

INTERNATIONAL RUBBER STUDY GROUP

# Constitution

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Effective as at 1 July 2011

*This amendment to the Constitution was decided at the Heads of Delegation meeting on **14 July 2011** and is effective as of **1 July 2011***

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## Foreword

The International Rubber Study Group (hereafter referred to as the Group) was established in 1944 with the status of a recognised international organisation in the United Kingdom. The Group has been based in Singapore, recognised as an international organisation, since 1 July 2008.

### I Objectives

1. The Group provides a forum for the discussion of issues affecting the production and consumption of, as well as trade in, natural and synthetic rubbers. The Group aims to collect and disseminate comprehensive statistical information on the world rubber industry thereby increasing the transparency in rubber markets and market trends.
2. The Group may cooperate with other international organisations which are relevant for achieving its objectives.

### II Functions

1. The Group shall meet periodically at times and places convenient to Members for the purposes of reviewing the statistical position and of discussing common issues of the rubber industry.
2. The Group shall make or commission such reviews and studies of the world rubber situation as it sees fit, paying regard particularly to the provision of comprehensive information on the supply and demand position and its probable development.

### III Definitions

1. The "**Group**" means the International Rubber Study Group (IRSG).
2. "**Heads of Delegation**" means the highest authority of the Group composed of the representatives of the Members.
3. "**Host Country**" means the Member with whom the Group has concluded a Headquarters Agreement.

4. Any reference in this Constitution to "**Member**" or "**Country**" shall be construed as including the European Union and any intergovernmental organisation having exclusive competence over matters covered by this Constitution and responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements.
5. **World Rubber Summit** is a public conference for industry and governments organised by the IRSG.
6. **Natural rubber producer** is any Member whose production of natural rubber exceeds its consumption of natural rubber.
7. **Rubber consumer** is any Member other than a natural rubber producer.
8. **Natural rubber** is the product derived from latex from the *Hevea brasiliensis* tree.
9. **Synthetic rubber** comprises thermoset elastomers, based on the polymerisation process, which is the chemical assembly of monomers to form a polymer.
10. **Rubber** is natural rubber or synthetic rubber excluding reclaimed forms of rubber.
11. "**Simple majority**" means a majority of votes.

#### **IV Headquarters**

The Headquarters of the Group shall be in the territory of a Member and the Group shall maintain there a Secretariat for conducting its work.

#### **V Membership**

1. Membership to the Group shall be open to Countries interested in the production or consumption of, or trade in, natural and synthetic rubbers.
2. There shall be two categories of membership in the Group, namely natural rubber producers and rubber consumers.

## **VI Obligations of Members**

1. Members shall use their best endeavours to provide the Secretariat with accurate statistics concerning the production and consumption of, and trade in rubber for their respective territories and with such other information as is pertinent to current estimates and future trends.
2. If a Member has not provided, for two consecutive years, accurate statistics and information required and no satisfactory explanation is forthcoming, the Heads of Delegation shall take such action as they deem appropriate.

## **VII Voting Rights and Procedures**

1. Members shall together hold the total number of 100 votes.
2. Votes shall be distributed among Members in accordance with their respective annual share of contributions.
3. Whenever the membership changes or when any Member has its voting rights suspended or restored under any provision, the votes shall be recalculated and redistributed to the Members prior to the next vote.
4. Each Member shall be entitled to cast the number of votes it holds, and no Member shall be entitled to divide its votes.
5. By writing to the Chairperson of the Heads of Delegation, the Statistical and Economic Committee or other committees, any natural rubber producer may authorize any other natural rubber producer and any rubber consumer may authorize any other rubber consumer to represent its interests and to cast its votes at any meeting.
6. The presence of a simple majority of Members that includes at least two natural rubber producers and two rubber consumers shall be necessary to constitute a quorum at any meeting of the Group.
7. Voting procedures
  - 7.1. Decisions at all meetings shall, whenever possible, be made by consensus without contrary votes, formal objections or reservations of position. Chairpersons of meetings shall at all times strive to obtain consensus for all decisions, and where positions are reserved, sufficient time shall - if at all possible - be allowed for compromise and consensus to be achieved.

- 7.2.** If, in the opinion of the Chairperson of the meeting there is no possibility of achieving consensus on any matter, it shall be put to a vote.
- 7.3.** Voting shall normally be conducted so as to maintain the maximum transparency in decision-making, and shall at the sole discretion of the Chairperson of the meeting be by show of hands or by roll call. In exceptional circumstances the Chairperson may decide that a secret ballot or a postal vote of the appropriate membership may be required. At the request of one or more Members the Chairperson shall call for a secret ballot.
- 7.4.** Decisions by vote shall, subject to the provisions of paragraphs 7.5 and 7.6 below, normally be made by a simple majority of those present and voting, provided that an affirmative vote from at least two natural rubber producers and two rubber consumers is cast. When abstaining, a Member shall be deemed not to have cast its votes.

Where a Member avails itself of the provisions of paragraph 5 of this article, and its votes are cast at a meeting, such Member shall, for the purposes of paragraphs 7.4, 7.5 and 7.6 of this article, be considered as present and voting.

- 7.5.** Decisions by vote concerning
- a. the selection of Secretary-General;
  - b. approval of budget; and
  - c. suspension of rights of a Member as referred to in article XIV paragraph 4

shall require a simple majority within the group of the natural rubber producers as well as within the group of the rubber consumers present and voting; and in addition, these combined votes shall comprise at least two-third majority of those present and voting.

- 7.6.** Decisions concerning
- a. revision or termination of the Headquarters Agreement;
  - b. amendment or termination of the Constitution;
  - c. location of Headquarters; and
  - d. approval of the draft audited accounts

shall be determined only by consensus.

## **VIII World Rubber Summit**

The Group shall meet annually in the territory of a Member. However, when the World Rubber Summit is organised in the territory of a non-Member, the Group meetings may be held there instead. If no invitation is received and accepted, the World Rubber Summit shall be held in the Host Country. Non-Member, Industry advisers and other experts and observers can be invited to attend the World Rubber Summit.

## **IX Heads of Delegation**

- 1.** The Members constituting the Group shall each appoint one representative who may be accompanied by advisors at any Heads of Delegation meeting.
- 2.** The Chairperson and Vice-Chairperson shall be elected by the Heads of Delegation and shall hold office for two financial years of the Group; they shall be eligible for re-election for one more term.
- 3.** The Heads of Delegation shall meet at the Headquarters or such other place as they may decide.
- 4.** The Heads of Delegation shall meet at least once in the first half of each calendar year and at such other times as the Heads of Delegation may determine.
- 5.** If its representative is unable to be present at a meeting of the Group, any Member may be represented by an alternate. Such alternate shall be accorded all the privileges of a representative, including voting rights.

6. The Heads of Delegation may appoint other committees or advisory panels as may from time to time be deemed necessary and shall determine their membership and functions.
7. The Heads of Delegation shall appoint independent auditors for the purpose of auditing the accounts of the Group.
8. The Heads of Delegation shall authorise the preparation and publishing of such studies of the world rubber position and such other subjects as it deems fit.
9. The Heads of Delegation shall adopt the Rules of Procedure of the Group.

## **X The Secretariat and the Secretary-General**

1. The Secretariat is established for the proper conduct of the work of the Group.
2. The Secretary-General shall be the executive head of the Secretariat and responsible to the Heads of Delegation for its work.
3. The Secretary-General shall be appointed by the Heads of Delegation for a term of four years, renewable for another term up to four years. The rules for the selection shall be decided by the Heads of Delegation.
4. The Heads of Delegation shall decide on the responsibilities of the Secretary-General.
5. The functions of the Secretariat are
  - a. to provide the best possible information on statistics and on wider economic matters related to rubber;
  - b. to prepare and implement the work programme;
  - c. to provide a link between Members on rubber matters between meetings;
  - d. to make the necessary preparations for meetings; and
  - e. to maintain liaison with the other international organisations and industry whose work is relevant and of interest to the work of the Group.



## **XI The Statistical and Economic Committee**

- 1.** The Statistical and Economic Committee shall consist of all Members who wish to serve on it.
- 2.** The Committee shall draw upon the expertise of the Industry Advisory Panel.
- 3.** Members within the Committee shall elect the Chairperson and Vice-Chairperson from amongst themselves or from the Industry Advisory Panel. These officers shall serve for two financial years and be eligible for re-election for one more term.
- 4.** The Committee shall meet once each calendar year - and at such other times as the Committee may determine.
- 5.** The Committee shall :
  - a.** analyse and review the statistical data provided by the Secretariat on the rubber supply/demand positions;
  - b.** approve, monitor and review the Secretariat Work Programme, taking into account any views and recommendations made to it by the Industry Advisory Panel; and
  - c.** make recommendations to the Heads of Delegation concerning the initiation, continuation and publication of papers prepared in the Work Programme including the submission of this report thereon to the Head of Delegations for approval.

## **XII The Industry Advisory Panel**

- 1.** The Heads of Delegation shall establish an Industry Advisory Panel to provide a channel of communication with input from all sides of the rubber sector, including industry, commerce, academy, research and technology. The Heads of Delegation shall set up a transparent procedure to select the members of the Industry Advisory Panel.
- 2.** The Industry Advisory Panel shall elect its own Chairperson and Vice-Chairperson. These officers shall serve for two financial years and be eligible for re-election for one more term.

3. The Industry Advisory Panel shall :
  - a. contribute views and recommendations towards the establishment of the Secretariat work programme;
  - b. assist the Statistical and Economic Committee in the monitoring and reviewing the Secretariat work programme;
  - c. assist the Statistical and Economic Committee in appraising project proposals funded by other bodies; and
  - d. make reports and recommendations as considered appropriate to the Heads of Delegation.
4. The Industry Advisory Panel shall meet at least once a year and at such other times as the Industry Advisory Panel may determine. Members shall have observer status at Industry Advisory Panel meetings as appropriate.
5. The Industry Advisory Panel as represented by its Chairperson or Vice-Chairperson shall be observer in all Heads of Delegation meetings as appropriate.

### **XIII Status**

1. The Group shall have legal personality. It shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings as governed by the Headquarters Agreement concluded between the Host Country and the Group.
2. The status, privileges and immunities of the Group, of its Secretary-General, its staff and experts, and of representatives of Members while in the territory of the Host Country for the purpose of exercising their functions, shall be governed by the Headquarters Agreement concluded between the Host Country and the Group.

### **XIV Budget and Financial Rules**

1. Members shall contribute on an agreed basis the income required for the activities of the Group. All sums due from Members shall be in the currency of the host country.
2. Of the approved annual budget, 60% shall be met by basic contributions as paid in equal amount by all Members. The balance of 40% of the approved budget shall be paid by Members in proportion to the average of their production or consumption (whichever is the larger) of rubber in

the three calendar years before the financial year in question. In the absence of necessary statistics, the Secretary-General shall determine by the best information available the contribution to be paid and shall invite the Members concerned to agree to this assessment.

3. New Members joining the Group during the course of a financial year shall pay pro rata (per month) contribution for the remainder of the year. Contributions received from new Members shall not affect contributions by existing Members in the financial year in question, but shall be taken into account in assessing contributions in the ensuing year.
4. Members with two years' contributions unpaid shall, unless the Group otherwise decides, have their rights suspended until arrears of all previous years and contributions for the current year have been met.

## **XV Amendments**

1. The Heads of Delegation may, by consensus in accordance with Article VII, paragraph 7.6, adopt amendments to this Constitution. The Secretariat shall notify the Members of the amendments.
2. The Heads of Delegation shall specify the date and procedures for the application of the amendments.

## **XVI Joining, Withdrawal and Exclusion from the Group**

1. Joining the Group shall be effected by notification to the Secretary-General.
2. Upon joining, the European Union or any intergovernmental organisation referred to in article III, paragraph 4, shall deposit a declaration with the Secretariat issued by the appropriate authority of such organisation specifying the nature and extent of its competence over matters governed by this Constitution, and shall inform the Secretariat of any subsequent substantial change in such competence. Where the European Union or any intergovernmental organisation declares exclusive competence over all matters governed by this Constitution, the Member States of such organisations shall not be eligible to become members of the Group and those being Members shall withdraw from the Group.
3. Notice of withdrawal by a Member shall be delivered in writing to the Secretary-General by 1 November to be effective on 30 June of the

subsequent calendar year. Members giving notice after 1 November shall be liable for the membership contributions for the next ensuing financial year.

4. If the Heads of Delegation decide that any Member is in breach of its obligations under this Constitution, it may, by consensus, exclude that Member from the Group. The Member who is in breach of its obligations shall not vote on its own matters.
5. Financial obligations to the Group incurred by a Member under this Constitution before its withdrawal or exclusion, shall not be terminated by withdrawal or exclusion.
6. A Member that has withdrawn from or been excluded from the Group shall not be entitled to any share of the proceeds of liquidation or the other assets of the Group nor shall such Member be liable for payment of any part of the deficit, if any, of the Group upon termination of this Constitution.

## **XVII Termination**

1. This Constitution shall remain in effect unless the Heads of Delegation decide by consensus to terminate it.
2. Notwithstanding the termination of this Constitution, the Heads of Delegation shall continue in being for a period not exceeding 18 months to carry out the liquidation of the Group, including the settlement of accounts, and, subject to relevant decisions to be taken by consensus in accordance with article VII, paragraph 7.6, shall have during that period such powers and functions as may be necessary for these purposes.