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The International Finance Corporation (Status, Immunities and Privileges) Act, 1958

(ACT NO. 42 OF 1958)

[*As on the* 1*st June,* 2026]

AMENDING ACT

The Delegated Legislation Provisions (Amendment) Act, 1983 (20 of 1983).

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LIST OF ABBREVIATIONS USED

Ins.	,,	Inserted.
S., ss.	,,	Section, sections.
Subs.	,,	Substituted.
w.e.f.	,,	with effect from.

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THE INTERNATIONAL FINANCE CORPORATION (STATUS, IMMUNITIES AND PRIVILEGES) ACT, 1958

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title and extent.
2. Definitions.
3. Conferment of status and certain immunities and privileges on the Corporation and conferment of certain immunities and privileges on its officers and employees.
4. Power to make rules.

THE SCHEDULE.

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THE INTERNATIONAL FINANCE CORPORATION (STATUS, IMMUNITIES AND PRIVILEGES) ACT, 1958

ACT NO. 42 OF 1958

[17*th October,* 1958.]

An Act to implement the international agreement for the establishment and operation of the International Finance Corporation in so far as it relates to the status, immunities and privileges of that Corporation, and for matters connected therewith.

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

1. Short title and extent.—(*1*) This Act may be called the International Finance Corporation (Status, Immunities and Privileges) Act, 1958.

(*2*) It extends[1] to the whole of India.

2. Definitions.—In this Act, unless the context otherwise requires,—

(*a*) "Agreement" means the Agreement for the establishment and operation of the international body known as the International Finance Corporation;

(*b*) "Corporation" means the International Finance Corporation established under the Agreement.

3. Conferment of status and certain immunities and privileges on the Corporation and conferment of certain immunities and privileges on its officers and employees.—(*1*) Notwithstanding anything to the contrary contained in any other law, the provisions of the Agreement set out in the Schedule shall have the force of law in India:

Provided that nothing in Section 9 of Article VI of the Agreement shall be construed as—

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

(*2*) The Central Government may, from time to time, by notification in the Official Gazette, amend the Schedule in conformity with any amendments, duly made and adopted, of the provisions of the Agreement set out therein:

Provided that any notification issued under this sub-section shall be laid for not less than thirty days before each House of Parliament as soon as may be after it is issued and shall be subject to such modifications as Parliament may make during the session in which it is so laid or the session immediately following.

4. Power to make rules.—(*1*) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

[2][(*2*) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.]

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1. The Act has now been extended by Act 26 of 1968 to the Union territory Pondicherry, comprising the former French Establishments in India, (w.e.f 1-8-1968).
2. Subs. by Act 20 of 1983, s. 2 and the Schedule, for sub-section (*2*) (w.e.f. 15-3-1984).

THE SCHEDULE

[*See* section 3]

PROVISIONS OF THE AGREEMENT WHICH SHALL HAVE FORCE OF LAW

ARTICLE III

SECTION 1. *Financing Operations*

The Corporation may make investments of its funds in productive private enterprises in the territories of its members. The existence of a government or other public interest in such an enterprise shall not necessarily preclude the Corporation from making an investment therein.

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SECTION 5. *Applicability of Certain Foreign Exchange Restrictions*

Funds, received by or payable to the Corporation in respect of an investment of the Corporation made in any member's territories pursuant to Section 1 of this Article shall not be free, solely by reason of any provision of this Agreement, from generally applicable foreign exchange restrictions, regulations and controls in force in the territories of that member.

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ARTICLE VI

STATUS, IMMUNITIES AND PRIVILEGES

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SECTION 1. *Purposes of Article*

To enable the Corporation to fulfill the functions with which it is entrusted, the status, immunities and privileges set forth in this Article shall be accorded to the Corporation in the territories of each member.

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 driving 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**:**

(*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.

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SECTION 10. *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.

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STATEMENT OF OBJECTS AND REASONS

The International Finance Corporation has been established by an International Agreement to which India is a signatory. Article VI of that Agreement provides for the granting to the Corporation and its officials and employees certain status, immunities and privileges in the territories of each member country. Section 10 of this Article requires each member country to take such action as is necessary in its own territories for the purpose of making effective in terms of its own law, the principles set forth in the Article. In pursuance thereto several member countries have already enacted necessary legislation in this behalf. By this Bill, it is proposed to enact similar legislation to give effect to the provisions of the said Article VI of the International Agreement.

NEW DELHI;

The 1*st September,* 1958. B. GOPALA REDDI

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