



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1971

ASSEMBLY
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HEADQUARTERS AGREEMENT

Note by the Director

1 The relationship between the Host State and the 1971 Fund is governed by a Headquarters Agreement concluded in 1979 between the United Kingdom Government and the 1971 Fund (1971 Fund documents FUND/A.2/3, paragraphs 11-17, FUND/A.2/7 and FUND/A.2/16/1, paragraph 10). The Agreement sets out the privileges and immunities of the 1971 Fund, of delegates to Fund meetings and of staff members.

2 Article 8 of the Headquarters Agreement deals with exemption from taxes, and reads as follows:

ARTICLE 8

Exemption from taxes

(1) Within the scope of its official activities, the Fund, its property and assets, and its income including contributions made to the Fund under the Convention, shall be exempt from all direct taxes including income tax, capital gains tax and corporation tax. The Fund shall be granted relief from municipal rates levied on its official premises with the exception of the proportion which, as in the case of diplomatic missions, merely constitutes payment for specific services rendered. Municipal rates shall in the first instance be paid by the Government and the proportion which represents payments for specific services rendered shall be recovered by them from the Fund.

(2) The Fund shall be accorded a refund of car tax and value added tax paid on the purchase of new motor cars of United Kingdom manufacture and, where it is readily identifiable, value added tax paid on the supply of goods or services of substantial value, necessary for the official activities of the Fund. In this connection it is envisaged that claims for refund will be made only in respect of goods or services supplied on a recurring basis or involving considerable quantities of goods or services or involving considerable expenditure.

No refund shall be made in respect of any claim for goods or services where the value of the goods or services does not amount in the aggregate to £100 sterling or more.

3 The Director has been informed by the Government of the United Kingdom that, whilst under no legal obligation to do so, the Government has decided to refund amounts paid in respect of air passenger duty and insurance premium tax by international organisations which have their headquarters in the United Kingdom. The Government has informed the Director that it will be necessary to take legislative action under Section 1 of the International Organisations Act 1968, that such action cannot be taken unless agreement on this matter exists between the Government and the 1971 Fund, and that the most appropriate way to do this would be to amend the Headquarters Agreement by means of an exchange of notes between the Director of the 1971 Fund and the United Kingdom Government.

4 The procedure for modifying the Headquarters Agreement is laid down in Article 25 which reads:

ARTICLE 25

Modification

At the request either of the Government or of the Fund consultations 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 Letters between a representative of the Government and the Director (after approval by the Assembly).

5 The United Kingdom Government has proposed that the following sub-paragraph should be added to Article 8 of the Headquarters Agreement:

(3) The Fund shall be accorded a refund of insurance premium tax and air passenger duty paid by the Fund in the exercise of its official activities.

6 The Director welcomes the proposal of the United Kingdom Government and considers that it would be appropriate to make the suggested amendment by means of an exchange of letters.

Action to be taken by the Assembly

7 The Assembly is invited to give the Director such instructions as it considers appropriate in respect of the proposed amendment to the Headquarters Agreement.
