



**INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992**

ASSEMBLY
2nd session
Agenda item 16

92FUND/A.2/14
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HEADQUARTERS AGREEMENT

Note by the Director

1 The relationship between the Host State and the 1992 Fund is governed by a Headquarters Agreement between the United Kingdom Government and the 1992 Fund, which was approved by the Assembly at its 1st session (document 92FUND/A.1/34, paragraph 12). The Agreement, which was published in document 92FUND/A.1/34/3, sets out the privileges and immunities of the 1992 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 1992 Fund, its property and assets, and its income including contributions made to the 1992 Fund under the Convention, shall be exempt from all direct taxes including income tax, capital gains tax and corporation tax.

(2) The 1992 Fund 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 official premises of the 1992 Fund 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 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 1992 Fund the proportion which represents a charge for public services.

(3) The 1992 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 1992 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 £300 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 1992 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 1992 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 1992 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:

(4) The 1992 Fund shall be accorded a refund of insurance premium tax and air passenger duty paid by the 1992 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.
