



EUROPEAN BANK
FOR
RECONSTRUCTION
AND DEVELOPMENT

Treaty Series No. 45 (1991)

Headquarters Agreement

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the European Bank for Reconstruction
and Development

London 15 April 1991

[Entered into force upon signature]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
August 1991*

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**HEADQUARTERS AGREEMENT
BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**

The Government of the United Kingdom of Great Britain and Northern Ireland and the European Bank for Reconstruction and Development;

Having regard to the Agreement Establishing the European Bank for Reconstruction and Development;¹

Noting that Article 33 of that Agreement provides that the Principal Office of the European Bank for Reconstruction and Development shall be located in London;

Desiring to define the status, privileges and immunities in the United Kingdom of the Bank and persons connected therewith;

Have agreed as follows:

ARTICLE 1

Use of terms

For the purpose of this Agreement:

- (a) "Agreement Establishing the Bank" means the Agreement Establishing the European Bank for Reconstruction and Development signed in Paris on 29th May 1990, and any amendments thereto;
- (b) "Bank" means the European Bank for Reconstruction and Development;
- (c) "Government" means the Government of the United Kingdom of Great Britain and Northern Ireland (the "United Kingdom");
- (d) "the terms "Member", "President", "Vice-President", "Governor", "Alternate Governor", "Temporary Alternate Governor", "Director", "Alternate Director" and "Temporary Alternate Director" have the same meaning as in the Agreement Establishing the Bank, its By-laws or Rules of Procedure;
- (e) "Premises of the Bank" means the land, buildings and parts of buildings, including access facilities, used for the Official Activities of the Bank;
- (f) "Representatives of Members" means heads of delegations of Members participating in meetings convened by the Bank other than meetings of the Governors or the Board of Directors;
- (g) "Members of Delegations" means alternates, advisers, technical experts and secretaries of delegations of Representatives of Members;
- (h) "Officers" means the President, the Vice-President and other persons appointed by the President to be Officers of the Bank;
- (i) "Employees of the Bank" means the staff of the Bank excluding those staff both recruited locally and assigned to hourly rates of pay;
- (j) "Archives of the Bank" includes all records, correspondence, documents, manuscripts, still and moving pictures and films, sound recordings, computer programmes and written materials, video tapes or discs, and discs or tapes containing data belonging to, or held by, the Bank;
- (k) "Official Activities of the Bank" includes all activities undertaken pursuant to the Agreement Establishing the Bank, and all activities appropriate to fulfil its purpose and functions under Articles 1 and 2 of that Agreement, or undertaken in exercise of its powers under Article 20 of that Agreement including its administrative activities; and

¹Miscellaneous Series No. 14 (1990) Cm 1116.

- (1) "Persons Connected with the Bank" means Governors, Alternate Governors, Temporary Alternate Governors, Representatives of Members, Members of Delegations, Directors, Alternate Directors, Temporary Alternate Directors, the President, the Vice-Presidents, Officers and Employees of the Bank, and experts performing missions for the Bank.

ARTICLE 2

Interpretation

(1) This Agreement shall be interpreted in the light of the primary objective of enabling the Bank fully and efficiently to discharge its responsibilities in the United Kingdom and to fulfil its purpose and functions.

(2) This Agreement shall be regarded as implementing and supplementing certain of the provisions of the Agreement Establishing the Bank and shall not be regarded as modifying or derogating from the provisions of that Agreement, particularly Chapter VIII thereof.

ARTICLE 3

Judicial Personality

The Bank shall possess full legal personality and, in particular, the full legal capacity:

- (a) to contract;
- (b) to acquire, and dispose of, immovable and movable property; and
- (c) to institute legal proceedings.

ARTICLE 4

Immunity from judicial proceedings

(1) Within the scope of its official activities the Bank shall enjoy immunity from jurisdiction, except that the immunity of the Bank shall not apply:

- (a) to the extent that the Bank shall have expressly waived any such immunity in any particular case or in any written document;
- (b) in respect of civil action arising out of the exercise of its powers to borrow money, to guarantee obligations and to buy or sell or underwrite the sale of any securities;
- (c) in respect of a civil action by a third party for damage arising from a road traffic accident caused by an Officer or an Employee of the Bank acting on behalf of the Bank;
- (d) in respect of a civil action relating to death or personal injury caused by an act or omission in the United Kingdom;
- (e) in respect of the enforcement of an arbitration award made against the Bank as a result of an express submission to arbitration by or on behalf of the Bank; or
- (f) in respect of any counter-claim directly connected with court proceedings initiated by the Bank.

(2) The property and assets of the Bank shall, wheresoever located and by whomsoever held, be immune from all forms of restraint, seizure, attachment or execution except upon the delivery of final judgment against the Bank.

ARTICLE 5

The Premises of the Principal Office of the Bank

(1) The Government shall do its utmost to meet the requirements of the Bank in the selection, negotiation and acquisition of the Premises of the Bank. In particular, but without limitation, the Government shall assist the Bank in the acquisition (by gift, lease, hire or purchase thereof) of such premises as may be selected by the Bank, in consultation with the Government, as the Premises of the Bank.

(2) The Government shall not dispose of or seek to dispose of all or any part of the Premises of the Bank without the consent of the Bank.

ARTICLE 6

Inviolability of the Premises of the Bank

- (1) The Premises of the Bank shall be inviolable, and shall be under the control and authority of the Bank which may establish any regulations necessary for the exercise of its functions therein.
- (2) No official of the Government or person exercising any public authority, whether administrative, judicial, military, or police, shall enter the Premises of the Bank except with the consent of and under conditions approved by the President. Such consent may be assumed in the case of fire or other disasters requiring prompt protective action. The Bank and the Government shall agree under what circumstances and in what manner any such official may enter the Premises of the Bank without the prior consent of the Bank in connection with fire prevention, sanitary regulations or emergencies.
- (3) The Bank shall allow duly authorised representatives of public utilities to inspect, repair, maintain, reconstruct, and relocate utilities, conduits, mains and sewers within the Premises of the Bank and its facilities.
- (4) No service (other than service by post) or execution of any legal process or any ancillary act such as the seizure of private property shall be permitted by the Government to take place within the Premises of the Bank except with the express consent of and under conditions approved by the President.
- (5) Without prejudice to the terms of this Agreement, the Bank shall prevent the Premises of the Bank from becoming a refuge from justice for persons subject to extradition or deportation, or who are avoiding arrest or service of legal process under the law of the United Kingdom.

ARTICLE 7

Protection of the Premises of the Bank

- (1) The Government is under a special duty to take all appropriate measures to protect the Premises of the Bank against any intrusion or damage and to prevent any disturbance of the peace of the Bank or impairment of its dignity.
- (2) If so requested by the Bank, the Government shall in consultation with the Commissioner of the Metropolitan Police and the Bank, develop policies and procedures so that unauthorised entry of any person shall be prevented, order on the Premises of the Bank shall be preserved, and uninvited persons shall be removed from those Premises.
- (3) The Bank shall take all reasonable steps to ensure that the amenities of the land in the vicinity of the Premises of the Bank are not prejudiced by any use made by the Bank of those Premises.

ARTICLE 8

Public Utilities and Services in the Premises of the Bank

- (1) The Government shall do its utmost to ensure that the Bank shall be provided with the necessary public utilities and services, including, but not limited to, electricity, water, sewerage, gas, post, telephone, telegraph, local transportation, drainage, collection of refuse and fire protection and that such public utilities and services shall be supplied on reasonable terms. In case of any interruption or threatened interruption of any of the said utilities and services, the Government shall consider the needs of the Bank of equal importance to those of diplomatic missions and shall take steps to ensure that the operations of the Bank are not prejudiced.
- (2) Any preferential rates or tariffs which may be granted to diplomatic missions in the United Kingdom for supplies of the utilities and services mentioned in paragraph (1) of this Article shall also be accorded to the Bank if compatible with international conventions, regulations, and arrangements to which the Government is a party.

ARTICLE 9

Flag and emblem

The Bank shall be entitled to display its flag and emblem on the Premises of the Bank and on the means of transport of the Bank and of its President.

ARTICLE 10

Immunity of property and inviolability of Archives of the Bank

- (1) The property and assets of the Bank, wheresoever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation and any other form of interference or taking or foreclosure by executive or legislative action.
- (2) The Archives of the Bank shall be inviolable.

ARTICLE 11

Communications and publications

- (1) The Bank shall enjoy in the United Kingdom for its official communications and the transfer of all its documents treatment not less advantageous to the Bank than the most favourable treatment accorded by the Government to any international organisation, in the matter of priorities, rates and surcharges on mails, cables, radiograms, telefax, telephone and other forms of communications, and press rates for information to the press and radio, and in this respect the Government, in the exercise of any regulatory function, shall have regard to the particular needs of the Bank for telecommunications and the most advanced commercial communications technology.
- (2) The Government shall permit and protect unrestricted communication on the part of the Bank for all the Official Activities of the Bank, and no censorship shall be applied to the official correspondence and other official communications of the Bank.
- (3) The Bank shall have the right to use codes and to dispatch and receive official correspondence and other official communications by courier or in sealed bags which shall have immunities and privileges not less favourable than those accorded to diplomatic couriers and bags.

ARTICLE 12

Exemption from taxation

- (1) Within the scope of its Official Activities the Bank, its property, assets, income and profits shall be exempt from all present and future direct taxes including income tax, capital gains tax and corporation tax.
- (2) The Bank shall be granted relief from rates, or any other local taxes or duties or rates in substitution therefor or in addition thereto, levied on the Premises of the Bank with the exception of the proportion which, as in the case of diplomatic missions, represents a charge for public services. The rates, or any other local taxes or duties or rates levied in substitution therefor or in addition thereto, referred to in this paragraph shall in the first instance be paid by the Government, which shall recover from the Bank the proportion which represents a charge for public services.

ARTICLE 13

Exemption from Customs and Indirect Taxes

- (1) The Bank shall have exemption from duties (whether of customs or excise) and taxes on importation and exportation of goods which are imported and exported by or on behalf of the Bank and are necessary for its Official Activities, or on the importation or exportation of any publications of the Bank imported or exported by it or on its behalf. Documentation signed by or on behalf of the President shall be conclusive evidence as to the necessity of any such goods for the Official Activities of the Bank.

(2) The Bank shall have exemption from prohibitions and restrictions on importation or exportation in the case of goods which are imported or exported by the Bank and are necessary for its Official Activities and in the case of any publications of the Bank imported or exported by it.

(3) The Bank shall be exempt from car tax and Value Added Tax on any official vehicles and shall be accorded a refund of Value Added Tax paid on any other goods and services which are supplied for the Official Activities of the Bank.

(4) The Bank shall be accorded a refund of duty (whether of customs or excise) and Value Added Tax paid on the importation of hydrocarbon oils (as defined in Section 1 of the Hydrocarbon Oil Duties Act 1979) purchased by it and necessary for the exercise of its Official Activities.

(5) The Bank shall have exemption from excise duty on spirits of United Kingdom origin purchased in the United Kingdom for the purpose of official entertainment to the extent that such exemption is accorded to diplomatic missions. Documentation signed by or on behalf of the President shall be conclusive evidence that any purchase is for the purpose of official entertainment.

(6) The Bank shall also be exempt from any indirect taxes which may be introduced in the future in the United Kingdom where the Agreement Establishing the Bank provides for such an exemption. The Bank and the Government shall consult as to the method for implementing such exemption.

ARTICLE 14

Resale

(1) Goods which have been acquired or imported under Article 13 shall not be sold, given away, hired out or otherwise disposed of in the United Kingdom unless the Government has been informed beforehand and the relevant duties and taxes paid.

(2) The duties and taxes to be paid shall be calculated on the basis of the rate prevailing and the value of the goods on the date on which the goods change hands or are made over to other uses.

ARTICLE 15

Privileges and Immunities for Persons Connected with the Bank

(1) The Government undertakes to authorise the entry into the United Kingdom without delay, and without charge for visas, of Persons Connected with the Bank, and members of their families forming part of their households.

(2) Persons Connected with the Bank shall:

(a) be immune from jurisdiction and legal process, including arrest and detention, even after termination of their mission or service in respect of acts performed by them in their official capacity, including words written or spoken by them; this immunity shall not apply, however, to civil liability in the case of damage arising from a road traffic accident caused by any such person;

(b) be exempt, together with members of their families forming part of their households, from immigration restrictions and alien registration and from registration formalities for the purposes of immigration control;

(c) be exempt, together with members of their families forming part of their households, from national service obligations;

(d) have the same freedom of movement in the territory of the United Kingdom (subject to its laws and regulations concerning zones entry into which is prohibited or regulated for reasons of national security), and the same treatment in respect of travelling facilities, as is generally accorded to officials of comparable rank of diplomatic missions;

(e) be given, together with members of their families forming part of their households, the same repatriation facilities in time of international crises as officials of comparable rank of diplomatic missions; and

(f) be accorded inviolability for all their official papers and documents.

(3) In addition to the privileges and immunities set out in paragraph (2), Directors, Alternate Directors, Officers and Employees of the Bank, and experts under contract longer than 18 months shall, at the time of first taking up their post in the United Kingdom, be exempt from duties (whether customs or excise) and other such taxes and charges (except payments for services) in respect of import of their furniture and personal effects (including one motor car each), and the furniture and personal effects of members of their family forming part of their household, which are in their ownership or possession or already ordered by them and intended for their personal use or for their establishment. Such goods shall normally be imported within six months of the first entry of such person into the United Kingdom; an extension of this period will however be granted where justified. If such persons on the termination of their functions export goods to which this paragraph applies, they shall be exempt from any duty or other charge which may be imposed by reason of such export (except payment for services). The privileges referred to in this paragraph shall be subject to the conditions governing the disposal of goods imported into the United Kingdom free of duty and to the general restrictions applied in the United Kingdom to all imports and exports.

(4)(a) In addition to the privileges and immunities set out in paragraph (2), Governors, Alternate Governors, and Representatives of Members shall:

(i) have the right to use codes and to receive documents or correspondence by special courier or diplomatic bag;

(ii) have the same customs facilities as regards their personal baggage as are accorded to diplomatic agents; and

(iii) be immune from arrest and detention, and from seizure of their personal baggage.

(b) The provisions of this Article in respect of Governors, Alternate Governors, Temporary Alternate Governors, Directors, Alternate Directors, Temporary Alternate Directors and Representatives of Members shall be applicable irrespective of the relations existing between the Government which those persons represent and the Government of the United Kingdom, and are without prejudice to any special immunities to which such persons may otherwise be entitled.

(5) In addition to the privileges and immunities set out in paragraph (2), the President and five (5) Vice-Presidents shall enjoy the same privileges and immunities as are accorded to diplomatic agents, in accordance with international law supplemented by practice in the United Kingdom.

(6) The privileges and immunities set out in paragraphs (2)(b), (2)(c), (2)(e), (3), (4) and (5) shall not apply to Persons Connected with the Bank who are nationals of the United Kingdom and the privileges and immunities set out in paragraphs (2)(e), (3), (4) and (5) shall not apply to Persons Connected with the Bank who are permanent residents of the United Kingdom.

(7) The privileges and immunities of this Article shall not apply to Representatives of the United Kingdom nor the members of their delegations.

ARTICLE 16

Income Tax

(1) The Directors, Alternate Directors, Officers and Employees of the Bank shall be subject to an internal effective tax imposed by the Bank for its benefit on salaries and emoluments paid by the Bank. From the date on which this tax is applied such salaries and emoluments shall be exempt from United Kingdom income tax, but the Government shall retain the right to take these salaries and emoluments into account for the purpose of assessing the amount of taxation to be applied to income from other sources.

(2) In the event that the Bank operates a system for the payment of pensions or annuities to former Officers and Employees of the Bank, the provisions of paragraph (1) of this Article shall not apply to such pensions or annuities.

ARTICLE 17

Social Security

From the date on which the Bank establishes or joins a social security scheme, the Directors, Alternate Directors, Officers and Employees of the Bank shall with respect to services rendered for the Bank be exempt from the provisions of any social security scheme established by the United Kingdom.

ARTICLE 18

Opportunity to take Employment

(1) The Bank shall not employ as an Officer or Employee of the Bank any person who is present in the United Kingdom at the time of such employment without taking all reasonable steps to ascertain that such person is not present in the United Kingdom in violation of the relevant immigration laws or is not subject to a prohibition thereunder from taking up employment in the United Kingdom. If the Government determines that any person employed by the Bank was at the time of taking up his employment in violation of the immigration laws or was subject to such a prohibition, the Bank and the Government shall consult with a view to agreeing on the appropriate remedy, including, where appropriate, termination of such employment.

(2) The spouses and members of the family forming part of the household of those Directors, Alternate Directors, Officers and Employees of the Bank and experts performing services for the Bank shall be accorded opportunity to take employment in the United Kingdom.

ARTICLE 19

Object of immunities, privileges and exemptions; Waiver

(1) The immunities, privileges and exemptions conferred under this Agreement are granted in the interests of the Bank. The Board of Directors may waive to such extent and upon such conditions as it may determine any of the immunities, privileges and exemptions conferred under this Agreement in cases where such action would, in its opinion, be appropriate in the best interests of the Bank. The President shall have the right and duty to waive any immunity, privilege or exemption in respect of any Officer or Employee of the Bank or expert performing services for the Bank, other than the President or a Vice-President, where, in his or her opinion, the immunity, privilege or exemption would impede the course of justice and can be waived without prejudice to the interests of the Bank. In similar circumstances and under the same conditions, the Board of Directors shall have the right and the duty to waive any immunity, privilege or exemption in respect of the President and each Vice-President.

(2) Privileges and immunities accorded to Representatives of Members and Members of Delegations under Article 15 are provided in order to assure complete independence in the exercise of their functions, and may be waived by the Member concerned.

ARTICLE 20

Notification of appointments; Cards

(1) The Bank shall inform the Government when an Officer or Employee of the Bank or an expert performing services for the Bank takes up or relinquishes his or her duties. Furthermore, the Bank shall from time to time send to the Government a list of all such Officers, Employees of the Bank and experts. It shall in each case indicate whether or not the individual concerned is a national of the United Kingdom or permanently resident in the United Kingdom.

(2) The Government shall issue to all Officers and Employees of the Bank, on notification of their appointment, a card bearing the photograph of the holder and identifying him or her as an Officer or Employee of the Bank.

ARTICLE 21

Co-operation

- (1) The Bank shall co-operate at all times with the appropriate authorities of the United Kingdom in order to prevent any abuse of the immunities, privileges, exemptions and facilities provided for in this Agreement.
- (2) Nothing in this Agreement shall affect the right of the Government to take precautions necessary for the security of the United Kingdom. If the Government considers it necessary to apply the preceding sentence, it shall approach the Bank as rapidly as circumstances allow in order to determine by mutual agreement the measures necessary to protect the interests of the Bank. The Bank shall collaborate to avoid any prejudice to the security of the United Kingdom.

ARTICLE 22

Modification

At the request either of the Government or of the Bank, consultation shall take place respecting the implementation, modification or extension of this Agreement. Any understanding, modification or extension may be given effect by an Exchange of Notes between authorised representatives of the Government and of the President.

ARTICLE 23

Settlement of Disputes

- (1) Any dispute between the Government and the Bank concerning the interpretation or application of this Agreement, which is not settled by negotiation or other agreed mode of settlement, shall be referred for final decision to an arbitral tribunal of three arbitrators, to be constituted for each individual case in the following way. Within two months of the receipt of the request for arbitration, the Bank and the Government each shall appoint one member of the tribunal. The two members so appointed shall then select a third arbitrator who is not a national of the United Kingdom. That third arbitrator shall be President of the tribunal.
- (2) If within three months from the date of notification of the request for arbitration, the necessary appointments have not been made, either the Government or the Bank may, in the absence of any other agreement, invite the President of the International Court of Justice to make the necessary appointments. If the President is a national of the United Kingdom or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the necessary appointments. If the Vice-President is a national of the United Kingdom or if he too is prevented from discharging the said function, the Member of the International Court of Justice next in seniority who is not a national of the United Kingdom shall be invited to make the necessary appointments.
- (3) The decisions of the tribunal shall be final and binding. The tribunal shall adopt its own rules of procedure, and in this respect shall be guided by the Rules of Procedure for Arbitration Proceedings of the International Centre for the Settlement of Investment Disputes between States and Nationals of Other States, done at Washington D.C. on 18 March 1965.¹
- (4) The costs of the tribunal shall be shared equally between the Bank and the Government, unless the tribunal decides otherwise.

ARTICLE 24

Final provisions, entry into force and termination

- (1) This Agreement shall enter into force on signature.
- (2) This Agreement may be terminated by agreement between the Government and the Bank. In the event of the Principal Office of the Bank being moved from the territory of the United Kingdom, this Agreement shall cease to be in force after the period reasonably required for such transfer and the disposal of the property of the Bank in the United Kingdom.

¹Treaty Series No. 25 (1967), Cmnd. 3255.

In witness whereof, the respective representatives, duly authorised thereto, have signed this Agreement.

Done in duplicate at London on the 15th day of April 1991.

For the Government of the United
Kingdom of Great Britain and
Northern Ireland:

JOHN MAJOR

For the European Bank for Reconstuction
and Development:

J. ATTALI



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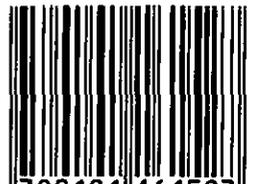
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