

# By-Laws of the ifo Institute

(approved at the General Meeting on June 29, 2011)

## § 1 Name and residence of the Association

- (1) The name of the Association is  
“ifo Institut – Leibniz-Institut für Wirtschaftsforschung an der Universität München e.V.”  
(ifo Institute – Leibniz Institute for Economic Research at the University of Munich).
- (2) The Association has its seat in Munich; it is entered in the Munich Association Register.
- (3) The business year is the calendar year.

## § 2 Purpose of the Association

- (1) The Association pursues non-profit purposes, exclusively and directly, in accordance with the section on tax-deductible purposes of the German tax code. The purpose of the Association is the promotion of science and research. This purpose is fulfilled especially by
  - empirical economic research, especially the conducting of research projects and research events as well as research collaborations;
  - data collection and analysis in the area of economics and economic policy, including with the help of science-based surveys;
  - making research results, data, and information available via publications, events, and other media forms to researchers, to decision-makers in politics, administration, and business, and to the general public with the goal of participating in the public policy debate as well as providing the scientific basis for decisions; and
  - the promotion of young researchers.
- (2) The Association acts non-profitably; it does not pursue profit-oriented goals as a first priority.
- (3) The funds of the Association can be used only for the purposes mentioned in Art. 2. Its members do not receive any remuneration from the funds of the Association. They have no claims on the property of the Association when they leave or in the case of the dissolution of the Association.
- (4) No person can receive favorable treatment in the form of payments that do not serve the purposes of the Association or a disproportionately high remuneration.

## § 3 Membership in the Association

- (1) Membership in the Association is open to all individual or legal persons. The Executive Board renders decisions on membership.
- (2) Membership is terminated:

1. on written notification by the member at the end of a business year; the notice must be received by the Executive Board at least three months before the end of the business year;
2. by exclusion following a decision of the Administrative Council in the case of non-fulfillment of payment obligations despite repeated written requests.

Exclusion can be contested at the General Meeting.

- (3) Members have access to the facilities of the Association; they receive the publications of the Association on preferential conditions.

## § 4 Membership fees

- (1) Every member sets their own membership fee. The minimum contribution for legal and natural persons is set by the General Meeting.
- (2) Contributions that exceed the minimum contribution are reserved for tasks that are determined by the Administrative Council and that are separately reported at the General Meeting.
- (3) The membership fees are voluntary contributions for non-profit purposes for the promotion of science and research.

## § 5 Honorary members

The General Meeting can appoint as honorary members personalities who have distinguished themselves in the promotion of the Association or economic and social-science research. Honorary members enjoy the rights of members; they are exempted from membership fees.

## § 6 Structure of the Association

The Association is structured as follows:

1. the General Meeting
2. the Executive Board
3. the Administrative Council
4. the Board of Trustees
5. the Scientific Advisory Council

## § 7 General Meeting

- (1) A regular General Meeting takes place within the first six months of every business year.
- (2) An extraordinary General Meeting must be called if the interests of the Association require it or at least one-tenth of the members request the session in writing, together with the reasons for the meeting.
- (3) The General Meeting is announced by the chairperson of the Administrative Council in writing three weeks in advance, together with the agenda of the meeting. Resolutions for amendments to the by-laws must be included in the agenda.
- (4) The General Meetings are conducted by the chairperson of the Administrative Council.
- (5) The decisions are written in the minutes of the General Meeting, which are signed by the chairpersons of the Administrative Council and the Executive Board.

- (6) The General Meeting has the following tasks:
  1. Election of the members of the Board of Trustees
  2. Election of the members of the Administrative Council in accordance with Art. 9 Sec. (2) 8 of the by-laws
  3. Receipt of the annual report
  4. Examination of the annual statement
  5. Resolution on the discharge of the Executive Board
  6. Appointment of the minimum membership contribution
  7. Decision on contested cases of membership exclusion
  8. Decision on amendments to the by-laws
  9. Decision on the dissolution of the Association
- (7) At the General Meeting, every member has one vote. Voting rights can be transferred to another member with a written authorization. Legal persons can be represented by their organizational representative or by an employee with written authorization.
- (8) The members of the other organs of the Association have the right to participate in the General Meetings without voting privileges.
- (9) Unless otherwise stated in these by-laws, decisions are approved by the majority of votes cast.
- (10) For decisions on amendments to the by-laws and the dissolution of the Association, a three-fourths majority of the attending members is necessary. For a decision on the dissolution of the Association, it is necessary in addition that at least two-thirds of the members are in attendance; if this is not the case, a General Meeting must be called within a period of six weeks at which, without regard for the number of members present, a vote is taken on the resolution.

## § 8 Executive Board

- (1) The Executive Board conducts the business of the Association and represents it to the outside world. All tasks reside with the Executive Board insofar as they are not assigned to the other Association organs in the by-laws. These are in particular:
  1. The determination of the research profile of the Institute, specifically the determination of the medium-term research program and the annual work scheduling as well as the management and quality assurance of the research work
  2. Representation of the Institute vis-à-vis the public
  3. Preparation and updating of the budget
  4. Preparation of the annual statement
  5. Preparation of the annual report
  6. Proposal rights for the election of members of the Scientific Advisory Council
- (2) The Executive Board may issue its own rules of procedure. These are to be approved by the Administrative Council.
- (3) The Executive Board consists of the chairperson (president) and one or two additional members.
- (4) The members of the Executive Board are chosen by the Administrative Council for a period of five years. Reelection is permissible.
- (5) The Executive Board may delegate tasks, especially to researchers and employees in managerial positions.

- (6) The members of the Executive Board may receive appropriate remuneration.

## § 9 Administrative Council

- (1) The Administrative Council has a controlling and advisory function vis-à-vis the Executive Board. It has the following tasks:
1. Appointment and recall of the members of the Executive Board and issuing of their employment contracts
  2. Appointment of the members of the Scientific Advisory Council in accordance with Art. 11, Sec. 2 of the by-laws and approval of expenditure allowances in accordance with Art. 11, Sec. 4 of the by-laws.
  3. Approval of the research program
  4. Approval of the budget
  5. Discussion of the annual report
  6. Approval of the annual statement
  7. Acceptance and discussion of the reports of the Scientific Advisory Council
  8. Exclusion of members in accordance with Art. 3, Sec. 2 of the by-laws
  9. Approval of the rules of procedure of the Executive Board in accordance with Art. 8, Sec. 2 of the by-laws
- (2) Members of the Administrative Council must be high-level individuals in academia, business, labor unions, and the administration. The Administrative Council consists of:
1. The chairperson of the Board of Trustees
  2. The deputy chairperson of the Board of Trustees
  3. A full professor of the Faculty of Economics of Ludwig-Maximilians-Universität München
  4. A full professor of the Faculty of Business Administration of Ludwig-Maximilians-Universität München
  5. A representative of a German federal ministry
  6. A representative of a ministry of the Bavarian state government
  7. The chairperson of the Scientific Advisory Council
  8. Up to five additional members.
- The members of the Administrative Council mentioned in (8) are chosen by the General Meeting for the duration of three years. Reelection is permissible.  
The Administrative Council meets at least twice a year.
- (3) The invitations to the sessions of the Administrative Council are sent along with the agenda two weeks before the meeting at the latest. The Administrative Council has a quorum if at least half of the members are present or proxy voting rights have been given to a member present. If the number of those present and proxies is not quorate, a new meeting is announced, which in any case has a quorum. The Administrative Council makes its decisions with a majority of votes cast. If the vote is equally divided, the chairperson casts the deciding vote. Members of the Administrative Council who do not participate in a meeting can transfer their voting rights to another member of the Administrative Council. The Administrative Council can make decisions outside of meetings by circulating a written resolution to all members if the chairperson considers it appropriate in urgent cases.
- (4) The representatives of the German federal ministry and the ministry of the Bavarian state government cannot be overruled in cases of financial matters. In deviation from Sec. 3, if they are unable to attend a meeting, they can transfer their voting rights to a representative.

- (5) Members of the Executive Board and the chairperson of the Works Council participate in the sessions of the Administrative Council without voting rights. Members of the Executive Board do not participate in cases of decisions according to Art. 9, Sec. 1 (1) of these by-laws.
- (6) The chairperson of the Board of Trustees chairs the Administrative Council, represents the Association vis-à-vis the members of the Executive Board, and concludes the contracts for the members of the Executive Board after approval by the Administrative Council.
- (7) For individual tasks (such as the appointment or recall of members of the Executive Board) the Administrative Council can appoint a commission. The commission reports to the Administrative Council, which decides on the proposals.

## **§ 10 Board of Trustees**

- (1) The Board of Trustees supports the Executive Board in the fulfillment of the tasks of the Association. At least 20 experts from academia, businesses, politics, labor unions, and administration are members of the Board of Trustees.
- (2) The members of the Board of Trustees are elected by the General Meeting for a three-year term. Reelection is permissible. They elect from their number a chairperson and a deputy who represents the chairperson in all cases in which the former is unable to attend.

## **§ 11 Scientific Advisory Council**

- (1) For the evaluation of the research as well as for advising the Executive Board and the Administrative Council on basic professional and interdisciplinary issues in the research program as well as in national and international collaborations, a Scientific Advisory Council is appointed. Its tasks are in particular:
  1. Advising the Institute on long-term research and development planning
  2. Regular evaluation of the research output of the Institute in dialogue with the Executive Board and the evaluated research departments
  3. Reports on the evaluations to the Executive Board, the Administrative Council, and the Board of Trustees
  4. Advising the Administrative Council on the appointment procedures for the Executive Board.
- (2) The Scientific Advisory Council consists of six to twelve independent, internationally renowned, active academics or other experts. They are appointed by the Administrative Council on recommendation by the Executive Board and the Scientific Advisory Council. They are appointed for a four-year term; one reappointment is permissible.
- (3) The Scientific Advisory Council carries out its functions in principle on a voluntary basis. It elects a chairperson from its number and may issue its rules of procedure. It holds meetings at least twice a year.
- (4) The members of the Scientific Advisory Council may receive an expenditure allowance.

## **§ 12 Representation**

The Association is represented by each member of the Executive Board.

## **§ 13 Transformation and dissolution of the Association**

- (1) In the case of the transformation of the Association into another legal form, the property, including the debts, passes on to the new organization, provided that this is recognized as a non-profit organization.
- (2) In the case of the dissolution of the Association or in the event its tax-privileged purposes cease, the property of the Association, under consideration of the relevant stipulations for research institutions in the research agreement contained in Art. 91b of the German Constitution, is passed on to the Free State of Bavaria, which must use it for purposes of economic research, directly and exclusively.