1955 No. 1954

The International Finance Corporation Order, 1955

Laid before Parliament in draft
Made - - - - 22nd December, 1955
*Coming into Operation On a date to be notified in the London Gazette**

At the Court at Buckingham Palace, the 22nd day of December, 1955

Present,

The Queen's Most Excellent Majesty in Council

Her Majesty, in exercise of the powers conferred on Her by section three of the International Finance Corporation Act, 1955(a), and of all other powers enabling Her in that behalf is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

1.—(1) This Order may be cited as the International Finance Corporation Order, 1955.

(2) This Order shall come into operation on the date on which Her Majesty's Government in the United Kingdom becomes a member of the Corporation, which date shall be notified in the London Gazette.

2.—(1) In this Order, "the Agreement" means the Agreement for the establishment and operation of an international body to be called the International Finance Corporation signed on behalf of Her Majesty's Government in the United Kingdom on the twenty-fifth day of October, 1955, in pursuance of the Articles referred to in section one of the said Act; and "the Corporation" means the body established under the Agreement.

(2) The Interpretation Act, 1889(b), shall apply to the interpretation of this Order as it applies to the interpretation of an Act of Parliament.

3. The provisions of the Agreement set out in the Schedule to this Order shall have the force of law:

Provided that nothing in Section 9 of Article VI of the Agreement shall be construed as—

(*a*) entitling the Corporation to import goods free of customs duty without any restriction on their subsequent sale in the country to which they were imported; or

(*b*) conferring on the Corporation any exemption from duties or taxes which form part of the price of goods sold; or

(*c*) conferring on the Corporation any exemption from duties or taxes which are in fact no more than charges for services rendered.

4. This Order shall extend to all parts of Her Majesty's dominions (other than Canada, Australia, New Zealand, the Union of South Africa, Pakistan and Ceylon, and any territory administered by the Government of any of those countries) and, to the extent that Her Majesty has jurisdiction therein, to all other territories for whose foreign relations Her Majesty's Government in the United Kingdom is responsible:

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* 20.7.56. (a) 4 & 5 Eliz. 2. c. 5. (b) 52 & 53 Vict. c. 63.

Provided that if, whether before or after the passing of the International Finance Corporation Act, 1955, and whether before or after the coming into force of this Order, effect is given by or under the law of any such part of Her Majesty's dominions or other territory to any provision of the Agreement set out in the Schedule to this Order, this Order, so far as it gives effect to that provision, shall not extend to that part of Her Majesty's dominions or other territory in respect of any period for which effect is so given to that provision.

W. G. Agnew.

SCHEDULE

PROVISIONS OF THE AGREEMENT AS TO STATUS, IMMUNITIES AND PRIVILEGES

Article III

OPERATIONS

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Section 5. Applicability of certain foreign exchange restrictions

Funds received by or payable to the Corporation in respect of an investment of the Corporation made in any member's territories pursuant to Section 1 of this Article shall not be free, solely by reason of any provision of this Agreement, from generally applicable foreign exchange restrictions, regulations and controls in force in the territories of that member.

Article VI

STATUS, IMMUNITIES AND PRIVILEGES

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Section 2. Status of the Corporation

The Corporation shall possess full juridical personality and, in particular, the capacity:

(i) to contract;

(ii) to acquire and dispose of immovable and movable property;

(iii) to institute legal proceedings.

Section 3. Position of the Corporation with regard to judicial process

Actions may be brought against the Corporation only in a court of competent jurisdiction in the territories of a member in which the Corporation has an office, has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities. No actions shall, however, be brought by members or persons acting for or deriving claims from members. The property and assets of the Corporation shall, wheresoever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgment against the Corporation.

Section 4. Immunity of assets from seizure

Property and assets of the Corporation, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of seizure by executive or legislative action.

Section 5. Immunity of archives

The archives of the Corporation shall be inviolable.

Section 6. Freedom of assets from restrictions

To the extent necessary to carry out the operations provided for in this Agreement and subject to the provisions of Article III, Section 5, and the other provisions of this Agreement, all property and assets of the Corporation shall be free from restrictions, regulations, controls and moratoria of any nature.

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Section 8. Immunities and privileges of officers and employees

All Governors, Directors, Alternates, officers and employees of the Corporation:

(i) shall be immune from legal process with respect to acts performed by them in their official capacity . . .

Section 9. Immunities from taxation

(*a*) The Corporation, its assets, property, income and its operations and transactions authorised by this Agreement, shall be immune from all taxation and from all customs duties. The Corporation shall also be immune from liability for the collection or payment of any tax or duty.

(*b*) No tax shall be levied on or in respect of salaries and emoluments paid by the Corporation to Directors, Alternates, officials or employees of the Corporation who are not local citizens, local subjects, or other local nationals.

(*c*) No taxation of any kind shall be levied on any obligation or security issued by the Corporation (including any dividend or interest thereon) by whomsoever held:

(i) which discriminates against such obligation or security solely because it is issued by the Corporation ; or

(ii) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Corporation.

(*d*) No taxation of any kind shall be levied on any obligation or security guaranteed by the Corporation (including any dividend or interest thereon) by whomsoever held:

(i) which discriminates against such obligation or security solely because it is guaranteed by the Corporation ; or

(ii) if the sole jurisdictional basis for such taxation is the location of any office or place of business maintained by the Corporation.

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Section 11. Waiver

The Corporation in its discretion may waive any of the privileges and immunities conferred under this Article to such extent and upon such conditions as it may determine.

EXPLANATORY NOTE

(This Note is not part of the Order, but is intended to indicate its general purport)

This Order provides privileges and immunities required by the Agreement for the establishment and operation of the International Finance Corporation (Cmd. 9502). It will not come into operation until Her Majesty's Government becomes a member of the Corporation. This date will, under the provisions of the Order, be notified in the London Gazette.