



# INTERNAL REGULATIONS

## Preamble

(1) Whereas in 1949 the Working Party on Road Transport of the Inland Transport Committee of the Economic Commission for Europe of the United Nations sent to the Governments of Member States a recommendation<sup>1</sup> inviting them to ask insurers covering third party liability risks in respect of the use of vehicles to conclude agreements for the establishment of uniform and practical provisions to enable motorists to be satisfactorily insured when entering countries where insurance against such risks is compulsory.

(2) Whereas this recommendation concluded that the introduction of a uniform insurance document would be the best way to achieve that end and set out the basic principles of agreements to be concluded between insurers in the different countries.

(3) Whereas the Inter-Bureaux Agreement, the text of which was adopted in November 1951 by representatives of the insurers in States which, at the time, had responded favourably to the recommendation, formed the basis of the relationship between these insurers.

(4) Whereas:

(a) the purpose of the system, commonly known as the Green Card System, was to facilitate the international circulation of motor vehicles by enabling insurance of third party liability risks in respect of their use to fulfil the criteria imposed by the visited country and, in the case of accidents, to guarantee compensation of injured parties in accordance with the national law and regulations of that country;

(b) the international motor insurance card (Green Card), which is officially recognised by the government authorities of the States adopting the United Nations Recommendation, is proof in each visited country of compulsory civil liability insurance in respect of the use of the motor vehicle described therein;

(c) in each participating State a national bureau has been created and officially approved in order to provide a dual guarantee to:

- its government that the foreign insurer will abide by the law applicable in that country and compensate injured parties within its limits,
- the bureau of the visited country of the commitment of the member insurer covering third party liability in respect of the use of the vehicle involved in the accident;

(d) as a consequence of this non-profit-making dual mandate, each bureau is required to have its own independent financial structure based on the joint commitment of insurers authorised to transact compulsory civil liability insurance in respect of the use of motor vehicles operating in its

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<sup>1</sup> Recommendation No 5 adopted on January 1949, superseded by Annex 1 of the Revised Consolidated Resolution on the Facilitation of Road Transport (R.E.4) adopted by the Working Party on Road Transport of the Inland Transport Committee of the Economic Commission for Europe of the United Nations, the text of which is provided as Appendix I

national market which enables it to meet obligations arising out of agreements between it and other bureaux.

(5) Whereas:

(a) some States, in order to further facilitate international road traffic, have abolished Green Card inspection at their frontiers by virtue of agreements signed between their respective Bureaux, mainly based on vehicle registration;

(b) by its Directive of 24 April 1972<sup>2</sup> the Council of the European Union proposed to the Bureaux of Member States the conclusion of such an agreement; then known as the Supplementary Inter-Bureaux Agreement, which was signed on 16 October 1972;

(c) subsequent agreements, based on the same principles, enabled the bureaux of other countries to become members; and these agreements were then collected into a single document signed on 15 March 1991 and called the Multilateral Guarantee Agreement.

(6) Whereas it is now desirable to incorporate all provisions governing the relations between bureaux into a single document, the Council of Bureaux, at its General Assembly held in Rethymno (Crete) on 30 May 2002 adopted these Internal Regulations.

(7) Whereas the General Assembly of Lisbon (Portugal) ratified, on 29 May 2008, the updates which were made to the current Internal Regulations related principally to the application of the 5<sup>th</sup> Motor Insurance Directive (Directive 2005/14/EC of 11 May 2005).

## **SECTION I GENERAL RULES (MANDATORY PROVISIONS)**

### **Article 1 Purpose**

The purpose of these Internal Regulations is to govern the reciprocal relations between National Insurers' Bureaux thereby enforcing the provisions of Recommendation No 5 adopted on 25 January 1949 by the Working Party on Road Transport of the Inland Transport Committee of the European Economic Commission of the United Nations, superseded by Annex 1 of the Revised Consolidated Resolution on the Facilitation of Road Transport (R.E.4) adopted by the Inland Transport Committee at the sixty-sixth session which was held from 17 to 19 of February 2004 in its current version (hereinafter called recommendation No 5).

### **Article 2 Definitions**

For the purpose of these Internal Regulations the following words and expressions shall have the meanings herein assigned to them and no other:

1. "national insurers' bureau" (hereinafter called bureau): means the professional organisation which is a Member of the Council of Bureaux and constituted in the country of its establishment pursuant to Recommendation No 5;
2. "insurer": means any undertaking authorised to conduct the business of compulsory third party liability insurance in respect of the use of motor vehicles;
3. "member": means any insurer who is a member of a bureau;
4. "correspondent": means any insurer or other person appointed by one or more insurers with the approval of the Bureau of the country in which the person is established with a view to handling and settling claims arising from accidents involving vehicles for which the insurer or insurers in question have issued an insurance policy and occurring in that country;
5. "vehicle": means any motor vehicle intended for travel on land and propelled by mechanical power but not running on rails as well as any trailer whether or not coupled but only where the

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<sup>2</sup> Directive of the Council of 24 April 1972 (72/166/EEC) on the approximation of the laws of Member States relating to insurance against civil liability in respect of the use of motor vehicles and to the enforcement of the obligation to insure against such liability, the text of which is provided as Appendix II.

motor vehicle or trailer is made subject to compulsory insurance in the country in which it is being used;

6. "accident": means any event causing loss or injury which may, pursuant to the law of the country where it occurs, fall within the scope of compulsory third party liability insurance in respect of the use of a vehicle;

7. "injured party": means any person entitled to claim compensation in respect of any loss or injury caused by a vehicle;

8. "claim": means any one or more claims for compensation presented by an injured party and arising out of the same accident;

9. "policy of insurance": means a contract of compulsory insurance issued by a member covering civil liability in respect of the use of a vehicle;

10. "insured": means any person whose third party liability is covered by a policy of insurance;

11. "Green Card": means the international certificate of motor insurance conforming to any of the models approved by the Council of Bureaux;

12. "Council of Bureaux": means the body to which all Bureaux must belong and which is responsible for the administration and the operation of the international motor civil liability insurance system (known as the Green Card System).

### **Article 3 Handling of claims**

1. When a bureau is informed of an accident occurring in the territory of the country for which it is competent, involving a vehicle from another country it shall, without waiting for a formal claim, proceed to investigate the circumstances of the accident. It shall as soon as possible give notice of any such accident to the insurer who issued the Green Card or policy of insurance or, if appropriate, to the bureau concerned. Any omission to do so shall however not be held against it.

If, in the course of this investigation, the bureau notes that the insurer of the vehicle involved in the accident is identified and that a correspondent of this insurer has been approved in conformity with the provisions in Article 4, it shall forward this information promptly to the correspondent for further action.

2.1. On receipt of a claim arising out of an accident under the circumstances described above, if a correspondent of the insurer has been approved, the bureau shall forward the claim promptly to the correspondent so that it may be handled and settled in conformity with the provisions of Article 4. If there is no approved correspondent, it shall give immediate notice to the insurer who issued the Green Card or policy of insurance or, if appropriate, to the bureau concerned that it has received a claim and will handle it, or arrange for it to be handled, by an agent whose identity it shall also notify.

2.2. Whenever dealing with a claim, the Bureau or its agent shall inform the insurer or the Bureau concerned about its best estimate of the expected claims amounts so that the addressee can set up an appropriate technical provision. It shall attach essential and relevant documentation and update the information as well as the documentation whenever substantial changes occur to it. This obligation is without prejudice to any other obligation of the Bureau or its agent in the country of accident arising from this Article.

3. The bureau is authorised to settle any claim amicably or to accept service of any extra-judicial or judicial process likely to involve the payment of compensation.

4. All claims shall be handled by the bureau with complete autonomy in conformity with legal and regulatory provisions applicable in the country of accident relating to liability, compensation of injured parties and compulsory insurance in the best interests of the insurer who issued the Green Card or policy of insurance or, if appropriate, the bureau concerned.

The bureau shall be exclusively competent for all matters concerning the interpretation of the law applicable in the country of accident (even when it refers to the legal provisions applying in another country) and the settlement of the claim. Subject to this latter provision, the bureau

shall, on express demand, inform the insurer, or the bureau concerned, before taking a final decision.

5. When the settlement envisaged is in excess of the conditions or limits applicable under the compulsory motor civil liability insurance law in force in the country of accident whilst covered under the policy of insurance, it shall consult the insurer in relation to that part of the claim which exceeds those conditions or limits. The consent of such insurer is not required if the applicable law imposes on the bureau the obligation to take account of the contractual guarantees in excess of such limits and conditions provided in the law relating to insurance against civil liability in respect of the use of motor vehicles in the country of accident.

6. A bureau may not of its own volition or without the written consent of the insurer or Bureau concerned, entrust the claim to any agent who is financially interested in it by virtue of any contractual obligation. If it does so, without such consent, its right to reimbursement shall be limited to one half of the sum otherwise recoverable.

#### **Article 4 Correspondents**

1. Subject to any agreement to the contrary binding it to other bureaux and/or to any national legal or regulatory provisions, each bureau shall set out the conditions under which it grants, refuses or withdraws its approval to correspondents established in the country for which it is competent.

However, this approval shall be granted automatically when requested in the name of a member of another Bureau for any establishment of this member in the country of the Bureau receiving the request provided that such establishment is authorised to transact insurance against civil liability in respect of the use of motor vehicles.

2. Bureaux in the Member States of the European Economic Area undertake when receiving such a request, to approve as correspondents in their country claims representatives already appointed by insurers of the other Member States pursuant to Directive 2000/26/EC. This approval cannot be withdrawn as long as the correspondent concerned retains its capacity as a claims representative under the said Directive unless it is in serious breach of its obligations under this Article.

3. Only a bureau shall have the authority, on the request of one of its members, to send to another bureau a request for approval of a correspondent established in the country of that bureau. This request shall be sent by fax or e-mail and supported by proof that the proposed correspondent accepts the requested approval.

The bureau concerned shall grant or refuse its approval within three months from the date of receipt of the request and shall notify its decision and its effective date to the bureau that made the request as well as to the correspondent concerned. In the event of no response being received, approval shall be deemed to have been granted and to have taken effect on the expiry of that period.

4. The correspondent shall handle all claims in conformity with any legal or regulatory provisions applicable in the country of accident relating to liability, compensation of injured parties and compulsory motor insurance, in the name of the bureau that has approved it and on behalf of the insurer that requested its approval, arising out of accidents occurring in that country involving vehicles insured by the insurer that requested its approval.

When any settlement envisaged exceeds the conditions or limits applicable under the compulsory motor civil liability insurance law applicable in the country of accident, whilst covered under the policy of insurance, the correspondent must comply with the provisions set out in Article 3(5).

5. The bureau that has granted its approval to a correspondent recognises it as exclusively competent to handle and settle claims in the name of the bureau and on behalf of the insurer that requested its approval. The bureau shall inform injured parties of this competence and forward to the correspondent any notifications relating to such claims. However it may, at any time and without any obligation to justify its decision, take over the handling and settlement of a claim from a correspondent.

6. If, for whatever reason, the bureau that granted the approval is required to compensate any injured party in place of the correspondent, it shall be reimbursed directly by the bureau through which the request for approval was sent, in accordance with the conditions set out in Article 5.

7. Subject to the provisions of Article 4(4), the correspondent is free to agree with the insurer that requested its approval the conditions for reimbursement of sums paid to injured parties and the method for calculating its handling fees which agreement, however, shall not be enforceable against any bureau.

8. If a correspondent is unable to obtain reimbursement of advance payments it has made in accordance with the conditions set out in Article 4.4 on behalf of the insurer that requested its approval, it shall be reimbursed by the bureau that approved it, upon fulfilment of all of the following conditions:

8.1. The correspondent informs the bureau that approved it of the inability to receive reimbursement and requests reimbursement within a period of minimum 6 and maximum 9 months since the date on which the correspondent has sent the demand for reimbursement to the insurer that requested its approval.

8.2. Together with the request mentioned in subparagraph 8.1 and in order to receive reimbursement from the national bureau that approved it, the correspondent has to provide this bureau with:

- i. material proof that it had, in scope of the demanded amount, compensated the injured party before sending the demand for reimbursement to the insurer that requested its approval;
- ii. any document establishing the correspondent's right to handle the claim on behalf of the insurer (containing the insurer's confirmation that insurance cover was accepted for the vehicle in question);
- iii. a copy of the demand for reimbursement sent by the correspondent to the insurer that requested its approval;
- iv. a copy of at least one reminder for reimbursement sent by the correspondent to the insurer that requested its approval at least one month prior to sending the request to the bureau that approved the correspondent.

The reimbursement of the correspondent by the bureau that approved it shall be limited to sums mentioned in Article 5.1.1 and 5.1.2 and shall neither include any handling fees as mentioned in Article 5.1.3 or agreed between the correspondent and the insurer that requested its approval, nor any late interest as mentioned in Article 5.2 or agreed between the correspondent and the insurer that requested its approval.

9. When a bureau is informed that one of its members has decided to dismiss a correspondent, it shall immediately so inform the bureau that granted the approval. This latter bureau shall be at liberty to determine the date on which its approval will cease to have effect.

In case the insurer wishes to appoint a new correspondent according to Article 4, the bureau which is requested to approve the correspondent shall, amongst others, take explicitly into consideration:

- i. the number of demands for reimbursement sent by the correspondent to the insurer and that remain unpaid, the amounts mentioned in these unpaid demands for reimbursement and the period of time they remain unpaid and/or;
- ii. the way in which Article 4(4) has been respected by both the correspondent and the insurer that requested the approval of the correspondent.

When a bureau that granted approval to a correspondent decides to withdraw it or is informed that the correspondent wishes to have its approval withdrawn, it shall immediately so inform the bureau that forwarded the request for the approval of the correspondent. It shall also inform the bureau of the date of the correspondent's effective withdrawal or the date on which its approval will cease to have effect.

## **Article 5 Conditions of reimbursement**

1. When a bureau or the agent it has appointed for the purpose has settled all claims arising out of the same accident it shall send, within a maximum period of one year from the date of the last payment made in favour of an injured party, by fax or e-mail to the member of the bureau which issued the Green Card or policy of insurance or, if appropriate, to the bureau concerned a demand for reimbursement specifying:

1.1. the sums paid as compensation to injured parties under either an amicable settlement or a court order;

1.2. the sums disbursed for external services in the handling and settlement of each claim and all costs specifically incurred for the purposes of a legal action which would have been disbursed in similar circumstances by an insurer established in the country of the accident;

1.3. a handling fee to cover all other charges calculated under the rules approved by the Council of Bureaux.

When claims arising out of the same accident are defended and settled without any compensation being paid, such sums as provided in subparagraph (1)(2) above and the minimum fee fixed by the Council of Bureaux in conformity with subparagraph (1)(3) above may be claimed.

1.4. The amount of compensation exceeding 10.000 EUR (or its value in the currency of the country of the accident at the rate of exchange on the date of the demand for reimbursement) the payment of which is blocked or deposited due to pending court proceedings, may be subject to a demand for reimbursement sent to the insurer or, if appropriate, to the Bureau concerned despite such amount not being paid to the injured party, under the condition that depending on the final decision of the court, the amount will be subject to a set-off between the Parties involved. The handling Bureau may request the reimbursement of this amount from an approved correspondent of the respective insurer. Any amount to be set-off in favour of the entity which reimbursed the handling Bureau, must be transferred back by the latter without any delay in accordance with the court decision releasing the amount.

2. The demand for reimbursement shall specify that the amounts due are payable in the country and in the national currency of the beneficiary, free of costs, within a period of two months from the date of demand and that, on expiry of that period, late interest at 12 % per annum on the amount due from the date of the demand until the date of receipt of the remittance by the bank of the beneficiary shall apply automatically. In the event of a guarantee call according to Article 6 resulting from the demand for reimbursement, the application of late interest shall accrue until the date of issuance of that guarantee call.

The demand for reimbursement may also specify that amounts expressed in the national currency are payable in euro, at the official rate of exchange current in the country of the claiming bureau at the date of the demand.

3. Under no circumstances shall demands for reimbursement include payments for fines, bail bonds or other financial penalties imposed upon an insured which are not covered by insurance against civil liability in respect of the use of motor vehicles in the country of accident.

4. Unless already provided, supporting documents, including the objective proof that compensation due to injured parties has been paid (or blocked/deposited due to pending court proceedings), shall be sent promptly on demand but without delay to the reimbursement.

5. Reimbursement of all sums cited in subparagraphs (1)(1) and (1)(2) above may be claimed in accordance with the conditions set out in this Article notwithstanding that the bureau may not have settled all claims arising out of the same accident. The handling fee provided for under subparagraph (1)(3) above may also be claimed if the principal sum which is the subject of the reimbursement is in excess of the amount fixed by the Council of Bureaux.

6. If, after satisfaction of a reimbursement demand, a claim is reopened or a further claim arising out of the same accident is made, the balance of the handling fee, if any, shall be calculated in accordance with the provisions in force at the time when the demand for reimbursement in respect of the re-opened or further claim is presented.

7. Where no claim for compensation has resulted from an accident, no handling fee may be claimed.

## **Article 6 Obligation of guarantee**

1. Each bureau shall guarantee the reimbursement by its members of any amount demanded in accordance with the provisions of Article 5 by the bureau of the country of accident or by the agent that it has appointed for the purpose.

If a member fails to make the payment demanded within the period of two months specified in Article 5, the bureau to which this member belongs shall itself make the reimbursement in accordance with the conditions described hereunder, following receipt of a guarantee call made by the bureau of the country of accident or by the agent that it has appointed for the purpose.

The bureau standing as guarantor shall make the payment, i.e. the amount of the demand for reimbursement according to Article 5 plus late interest accrued until the date of issuance of the guarantee call, at a rate of 12% per annum, within a period of one month. On expiry of that period, late interest at 12 % per annum on the amount due, calculated from the date of the guarantee call to the date of receipt of the remittance by the beneficiary's bank, shall apply automatically.

The guarantee call shall be made according to the practical terms and conditions decided at the General Assembly within a period of 12 months after the date of despatch of the demand for reimbursement under Article 5. On expiry of that period and without prejudice to any late interest for which it may be liable, the liability of the Bureau standing as guarantor shall be limited to the amount claimed from its member plus 12 months interest calculated at 12 % per annum.

No guarantee call shall be admissible if made more than two years after the despatch of the demand for reimbursement

2. Each bureau shall guarantee the reimbursement by its members of any amount reimbursed by a bureau to a correspondent in accordance with Article 4.8.

After having reimbursed the correspondent, the bureau that approved the correspondent shall make a guarantee call to the bureau of which the insurer in question is a member.

Such guarantee call shall comply with the conditions of Article 4.8 and shall be made according to the practical terms and conditions decided at the General Assembly within a period of 12 months since the date on which the correspondent sent the demand for reimbursement to the insurer that requested its approval at the latest. All remaining conditions of Article 6.1 shall apply to this guarantee call.

3. Each bureau guarantees that its members shall instruct the correspondents whose approval they have requested to settle claims in conformity with the provisions of the first paragraph of Article 4(4) above and forward to those correspondents or to the bureau of the country of accident all documents concerning all claims entrusted to them.

## **SECTION II SPECIFIC RULES GOVERNING CONTRACTUAL RELATIONS BETWEEN BUREAUX BASED ON THE GREEN CARD (OPTIONAL PROVISIONS)**

The provisions of this section apply where contractual relations between bureaux are based on the Green Card.

### **Article 7 Issue and delivery of green cards**

1. Each bureau shall be responsible for printing its Green Cards or shall authorise its members to print them.

2. Each bureau shall authorise its members to issue Green Cards to their insureds solely for vehicles registered in any country for which it is competent.

3. Any member may be authorised by its bureau to issue green cards to its insureds in any country where no bureau exists provided that the member is established in that country. This option is limited to vehicles registered in the country in question.

4. All Green Cards are deemed to be valid for at least 15 days from their date of inception. In the event that a Green Card is issued for a lesser period, the bureau having authorised the issuing of the Green Card shall guarantee cover to the bureaux in the countries for which the card is valid for a period of 15 days from the date of inception of its validity.

5. Where an agreement signed between two bureaux is cancelled under Article 16(3)(5), all Green Cards delivered in their name for use in their respective territories shall be null and void as soon as the cancellation becomes effective.

6. Where an agreement is cancelled or suspended by the application of Article 16(3)(6), the residual period of validity of the Green Cards delivered in the name of the bureaux concerned for use in their respective territories shall be determined by the Council of Bureaux.

### **Article 8 Confirmation of the validity of a Green Card**

Any request for confirmation of the validity of an identified Green Card sent by fax or e-mail to a bureau by the bureau of the country of accident or by any agent appointed for the purpose shall be given a definitive answer within six weeks of the request. In the event of no such response then on expiry of that period, the Green Card shall be deemed to be valid.

### **Article 9 False, unauthorised or illegally altered Green Cards**

Any Green Card presented in a country for which it is valid, purporting to be issued under the authority of a bureau shall be guaranteed by that bureau, even if it is false, unauthorised or illegally altered.

However, the bureau's guarantee shall not apply where a Green Card relates to a vehicle which is not legally registered in that bureau's country, with the exception of the circumstances specified in Article 7(3).

## **SECTION III SPECIFIC RULES GOVERNING CONTRACTUAL RELATIONS BETWEEN BUREAUX BASED ON DEEMED INSURANCE COVER (OPTIONAL PROVISIONS)**

The provisions of this section apply when the relations between bureaux are based on deemed insurance cover, with certain exceptions.

### **Article 10 Obligations of the bureaux**

The bureaux to which the provisions of this section apply shall guarantee, on a full reciprocity basis, the reimbursement of all amounts payable under these Regulations arising out of any accident involving a vehicle normally based in the territory of the State for which each of these bureaux is competent, whether the vehicle is insured or not.

### **Article 11 The normally based concept**

1. The territory of the State in which the vehicle is normally based is determined on the basis of any of the following criteria:

1.1. the territory of the Member State of which the vehicle bears a registration plate, whether this be permanent or temporary;

1.2. where no registration is required for the type of vehicle but the vehicle bears an insurance plate, or a distinguishing sign analogous to a registration plate, the territory of the State in which the insurance plate or the sign is issued;

1.3. where neither registration plate nor insurance plate nor distinguishing sign is required for certain types of vehicles, the territory of the State in which the person who has custody of the vehicle is permanently resident.

2. If a vehicle required to bear a registration plate bears no plate or bears a registration plate which does not correspond or no longer corresponds to the vehicle has been involved in an



accident, the territory in which the accident occurred shall, for the settlement for any resulting claim, be deemed to be the territory where the vehicle is normally based.

### **Article 12 Exemptions**

The provisions of this section do not apply to:

1. vehicles registered in countries other than the countries of the bureaux subject to the provisions of this section and for which a Green Card has been delivered by a member of any of these bureaux. In the event of an accident involving a vehicle for which a Green Card has been issued the bureaux concerned shall act according to the rules set out in Section II;
2. vehicles belonging to certain persons, if the State in which they are registered has designated in the other States an authority or body responsible for compensating injured parties in accordance with the conditions prevailing in the country of accident;
3. certain types of vehicles or certain vehicles bearing a special plate of which the list is determined by each Member State and communicated to other Member States and to the Commission.

The list of vehicles referred to under 2 and 3 as well as the list of authorities or bodies appointed in the other States shall be drawn up by each State and communicated to the Council of Bureaux by the bureau of that State.

### **Article 13 Confirmation of the territory in which a vehicle is normally based**

Any request for confirmation of the territory in which a vehicle is normally based sent by fax or e-mail to a bureau by the bureau of the country of the accident or by any agent appointed for the purpose shall be given a definitive answer within six weeks of the request. In the event of no such response being received then on the expiry of that period there shall be deemed to be confirmation that the vehicle is normally based in that bureau's territory.

### **Article 14 Duration of the guarantee**

Bureaux may limit the duration of the guarantee due in accordance with Article 10 for all vehicles, on the basis of reciprocal agreements signed with other bureaux and communicated to the Council of Bureaux.

### **Article 15 Unilateral application of guarantee based on a deemed insurance cover**

Save legal provisions to the contrary, bureaux may agree on any unilateral application of this section within the context of their bilateral relations.

## **SECTION IV RULES GOVERNING AGREEMENTS CONCLUDED BETWEEN NATIONAL INSURERS' BUREAUX (MANDATORY PROVISIONS)**

### **Article 16 Bilateral agreements - conditions**

1. Bureaux may conclude bilateral agreements between themselves whereby they undertake within the context of their reciprocal relations to abide by the mandatory provisions of these Internal Regulations, as well as the optional provisions specified herein.
2. Such agreements shall be signed in triplicate by the contracting bureaux, each of whom shall retain a copy. The third copy shall be sent to the Council of Bureaux which shall, after consultation with the concerned parties, inform them of the date commencement of their agreement.
3. Such agreements shall include clauses providing:
  - 3.1. identification of the contracting bureaux, mentioning their status as members of the Council of Bureaux and the territories for which they are competent;

- 3.2. their undertaking to abide by the mandatory provisions of these Internal Regulations;
  - 3.3. their undertaking to abide by such optional provisions as mutually chosen and agreed;
  - 3.4. reciprocal authorities granted by these bureaux, in their own name and on behalf of their members, to settle claims amicably or to accept service of any extra-judicial or judicial process likely to lead to the payment of compensation resulting from any accident within the scope and purpose of these Internal Regulations;
  - 3.5. unlimited duration of the agreement, subject to the right of each contracting bureau to terminate it on 12 months notice simultaneously notified to the other party and to the Council of bureaux.
  - 3.6. automatic cancellation or suspension of the agreement if either contracting bureau ceases to be a Member of the Council of Bureaux or has its membership suspended.
4. A model of this agreement is appended (Annex III).

#### **Article 17 Exception**

1. By derogation to Article 16, the bureaux of Member States of the European Economic Area shall, in conformity with Article 2 of Directive 72/166/EEC of 24 April 1972 signify their reciprocal acceptance of these Internal Regulations by a multilateral agreement the commencement date of which is determined by the Commission of the European Union in collaboration with the Council of Bureaux.
2. The bureaux in non-member States of the European Economic Area may commit to this multilateral agreement by respecting the conditions fixed by the competent committee as acknowledged in the Constitution of the Council of Bureaux.

### **SECTION V PROCEDURE FOR AMENDING THE INTERNAL REGULATIONS (MANDATORY PROVISIONS)**

#### **Article 18 Procedure**

1. Any amendment to these Regulations shall fall within the exclusive competence of the General Assembly of the Council of Bureaux.
2. By derogation to the above:
  - (a) any amendment to the provisions set out in Section III shall fall within the exclusive competence of the committee as acknowledged in the Constitution of the Council of bureaux. Those provisions are binding on bureaux which, although not members of this committee, have elected to apply Section III in their contractual relations with other bureaux; and
  - (b) any amendment to Article 4.2 shall fall within the exclusive competence of the bureaux of the European Economic Area.

### **SECTION VI Resolution of disputes between Bureaux (MANDATORY PROVISIONS)**

#### **Article 19 Resolution of disputes between Bureaux**

Any dispute arising out of these Internal Regulations or related to them shall be resolved by mediation or by arbitration.

The rules of the mediation and the arbitration are dealt with in a separate regulation approved by the General Assembly of the Council of Bureaux

### **SECTION VII ENTRY INTO FORCE (MANDATORY PROVISION)**

#### **Article 20 Entry into force**

1. The provisions of the current Internal Regulations will come into force on the 1<sup>st</sup> of July 2008. On this date, it will supersede the version of the Internal Regulations adopted in Rethymno on the 30<sup>th</sup> of May 2002.
2. By way of derogation from Article 20.1, Article 11, Article 12.3 and Article 14 come into force retrospectively for accidents occurring from the 11th of June 2007 onwards.

## **ANNEXES**

Annex I: Recommendation No 5

Annex II: Directive of 24 April 1972 (72/166/EEC)

Annex III: Model agreement between Bureaux (See on the following page)