

REPUBLIC OF ZAMBIA

**THE INTERNATIONAL FINANCE CORPORATION ACT**

**CHAPTER 368 OF THE LAWS OF ZAMBIA**

**CHAPTER 368 THE INTERNATIONAL FINANCE CORPORATION ACT**

THE INTERNATIONAL FINANCE CORPORATION ACT

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**CHAPTER 368**

INTERNATIONAL FINANCE CORPORATION

52 of 1965

**An Act to make provision for acceptance by Zambia of the agreement for the establishment and operation of the International Finance Corporation; and to provide for matters related thereto.**

[10th September, 1965]

WHEREAS, on the 11th April, 1955, the executive directors of the International Bank for Reconstruction and Development approved Articles of Agreement providing for the establishment and operation of an international body to be called the International Finance Corporation, and the Board of Governors of the International Finance Corporation has amended such agreement by resolution dated the 1st September, 1961;

Preamble

AND WHEREAS copies of the text of the aforesaid agreement, as amended, have been laid before the National Assembly;

AND WHEREAS the Board of Governors of the International Finance Corporation has by resolution prescribed the terms and conditions upon which Zambia shall be admitted to membership therein;

AND WHEREAS it is expedient that Zambia becomes a member of the International Finance Corporation and that provision be made accordingly and for carrying out the obligations of Zambia under the aforesaid agreement, as amended, and the aforesaid resolution:

BE IT, THEREFORE, ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the International Finance Corporation Act.

Short title

2. (1) In this Act, unless the context otherwise requires-

Interpretation

"the Corporation" means the International Finance Corporation;

"the Corporation Agreement" means the amended agreement providing for the establishment and operation of the Corporation;

"the Corporation Resolution" means the resolution of the Board of Governors of the Corporation relating to membership of Zambia in the Corporation, the text of which is set out in the First Schedule.

(2) If a further amendment modifying the Corporation Agreement enters into force before the signing of that Agreement, references in this Act to the Corporation Agreement shall be construed as references to the Corporation Agreement as modified by that further amendment.

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3. The President is hereby authorised by instruments under his hand to empower such persons as may be named in such instruments, on behalf of the Government of Zambia-

Acceptance of agreement and resolution

- (a) to sign the Corporation Agreement; and
- (b) to deposit with the International Bank for Reconstruction and Development an instrument of acceptance of the Corporation Agreement executed by the President stating that-
  - (i) the Government of Zambia accepts without reservation in accordance with its law the Corporation Agreement and the terms and conditions prescribed in the Corporation Resolution as the terms upon which Zambia shall be admitted to membership in the Corporation; and
  - (ii) the Government of Zambia has taken all steps necessary to enable Zambia to carry out all its obligations under the Corporation Agreement and the Corporation Resolution.

4. There are hereby charged on and shall be paid out of the general revenues of the Republic all payments required to be made to the Corporation under the Corporation Agreement and the Corporation Resolution.

Financial provisions

5. (1) The provisions of the Corporation Agreement set out in the Second Schedule shall have the force of law in Zambia:

Certain provisions of agreement to have force of law

Provided that nothing in section 9 of Article VI of the Corporation Agreement shall be construed as-

- (a) entitling the Corporation to import goods free of customs duty without any restriction on their subsequent sale; 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 taxes or duties which are in fact no more than charges for services rendered.

(2) This section shall not come into operation until the Corporation Agreement has been signed.

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6. In pursuance of sections 9 and 10 of Article IV of the Corporation Agreement, the Bank of Zambia is hereby designated as and authorised to be-
- Bank of Zambia to be  
depository and  
channel of  
communication
- (a) the depository in Zambia in which the Corporation may keep holdings of  
Zambian currency or other assets of the Corporation; and
  - (b) the authority in Zambia with which the Corporation may communicate in  
connection with any matter arising under the Corporation Agreement.

FIRST SCHEDULE

(Section 2)

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THE CORPORATION RESOLUTION

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MEMBERSHIP OF ZAMBIA

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WHEREAS the Government of Zambia has applied for admission to membership in the International Finance Corporation in accordance with Section 1 (b) of Article II of the Articles of Agreement of the Corporation; and

WHEREAS, pursuant to Section 17 of the By-Laws of the Corporation, the Board of Directors, after consultation with representatives of the Government of Zambia, has made recommendations to the Board of Governors regarding this application:

NOW, THEREFORE, the Board of Governors hereby

RESOLVES:

THAT the terms and conditions upon which Zambia shall be admitted to membership in the Corporation shall be as follows:

1. *Definitions:* As used in this resolution:

- (a) "Corporation" means the International Finance Corporation.
- (b) "Articles" means the Articles of Agreement of the Corporation.
- (c) "Dollars" or "\$" means United States dollars.
- (d) "Subscription" means the capital stock of the Corporation subscribed by a member.
- (e) "Member" means member of the Corporation.

2. *Subscription:* By accepting membership in the Corporation Zambia shall subscribe to 295 shares of the capital stock of the Corporation at the par value of \$1,000 per share.

3. *Payment on Subscription:* Before accepting membership in the Corporation, Zambia shall pay \$295,000 to the Corporation in full payment of the capital stock subscribed.

4. *Information:* Before accepting membership in the Corporation, Zambia shall furnish to the Corporation such information relating to its application for membership as the Corporation may request.

5. *Acceptance of Membership:* Zambia shall become a member of the Corporation, with a subscription as set forth in paragraph 2 of this resolution, as of the date when Zambia shall have complied with the following requirements:

- (a) made the payment called for by paragraph 3 of this resolution;
- (b) furnished such information as may have been requested by the Corporation pursuant to paragraph 4 of this resolution;
- (c) deposited with the International Bank for Reconstruction and Development an instrument stating that it has accepted without reservation in accordance with its law the Articles and all the terms and conditions prescribed in this resolution, and that it has taken all steps necessary to enable it to carry out all its obligations under the Articles and this resolution; and
- (d) signed the original copy of the Articles held by the International Bank for Reconstruction and Development.

6. *Limitation on Period for Acceptance of Membership:* Zambia may accept membership in the Corporation pursuant to this resolution until November 17, 1965, or by such later date as the Board of Directors may determine.

SECOND SCHEDULE

(Section 5)

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PROVISIONS OF CORPORATION AGREEMENT HAVING THE FORCE OF LAW

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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.

### *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-

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- (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.
- (a) 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.