International Development Association's Membership Acquisition Act, 2019 (1962)

Date of Authentication and Publication

2019.6.18 (4 Oct. 1962)

Amendments:


2. Republic Strengthening and Some Nepal Laws Amendment Act, 2066 (2010)¹

Act Number 24 of the Year 2019 (1962)

An Act Made To Enable Nepal to Become a Member of the International Development Association by Acceptance of the International Agreements for the Establishment and Operation of the Association

Preamble: Whereas, the International Development Association has prescribed the terms and conditions set out in Schedule-1 of this Act as the terms and conditions upon which Nepal may be admitted to membership of the International Development Association; and

Whereas, for the purpose of complying with the terms and conditions aforesaid, it is necessary to make provision as hereinafter set out;

Now, therefore, be it enacted by His Majesty King Mahendra Bir Bikram Shah Dev in accordance with Article 93 of the Constitution of Nepal².

¹ This Act came into force on 15 Jestha 2065 and "Prasati" has been deleted.

² www.lawcommission.gov.np
1. **Short title and commencement:** (1) This Act may be called as the "International Development Association's Membership Acquisition Act, 2019 (1962)".

    (2) This Act shall come into force immediately.

2. **Definitions:** Unless the subject or the context otherwise requires, in this Act:

    (a) "Association" means the International Development Association.

    (b) "Association Agreement" means the Articles of Agreement of the Association.

3. **Authorization to accept Agreements and deposit instruments of acceptance:** The Minister for Finance is hereby authorized by instruments under his or her hand to empower such person as may be named in such instruments, on behalf of the Government of Nepal:

    (a) To sign the Articles of Agreement of the International Development Association.

    (b) To deposit with the International Bank for Reconstruction and Development an instrument of acceptance of the Association Agreement setting out that the Government of Nepal has accepted in accordance with the Nepal laws the respective Articles and the terms and conditions prescribed thereunder as the terms upon which Nepal shall be admitted to membership of the International Development Association.

4. **Powers to pay moneys to the Association:** The Minister for Finance shall have authority to pay to the Association from the Consolidated Fund

---

2 Amended by Some Nepal Acts Amendment, Repeal and Continuance Through Re-arrangement Act, 2019
of the Government of Nepal such moneys/subscription as may be payable from time to time to the Association on behalf of the Government of Nepal in accordance with the terms and conditions set forth in Schedule-1 and the Association Agreement.

5. **Power to issue promissory notes:** The Minister for Finance may, on behalf of the Government of Nepal, create non-interest bearing and non-negotiable notes or bonds/conditions as set forth in Section 2 (e) of Article 2 of the Association Agreement, as set out in Schedule-2, in such forms as he or she thinks fit and issue them in the name of the Association, and the payments of the notes or bonds so created and issued shall be paid out of the Consolidated Fund of the Government of Nepal.

6. **Nepal Rastra Bank to be nominated as depository:** (1) The Nepal Rastra Bank (Central Bank) is, hereby, nominated as the depository for the purposes of Section 9 of Article 6 of the Association Agreement, as set out in Schedule-3.

7. **Channel of Communication:** The Secretary at the Ministry of Finance, Government of Nepal is, hereby, designated as the channel of communication for the purposes of Section 10 of Article 6 of the Association Agreement.

8. **Status, immunities and privileges of the Association:** Notwithstanding anything contained in the Nepal laws in force, the status, immunities and privileges set forth in Article 8 of the Association Agreement, and as set out in Schedule-5, shall be accorded to the Association.

9. **Power to amend Schedules:** If any amendment is made to any matter contained in any Schedule of this Act of the Association Agreement, the
Government of Nepal may accordingly amend the Schedule of this Act, by publishing a Notification in the Nepal Gazette, from time to time.

10. **Power to frame Rules:** The Government of Nepal may frame Rules in order to implement the objectives of this Act.

11. .................³

³ Deleted by Some Nepal Acts Amendment, Repeal and Continuance Through Re-arrangement Act, 2019
Schedule-1

International Development Association

Resolution No. 15

Admission of Nepal to Membership of the Bank

Whereas, the Government of Nepal has applied for admission to membership in the International Development Association in accordance with Section 1 (6) of Article 2 of the Articles of Association Agreement; and

Whereas, pursuant to Section 9 of the Bye-laws of the Association, the Executive Directors, after consultation with representatives of the Government of Nepal, have made recommendations to the Board of Governors regarding this application;

Now, therefore, the Board of Governors, hereby, resolves that the terms and conditions upon which Nepal shall be admitted to membership in the Association shall be as follows:

(a) The terms and conditions upon which Nepal is admitted to membership in the Association, other than those clearly set forth in this Resolution, shall be as specified in the Articles relating to membership of original members as set forth in Part 2 of Schedule (a) to the Articles (not with intent to make any restriction, and in such manner as to include the terms and conditions relating to payments of subscription, utilization of currency and right to vote).

(b) By accepting membership in the Association, Nepal shall pay subscription price equivalent to a total of 5,00,000 United States dollars of the weight and fineness in effect on 1 January 1960.

(c) Before accepting membership in the Association, Nepal shall pay all amounts of initial subscription as required to be paid on the date of
acceptance of membership in the Association by Nepal or prior to such acceptance as original members as set forth in Part 2 of Schedule (a) of the Articles.

(d) Nepal may accept membership in the Association pursuant to this Resolution until 5 November 1962, and if the Executive Directors deems necessary for an extraordinary circumstance that this limitation on period for acceptance of membership by Nepal pursuant to this Resolution should be extended, they may extend this limitation on period.
Schedule-2

Section 2(e) of Article 2 of the Articles of Agreement of the
International Development Association

Section 2(e). The Association shall accept from any member, in place of any part of the member’s currency paid in or payable by the member under the preceding Sub-section (d) or under Section 2 of Article 4 and not needed by the Association in its operations, notes or similar obligations issued by the government of the member or the depository designated by such member, which shall be non-negotiable, non-interest-bearing and payable at their par value on demand to the account of the Association in the designated depository.

Section 2(d). The remaining ninety per cent of the initial subscription of each original member shall be payable in gold or freely convertible currency in the case of members listed in Part I of Schedule A, and in the currency of the subscribing member in the case of members listed in Part II of Schedule A. This ninety per cent portion of initial subscriptions of original members shall be payable in five equal annual installments as follows: the first such installment within thirty days after the date on which the Association shall begin operations pursuant to Article 11, Section 4, or on the date on which the original member becomes a member, whichever shall be later; the second installment one year after the beginning of operations of the Association, and remaining installments each year thereafter at annual intervals until the Ninety per cent portion of the initial subscription shall have been paid in full.

Section 2 of Article 4. Maintenance of Value of Currency Holdings:
(a) Whenever the par value of a member’s currency is reduced or the foreign exchange value of a member’s currency, in the opinion of the Association, depreciated to a significant extent within that member’s territories, the member shall pay to the Association within a reasonable time an additional amount of its own currency sufficient to maintain the value, as of the time of subscription, of the amount of the currency of such member paid in to the Association by the member under Section 2(d) of Article 2 and currency furnished under the provisions of the present paragraph, whether or not such currency is held in the form of notes accepted pursuant to Section 2(e) of Article 2; provided, however, that the foregoing shall apply only so long as and to the extent that such currency shall not have been initially disbursed or exchanged for the currency of another member.
(b) Whenever the par value of a member’s currency is increased, or the foreign exchange value of a member’s currency has, in the opinion of the Association, appreciated to a significant extent within that member’s territories, the Association shall return to such member within a reasonable time an amount of that member’s currency equal to the increase in the value of the amount of such currency to which the provisions of paragraph (a) of this Section are applicable.
(c) The provisions of the preceding paragraphs may be waived by the Association when a uniform proportionate change in the par value of the currencies of all its members is made by the International Monetary Fund.
(d) Amounts furnished under the provisions of paragraph (a) of this Section to maintain the value of any currency shall be convertible and usable to the same extent as such currency.
Schedule-3

Section 9 of Article 6 of Articles of Association

Section 9. **Depositories:** Each member shall designate its central bank as a depository in which the Association may keep holdings of such member’s currency or other assets of the Association, or, if it has no central bank, it shall designate for such purpose such other institution as may be acceptable to the Association. In the absence of any different designation, the depository designated for the Bank shall be the depository for the Association.
Schedule-4

Section 10 of Article 6 of Articles of Association

Section 10. Channel of Communication: Each member shall designate an appropriate authority with which the Association may communicate in connection with any matter arising under this Agreement. In the absence of any different designation, the channel of communication designated for the Bank shall be the channel for the Association.
Schedule-5

Article 8 of Articles of Agreement

Status, immunities and privileges

Section 1 of Article 9. **Purposes of Article**: To enable the Association to fulfill the functions with which it is entrusted, the status, immunities and privileges provided in this Article shall be accorded to the Association in the territories of each member.

Section 2. **Status of the Association**: The Association shall possess full juridical personality and, in particular, the capacity:

1. to contract;
2. to acquire and dispose of immovable and movable property;
3. 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:

1. shall be immune from legal process with respect to acts performed by them in their official capacity except when the Association waives this immunity;

2. 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;

3. 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.
Section 10. **Application of Article:** Each member shall 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 this Article and shall inform the Association of the detailed action which it has taken.