

THE ISLAMIC DEVELOPMENT BANK ACT, 1975

ACT NO. XXVIII OF 1975

[18th July, 1975]

An Act to provide for the implementation of the Agreement establishing the Islamic Development Bank.

WHEREAS the People's Republic of Bangladesh is a signatory to the Agreement establishing the Islamic Development Bank, and it is expedient to provide for the implementation of that Agreement and for carrying out the obligations of the People's Republic of Bangladesh as a founder member of that Bank and for matters connected therewith;

It is hereby enacted as follows:-

1. (1) This Act may be called the Islamic Development Bank Act, 1975.

Short title and commencement

(2) It shall be deemed to have come into force on the 29th day of January, 1975.

2. In this Act, unless there is anything repugnant in the subject or context,-

Definitions

(a) "Agreement" means the Agreement establishing the Islamic Development Bank;

(b) "Bank" means the Islamic Development Bank established by the Agreement.

3. (1) There shall be paid out of the Consolidated Fund all such sums as may, from time to time, be required for the purpose of making payments on behalf of the People's Republic of Bangladesh under any provision of the Agreement.

Financial provisions

(2) Any sums received by the People's Republic of Bangladesh from the Bank in pursuance of the Agreement shall be paid into the Consolidated Fund.

4. (1) Notwithstanding anything to the contrary contained in any other law, the provisions of Chapter VII of the Agreement set out in the Schedule shall have the force of law in Bangladesh:

Certain provisions of the Agreement to have force of law

Provided that nothing in Article 59 of the Agreement shall be construed as-

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

(2) The Government may, by notification in the *official Gazette*, amend the Schedule in conformity with any amendment, which may hereafter be duly made and adopted, of the provisions of the Agreement set out therein.

Power to take steps to discharge obligations and liabilities under the Agreement

5. The Government may take all such steps and make all such arrangements as may be considered necessary to enable it to discharge its financial obligations and other liabilities under the Agreement.

Power to make rules

6. The Government may, by notification in the *official Gazette*, make rules for carrying out the purposes of this Act.

Repeal and savings

7. (1) The Islamic Development Bank Ordinance, 1975 (Ord. I of 1975), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

THE SCHEDULE

(See section 4)

PROVISIONS OF THE AGREEMENT WHICH SHALL HAVE FORCE OF LAW

CHAPTER VII

STATUS, IMMUNITIES, EXEMPTIONS AND PRIVILEGES

Article 50

PURPOSE OF CHAPTER

To enable the bank effectively to fulfil its purpose and carry out the functions entrusted to it, the status, immunities, exemptions and privileges set forth in this Chapter shall be accorded to the Bank in the territory of each member.

Article 51

LEGAL STATUS

The Bank shall be an independent international institution possessing full juridical personality and, in particular, full capacity:

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

Article 52

IMMUNITY FROM JUDICIAL PROCEEDINGS

1. The Bank shall enjoy immunity from every legal process except in cases arising out of or in connection with the exercise of its powers to raise money, or to buy and sell or underwrite the sale of securities, in which cases actions may be brought against the Bank in a court of competent jurisdiction in the territory of a country in which the Bank has its principal or a branch office, or has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities.

2. Notwithstanding the provisions of paragraph 1 of this Article, no action shall be brought against the Bank by any member, or by any agency or instrumentality of a member, or by any entity or person directly or indirectly acting for or deriving claims from a member or from any agency or instrumentality of the member. Members shall have recourse to such special procedures for the settlement of controversies between the Bank and its members as may be prescribed in this Agreement, in the By-laws and Regulations of the Bank, or in contracts entered into with the Bank.

3. 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.

Article 53

IMMUNITY OF ASSETS

Property and assets of the Bank, wheresoever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of taking or foreclosure by administrative or legislative action.

Article 54

IMMUNITY OF ARCHIVES

The archives of the Bank and, in general, all documents belonging to it, or held by it, shall be inviolable wherever located.

Article 55

SECRECY OF DEPOSITS

The Bank shall observe complete secrecy in regard to the depositors' accounts and members shall respect the inviolability of information about such deposits.

Article 56

FREEDOM OF ASSETS FROM RESTRICTIONS

To the extent necessary to carry out the purpose and functions of the Bank effectively, and subject to the provisions of this Agreement, All properties and assets of the Bank shall be free from restrictions, regulations, controls and moratoria of any nature.

Article 57

PRIVILEGE FOR COMMUNICATIONS

The official communications of the Bank shall be accorded by each member, treatment which is not less favourable than that accorded by it to any other international organization.

Article 58

IMMUNITIES AND PRIVILEGES OF BANK PERSONNEL

All Governors, Alternates, Executive Directors, the President, officers and employees of the Bank:

- (i) shall be immune from legal process with respect to acts performed by them in their official capacity;
- (ii) where they are not local citizens or nationals, shall be accorded the same immunities from immigration restrictions, alien registration requirements and national service obligations, and the same facilities as regards exchange regulations, 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 accorded by members to representatives, officials and employees of comparable rank of other members.

Article 59

EXEMPTION FROM TAXATION

1. The Bank, its assets, property, income and its operations and transactions shall be exempt from all taxation and from all customs duties. The Bank shall also be exempt from any obligation for the payment, withholding or collection of any tax or duty.

2. No tax shall be levied on or in respect of salaries and emoluments paid by the Bank to the President, the Executive Directors, officers or employees of the Bank.

3. No tax shall be levied on any security issued by the Bank, including any dividend thereon, by whomsoever held:

- (i) which discriminates against such 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.

4. No tax of any kind shall be levied on any security guaranteed by the Bank, including any dividend thereon, by whomsoever held:

- (i) which discriminates against such 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.

Article 60

IMPLEMENTATION

Each member, in accordance with its juridical system, shall promptly take such action as is necessary to make effective in its own territory the provisions set forth in this Chapter and shall inform the Bank of the action which it has taken on the matter.

Article 61

WAIVER OF IMMUNITIES, EXEMPTIONS AND PRIVILEGES

The Bank, at its discretion, may waive any of the privileges, immunities and exemptions conferred under this Chapter in any case or instance, in such manner and upon such conditions as it may determine to be appropriate in its best interest.
