

THE CARIBBEAN INVESTMENT CORPORATION
ACT

Act
14 of 1974.

[16th April, 1974.]

1. This Act may be cited as the Caribbean Investment Corporation Act. Short title.

2. In this Act—

“the Corporation” means the Caribbean Investment Corporation established under the Corporation Agreement;

Interpreta-
tion.

“the Corporation Agreement” means the Agreement establishing the Caribbean Investment Corporation, the original of which is deposited with the Secretary-General of the Commonwealth Caribbean Regional Secretariat and of which the text of the Articles is set out in the Schedule to this Act;

Schedule.

“the Minister” means the Minister responsible for finance.

3.—(1) The Minister is authorized to pay for the account of Jamaica the amounts payable from time to time to the Corporation under the Corporation Agreement:

Financial
provisions.

Provided that the Bank of Jamaica may from time to time, subject to the terms of any agreement made by that Bank with the Government, pay from its own funds such of the amounts aforesaid as may be specified in such agreement.

(2) The Minister may borrow, from any person, any sum or sums required for payments under this section and, for the purpose of such borrowing, he may create and issue

any securities bearing such rate of interest and subject to such conditions as to repayment, redemption or otherwise as he thinks fit.

(3) The principal and interest of any securities issued under subsection (2) and the expenses incurred in connection with their issue shall be charged on the Consolidated Fund.

(4) Subject to the terms of any agreement to the contrary made by the Bank of Jamaica with the Government pursuant to the proviso to subsection (1), any moneys received by the Government from the Corporation or raised by securities under subsection (2) shall be paid into the Consolidated Fund Account and shall form part of the Consolidated Fund and be available in any manner in which that Fund is available.

(5) The Bank of Jamaica shall act as a depository for the holdings of currency of Jamaica and other assets of the Corporation.

Certain provisions of Corporation Agreement given force of law in Jamaica.

4. Subject as hereinafter provided by this Act, the provisions of Articles 30 to 34 (inclusive) and Article 36 (Chapter IX) of the Corporation Agreement (which relate to the status, process, immunities, privileges and exemptions to be given effect in regard to the Corporation) shall have the force of law in Jamaica.

Questions as to entitlement to privileges and immunities.

5. If in any proceedings any question arises whether or not, in accordance with any of the provisions of Article 33 or 34 of the Corporation Agreement, any person ought to be afforded the benefit of any privilege, immunity or exemption, a certificate issued by or under the authority of the Minister and stating that such person ought or ought not to be afforded that benefit as aforesaid shall be conclusive of the matters so stated.

6. The Minister may, by order, make such provisions as he may consider necessary or expedient for giving effect to any provisions of the Corporation Agreement.

Power of Minister to make orders.

7.—(1) Where any amendment to the Corporation Agreement is accepted by the Government, the Minister may, by order, amend the Schedule to this Act by including therein the amendment so accepted.

Amendment of Schedule and matters thereon consequential. Schedule.

(2) Any order made under this section may contain such consequential, supplemental or ancillary provisions as appears to the Minister to be necessary or expedient for the purpose of giving due effect to the amendment accepted as aforesaid and, without prejudice to the generality of the foregoing, may contain provisions amending references in this Act to specific provisions of the Corporation Agreement.

(3) Every order made under this section shall be subject to negative resolution of the House of Representatives.

(4) Where the Schedule to this Act is amended pursuant to this section, any reference in this Act or any other instrument to the Corporation Agreement shall, unless the context otherwise requires, be construed as a reference to the Corporation Agreement as so amended.

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SCHEDULE (Sections 2 and 7)

**AGREEMENT ESTABLISHING THE CARIBBEAN
INVESTMENT CORPORATION**

THE CONTRACTING PARTIES

RECOGNISING the urgent need for a more balanced approach to the distribution of benefits accruing from the Caribbean Free Trade area;

BEARING IN MIND regional commitments to introduce measures for promoting industrial development and agro-based industries in the Less Developed Countries;

NOTING that the proposals contained in the report of the Industrial Location Task Force for action by the Less Developed Countries in promoting their industrial development are acceptable to those countries;

HAVE AGREED as follows:—

ARTICLES OF AGREEMENT

CHAPTER I

ESTABLISHMENT OF THE CORPORATION

Article 1

THE CORPORATION ESTABLISHED

By this Agreement the Contracting Parties establish a Caribbean Investment Corporation (hereinafter referred to as "the Corporation") having the membership, powers and functions hereinafter specified.

Article 2

MEMBERSHIP

1. Membership of the Corporation shall be open to—

- (a) the States listed in Part A of the Annex to this Agreement which shall form an integral part thereof;
- (b) any other State of the Caribbean Region which becomes a member of the Caribbean Community; and
- (c) residents of States that become Members of the Corporation.

2. The States referred to in paragraph 1 (a) of this Article the Governments of which sign this Agreement in accordance with Article 39 shall become Members of the Corporation.

The States mentioned in paragraph 1 (b) of this Article the Governments of which accede to this Agreement in accordance with Article 42 thereof shall become Members of the Corporation.

3. Residents of States that are Members of the Corporation may be admitted to membership on such terms and conditions as the Board of Governors may determine.

Article 3

FUNCTIONS AND POWERS

1. The function of the Corporation shall be to ensure the promotion of the industrial development including the development of agro-based industries and of integrated agricultural and industrial complexes of the Less Developed Countries that are Members of the Corporation and which:

- (a) prior to the 1st May, 1974 have signed the Accord done at Georgetown, Guyana on the 13th day of April, 1973; and
- (b) on or after the 1st May, 1974 are Members of the Caribbean Common Market.

2. For the purpose of performing this function the Corporation is hereby empowered to—

- (a) make equity investments in industrial enterprises in the Less Developed Countries;
- (b) dispose of its equity investments within the Region in order to replenish its financial resources;
- (c) guarantee suppliers' credits;
- (d) administer, manage and account for its financial resources;
- (e) provide the technical assistance where necessary for the preparation and analysis of projects to be financed, and do all such other acts that may be necessary or incidental to the achievement of its purposes and the exercise of its functions.

Article 4

DEFINITIONS

1. For the purpose of this Agreement the following expressions shall, unless the context otherwise require, have the meaning herein provided "More Developed Country" means Barbados, Guyana, Jamaica, Trinidad and Tobago, and "less Developed Country" means any other State listed in Part A of the Annex which is a Member of the Corporation provided that the Board of Governors may from time to time decide to alter any designation as to them may seem fit.

2. "Residents" for the purpose of this agreement means—

- (a) a citizen of any State that is a Member of the Corporation; or
- (b) a person who has a connection with such a State of any kind which entitles him to be regarded as belonging to, or, if it be so expressed, as being a native or resident of the State for the purposes of such laws thereof relating to immigration as are for the time being in force; or
- (c) a company or other legal entity which in the opinion of the Board of Governors carries on business in a State that is a member of the Corporation provided that such company or other legal entity has a registered office and carries on substantial activity within such a State.

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CHAPTER II
CAPITAL, CONTRIBUTIONS AND RESOURCES

Article 5

AUTHORISED CAPITAL

1. The authorised capital stock of the Corporation shall be the equivalent of fifteen million Eastern Caribbean dollars of the weight and fineness of gold in effect on 1st May, 1973. The authorised capital stock shall be divided into one hundred and fifty thousand shares with a par value of one hundred dollars each, and shall be available for subscription by members in accordance with the provisions of Article 6 of this Agreement.

2. The authorised capital stock may be increased by the Board of Governors at such times and on such terms and conditions as it may determine by a vote of not less than fourteen Governors.

Article 6

ISSUE AND SUBSCRIPTION OF SHARES

1. Each member shall subscribe to shares of the capital stock of the Corporation in accordance with Part A of the Annex. Within one month of the entry into force of this Agreement the Corporation shall make an initial issue of shares of the aggregate value of EC\$5 million which shall be subscribed in the manner set out in paragraph 2 of this Article.

2. The initial issue of shares shall be subscribed by the Members of the Corporation in the proportions given in Part B of the Annex and shall be paid for as specified in Article 7 of this Agreement.

3. Upon any subsequent issue of shares up to the amount of the capital stock specified in paragraph 1 of Article 5 of this Agreement each State which is a member shall subscribe in the proportions specified in Part A of the Annex on such terms and conditions as the Board of Governors may determine, such a number of shares as bears the same ratio to the issue as the shares held by it bear to the total issued stock of the Corporation immediately before such issue.

4. Shares initially subscribed by members during the first five years of the establishment of the Corporation shall be issued at par. Other shares shall be issued at such value as the Board of Governors may decide.

5. Liability of the members shall be limited to the unpaid portion of their issue price.

6. Except as provided in paragraph 5 of this Article, no member shall be liable, by reason only of its membership for obligations of the Corporation.

Article 7

PAYMENT FOR INITIAL ISSUE OF SHARES

Shares subscribed in accordance with paragraph 2 of Article 6 of this

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agreement shall be paid for in five equal instalments. The first instalment shall be paid on allotment and thereafter one instalment shall be paid in each of the next four succeeding years.

Article 8

TRANSFER OF SHARES AND RELATED MATTERS

1. Subject to such conditions as the Board of Governors may impose any member referred to in paragraph 1 (c) of Article 2 of this Agreement may transfer all or any of its shares.

2. The Board of Governors may decline to register the transfer of a share to a person of whom it does not approve, and it may also decline to register the transfer of a share on which the Corporation has a lien.

3. No member of the Corporation referred to in paragraph 1 (a) and (b) of Article 2 of this Agreement shall transfer its shares in the Corporation.

Article 9

FINANCIAL RESOURCES

The resources of the Corporation shall consist of—

- (a) the authorised capital stock of the Corporation subscribed pursuant to Article 6;
- (b) funds borrowed by the Corporation;
- (c) funds received in repayment of loans or from guarantees or from the sale of securities acquired by it;
- (d) any other funds or income received by the Corporation.

Article 10

USE OF FINANCIAL RESOURCES

The financial resources of the Corporation shall be used exclusively to further the purpose for which it is established and to carry out its functions in accordance with this Agreement.

CHAPTER III

OPERATING PRINCIPLES

Article 11

1. In the performance of its functions the Corporation shall invest in projects which are financially viable, due regard being paid to two other important criteria—

- (a) the ability of the projects in which it invests to promote further industrial and economic development in the economy of the Less Developed Country concerned; and
- (b) the creation of employment opportunities in the Less Developed Country concerned.

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2. In financing industrial development projects, the Corporation shall, as far as practicable, associate with the local capital of the Less Developed Countries of the Region and, with joint ventures of the Less Developed Countries and the More Developed Countries.

3. In the disposal of its equity investment, the Corporation shall, as far as practicable, seek to make available such equity to individuals and bodies in the Less Developed Countries in order to increase their participation in industries located in their territories.

**CHAPTER IV
POWERS AND MANAGEMENT**

Article 12

BORROWING AND OTHER SPECIFIC POWERS

In addition to any other powers conferred on the Corporation by this Agreement for the purpose of exercising its functions the Corporation shall have power to—

- (a) borrow money (whether by way of debentures or otherwise) for the purpose for which it is established;
- (b) advance money by way of loans on such terms and conditions as it thinks necessary;
- (c) invest or deposit in any State that is a member of the Corporation any of its resources not needed in its operations.

Article 13

MANAGEMENT

The Corporation shall have a Board of Governors, a Board of Directors and such staff as is necessary for the exercise of its functions.

Article 14

COMPOSITION OF BOARD OF GOVERNORS

1. The Board of Governors shall consist of the following persons—
 - (a) a Minister of Government appointed as a Governor by each of the Member States;
 - (b) four governors representing residents who are members of the Corporation and who shall be appointed by the Caribbean Association of Industry and Commerce provided that two of them shall be selected from the Less Developed Countries who are members of the Corporation.
2. Each governor shall have an alternate who shall be appointed in like manner as the governor.
3. Each governor and each alternate may be appointed for a period not exceeding three years but may be reappointed. Each governor and each alternate shall serve at the pleasure of the body appointing them.

Each governor or his alternate shall have one vote at meetings of the Board of Governors.

4. The Chairman of the Board shall be elected from among the governors selected from the Less Developed Countries. He shall hold office for a term of one year and shall be eligible for re-election. The Chairman shall have both an original and a casting vote.

5. The Chairman shall preside at all meetings of the Board of Governors but in the event of his absence or his inability to preside, the governors present and constituting a quorum shall elect from among themselves a governor selected from the Less Developed Countries to preside at that meeting.

6. Governors and alternates shall serve as such without remuneration from the Corporation, but the Corporation may pay them for reasonable expenses incurred in attending meetings.

Article 15

POWERS OF BOARD OF GOVERNORS

1. All the functions and powers of the Corporation, except the power to make equity investments, guarantee loans and advance money by way of loans and appoint staff of the Corporation, shall be vested in the Board of Governors.

2. The Board of Governors may delegate to the Board of Directors all or any of its powers, except the power to—

- (a) admit new members referred to in paragraph 1 (b) of Article 2 of this Agreement and determine the terms and conditions of their admission;
- (b) increase the authorized capital stock of the Corporation;
- (c) suspend a member;
- (d) subject to paragraph 3 Article 6 of this Agreement, determine the period over which and the manner in which additional issues of the authorized capital shall be made;
- (e) take decisions for the amendment of this Agreement;
- (f) decide to terminate the operations of the Corporation and to determine its assets;
- (g) determine the remuneration of the directors and their alternates;
- (h) determine the reserves and the distribution of the net profits of the Corporation;
- (i) approve the statement of accounts of the Corporation after reviewing the report of the Board of Directors;
- (j) exercise any other powers that are expressly assigned to the Board of Governors in this Agreement.

3. The Board of Governors shall retain full power to exercise authority over any matter delegated to the Board of Directors under paragraph

2 and may give general policy directions on any matter within the competence of the Board of Directors.

Article 16

PROCEDURE OF BOARD OF GOVERNORS

1. The Board of Governors shall hold an annual meeting and such other meetings as may be called by the Chairman or by the Board of Directors. The Board of Directors shall call a meeting of the Board of Governors whenever requested by a majority of the members of the Corporation.

2. The quorum for any meeting of the Board of Governors shall not be less than ten governors of whom—

- (a) at least two of the governors are representatives of the More Developed Countries;
- (b) at least two of the governors are representatives of the members admitted to membership under paragraph 1 (c) of Article 2 of this Agreement; and
- (c) at least four of the governors are representatives of the Less Developed Countries.

3. The Board of Governors may by regulation establish a procedure whereby the Board of Directors may, when the latter considers it advisable, obtain a vote of the governors on a specific question without calling a meeting of the Board of Governors.

4. The Board of Governors may—

- (a) establish such subsidiary bodies as it may consider necessary in the exercise of its powers under this Agreement;
- (b) regulate the procedure to be adopted in the conduct of its meetings;
- (c) make regulations for conducting the affairs of the Corporation.

Article 17

COMPOSITION OF BOARD OF DIRECTORS

1. The Board of Directors shall consist of the following persons—

- (a) a representative appointed by each of the governments of the More Developed Countries;
- (b) two representatives of the Less Developed Countries appointed by the Governments thereof; and
- (c) four representatives who are residents admitted to membership under paragraph 1 (c) of Article 2, of this Agreement appointed by the Caribbean Association of Industry and Commerce, provided that two of them shall be selected from the Less Developed Countries.

2. (a) Subject to sub-paragraphs (b) and (c) of this paragraph a director shall hold office for a term of three years and shall be eligible for reappointment; he shall continue in office until his successor has assumed office.
 - (b) If the office of a director becomes vacant before the expiration of his term of office, a new director shall be appointed to fill the vacancy and shall hold office for the unexpired portion of the term of office of his predecessor.
 - (c) The appointment of a director may at any time be revoked by the authority responsible for such appointment under paragraph 1 of this Article.
3. Each director shall have an alternate who shall, in the case of the director appointed under paragraph 1 (a) or (b) of this Article be appointed in like manner as the director and, in the case of a director appointed under paragraph 1 (c) of this Article be appointed by the director.
4. The alternate to a director selected from the LDCs under paragraph 1 (c) hereof shall also be from the LDCs.

Article 18

DISQUALIFICATION OF DIRECTORS

1. No person shall be eligible to be a director who is—
 - (a) a member of the Board of Governors; or
 - (b) a member of the Legislature of any of the States which are members of the Corporation; or
 - (c) an employee of the Corporation.
2. The office of a director appointed under paragraph 1 (c) of Article 17 of this Agreement shall be deemed to be vacated if the director—
 - (a) assumes any of the offices mentioned in paragraph 1 of this Article;
 - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (c) becomes of unsound mind;
 - (d) resigns his office by notice in writing to the Corporation;
 - (e) is no longer a member of the Corporation.

In any such case, the provisions of paragraph 2 (b) of Article 17 shall apply.

Article 19

CHAIRMAN OF BOARD OF DIRECTORS

1. The Chairman of the Board of Directors shall be selected by the Board from among its members and shall be one of the directors appointed from the Less Developed Countries.

2. The Chairman shall preside at all meetings of the Board of Directors, but in the event of his absence or his inability to preside, the directors present and forming a quorum shall select from among themselves a director appointed from any of the Less Developed Countries to preside at that meeting.

Article 20

FUNCTIONS OF BOARD OF DIRECTORS

Subject to the general policy directions of the Board of Governors, the Board of Directors shall be responsible for the direction of the operations of the Corporation and for this purpose, shall, in addition to the powers expressly assigned to it in this Agreement and those powers delegated to it by the Board of Governors, have the final authority to—

- (a) prepare the work of the Board of Governors;
- (b) take decisions relating to investments in equity capital, borrowing by the Corporation, guarantees and technical assistance;
- (c) submit to the Board of Governors at each annual meeting the accounts for each financial year;
- (d) approve the budget of the Corporation;
- (e) advance money by way of loans; and
- (f) appoint such staff as may be necessary for the purposes of carrying out this Agreement.

Article 21

PROCEDURE OF BOARD OF DIRECTORS

1. The Board of Directors shall meet at least four times in each year and at such times and places as may be necessary for the efficient performance of its functions.

2. A *special meeting* may be called by the Board of Directors at any time at the written request of the majority of the total membership of the Board of Directors.

3. The Board may regulate the procedure to be adopted in the conduct of its meetings.

4. A Director or his alternate shall during deliberations on any matter in which he had a pecuniary interest either directly or indirectly declare such interest.

5. Six members of the Board of Directors shall constitute a quorum: Provided that three members of the quorum shall be respectively—

- (a) a representative of a More Developed Country;
- (b) a representative of a Less Developed Country; and
- (c) a representative of the members admitted to membership under paragraph 1(c) of Article 2 of this Agreement.

6. Each member of the Board of Directors shall have one vote. The Chairman shall have a casting vote.

7. All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

CHAPTER V OFFICE AND REPORTS

Article 22

OFFICE

1. The principal office of the Corporation shall be located in the territory of such Less Developed Country as the Board of Governors may determine. The Corporation may, however, establish branch offices in any other part of the Region.

2. The Corporation shall keep at its principal office such registers as are required by the laws of the State in which it is located.

Article 23

SEAL

1. The Corporation shall have an official seal.
2. The directors shall provide for the safe custody of the seal which shall only be used by the authority of the directors and any instrument to which the seal is affixed shall be signed by a director and countersigned by the Secretary of the Corporation or by some other duly authorized person.

Article 24

REPORTS

1. The Board of Directors shall transmit to the Board of Governors an annual report of its operations together with an audited statement of its accounts.
2. The accounts of the Corporation shall be audited by independent auditors to be selected by the Board of Governors.

CHAPTER VI ALLOCATION OF NET INCOME

Article 25

ALLOCATION OF NET INCOME

1. The Board of Governors shall, on the recommendation of the Board of Directors, determine at least annually the disposition of the net income of the Corporation resulting from its operations and what

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portion thereof, if any, shall be allocated after making provision for reserves or other purposes, to surplus, and what portion, if any, shall be reinvested or distributed among members of the Corporation.

2. Any distribution of net income under paragraph 1 shall be made to each member in such manner and currency as the Board of Governors may determine.

CHAPTER VII SUSPENSION AND WITHDRAWAL OF MEMBERSHIP

Article 26

SUSPENSION OF MEMBERSHIP

1. The Board of Governors may by a vote of not less than fourteen governors suspend from membership for a period not exceeding one year, any member who fails or refuses to fulfil any of its obligations or discharge any of its liabilities under this Agreement. The member concerned shall not be entitled to exercise a vote in this connection.

2. A suspended member shall not be entitled to exercise any rights under this Agreement, except the right to withdraw its membership, but shall be subject to all its obligations and liabilities.

3. A suspended member shall automatically cease to be a member of the Corporation if, at the expiration of the period of suspension, the member has failed or refused to fulfil any obligation or discharge any liability in respect of which the member was suspended.

4. Notwithstanding the foregoing paragraphs of this Article a suspended member may before the expiration of the period of suspension be allowed to exercise any rights under this Agreement if the Board of Governors so decides.

5. The Board of Governors shall determine the disposition of the shares of any member who ceases to be a member of the Corporation by the operation of paragraph 3 of this Article.

6. The provisions of this Article shall not apply to members mentioned in paragraph 1 (c) of Article 2 of this Agreement.

CHAPTER VIII TERMINATION OF OPERATIONS, LIABILITY OF MEMBERS, DISTRIBUTION OF ASSETS

Article 27

SUSPENSION AND TERMINATION OF OPERATIONS

1. In an emergency, the Board of Directors may temporarily suspend operations in respect of new loans and guarantees, pending an opportunity for further consideration and action by the Board of Governors.

2. The Corporation may terminate its operations by a resolution of the Board of Governors approved by a vote of not less than fourteen governors and after such termination the Corporation shall cease to exercise all functions and powers except those that are necessary or incidental to the realisation and preservation of its assets and the fulfilments of its outstanding obligations.

Article 28

LIABILITY OF MEMBERS ON TERMINATION

In the event that the Corporation terminates its operations, the liability of all members for uncalled subscriptions to the authorised capital stock of the Corporation shall continue until all claims of creditors have been discharged.

Article 29

DISTRIBUTION OF ASSETS ON TERMINATION

1. In the event that the Corporation terminates its operations, there shall be no distribution of assets among members until—

- (a) all claims of creditors have been discharged, and if necessary on a *pro rata* distribution among them;
- (b) members have fulfilled all their obligations to the Corporation; and
- (c) the Board of Governors has made an evaluation of the assets to be distributed among members.

2. Any distribution of the assets of the Corporation to the members shall be in proportion to the contribution of the member to the issue of the authorised capital stock of the Corporation and shall be effected at such times and under such conditions as the Board of Governors deems fair and equitable.

CHAPTER IX

STATUS, IMMUNITIES, EXEMPTION AND PRIVILEGES

Article 30

LEGAL STATUS

1. The Corporation shall possess full juridical personality and, in particular, full capacity to—

- (a) enter into agreement;
- (b) acquire and dispose of property, whether movable or immovable; and
- (c) institute legal proceedings.

Article 31

LEGAL PROCEEDINGS

1. Legal proceedings may be instituted against the Corporation in

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any court of competent jurisdiction in the Territory of a State which is a member of the Corporation where:

- (a) the cause of action arose; or
- (b) the Corporation has its principal office or a branch office.

In any other case such proceedings may be instituted against the Corporation in any such court in the country where it has appointed an agent for the purpose of accepting service or notice of process.

2. Service upon the Corporation of any document shall be effected by delivering or sending it by registered post to its principal office or any branch office.

Article 32

FREEDOM OF ASSETS FROM RESTRICTIONS

To the extent necessary to carry out its purpose and functions effectively and subject to the provisions of this Agreement, the Corporation—

- (a) may hold assets of any kind and operate accounts in any currency; and
- (b) shall be free to transfer its assets from one country to another or within any country and to convert any currency held by it into any other currency, without being restricted by financial controls, regulations or moratoria of any kind.

Article 33

IMMUNITIES AND PRIVILEGES OF PERSONNEL

1. The Governors, Directors, alternates, officials and staff of, and experts performing missions for, the Corporation shall be immune from legal process with respect to acts done by them in their official capacity.

2. Persons referred to in paragraph 1 of this Article who are not nationals shall—

- (a) enjoy immunity from national service obligations;
- (b) have the right to repatriate funds derived from income earned in the service of the Corporation;
- (c) be immune, together with their families forming part of their household, from immigration restrictions, and alien registration;
- (d) be given, together with their families forming part of their household, the same repatriation facilities and right to protection as are accorded to members of diplomatic missions in time of international crisis.

Article 34

EXEMPTIONS

1. The Corporation, its assets and operations and transactions, shall be exempt from all direct taxation and no customs duties nor charge of equivalent effect shall be paid on articles imported for its official use.

2. Notwithstanding the provisions paragraph 1 of this Article, the Corporation shall not be entitled to exemption from taxes which are no more than charges for public utility services.

3. Subject to paragraph 4 hereof, dividends and other distributions made by the Corporation or a distribution of such dividends or distributions made by a recipient thereof shall be exempt from income tax in the hands of a recipient.

4. Where the recipient is not resident in any Member State the exemption in paragraph 3 shall apply to so much only of the tax as exceeds his tax liability on such dividends or other distributions in his country of residence.

Article 35

IMPLEMENTATION

Each member, referred to in paragraph 1 (a) and 1 (b) of Article 2 of this Agreement shall inform the Corporation of the action taken to implement the provisions of this Chapter in its territory.

Article 36

WAIVER OF IMMUNITIES, EXEMPTIONS AND PRIVILEGES

Except as provided for in paragraph 2 of Article 34 of this Agreement, the chief executive officer of the Corporation (by whatever name called) shall have the right and the duty to waive any immunity, exemption or privilege in respect of any other member of the staff of the Corporation, or any expert performing a mission for the Corporation where, in his opinion, the immunity, exemption or privilege would impede the course of justice and can be waived without prejudice to the interests of the Corporation. In similar circumstances and under the same conditions, the Board of Directors shall have the right and duty to waive any immunity, exemption or privileges respecting the chief executive officer.

CHAPTER X

AMENDMENT AND ARBITRATION

Article 37

AMENDMENTS

1. This Agreement may be amended by the Contracting Parties upon a decision for the purpose of the Board of Governors by a vote of not less than fourteen of the governors.

2. Any proposal to amend this Agreement shall be addressed to the Chairman of the Board of Governors who shall submit a copy of the proposed amendment to each member prior to its being submitted to the Board. If the amendment is adopted, the Corporation shall certify it in a formal communication addressed to each member.

3. The Contracting Parties shall notify the Secretary-General of the Commonwealth Caribbean Regional Secretariat (hereinafter referred to as the "Secretary-General") in writing of their acceptance of the amend-

ment. The amendment shall become effective at the expiration of three (3) months after the date of a formal communication by the Secretary-General to all members of the Corporation notifying acceptance of the amendment by the Contracting Parties.

Article 38

ARBITRATION

1. If a dispute arises—

- (a) between the Corporation and a member who ceases to be a member;
- (b) between the Corporation and a member consequent upon the adoption of a resolution to terminate the operations of the Corporation,

such dispute shall, at the written request of either party, be submitted to arbitration by a tribunal consisting of three arbitrators.

2. Each party to the dispute shall appoint an arbitrator and the third, who shall be the president of the tribunal, shall be appointed by the two arbitrators previously appointed.

3. If within thirty days of the request for arbitration, either party fails to appoint an arbitrator, or, if within fifteen days of the appointment of the two arbitrators, the president has not been appointed, either party may request the Secretary-General to appoint an arbitrator.

4. The arbitrator shall determine the procedure to be adopted in arbitration disputes; however, the president shall be empowered to settle all questions of procedure in any case of disagreement with respect thereto.

CHAPTER XI

SIGNATURE, DEPOSIT AND ENTRY INTO FORCE

Article 39

SIGNATURE AND DEPOSIT

1. This Agreement shall be deposited with the Secretary-General and shall remain open for signature by the States listed in Part A of the Annex.

Article 40

RESERVATIONS

Any State referred to in paragraph 1 (a) or 1 (b) of Article 2 of this Agreement may upon signature enter a reservation to paragraph 1 of Article 34 of this Agreement in relation to a civil action arising out of an accident caused by a motor vehicle used by any of the persons mentioned therein in the performance of any duties relating to the Corporation.

Article 41

ENTRY INTO FORCE

This Agreement shall enter into force upon the signature of any ten of the States listed in Part A of the Annex.

Article 42

ACCESSION

After the entry into force of this Agreement any other of the States listed in paragraph 1 (a) or 1 (b) of Article 2 of this Agreement may become Parties to this Agreement by notifying the Secretary-General in writing of their intention to be bound thereby. Such notification shall take effect from the date of its receipt by the Secretary-General.

Article 43

INAUGURAL MEETING

As soon as this Agreement enters into force, the Governors representing the States listed in Part A of the Annex who are parties hereto shall be appointed and the Secretary-General shall summon the inaugural meeting of the Board of Governors.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto by their respective Governments have signed the present Agreement.

ANNEX

PART A

States and Territories and other Members of the Corporation	Number of Shares	Proportions
Jamaica ...	33,750	.225
Trinidad and Tobago ...	33,750	.225
Guyana ...	6,750	.045
Barbados ...	6,750	.045
Antigua	} 9,000	.060
Belize		
Dominica		
Grenada		
Montserrat		
St Kitts-Nevis-Anguilla		
St. Lucia		
St. Vincent		
Members admitted to member- ship under paragraph 1 (c) of Article 2 ...	60,000	.400
TOTAL	150,000	1.000

[The inclusion of this page is authorized by L.N. 248/1975]

CARIBBEAN INVESTMENT CORPORATION

		PART B	
States and Territories and other Members of the Corporation			Number of Shares
Jamaica	...	...	11,250
Trinidad and Tobago	...	...	11,250
Guyana	...	...	2,250
Barbados	...	...	2,250
Antigua	}	...	3,000
Belize			
Dominica			
Grenada			
Montserrat			
St. Kitts-Nevis-Anguilla			
St. Lucia			
St. Vincent			
Members admitted to membership under para- graph 1 (c) of Article 2	...		20,000
	TOTAL		<u>50,000</u>