《AIIB将于2016年中提供首笔贷款》

[Photo/people.cn]

Bank formally set up, and first loan expected in mid-2016; 17 countries have approved charter

The Asian Infrastructure Investment Bank will convene next month for the first time since its establishment and will elect its first president, according to the Ministry of Finance.

AIIB formally set up, first loan expected in mid-2016

Lou Jiwei, finance minister

The schedule was revealed on Friday, when the bank was formally established.

The ministry said in a statement that the bank has garnered the approval of 17 countries, representing 50.1 percent of the total subscribed capital.

The bank's charter stipulates that the AIIB is legally valid so long as more than 10 countries?with their combined represented capital accounting for no less than half of the total capital?have the charter approved by their legislatures.

The 17 countries include major economies such as Australia, the United Kingdom, South Korea and Germany.

Other major economies, such as Brazil, Russia and India, have not yet approved the charter, known formally as the articles of agreement.

The bank's board of governors and board of directors will convene from Jan 16 to 18 in Beijing, marking the start of the bank's formal operations, the ministry said.

"The launch of the AIIB marks a milestone for the reform of the international governance system," Finance Minister Lou Jiwei said in an interview.

"As a new player in the system, the AIIB will work alongside existing multilateral development banks, such as the World Bank and Asian Development Bank, to contribute to infrastructure connectivity and sustainable economic growth in Asia."

Lou said that along with other countries, China will perfect the rules in a runup to granting the first loan, which is expected in mid-2016.

There are 57 prospective founding members. Those who have not approved the charter by the time the bank convenes in January could still participate in the two gatherings as representatives, but not as governors or directors, a staff member of the ministry said.

They will have a "grace period" until the end of 2016 to approve the charter and become formal members.

After the bank becomes operational, countries can still apply for membership and join the $100 billion bank as long as the board of governors approves the application.

At the convention in January, a president will be elected as well as 12 directors for each electoral region. China holds 26.1 percent of the voting rights and has veto power over these decisions.

Jin Liqun, China's candidate for president, said previously that about 30 countries are in line for membership and that this would increase the bank's capital.

Rules on the bank's operation, finance and human resources will also be discussed and voted on at the convention. The bank will gradually open its recruitment to hire global talent.

Liu Dongmin, a researcher at the Chinese Academy of Social Sciences, said the bank is a major victory for China because no other multilateral lender was ready in such a short time.

The launch comes just six months after the articles of agreement were signed in June, and 26 months after President Xi Jinping proposed the bank in October 2013.