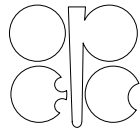


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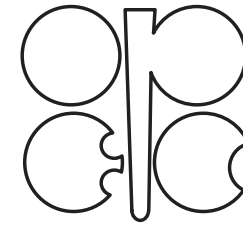


Organization of the Petroleum Exporting Countries

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Organization of the Petroleum Exporting Countries

2001



OPEC

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This 2001 edition supersedes all previous editions.

CHAPTER I

Organization and Objectives

Article 1

The Organization of the Petroleum Exporting Countries (OPEC), hereinafter referred to as “the Organization”, created as a permanent intergovernmental organization in conformity with the Resolutions of the Conference of the Representatives of the Governments of Iran, Iraq, Kuwait, Saudi Arabia and Venezuela, held in Baghdad from September 10 to 14, 1960, shall carry out its functions in accordance with the provisions set forth hereunder.

Article 2

A. The principal aim of the Organization shall be the co-ordination and unification of the petroleum policies of Member Countries and the determination of the best means for safeguarding their interests, individually and collectively.

B. The Organization shall devise ways and means of ensuring the stabilization of prices in international oil markets with a view to eliminating harmful and unnecessary fluctuations.

C. Due regard shall be given at all times to the interests of the producing nations and to the necessity of securing a steady income to the producing countries; an efficient, economic and regular supply of petroleum to consuming nations; and a fair return on their capital to those investing in the petroleum industry.

Article 3

The Organization shall be guided by the principle of the sovereign equality of its Member Countries. Member Countries shall fulfil, in good faith, the obligations assumed by them in accordance with this Statute.

Article 4

If, as a result of the application of any decision of the Organization, sanctions are employed, directly or indirectly, by any interested company or companies against one or more Member Countries, no other Member shall accept any offer of a beneficial treatment, whether in the form of an increase in oil exports or in an improvement in prices, which may be made to it by such interested company or companies with the intention of discouraging the application of the decision of the Organization.

Article 5

The Organization shall have its Headquarters at the place the Conference decides upon.

Article 6

English shall be the official language of the Organization.

CHAPTER II

Membership

Article 7

A. Founder Members of the Organization are those countries which were represented at the First Conference, held in Baghdad, and which signed the original agreement of the establishment of the Organization.

B. Full Members shall be the Founder Members as well as those countries whose application for membership has been accepted by the Conference.

C. Any other country with a substantial net export of crude petroleum, which has fundamentally similar interests to those of Member Countries, may become a Full Member of the Organization, if accepted by a majority of three-fourths of Full Members, including the concurrent vote of all Founder Members.

D. A net petroleum-exporting country, which does not qualify for membership under paragraph C above, may nevertheless be admitted as an Associate Member by the Conference under such special conditions as may be prescribed by the Conference, if accepted by a majority of three-fourths, including the concurrent vote of all Founder Members.

No country may be admitted to Associate Membership which does not fundamentally have interests and aims similar to those of Member Countries.

E. Associate Members may be invited by the Conference to attend any Meeting of a Conference, the Board of Governors or Consultative Meetings and to participate in their deliberations without the right to vote. They are, however, fully entitled to benefit from all general facilities of the Secretariat, including its publications and library, as any Full Member.

F. Whenever the words "Members" or "Member Countries" occur in this Statute, they mean a Full Member of the Organization, unless the context demonstrates to the contrary.

Article 8

A. No Member of the Organization may withdraw from membership without giving notice of its intention to do so to the Conference. Such notice shall take effect at the beginning of the next calendar year after the date of its receipt by the Conference, subject to the Member having at that time fulfilled all financial obligations arising out of its membership.

B. In the event of any country having ceased to be a Member of the Organization, its readmission to membership shall be made in accordance with Article 7, paragraph C.

CHAPTER III

Organs

Article 9

The Organization shall have three organs:

- I. The Conference;
- II. The Board of Governors; and
- III. The Secretariat.

I. The Conference

Article 10

The Conference shall be the supreme authority of the Organization.

Article 11

A. The Conference shall consist of delegations representing the Member Countries. A delegation may consist of one or more delegates, as well as advisers and observers. When a delegation consists of more than one person, the appointing country shall nominate one person as the Head of the Delegation.

B. Each Member Country should be represented at all Conferences; however, a quorum of three-quarters of Member Countries shall be necessary for holding a Conference.

C. Each Full Member Country shall have one vote. All decisions of the Conference, other than on procedural matters, shall require the unanimous agreement of all Full Members.

The Conference Resolutions shall become effective after 30 days from the conclusion of the Meeting, or after such period as the Conference may decide unless, within the said period, the Secretariat receives notification from Member Countries to the contrary.

In the case of a Full Member being absent from the Meeting of the Conference, the Resolutions of the Conference shall become effective unless the Secretariat receives a notification to the contrary from the said Member, at least ten days before the date fixed for publication of the Resolutions.

D. A non-Member country may be invited to attend a Conference as Observer, if the Conference so decides.

Article 12

The Conference shall hold two Ordinary Meetings a year. However, an Extraordinary Meeting of the Conference may be convened at the request of a Member Country by the Secretary General, after consultation with the President and approval by a simple majority of the Member Countries. In the absence of unanimity among Member Countries approving the convening of such a Meeting, as to the date and venue of the Meeting, they shall be fixed by the Secretary General in consultation with the President.

Article 13

The Conference shall normally be held at the Headquarters of the Organization, but it may meet in any of the Member Countries, or elsewhere as may be advisable.

Article 14

A. The Conference shall elect a President and an Alternate President at its first Preliminary Meeting. The Alternate President shall exercise the responsibilities of the President during his absence, or when he is unable to carry out his responsibilities.

B. The President shall hold office for the duration of the Meeting of the Conference, and shall retain the title until the next Meeting.

C. The Secretary General shall be the Secretary of the Conference.

Article 15

The Conference shall:

1. formulate the general policy of the Organization and determine the appropriate ways and means of its implementation;
2. decide upon any application for membership of the Organization;
3. confirm the appointment of Members of the Board of Governors;

4. direct the Board of Governors to submit reports or make recommendations on any matters of interest to the Organization;
5. consider, or decide upon, the reports and recommendations submitted by the Board of Governors on the affairs of the Organization;
6. consider and decide upon the Budget of the Organization, as submitted by the Board of Governors;
7. consider and decide upon the Statement of Accounts and the Auditor's Report, as submitted by the Board of Governors;
8. call a Consultative Meeting for such Member Countries, for such purposes, and in such places, as the Conference deems fit;
9. approve any amendments to this Statute;
10. appoint the Chairman of the Board of Governors and an Alternate Chairman;
11. appoint the Secretary General; and
12. appoint the Auditor of the Organization for a duration of one year.

Article 16

All matters that are not expressly assigned to other organs of the Organization shall fall within the competence of the Conference.

II. The Board of Governors

Article 17

- A. The Board of Governors shall be composed of Governors nominated by the Member Countries and confirmed by the Conference.
- B. Each Member of the Organization should be represented at all Meetings of the Board of Governors; however, a quorum of two-thirds shall be necessary for the holding of a Meeting.
- C. When, for any reason, a Governor is prevented from attending a Meeting of the Board of Governors, a substitute ad hoc Governor shall be nominated by the corresponding Member Country. Such nomination shall not require confirmation by the Conference. At the Meetings which he attends, the ad hoc Governor shall have the same status as the other Governors, except as regards qualifications for Chairmanship of the Board of Governors.
- D. Each Governor shall have one vote. A simple majority vote of attending Governors shall be required for decisions of the Board of Governors.
- E. The term of office of each Governor shall be two years.

Article 18

- A. The Board of Governors shall meet no less than twice each year, at suitable intervals to be determined by the Chairman of the Board, after consultation with the Secretary General.

B. An Extraordinary Meeting of the Board of Governors may be convened at the request of the Chairman of the Board, the Secretary General, or two-thirds of the Governors.

Article 19

The Meetings of the Board of Governors shall normally be held at the Headquarters of the Organization, but they may also be held in any of the Member Countries, or elsewhere as may be advisable.

Article 20

The Board of Governors shall:

1. direct the management of the affairs of the Organization and the implementation of the decisions of the Conference;
2. consider and decide upon any reports submitted by the Secretary General;
3. submit reports and make recommendations to the Conference on the affairs of the Organization;
4. draw up the Budget of the Organization for each calendar year and submit it to the Conference for approval;
5. nominate the Auditor of the Organization for a duration of one year;
6. consider the Statement of Accounts and the Auditor's Report and submit them to the Conference for approval;

7. approve the appointment of Directors of Divisions and Heads of Departments, upon nomination by Member Countries, due consideration being given to the recommendations of the Secretary General;
8. convene an Extraordinary Meeting of the Conference; and
9. prepare the Agenda for the Conference.

Article 21

The Chairman of the Board of Governors and the Alternate Chairman, who shall assume all the responsibilities of the Chairman whenever the Chairman is absent or unable to exercise his responsibilities, shall be appointed by the Conference from among the Governors for a period of one year, in accordance with the principle of alphabetical rotation. The date of membership in the Organization, however, shall take precedence over the principle of alphabetical rotation.

Article 22

The Chairman of the Board of Governors shall:

1. preside over the Meetings of the Board of Governors;
2. attend the Headquarters of the Organization in preparation for each Meeting of the Board of Governors; and
3. represent the Board of Governors at Conferences and Consultative Meetings.

Article 23

Should a majority of two-thirds of Governors decide that the continuance of Membership of any Governor is detrimental to the interests of the Organization, the Chairman of the Board of Governors shall immediately communicate this decision to the Member Country affected, who in turn shall nominate a substitute for the said Governor before the next Meeting of the Board of Governors. The nomination of such substitute as a Governor shall be subject to confirmation by the following Conference.

Article 24

Should a Governor, for any reason, be precluded from continuing in the performance of his functions on the Board of Governors, the corresponding Member Country shall nominate a replacement. The nominated Governor shall assume his functions upon nomination subject to confirmation by the following Conference.

III. The Secretariat

Article 25

The Secretariat shall carry out the executive functions of the Organization in accordance with the provisions of this Statute under the direction of the Board of Governors.

Article 26

The Secretariat of the Organization shall consist of the Secre-

tary General and such Staff as may be required. It shall function at the Headquarters of the Organization.

Article 27

A. The Secretary General shall be the legally-authorized representative of the Organization.

B. The Secretary General shall be the chief officer of the Secretariat, and in that capacity shall have the authority to direct the affairs of the Organization, in accordance with directions of the Board of Governors.

Article 28

A. The Conference shall appoint the Secretary General for a period of three years, which term of office may be renewed once for the same period of time. This appointment shall take place upon nomination by Member Countries and after a comparative study of the nominees' qualifications.

The minimum personal requirements for the position of the Secretary General shall be as follows:

- a) 35 years of age.
- b) A degree from a recognized university in Law, Economics, Science, Engineering or Business Administration.
- c) 15 years experience, of which at least 10 years should have been spent in positions directly related to the oil industry, and five years in highly responsible executive or managerial positions. Experience in Government-Company relations and in the international aspects of the oil industry is desirable.

Should, in any case, a unanimous decision not be obtained, the Secretary General, in that case, shall be appointed on a rotational basis for a term of two years without prejudice to the required qualifications.

B. The Secretary General shall be a national of one of the Member Countries of the Organization.

C. The Secretary General shall reside at the Headquarters of the Organization.

D. The Secretary General shall be responsible to the Board of Governors for all activities of the Secretariat. The functions of the different departments shall be carried out on his behalf and under his authority and direction.

E. The Secretary General shall attend all Meetings of the Board of Governors. Should the Secretary General be unable to attend any Meeting of the Board of Governors, the Officer in Charge of the Secretariat shall attend such Meeting, representing the Secretary General.

Article 29

The Secretary General shall:

1. organize and administer the work of the Organization;
2. ensure that the functions and duties assigned to the different departments of the Secretariat are carried out;
3. prepare reports for submission to each Meeting of the Board of Governors concerning matters which call for consideration and decision;

4. inform the Chairman and other Members of the Board of Governors of all activities of the Secretariat, of all studies undertaken and of the progress of the implementation of the Resolutions of the Conference; and

5. ensure the due performance of the duties which may be assigned to the Secretariat by the Conference or the Board of Governors.

Article 30

A. The Directors of Divisions and Heads of Departments shall be appointed by the Secretary General with the approval of the Board of Governors.

B. Officers of the Secretariat, upon nomination by their respective Governments, or by direct recruitment, shall be appointed by the Secretary General in accordance with the Staff Regulations. In making such appointments, the Secretary General shall give due consideration, as far as possible, to an equitable nationality distribution among Members, but such consideration shall not be allowed to impair the efficiency of the Secretariat.

Article 31

The staff of the Secretariat are international employees with an exclusively international character. In the performance of their duties, they shall neither seek, nor accept, instructions from any government, or from any other authority outside the Organization. They shall refrain from any action which might reflect on their position as international employees, and they shall undertake to carry out their duties with the sole object of bearing the interests of the Organization in mind.

Article 32

A. The Secretary General shall be assisted in the discharge of his duties by a Division of Research, an Administration and Human Resources Department, a Public Relations and Information Department, his own Office, and any division or department the Conference may see fit to create;

B. Notwithstanding the provisions of Article 33, and where the efficient functioning of the divisions and departments of the Secretariat so requires, the Board of Governors may, upon the recommendation of the Secretary General, authorize the Secretary General to transfer functions or units from one division or department to another.

Article 33

A. The Division of Research shall be responsible for:

1. conducting a continuous programme of research, fulfilling the needs of the Organization, placing particular emphasis on energy and related matters;
2. monitoring, forecasting and analysing developments in the energy and petrochemical industries, and the evaluation of hydrocarbons and products and their non-energy uses;
3. analysing economic and financial issues of significant interest, in particular those related to international financial and monetary matters, and to the international petroleum industry; and

4. maintaining and expanding data services to support the research activities of the Secretariat and those of Member Countries.

B. The Administration and Human Resources Department shall:

1. be responsible for all organization methods, the provision of administrative services for all meetings, personnel matters, budgets, accounting and internal control;
2. study and review general administrative policies and industrial relations methods used in the oil industry in Member and other countries, and advise Member Countries of any possible improvements; and
3. keep abreast of the current administrative policies and/or policy changes occurring in the international petroleum industry which might affect the Organization or be of interest to it.

C. The Public Relations and Information Department shall be responsible for:

1. presenting OPEC objectives, decisions and actions in their true and most desirable perspective;
2. disseminating news of general interest regarding the Organization and the Member Countries on energy and related matters; and
3. carrying out a central information programme and identi-

ifying suitable areas for the promotion of the Organization's aims and image.

Article 34

- A. The Secretary General shall commission consultants, as necessary, to advise on special matters, or to conduct expert studies when such work cannot be undertaken by the Secretariat.
- B. The Secretary General may engage such specialists or experts, regardless of nationality, as the Organization needs, for a period to be approved by the Board of Governors, provided there is a provision for such appointment in the Budget.
- C. The Secretary General may at any time convene Working Parties to carry out any studies on specific subjects of interest to the Member Countries.

CHAPTER IV

Consultative Meetings and Specialized Organs

Article 35

- A. A Consultative Meeting shall be composed of Heads of Delegations of Member Countries or their representatives.
- B. In case a Conference is not in session, a Consultative Meeting may be convened at any time at the request of the President of the Conference.
- C. The Agenda of each Consultative Meeting shall be prepared by the President of the Conference, unless it has been previously specified by the Conference itself.
- D. The Consultative Meeting may pass decisions or recommendations to be approved by the next Conference, unless otherwise authorized by a previous Conference.

Article 36

- A. The Conference may establish specialized organs, as circumstances require, in order to assist in resolving certain problems of particular importance. The specialized organs shall function in accordance with the Resolutions or Statutes prepared to that effect.

B. The specialized organs shall operate within the general framework of the Secretariat of the Organization, both functionally and financially.

C. The specialized organs shall act at all times in accordance with the principles of the Organization, as set out in the Resolutions of the Conference.

CHAPTER V

Financial Provisions

Article 37

A. The Budget of the Organization shall be drawn up for each calendar year.

B. The Conference, in accepting any Associate Member to the Organization, shall ask it to pay a fixed annual subscription, to be considered as its financial contribution to the Organization.

C. Budget appropriations shall be apportioned on an equal basis among all Member Countries, after taking into consideration the annual subscriptions of the Associate Members.

Article 38

A. Each Member Country shall bear all expenses incurred in sending delegations or representatives to Conferences, Consultative Meetings and Working Parties.

B. The Organization shall bear the travelling expenses and remuneration of the Governors who attend the Meetings of the Board of Governors.

CHAPTER VI

Additional Provisions

Article 39

Amendments to this Statute may be proposed by any Member Country. Such proposed amendments shall be considered by the Board of Governors which, if it so decides, shall recommend their adoption to the Conference.

Article 40

All Resolutions contrary to the context of this Statute shall be abrogated.

Article 41

This Statute shall be applied from 1 May 1965.

Amendments to the Statute

(Incorporated in this Text)

1. In November 1961, sub-paragraph No. 3.10.2, paragraph 13, and paragraphs 9 and 10 of Resolution II.6 were amended. See Resolution III.24.
2. In April 1962, paragraph 8 of Resolution II.5, and paragraph 4.4 of Resolution II.6 were amended. See Resolution IV.30.
3. In November 1962, paragraph 2 of Resolution 1.2, paragraph 3 of Resolution II.5, and paragraph 3.8 of Resolution II.6 were amended. See Resolution V.37.
4. In July 1964, paragraph 6 of Resolution II.5, paragraph 4.2 of Resolution II.6, sub-paragraph 4.14, and paragraphs 5, 6, 7, 8, 9, 10, 11, 12 and 13 of Resolution II.6 were amended. See Resolution VI.46.
5. In April 1965, the entire text of the Statute was revised. See Resolution VIII.56.
6. In December 1966, Articles 2(B), 33, 34, 36 and 37 were amended. See Resolution XII.76.
7. In June 1968, at its XXII Meeting, the Board of Governors, in accordance with paragraph 3 of Article 33 of the Statute, agreed to transfer the Statistical Unit from the Information Department to the Office of the Secretary General, and the press and public relations functions from the Office of the Secretary General to the Information Department.

8. In June 1970, Article 28(A) was amended. See Resolution XX.117.
9. In July 1971, Articles 11.C, 12, 14, 15.10 and 21 were amended. See Resolution XXIV.137.
10. In January 1978, Articles 20.7, 30.A, 30.D, 31 and 33 were amended. Also, Articles 34 to 38 (inclusive) were deleted and replaced by Article 34, and the subsequent Articles were re-numbered accordingly. See Resolution L.197.
11. In June 1978, at its LI Meeting, the Conference amended the designation "Division of Personnel and Administration" to read "Personnel and Administration Department". Accordingly, paragraph 1 of Article 33, and paragraph B of Article 34 were amended. See Resolution LI.201.
12. In June 1980, at its LVII Meeting, the Conference amended Articles 33, 34 A. and 34 C. See Resolution LVII.217.
13. In November 1989, at its LXXXVI Meeting, the Conference amended Articles 33 and 34 C. See Resolution LXXXVI.294.
14. In December 1997, at its 103rd Meeting, the Conference amended Articles 15, 20, 26, 28, 33 and 34. Article 30 was deleted in its entirety and the subsequent Articles were renumbered accordingly. See Resolution 103.360.