

CHAPTER 190

THE INTERNATIONAL FINANCE CORPORATION ACT.

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CHAPTER 190

THE INTERNATIONAL FINANCE CORPORATION ACT.

Commencement: 22 February, 1963.

An Act to make provision with respect to acceptance by Uganda of an international agreement for the establishment and operation of an International Finance Corporation and to provide for related matters.

WHEREAS on the 11th April, 1955, the executive directors of the International Bank for Reconstruction and Development approved articles of agreement (hereafter in this Act referred to as the “agreement”) providing for the establishment and operation of an international body to be called the International Finance Corporation (hereafter in this Act referred to as the “corporation”):

AND WHEREAS copies of the text of the agreement have been laid before the National Assembly:

AND WHEREAS it is expedient that Uganda should become a member of the corporation and that provision should be made for acceptance by Uganda of the agreement and for carrying out the obligations of Uganda thereunder:

BE IT THEREFORE enacted—

1. Interpretation.

In this Act, unless the context otherwise requires, “Minister” means the Minister for the time being responsible for finance.

2. Acceptance of agreement.

The Minister is authorised by instruments under his or her hand to empower such persons as may be named in the instruments, on behalf of the Government of Uganda—

- (a) to sign the agreement; and
- (b) to deposit with the International Bank for Reconstruction and Development an instrument of acceptance of the agreement stating that the Government of Uganda has accepted in accordance with its law the agreement and the terms and

conditions prescribed under the agreement as the terms upon which the Government of Uganda shall be admitted to membership of the corporation.

3. Financial provisions.

(1) There shall be charged on and paid out of the Consolidated Fund without further appropriation than this Act all sums required for the purpose of making payments on behalf of the Government—

- (a) under section 3 of article II of the agreement (which provides for the subscription of shares of stock of the corporation); and
- (b) under section 4 of article V of the agreement (which relates to the cessation of membership of the corporation).

(2) For the purposes of providing any sums required for making any payments under subsection (1), the Minister may, on behalf of the Government, raise loans by creation and issue of securities bearing such rates of interest and subject to such conditions as to repayment, redemption or otherwise as he or she may think fit, and the principal and interest of those securities and the charges and expenses incurred in connection with their issue shall be charged on and paid out of the Consolidated Fund.

(3) Any monies received by the Government from the corporation in pursuance of the agreement or raised under subsection (2) shall be paid into and form part of the Consolidated Fund and shall be available in the same manner as that fund is available.

4. Certain provisions of agreement to have the force of law.

The provisions of the agreement set out in the Schedule to this Act shall have the force of law in Uganda; but 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;
- (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 taxes or duties which are in fact no more than charges for services rendered.

5. Effect of certain East African Community Acts modified.

This Act shall have effect notwithstanding the provisions of the East African Customs and Transfer Tax Management Act, the East African Income Tax Management Act, or any Act of the East African Community amending or replacing either of those Acts of the East African Community.

Schedule.

s. 4.

PROVISIONS OF THE ARTICLES OF AGREEMENT OF THE INTERNATIONAL FINANCE CORPORATION WHICH HAVE THE FORCE OF LAW.

Article VI—Status, Immunities and Privileges.

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.

Section 7. *Privilege for Communications.*

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

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;
- (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.

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.

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.

History: Cap 163; S.I. 84/1968.

Cross References

East African Customs and Transfer Tax Management Act, Laws of the Community, 1970 Revision, Cap. 27.

East African Income Tax Management Act, Laws of the Community, 1970
Revision, Cap. 24.