

**INTERNATIONAL FINANCE CORPORATION (STATUS,
IMMUNITIES AND PRIVILEGES) ACT, 1958**

42 of 1958

[17th October, 1958]

CONTENTS

1. Short title and extent
2. Definitions
3. Conferment of status and certain immunities and privileges on the Corporation and conferment of certain immunities and privileges on its officers and employees.
4. Power to make rules

**SCHEDULE 1 :-PROVISIONSOF THE AGREEMENT WHICH SHALL
HAVE FORCE OF LAW :**

1. Financing Operations.
2. Applicabilities of certain Foreign Exchange Restrictions.
1. Purposes of Article.
2. Status of the Corporation.
3. Position of the Corporation with regard to Judicial Process.
4. Immunity of Assets from Seizure.
5. Immunity of Archives.
6. Freedom of Assets from Restrictions.
7. Privilege for Communications.
8. Immunities and Privileges of Officers and Employees.
9. Immunities from Taxation.
10. Waiver.

**INTERNATIONAL FINANCE CORPORATION (STATUS,
IMMUNITIES AND PRIVILEGES) ACT, 1958**

42 of 1958

[17th October, 1958]

"The International Finance Corporation has been established by an International Agreement to which India is a signatory. Article VI of that Agreement provides for the granting to the Corporation and its officials and employees certain status, immunities and privileges in the territories of each member country. Section 10 of this Article requires each member country to take such action as is necessary

in its own territories for the purpose of making effective in terms of its own law, the principal set forth in the Article. In pursuance thereto several member countries have already enacted necessary legislation in this behalf. By this Bill, it is proposed to enact similar legislation to give effect to the provisions, of the said Article VI of the International Agreement." -Gazette of India, 1958, Ext., Pt. II, S. 2, p. 986.

1. Short title and extent :-

To enable the Corporation to fulfil the functions with which it is entrusted, the status, immunities and privileges set forth in this Article shall be accorded to the Corporation in the territories of each member.

2 \Definitions

- In this Act, unless the context otherwise requires,

(a) "Agreement" means the Agreement for the establishment and operation of the international body known as the International Finance Corporation;

(b) "Corporation" means the International Finance Corporation established under the Agreement.

3. Conferment of status and certain immunities and privileges on the Corporation and conferment of certain immunities and privileges on its officers and employees. :-

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.

4 \Power to make rules

-

(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) All rules made under this Act shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

SCHEDULE 1

PROVISIONS OF THE AGREEMENT WHICH SHALL HAVE FORCE OF LAW :

1. Financing Operations. :-

To enable the Corporation to fulfil the functions with which it is entrusted, the status, immunities and privileges set forth in this Article shall be accorded to the Corporation in the territories of each member.

2. Applicabilities of certain Foreign Exchange Restrictions.

:-

The Corporation shall possess full juridical personality and, in particular, the capacity: (i) to contract: (ii) to require and dispose of immovable and movable property; (iii) to institute legal proceedings.

1. Purposes of Article. :-

To enable the Corporation to fulfil the functions with which it is entrusted, the status, immunities and privileges set forth in this Article shall be accorded to the Corporation in the territories of each member.

2. Status of the Corporation. :-

The Corporation shall possess full juridical personality and, in particular, the capacity: (i) to contract: (ii) to require and dispose of immovable and movable property; (iii) to institute legal proceedings.

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.

4. Immunity of Assets from Seizure. :-

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

5. Immunity of Archives. :-

The Archives of the Corporation shall be inviolable.

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.

7. Privilege for Communications. :-

The official communications of the Corporation shall be accorded by each members the same treatment that it accords to the official communications of other members.

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; (ii) not being local nationals, shall be accorded the same immunities from immigration restrictions, alien registration requirements and national service obligations and the same facilities as regards exchange restrictions as are accorded by members to the representatives, officials and employees of comparable rank of other members; (iii) shall be granted the same treatment in respect of travelling facilities as is accorded by members to representatives; officials and employees of comparable rank of other members.

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.

10. 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.