

No. 8303. AGREEMENT ESTABLISHING THE ASIAN DEVELOPMENT BANK.  
DONE AT MANILA, ON 4 DECEMBER 1965<sup>1</sup>

RATIFICATIONS

*Instruments deposited by the following States on the dates indicated :*

|                       |                   |
|-----------------------|-------------------|
| AUSTRIA . . . . .     | 29 September 1966 |
| CEYLON . . . . .      | 29 September 1966 |
| NEW ZEALAND . . . . . | 29 September 1966 |
| SWEDEN . . . . .      | 29 September 1966 |
| CAMBODIA . . . . .    | 30 September 1966 |
| ITALY . . . . .       | 30 September 1966 |

The instrument of ratification of the Government of Ceylon is accompanied by a declaration, made in accordance with paragraph 2 of article 56 of the Agreement, to the effect that the Government of Ceylon retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Bank to citizens and nationals of Ceylon resident or ordinarily resident in Ceylon.

The instrument of ratification of the Government of New Zealand contains a declaration, made pursuant to paragraph 2 (ii) of article 24 of the Agreement, to the effect that the Government of New Zealand desires the use of the portion of its subscription paid pursuant to paragraph 2 (b) of article 6 of the Agreement to be wholly restricted to payments for goods or services produced in its territory.

The instrument of ratification of the Government of Sweden is accompanied by the following statement :

“According to the main rule of article 14, paragraph ix, in the Agreement establishing the Asian Development Bank, the proceeds of any loan, investment or other financing undertaken by the Bank shall be used only for procurement in member countries of goods and services produced in member countries.

“The shipping policy of the Swedish Government is based on the principle of free circulation of shipping in international trade in free and fair competition. The Swedish Government trusts that article 14, paragraph ix, will not be applied contrary to this principle. Similarly, it is part of the assistance policy of the Swedish Government that multilateral development assistance should be based on the principle of free international competitive bidding. The Swedish Government expresses the hope that it will be possible to reach agreement on such modification of article 14, paragraph ix, that it does not conflict with this principle.”

<sup>1</sup> United Nations, *Treaty Series*, Vol. 571, Vol. 572 and Vol. 573.

The instrument of ratification of the Government of Italy is accompanied by a declaration, made in accordance with paragraph 2 of article 56 of the Agreement, to the effect that the Italian Government retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Bank to Italian citizens employed in offices of the Bank that might be set up in Italy or performing any activities in Italy on behalf of the Bank. Furthermore, on the occasion of the deposit of the instrument of ratification, the Government of Italy has made the following observations :

“The Italian Government considers that paragraph 1 of article 56 is to be construed in the light of current practice concerning exemption of international organizations from taxation. According to such practice, relief from taxation is granted to international organizations only in respect of articles acquired in pursuance of the official activities of an organization and, in the case of internal indirect taxes, only for substantial purchases where it is reasonably practicable to allow such relief.

“The Italian Government considers that the provision of article 50, paragraph 1, concerning immunity from jurisdiction is to be construed within the limits in which such immunity is provided by international law.

“I also have the honour to inform Your Excellency that it is the intention of the Italian Government to seek from the Asian Development Bank an understanding to the effect that the special procedure to be provided for pursuant to paragraph 2 of article 50 of the bye-laws and regulations of the Bank, or in contracts entered into with the Bank, should not be of prejudice to the jurisdiction of Italian Courts with respect to any claims put forward by private parties.”

In accordance with paragraph 2 of article 64, the above-mentioned States have become members of the Asian Development Bank on the respective dates of deposit of their instruments of ratification.