate directors nominated in accordance with the provisions of this Article.’

(b) The third Subparagraph shall be replaced by the following:

‘The alternate directors shall be appointed by the Board of Governors for five years as shown below:

- two alternates nominated by the Federal Republic of Germany,
- two alternates nominated by the French Republic,
- two alternates nominated by the Italian Republic,
- two alternates nominated by common accord of the Kingdom of Spain and the Portuguese Republic,
- three alternates nominated by common accord of the Kingdom of Belgium, the Grand Duchy of Luxembourg and the Kingdom of the Netherlands,
- four alternates nominated by common accord of the Kingdom of Denmark, the Hellenic Republic, Ireland and Romania,
- six alternates nominated by common accord of the Republic of Estonia, the Republic of Latvia, the Republic of Lithuania, the Republic of Austria, the Republic of Finland and the Kingdom of Sweden,
- nine alternates nominated by common accord of the Republic of Bulgaria, the Czech Republic, the Republic of Croatia, the Republic of Cyprus, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic,

- one alternate nominated by the Commission.'

(5) In Article 11, Paragraph 1 first Subparagraph, the words "acting by a qualified majority" shall be inserted after the words "the Board of Governors" and after the words "the Board of Directors".