

CHAPTER 141

INTERNATIONAL FINANCIAL ORGANISATIONS

AN ACT TO ENABLE SOLOMON ISLANDS TO BECOME A MEMBER OF THE INTERNATIONAL MONETARY FUND, THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, THE INTERNATIONAL DEVELOPMENT ASSOCIATION AND THE INTERNATIONAL FINANCE CORPORATION.

25 of 1978
1 of 1982

[1st September 1978]

1. This Act may be cited as the International Financial Organisations Act. Short title

2. In this Act- Interpretation

"Association" means the International Development Association;

"Association Agreement" means the Articles of Agreement for the establishment and operation of the Association;

"Bank" means the International Bank for Reconstruction and Development;

"Bank Agreement" means the Articles of Agreement for the establishment and operation of the Bank, as amended effective 17th December 1965;

"Corporation" means the International Finance Corporation;

"Corporation Agreement" means the Articles of Agreement for the establishment and operation of the Corporation;

"Fund" means the International Monetary Fund;

"Fund Agreement" means the Articles of Agreement for the establishment and operation of the Fund, as amended pursuant to Resolution No. 31-4 of the Board of Governors of the Fund;

"Membership Resolution" means the Resolution adopted by the Board of Governors of the Fund or of the Bank or of the Association or of the Corporation as the case may be specifying the terms and conditions upon which Solomon Islands shall be admitted to membership in the respective organisations;

"Minister" means the Minister responsible for finance.

Authorisation for signing
of and accepting the
Agreements

3. (1) The Minister is hereby authorised on behalf of the Government of Solomon Islands to sign any or all of the following Agreements, that is to say, the Fund Agreement, the Bank Agreement, the Association Agreement and the Corporation Agreement and to deposit, in the cases of the Fund Agreement and the Bank Agreement, with the Government of the United States of America and in the case of the Association Agreement and Corporation Agreement with the Bank, instruments of acceptance of the said Agreements and of the terms and conditions respectively prescribed thereunder relating to the admission of Solomon Islands to membership in the Fund, the Bank, the Association and the Corporation or by instruments under his hand, to empower such person as may be named in such instruments to sign the said Agreements and to deposit the said instruments of acceptance as aforesaid.

(2) Upon the admission of Solomon Islands to membership in the Fund, Solomon Islands is hereby authorised to become a participant in the Special Drawing Rights Department in the Fund and the Minister, or such person as he may empower by instrument under his hand, is hereby authorised to deposit with the Fund on behalf of Solomon Islands an instrument stating that Solomon Islands undertakes all the obligations of a participant in such Special Drawing Rights Department in accordance with its law and representing that Solomon Islands has taken all steps necessary to enable it to carry out all of the said obligations.

4. (1) There shall be charged on the Consolidated Fund, on the warrant of the Minister, all sums required for the purposes of making from time to time-

Financial provisions
1 of 1982

(a) all payments or transfers to the Fund under the provisions of the Membership Resolution and the Fund Agreement;

(b) all payments or transfers or other adjustments on account of Solomon Islands' participation in the Special Drawing Rights Department in the Fund;

(c) all payments required to be made or that are desirable to be made to the Bank under the provisions of the Membership Resolution and the Bank Agreement;

(d) all payments required to be made or that are desirable to be made to the Association under the Membership Resolution and the Association Agreement;

(e) all payments required to be made or that are desirable to be made to the Corporation under the Membership Resolution and Corporation Agreement.

(2) The Minister may, if he thinks fit, create and issue to the Fund, the Bank or the Association non-interest bearing and non-negotiable notes or similar obligations as are provided for by section 4 of Article III of the Fund Agreement, by section 12 of Article

V of the Bank Agreement and by paragraph (e) of section 2 of Article II of the Association Agreement (which sections and paragraph relate to the acceptance by the Fund, the Bank or the Association as the case may be, of such notes or similar obligations in place of currency), and the sums payable under such notes or obligations so created and issued shall be a charge on the Consolidated Fund.

(3) Any sums received by the Government of Solomon Islands from the Fund, including any amount of gold or currency paid or allocated to Solomon Islands by the Fund or which may be otherwise acquired by Solomon Islands in consequence of its participation in the Special Drawing Rights Department in the Fund, any sums received by the Government of Solomon Islands from the Bank on account of its subscription of the capital stock thereof and any sums received by the Government of Solomon Islands from the Association on account of Solomon Islands' subscriptions therein or the supplementary resources contributed by Solomon Islands shall be credited to the Consolidated Fund.

(4) The Minister may, in exercise of the powers conferred on him by this Act, designate and authorise the Central Bank of Solomon Islands to be the depository for the holdings of currency in Solomon Islands by the several international financial organisations and to carry out on behalf of Solomon Islands all transactions and operations under the provisions of the Fund Agreement, Bank Agreement, Association Agreement and Corporation Agreement, subject, however, to the requirement of his warrant, in accordance with section 4(1), in respect of all sums charged on the Consolidated Fund.

5. The provisions of-

(a) the first sentence of section 2(b) of Article VIII, sections 2 to 9 inclusive of Article IX and Article XXI (b) of the Fund Agreement;

Certain provisions of
Agreements given force
of law in Solomon Islands

(b) sections 2 to 9 inclusive of Article VII of the Bank Agreement;

(c) sections 2 to 9 inclusive of Article VIII of the Association Agreement; and

(d) sections 2 to 9 inclusive of Article VI of the Corporation Agreement,

as set out in the Schedule hereto shall have the force of law in Solomon Islands.

6. The Minister may by order make such provisions as are necessary for carrying into effect any of the provisions of the Fund Agreement, the Bank Agreement, the Association Agreement and the Corporation Agreement, the respective Membership Resolutions and this Act.

Power of Minister to
make orders

SCHEDULE

Section 5

A. 1. First sentence of section 2(b) of Article VIII of the Fund Agreement;

"Exchange contracts which involve the currency of any member and which are contrary to the exchange control regulations of that member maintained or imposed consistently with this Agreement shall be unenforceable in the territories of any member".

2. Sections 2 to 9 inclusive of Article IX of the Fund Agreement:

"Section 2. Status of the Fund

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

- (i) to contract;
- (ii) to acquire and dispose of immovable and movable property;
and
- (iii) to institute legal proceedings.

Section 3. Immunity from judicial process

The Fund, its property and its assets, wherever located and by whomsoever held, shall enjoy immunity from every form of judicial process except to the extent that it expressly waives its immunity for the purpose of any proceedings or by the terms of any contract.

Section 4. Immunity from other action

Property and assets of the Fund, 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 Fund shall be inviolable.

Section 6. Freedom of assets from restrictions

To the extent necessary to carry out the activities provided for in this Agreement, all property and assets of the Fund shall be free from restrictions, regulations, controls, and moratoria of any nature.

Section 7. Privilege for communications

The official communications of the Fund shall be accorded by members the same treatment as the official communications of other members.

Section 8. Immunities and privileges of officers and employees

All Governors, Executive Directors, Alternates, members of committees, representatives appointed under Article XII, Section 3(j), advisors of any of the foregoing persons, officers, and employees of the Fund:

- (i) shall be immune from legal process with respect to acts performed by them in their official capacity except when the Fund waives this immunity;
- (ii) not being local nationals, shall be granted 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; and
- (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 Fund, its assets, property, income, and its operations and transactions authorized by this Agreement shall be immune from all taxation and from all customs duties. The Fund 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 Fund to Executive Directors, Alternates, officers, or employees of the Fund 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 Fund, including any dividend or interest thereon, by whomsoever held:

- (i) which discriminates against such obligation or security solely because of its origin; 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 Fund.

3. Article XXI (b) of the Fund Agreement:

"In addition to the privileges and immunities that are accorded under Article IX of this Agreement, no tax of any kind shall be levied on special drawing rights or on operations or transactions in special drawing rights".

B. Sections 2 to 9 inclusive of Article VII of the Bank Agreement:

"Section 2. Status of the Bank

The Bank 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 Bank with regard to judicial process

Actions may be brought against the Bank only in a court of competent jurisdiction in the territories of a member in which the Bank 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 Bank 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 Bank.

Section 4. Immunity of assets from seizure

Property and assets of the Bank, 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 Bank 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 this Agreement, all property and assets of the Bank shall be free from restrictions, regulations, controls and moratoria of any nature.

Section 7. Privilege for communications

The official communications of the Bank 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, executive directors, alternates, officers and employees of the Bank

- (i) shall be immune from legal process with respect to acts performed by them in their official capacity except when the Bank waives this immunity;
- (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 Bank, its assets, property, income and its operations and transactions authorized by this Agreement, shall be immune from all taxation and from all customs duties. The Bank 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 Bank to executive directors, alternates, officials or employees of the Bank 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 Bank (including any dividend or interest thereon) by whomsoever held-

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

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

- (i) which discriminates against such obligation or security solely because it is guaranteed by the Bank; or
- (ii) if the sole jurisdictional basis for such taxation is the location of any office or place of business maintained by the Bank".

C. Sections 2 to 9 inclusive of Article VIII of the Association Agreement:

Section 2. Status of the Association

The Association 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 Association with Regard to Judicial Process

Actions may be brought against the Association only in a court of competent jurisdiction in the territories of a member in which the Association 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 Association 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 Association.

Section 4. Immunity of Assets from Seizure

Property and assets of the Association, 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 Association shall be inviolable.

Section 6 Freedom of Assets from Restrictions

To the extent necessary to carry out the operations provided of this Agreement, all property and assets of the Association shall be free from restrictions, regulations, controls and moratoria of any nature.

Section 7. Privilege for Communications

The official communications of the Association 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, Executive Directors, Alternates, officers and employees of the Association

- (i) shall be immune from legal process with respect to acts performed by them in their official capacity except when the Association waives this immunity;
- (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 ad 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 Association, its assets, property, income and its operations and transactions authorized by this Agreement, shall be immune from all taxation and from all customs duties. The Association 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 Association to Executive Directors, Alternates, officials or employees of the Association 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 Association (including any dividend or interest thereon) by whomsoever held

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

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

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

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

D. Sections 2 to 9 inclusive of Article VI of the Corporation Agreement:

"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 judgement 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 of 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 authorized 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 or 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."

(No Subsidiary Legislation.)