

CHAPTER 22:09

INTERNATIONAL FINANCIAL ORGANIZATIONS ACT

Act 14/1980.

AN ACT to provide for the admission by Zimbabwe to membership in the International Monetary Fund, the International Bank for Reconstruction and Development, the International Finance Corporation and the International Development Association; and to provide for matters incidental to or connected therewith.

[Date of commencement: 12th September, 1980.]

1 Short title

This Act may be cited as the International Financial Organisations Act [*Chapter 22:09*].

2 Interpretation

In this Act—

“Association” means the International Development Association established pursuant to Articles of Agreement approved by the Executive Directors of the Bank in 1960;

“Association Agreement” means the Articles of Agreement providing for the establishment and operation of the Association, as amended;

“Bank” means the International Bank for Reconstruction and Development;

“Bank Agreement” means the agreement providing for the establishment and operation of an international body to be known as the International Bank for Reconstruction and Development which was drawn up at the United Nations Monetary and Financial Conference held at Bretton Woods in New Hampshire in the United States of America in July, 1944, as amended;

“Consolidated Revenue Fund” means the Consolidated Revenue Fund established by section 101 of the Constitution of Zimbabwe;

“Corporation” means the International Finance Corporation established pursuant to Articles of Agreement approved by the Executive Directors of the Bank in 1955;

“Corporation Agreement” means the Articles of Agreement providing for the establishment and operation of the Corporation, as amended;

“Fund” means the International Monetary Fund;

“Fund Agreement” means the agreement providing for the establishment and operation of an international body to be known as the International Monetary Fund which was drawn up at the United Nations Monetary and Financial Conference held at Bretton Woods in New Hampshire in the United States of America in July, 1944, as amended;

“Membership Resolutions” means the resolutions adopted by the Board of Governors of the Fund, the Bank, the Corporation and the Association, respectively, specifying the terms and conditions upon which Zimbabwe shall be admitted to membership in these organizations;

“Minister” means the Minister of Finance or any other Minister to whom the President may, from time to time, assign the administration of this.

3 Acceptance of membership

The Minister, or such person as may be authorized by him in writing, may accept membership in the Fund, the Bank, the Corporation and the Association on behalf of Zimbabwe by signing the originals of the Fund Agreement, the Bank Agreement, the Corporation Agreement and the Association Agreement and by executing and depositing, in the case of the Fund Agreement and the Bank Agreement, with the Government of the United States of America and, in the case of the Corporation Agreement and the Association Agreement, with the Bank, instruments of acceptance and other documents which may be required.

4 Participation in Special Drawing Rights Department of the Fund

Upon the admission of Zimbabwe to membership in the Fund, Zimbabwe may become a participant in the Special Drawing Rights Department of the Fund and the Minister may, for such purposes, execute and deposit with the Fund on behalf of Zimbabwe the instrument of participation stating that Zimbabwe undertakes all the obligations of a participant in the Special Drawing Rights Department of the Fund in accordance with the law of Zimbabwe and representing that Zimbabwe has taken all steps necessary to enable it to carry out all of the obligations of a participant in the Special Drawing Rights Department of the Fund.

5 Financial and other provisions

(1) There are hereby charged on and shall be paid out of the Consolidated Revenue Fund—

(a) all payments required to be made from time to time to the Fund under the Fund Agreement and the respective Membership Resolution;

- (b) all payments required to be made from time to time in respect of Zimbabwe's participation in the Special Drawing Rights Department of the Fund;
- (c) all payments required to be made from time to time to the Bank under the Bank Agreement and the respective Membership Resolution;
- (d) all payments required to be made from time to time to the Corporation under the Corporation Agreement and the respective Membership Resolution;
- (e) all payments required to be made from time to time to the Association under the Association Agreement and the respective Membership Resolution.

(2) The Minister may, on behalf of Zimbabwe, issue in accordance with the Fund Agreement, the Bank Agreement, the Corporation Agreement and the Association Agreement, such nonnegotiable and non-interest bearing notes or other similar obligations which may be necessary or appropriate in respect of the membership by Zimbabwe in the Fund, the Bank, the Corporation and the Association, as the case may be, and any sums payable under any such notes or obligations are hereby charged on and shall be paid out of the Consolidated Revenue Fund.

(3) For the purpose of providing any sums required for making any payments under this section, the Minister may, on behalf of the Government of Zimbabwe, raise loans by the creation and issue of securities bearing such rates of interest and subject to such terms and conditions as to repayment, redemption or otherwise as he may think fit, and the principal and interest of such securities and the charges and expenses incurred in connection with their issue are hereby charged on and shall be paid out of the Consolidated Revenue Fund.

6 Certain provisions of Agreements to have force of law

The Fund Agreement, the Bank Agreement, the Corporation Agreement and the Association Agreement set out in the First, Second, Third and Fourth Schedules, respectively, shall have the force of law in Zimbabwe:

Provided that nothing contained in any such provision shall be construed as—

- (a) entitling the Fund, the Bank, the Corporation or the Association to import goods free of customs duty without any restriction on their subsequent sale; or
- (b) conferring on the Fund, the Bank, the Corporation or the Association any exemption from duties or taxes which form part of the price of goods sold; or
- (c) conferring on the Fund, the Bank, the Corporation or the Association any exemption from taxes or duties which are in fact no more than charges for services rendered.

7 Transactions with Fund, Bank, Corporation and Association

(1) In terms of section 1 of Article V of the Fund Agreement, section 2 of Article III of the Bank Agreement, section 10 of Article VI of the Association Agreement and section 10 of Article IV of the Corporation Agreement Zimbabwe shall deal with the Fund, the Bank, the Corporation and the Association only through the Treasury.

(2) The Treasury shall have authority to carry on such dealings as may be required for the purposes of subsection (1).

8 Reserve Bank of Zimbabwe to be depository

In terms of section 2 of Article XIII of the Fund Agreement, section 2 of Article V of the Bank Agreement, section 9 of Article IV of the Corporation Agreement and section 9 of Article VI of the Association Agreement, the Reserve Bank of Zimbabwe is hereby designated as and authorized to be the depository in Zimbabwe for all the holdings of Zimbabwean currency of the Fund, the Bank, the Corporation and the Association.

9 Minister's powers

The Minister may make such regulations and give such directions as he may deem necessary or convenient for the carrying out of the objects and purposes of this Act.

FIRST SCHEDULE (Section 6)

PROVISIONS OF FUND AGREEMENT HAVING EFFECT OF LAW

ARTICLE VIII—GENERAL OBLIGATIONS OF MEMBERS

Section 2. Avoidance of restrictions on current payments

- (b) 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.

ARTICLE IX—STATUS, IMMUNITIES AND PRIVILEGES

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 of 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.

ARTICLE XXI—ADMINISTRATION OF THE GENERAL DEPARTMENT AND THE SPECIAL DRAWING RIGHTS DEPARTMENT

- (b) 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.

SECOND SCHEDULE (Section 6)

PROVISIONS OF BANK AGREEMENT HAVING EFFECT OF LAW

ARTICLE VII—STATUS, IMMUNITIES AND PRIVILEGES

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 operation 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 issued 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 obligations 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.

THIRD SCHEDULE (Section 6)

PROVISIONS OF CORPORATION AGREEMENT HAVING EFFECT 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 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 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.

FOURTH SCHEDULE (Section 6)

PROVISIONS OF ASSOCIATION AGREEMENT HAVING EFFECT OF LAW

ARTICLE VIII—STATUS, IMMUNITIES AND PRIVILEGES

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 for in this Agreement and subject to the provisions 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 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 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.