



Halle Institute for Economic Research
Member of the Leibniz Association

Articles of Association of IWH



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Articles of Association of the Halle Institute for Economic Research (IWH) – Member of the Leibniz Association

registered in the Register of Associations, German District Court Stendal VR 21103
on 21.10.2020 as amended by a resolution of the Members' Assembly

§ 1

Name, Registered Office and Financial Year

The Association bears the name “Leibniz Institut für Wirtschaftsforschung Halle, IWH” and has its registered office in Halle (Saale). It is registered in the Register of Associations. The financial year is the calendar year.

§ 2

Purpose of the Association

- (1) The purpose of the Association is the promotion of science and research. Its purpose is to practice economic research and evidence-based policy consulting.
- (2) The statutory purpose is realised through research, policy advice, the promotion of new scientific talent and teaching, and includes the awarding of research scholarships to junior scientists and visiting scholars. Research results are generally published.

§ 3

Charitable Status

- (1) The Association pursues exclusively and directly non-profit purposes within the meaning of the “tax-privileged purposes” section of the Tax Code.
- (2) The Association is a not-for-profit organisation and does not primarily pursue commercial purposes.
- (3) The Association’s resources may only be used for statutory purposes. The members do not receive any grants from Association funds and are not entitled to benefits from the assets of the Association upon departure or dissolution of the Association.
- (4) Individuals are not entitled to benefit from disbursements which do not support the purposes of the Association or from disproportionately high salaries.

§ 4

Membership

- (1) Members may be natural persons and legal entities.
- (2) Members are required to pay annual contributions. The Members’ Assembly sets a minimum contribution for natural persons and legal entities. Each member may, however, pay a higher membership fee at its discretion. Contributions are to be paid at the beginning of the financial year. The membership contributions are to be used for charitable purposes to promote science and research.
- (3) Membership is acquired on the basis of a written application to the Executive Board, stating the intended annual fee.
- (4) The Supervisory Board decides on the admission of members.
- (5) Membership expires
 - a) by written notice of termination by the member at the end of a financial year; the notice of termination must be received by the Executive Board by registered letter at least three months before the end of the financial year,
 - b) by exclusion for good cause, by resolution of the Supervisory Board. An objection can be lodged against the exclusion, on which the Members’ Assembly decides,
 - c) if a member is more than two years in arrears with payment of the membership fee or
 - d) upon death of a member.
- (6) The members of the Association receive the Association’s publications on preferential terms.
- (7) The Members’ Assembly can appoint persons who have made an outstanding contribution to the Institute or to empirical economic research as honorary members. Honorary members enjoy the rights of members but are exempt from membership contributions.

§ 5 Bodies

The Association's bodies are

- a) the Members' Assembly
- b) the Supervisory Board
- c) the Executive Board
- d) the Scientific Advisory Board

§ 6 The Members' Assembly

- (1) An annual Members' Assembly takes place at least once in each financial year (at the headquarters of the Association). In justified exceptional cases, it can also be held as a video conference. The decision is made by the Chair of the Supervisory Board.
- (2) An extraordinary Members' Assembly must be called if the Supervisory Board decides to convene it or if at least one fifth of the members request the convention in writing in justified exceptional cases, stating the purpose and reasons.
- (3) The Members' Assembly is convened and chaired in writing by the Chair of the Supervisory Board or, if he/she is unable to do so, by a deputy with a notice period of three weeks, stating the agenda. Members must be informed about any requests to change the Articles of Association in the invitation to the Members' Assembly. The members of the Supervisory Board are invited to the Members' Assembly as guests unless they are also members of the Association. They are entitled to speak and make applications.
- (4) The Members' Assembly is quorate if at least half of the members are present or are represented by an authorised representative. Participation via video conference is considered participation within the meaning of sentence 1. If a Members' Assembly is not quorate, a new Members' Assembly can be called

immediately, which must meet within a month. Irrespective of the number of members present, the Members' Assembly is quorate in all points of § 6 sub-paragraph 5 with the exception of the cases specified in § 6 sub-paragraph 5 g), to which § 13 applies.

- (5) The Members' Assembly has the following tasks:
 - a) discussion of the Executive Board's annual report
 - b) approval of the audited annual financial statements
 - c) discharge of the Executive Board and the Supervisory Board
 - d) setting the minimum amount of the membership contributions
 - e) the decision on the appeal in accordance with § 4 sub-paragraph 5 b)
 - f) the resolution on the amendment of the Articles of Association and
 - g) the resolution on the dissolution of the Association
- (6) Each member has one vote. The voting right may be exercised by a proxy. Legal entities can be represented by their organisational representative or an employee authorised in writing by an organisational representative.
- (7) Unless otherwise prescribed by law or stipulated in these Articles of Association, the Members' Assembly passes its resolutions by a majority vote. In the event of a tie, the Chair of the meeting has the casting vote if he/she is a member of the Association.
- (8) Resolutions to change the Articles of Association require a majority of two thirds of the votes cast.
- (9) Minutes of the resolutions of the Members' Assembly are to be drawn up and signed by the Chair of the Members' Assembly.
- (10) With the consent of the Chair of the Supervisory Board, the Executive Board can decide that resolutions of the Members' Assembly are passed by a written procedure. In the case of draft resolu-

tions to amend the Articles of Association by a written procedure, the intended amendment of the Articles of Association must be explicitly stated in the draft resolution. Resolutions passed by circulation procedure are announced at the next meeting and must be recorded in the minutes.

§ 7

Tasks and Composition of the Supervisory Board

(1) The Supervisory Board performs advisory and supervisory functions for the Executive Board. In particular, it has the following tasks:

(a) appointment and dismissal of members of the Executive Board and the conclusion of employment contracts with them; these employment contracts are signed by the Chair of the Supervisory Board or his/her deputy

(b) appointment of the members of the Scientific Advisory Board on the proposal of the Executive Board

(c) approval of the Rules of Procedure for the Executive Board

(d) resolution on the business plan in the form of the programme budget and the establishment, dissolution and merging of departments

(e) recommendation for the passing of a resolution by the Members' Assembly on the annual financial statements and the discharge of the Executive Board

(f) discussion of the annual report and recommendation for the passing of a resolution by the Members' Assembly on the annual report

(g) acceptance and discussion of the reports of the Scientific Advisory Board

(h) resolutions on obtaining membership in the Association and the exclusion of members in accordance with § 4 subparagraph 5 b).

(i) appointment of auditors

(2) The Supervisory Board should include personalities from science, business, politics and public administration. It consists of

(a) representative of the Specialist Department of the State Government of Saxony-Anhalt

(b) a representative of the Specialist Department of the Federal Government

(c) a full professor of the Faculty of Law and Economics at Martin Luther University Halle-Wittenberg as appointed by this faculty

(d) a full professor of the Faculty of Economics and Management at Otto von Guericke University Magdeburg as appointed by this faculty

(e) the Chair of the Work Council and

(f) up to seven other members. The members of the Supervisory Board named under f) are appointed by the members of the Supervisory Board in accordance with paragraph 2 letters a) to e) and the Chair of the Supervisory Board for a period of four years following consultation with the Executive Board. Reelection is permitted, but only once in direct succession.

(3) The members of the Supervisory Board are entitled to reimbursement of any reasonable expenses (e. g. travel expenses) incurred in connection with the performance of their duties on the Supervisory Board, provided that such expenses will not be covered by a third party. If necessary, and taking into account the economic and budgetary situation, the Supervisory Board may decide to pay the Chair of the Supervisory Board a lump-sum allowance in consideration of the performance of his/her duties. The right to reimbursement of expenses in accordance with sentence 1 remains unaffected. The Supervisory Board is responsible for deciding on the entry into force of the contract, its contents and the end of the contract.

§ 8

Rules of Procedure for the Supervisory Board

- (1) The Supervisory Board elects a Chair and two deputies from among its members, who represent the Chair if he/she is unable to attend. The Chair leads the Supervisory Board meetings and represents the Association when dealing with the members of the Executive Board.
- (2) The members of the Executive Board and the Chair of the Scientific Advisory Board or another member of the Scientific Advisory Board appointed by the Scientific Advisory Board take part in Supervisory Board meetings in an advisory capacity unless the Supervisory Board decides otherwise in individual cases. The Supervisory Board can also invite other guests.
- (3) The Supervisory Board is convened by the Chair at least once per calendar year. Invitations to the Supervisory Board meetings are to be sent along with the agenda at least three weeks in advance. Sending by electronic mail is permitted. The Supervisory Board is to be convened if requested by three of its members or the Executive Board.
- (4) The Supervisory Board is quorate if at least half of its members are present or are represented. The federal and regional governments must be represented. In justified exceptional cases, participation via video conference is deemed to be participation within the meaning of sentence 1. This is to be decided by the Chair of the Supervisory Board. If this number of participants is not achieved, a new meeting is to be convened, which is quorate regardless of the number of members present, except in the case specified in sub-paragraph 7, in which the specified majority requirement continues to apply.
- (5) The Supervisory Board passes its resolutions with a majority of votes cast. In the event of a tie, the Chair has the casting vote. Members of the Supervisory

Board who do not participate in a meeting may transfer their vote to another member of the Supervisory Board by means of a written declaration. Delegated representatives from the federal and regional governments can be represented by members of their administrations. The Supervisory Board can pass resolutions by written circulation procedure if the Chair considers it necessary in urgent cases. Resolutions passed by circulation procedure are announced at the next meeting and must be recorded in the minutes.

- (6) Resolutions of the Supervisory Board on matters of significance in relation to research policy, those with significant financial implications and those relating to management personnel cannot be passed against the votes of representatives delegated by the federal or regional government in accordance with § 7 sub-paragraph 2 letters a) and b).
- (7) A member of the Executive Board can only be dismissed for good cause during a Supervisory Board meeting, and a resolution can only be passed with a two-thirds majority of the Supervisory Board members. The invitation must comply with the deadline in accordance with sub-paragraph 3.
- (8) The Supervisory Board can form committees for individual tasks (e. g. for the appointment and dismissal of members of the Executive Board). The committees report to the Supervisory Board, which decides on the proposals.

§ 9

Executive Board

- (1) The Executive Board is a collegial body. It consists of the President, the Administrative Director and the Heads of the Scientific Departments of the IWH.
- (2) The Management Board is part of the Executive Board. It consists of the President, up to two Vice Presidents and the

Administrative Director. The members of the Management Board each have sole representation of the Executive Board within the meaning of § 26 BGB (German Civil Code) and represent the Association in and out of court. Further details are stipulated in the Rules of Procedure for the Executive Board in accordance with sub-paragraph 8.

- (3) The members of the Executive Board are appointed by the Supervisory Board for a maximum of five years. Up to two Heads of the Scientific Departments of the IWH proposed by the Executive Board are appointed as Vice Presidents. Reappointment is permitted. The Management Board is paid for its activities.
- (4) The President should be a university professor who is distinguished in empirical economic research. The President represents the Institute externally, chairs the Executive Board and manages day-to-day business in the scientific field. The President's appointment is governed in more detail in an appointment regulation, which is decided by the Supervisory Board.
- (5) The Administrative Director is autonomously responsible for managing the day-to-day business of the administration within the framework of joint responsibility on the Executive Board. The Administrative Director is responsible for the budget.
- (6) The Executive Board is responsible for all affairs of the Association unless they have been assigned to another body of the Association in the Articles of Association. In particular, the Executive Board is responsible for:
 - a) the implementation of the resolutions of the Members' Assembly and the Supervisory Board
 - b) the preparation and implementation of the medium-term research programme and the programme budget
 - c) the annual accounts and preparation of the annual report

d) the cooperation with universities, other research institutions and national and international partners

e) the right to propose the appointment of members for the Scientific Advisory Board by the Supervisory Board

f) the administration of the Association's assets and

g) the decision in cases of fundamental or significant practical importance for the tasks of the Institute.

- (7) Decisions by the Executive Board are made by mutual agreement as far as possible. If no agreement can be reached, decisions are made by the majority of votes cast. In the event of a tie, the President has the casting vote. Resolutions affecting the budget or commercial matters cannot be passed against the vote of the Administrative Management and resolutions relating to scientific matters cannot be passed against the vote of the President. If a decision cannot be reached because of such a veto, the matter must be submitted to the Supervisory Board for a final decision.
- (8) The representation of the President in his/her absence and other internal powers of representation, responsibilities and procedural provisions are governed in the Rules of Procedure for the Executive Board.
- (9) The term of office of the members of the Executive Board ends with the end of the first quorate Members' Assembly after the end of the five-year term of office, unless the new appointment is made beforehand.

§ 10

Scientific Advisory Board

- (1) The Scientific Advisory Board advises the Executive Board and the Supervisory Board on fundamental technical and interdisciplinary issues relating to the scientific work programme and national and international cooperation.

The members are appointed by the Supervisory Board for a term of four years at the proposal of the Executive Board. Reappointment is possible, but only once in direct succession. The Scientific Advisory Board is to be consulted in the case of new appointments.

- (2) The Scientific Advisory Board should monitor, support and evaluate the research activities of the Institute on a regular basis in an advisory capacity in consultation with the Executive Board and the research units. It advises the Executive Board and reports assessments to the Supervisory Board. In particular, it prepares the decisions of the Supervisory Board and the Executive Board on the tasks in accordance with § 9 sub-paragraph 6 letter b).
- (3) The Scientific Advisory Board consists of five to a maximum of nine internationally respected external scientists and other experts with a research area relevant to the research profile of the Institute. It should meet at least once a year.
- (4) The members of the Scientific Advisory Board elect a Chair and a Deputy from among the members. Further details can be governed in rules of procedure.
- (5) The Scientific Advisory Board invites the Executive Board to its meetings. It may also invite guests.
- (6) The activities in the Scientific Advisory Board are non-salaried. Any expenses incurred are reimbursed unless reimbursement by third parties is guaranteed.

§ 11

Collaboration with Scientific Facilities

The Association's collaboration with scientific facilities should be regulated in cooperation agreements. The Supervisory Board must be informed about long-term strategic alliances and cooperation. Cooperation with neighbouring universities and other

research institutions is particularly desirable. Cooperation agreements with universities which also aim at joint appointments require the prior approval of the Supervisory Board.

§ 12

Simplified Amendments to the Articles of Association

The Executive Board is authorised to make changes to the Articles of Association that are necessary in order to resolve objections by the court of registry or objections from the tax authorities with regard to recognition of the non-profit status, provided that this does not involve significant changes to the Articles of Association and as long as the Supervisory Board has approved the amendment in writing

§ 13

Dissolution of the Association

- (1) The dissolution of the Association may only take place during a Members' Assembly that was convened at least four weeks in advance, with express communication of the dissolution proposal on the agenda. The dissolution resolution requires a majority of two thirds of the members. If insufficient members are present at the meeting convened for the purpose of passing a resolution on the dissolution proposal, a new meeting is to be convened with one week's notice, in which a resolution will be passed with a majority of two thirds of the members present. Resolution on the dissolution of the Association cannot be passed using the written procedure.
- (2) In the event of the dissolution of the Association or if the tax-advantaged purposes cease to exist, the Association's assets fall to the grantors or allocators (federal government, the state of Saxony-Anhalt and the states)

in proportion to the grants or allocations made in each case. The assets are to be used directly and exclusively for non-profit economic purposes.

§ 14

Final Provisions

- (1) If the masculine form was used in the preceding provisions for reasons of better legibility and comprehensibility when designating people, this expressly includes women in the respective function.
- (2) These Articles of Association come into force after being entered in the Register of Associations.



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