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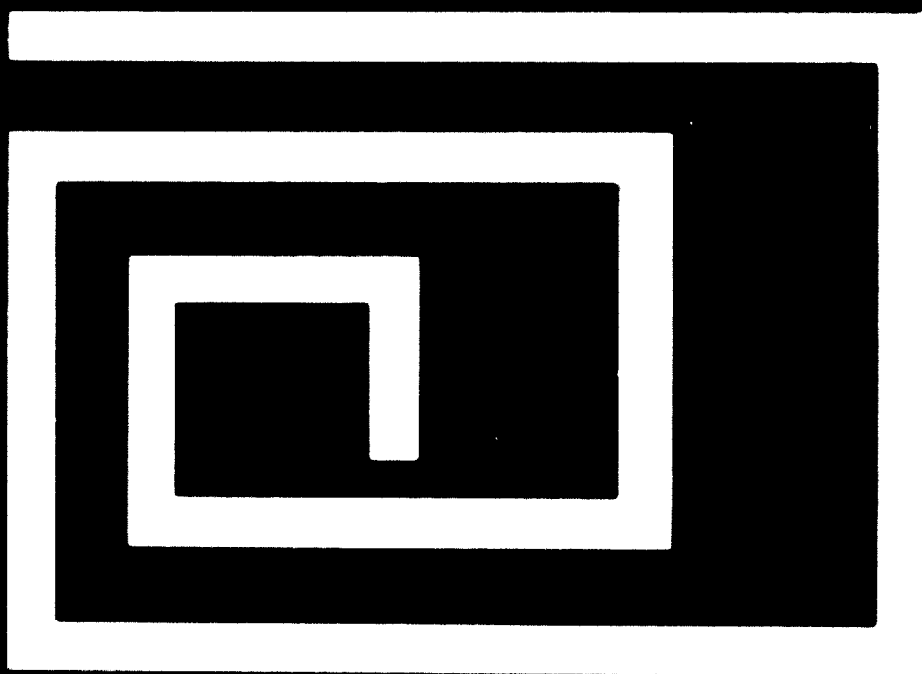
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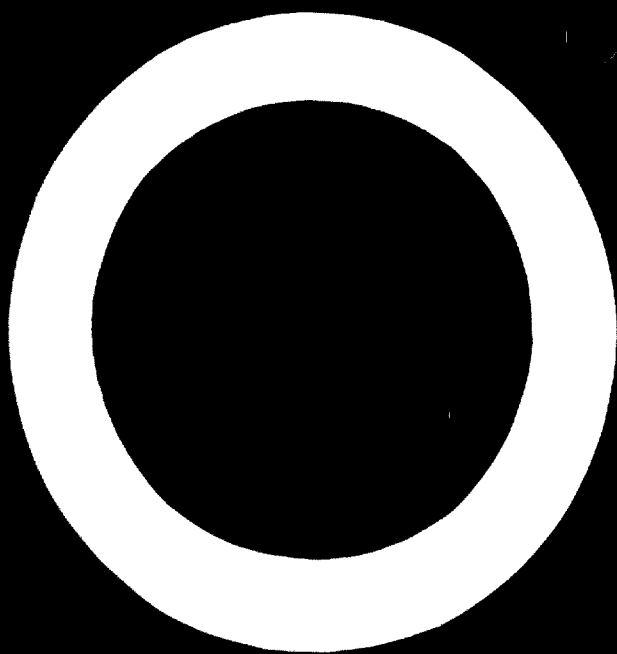
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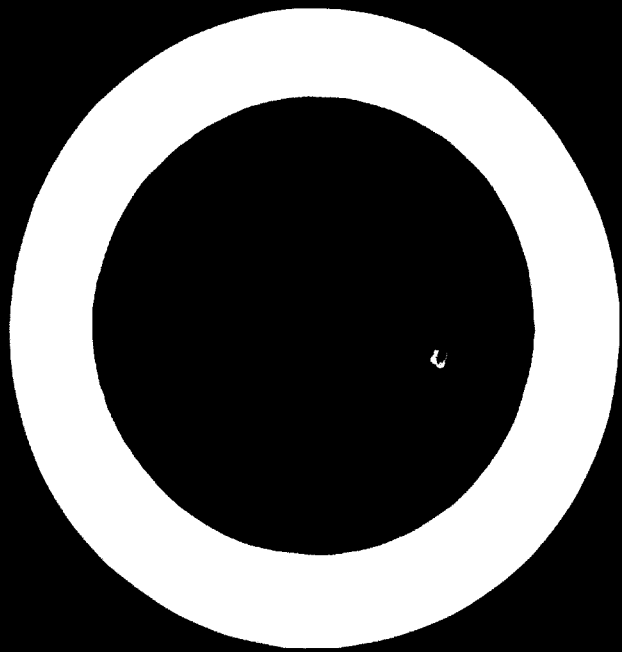
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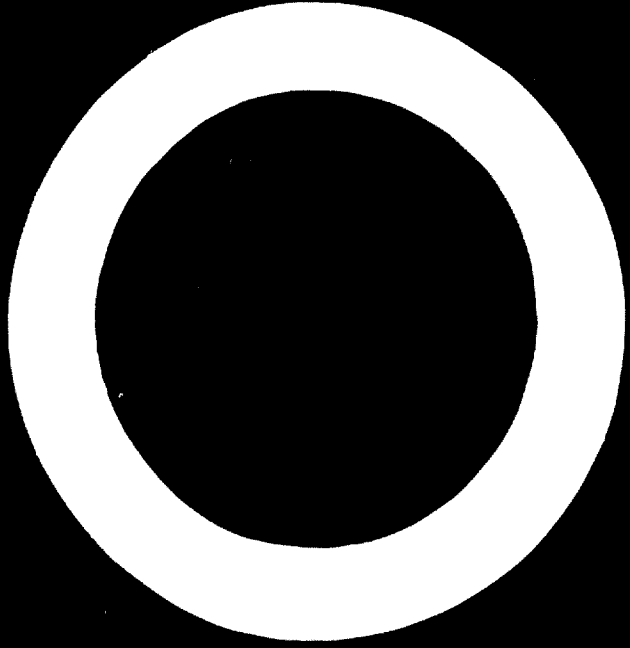


UNITED NATIONS





**MANUAL ON
INVESTMENT-PROMOTION
CENTRES**



**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
VIENNA**

**MANUAL ON
INVESTMENT-PROMOTION
CENTRES**



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New York, 1973**

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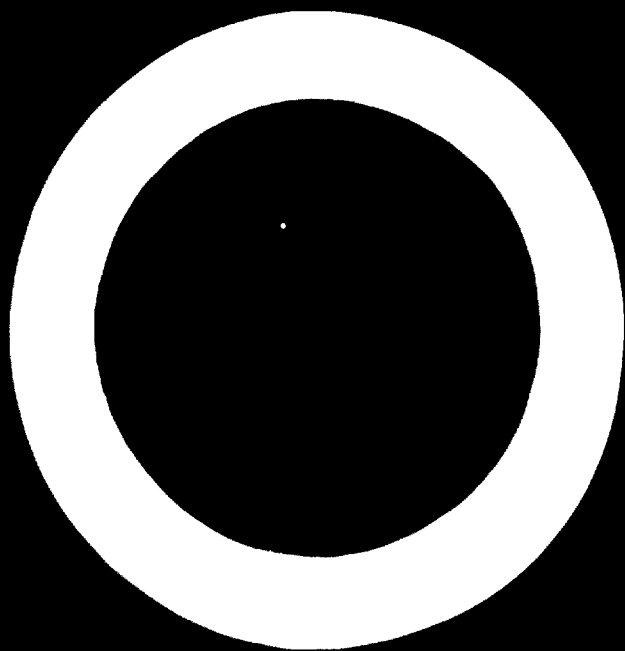
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INTRODUCTION

Developing countries have for some time realized the need for a systematic approach to the problem of attracting domestic as well as foreign investment into their industries. Essential to a rational, efficient plan are the creation of an appropriate institutional framework and the availability of sufficient skilled staff. Very few developing countries now have such institutional facilities, however.

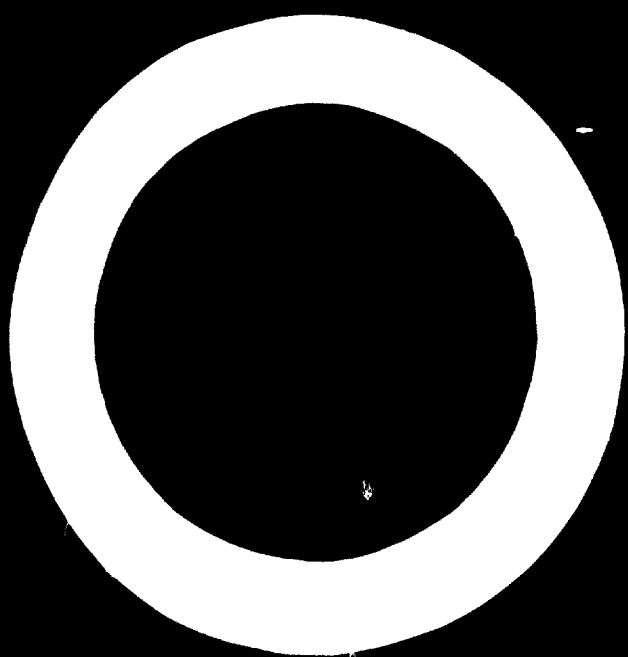
Aware of this requirement in developing countries, the United Nations Industrial Development Organization (UNIDO) is supplying assistance in setting up institutions to engage in investment-promotion activities. The effort to supply such assistance has been hampered, however, by the lack of adequate information in a readily available form on existing investment-promotion institutions in developing countries. Hence, it was decided to compile this manual.

The title *Manual on Investment-promotion Centres* was chosen because the term "centres" best applies, although in some countries the term "agencies" or "authorities" is used.

The *Manual* is divided into three sections. Chapter I deals with the structure and scope of investment-promotion centres. It concerns the need to establish such centres and the problems encountered, and it proposes a structure for an investment-promotion centre. Chapter II is a comparative study of existing legislation incorporating investment-promotion centres in a number of countries, selected on the basis of their experience in this field.

The annexes contain the full texts of the legislation incorporating industrial-promotion centres in the developing countries discussed in chapter II. It is included as an aid to developing countries in drafting their own legislation on investment-promotion centres.

It is hoped that the *Manual* will prove of immediate practical help to officials in developing countries, and to UNIDO experts in the field who are concerned with investment promotion.



I. STRUCTURE AND SCOPE OF INVESTMENT-PROMOTION CENTRES FOR DEVELOPING COUNTRIES

"A program for attracting (foreign) investors should be very similar to one for marketing a new industrial product. It necessitates a carefully planned and well-balanced marketing strategy, based on the 'consumer's point of view.'"¹

This statement, by Yair Aharoni, describes succinctly the activities required to attract foreign investment in developing countries. The study that follows is based on the premise that a developing country should have a well-defined and effectively implemented marketing programme if it wishes to sell itself to foreign investors as a suitable location for the commitment of their capital.

The parallel between a company that markets a new product and a developing country that promotes its investment potential is apparent in this study. The same procedures apply to both: identifying the product (in this case, the developing country); recognizing its advantages; formulating a marketing plan; and executing the marketing plan through direct selling, public relations and sales promotion.

National policy for industrialization and foreign investment

Determining policy goals

For the purpose of this study it is assumed that the country wishing to set up an investment-promotion programme has taken all the measures necessary to interest foreign industrial investors.

It should have a national policy of welcoming private investment and have established the legal framework to ensure a favourable investment climate. To achieve the aims of such a policy, the country should seek to attract enterprises that would strengthen the national economy by:

- (a) Developing natural resources;
- (b) Broadening the economic base through stimulating other manufacturing activities;
- (c) Providing increased employment;
- (d) Increasing foreign-exchange earnings by reducing imports and expanding exports.

¹Yair Aharoni, *The Foreign Investment Decision Process* (Cambridge, Mass., Harvard University Press, 1966).

Formulating an effective investment programme

The fundamental prerequisites for rapid industrial development which should be provided by the Government are:

(a) A well-defined industrial-investment programme, setting forth the terms whereby foreign direct investors may participate in the country's industrialization. These terms should include as many incentives as are compatible with the long-term national interest. It is most important that the incentives be much broader than mere tax holidays. Tax abatement for new enterprises is admittedly important, but a businessman may consider other factors more important. He can operate profitably under any equitable tax system, but he may not choose to operate in a country that discriminates between domestic and foreign ownership, or that does not permit relatively free repatriation of capital and profits, or that imposes burdensome regulations on his organization and his management of it.

(b) Clear identification of the types of industries in which foreign investment is preferred. This will necessarily be determined by the reasons for the country's foreign investment policy, as noted above:

(c) Clear identification of and data about the country's natural resources and industrial infrastructure, including the available labour force.

This set of requirements must be met before any effective and efficient promotion activity can be undertaken. It would be futile for a country to try to attract investment before it had established the advantages of the product, i.e., its own investment opportunities and climate.

An impartially applied, rational and intelligible system for the treatment of foreign investments is indispensable for a Government desiring to obtain maximum results from an organized drive for such investments. Once this framework exists, an investment-promotion centre has a solid basis on which to operate.

Organizing to promote foreign investment

At home

Given proper support by the Government, and staffed with qualified personnel, an agency with the specific task of promoting foreign direct investment can accomplish substantial results in a relatively short time, and at comparatively modest cost.

The purpose of an investment-promotion centre is to encourage the flow of private industrial capital into the country by:

(a) Disseminating information about the host country in capital-exporting countries, particularly as regards the conditions, laws, policies, procedures and opportunities for foreign investment;

(b) Advising and assisting local businessmen and the Government on all matters involving attracting and holding foreign private capital and industrial know-how;

(c) Informing and advising individual foreign businessmen, industrialists and financial institutions about the country's investment climate and the opportunities for profit that the country offers to foreign capital;

(d) Guiding the Government in establishing an atmosphere conducive to foreign private investment.

Experience has shown that a quasi-governmental agency is normally most effective in accomplishing these goals, that is, a government-backed and financed agency that operates independently of the regular government departments.

The board of directors co-ordinating and directing the work of the centre should be broadly based, with members chosen from areas of the public or private sector that have an interest in or can contribute to the country's rapid and efficient growth. It should therefore include representatives of Government, business, industry, finance, labour, and of specific activities of economic importance to the country.

The chairman of the board should be a person who is either successfully engaged in business or at least has a broad acquaintance with the country's business community. He should be widely respected and influential, not only among his fellow businessmen but also among government officials, so that his recommendations will receive favourable consideration.

The most effective way to interest foreign industrialists in a country's investment opportunities is through an autonomous organization whose sole aim is to promote the country's investment potential. Such an organization is best suited to advise a prospective investor objectively and to arrange for establishing his new enterprise in the host country.

A government organization is less adapted to this task because public servants generally are not trained in industrial operations and are not well equipped to speak authoritatively on business practices. Private entrepreneurs prefer to discuss their confidential investment plans with knowledgeable people who understand the language of business. Furthermore, some countries have found that government officials occasionally make premature commitments, which are difficult or embarrassing to revoke.

Neither is a financial institution, such as a bank, an appropriate agency for this type of work. Businessmen may lack confidence in the objectivity of a financial institution that is given the job of promoting foreign investment. An industrialist might feel that a bank or other institution would be inclined quite naturally to pay more attention to projects for which its financial assistance would be sought. Such an arrangement might also create rivalry with other banking institutions.

Advantages of a semi-governmental organization

The absence of a direct link between the investment-promotion centre and special interests, either private or governmental, has a number of advantages:

(a) It inspires the confidence of the foreign entrepreneur in the objective, service-oriented nature of the agency.

(b) It enables the agency to formulate and carry out its own promotional policies for the acquisition of new foreign investments in the most effective way, within the framework of its own budget and, of course, guided by the conditions of the Government's national investment policy.

(c) It makes possible uninhibited and confidential discussions of investment proposals on a professional basis without commitment on either side.

(d) It permits the centre to act freely in its contacts with other organizations in the business community and to assist in the completion of investment proposals with market research, technical expertise, financing and other specialized services.

(e) It puts the centre in an ideal intermediary position for helping to solve controversial questions or misunderstandings before the respective positions of the Government and the private enterprise involved become hardened.

Scope of development activities

Most countries seeking foreign investment have chosen this type of semi-governmental organization for the purpose. Among its usual functions are:

1. Creating a reference library and offering collateral services related to foreign investment, including the provision of data on:
 - (a) Production, trade, markets, labour, resources, utilities etc.;
 - (b) Economic, financial and social policies of the Government;
 - (c) Domestic industrial and banking facilities and institutions;
 - (d) Laws and regulations bearing on foreign investment;
 - (e) Firms operating in the country.
2. Surveying current possibilities for foreign investment and preparing brief case studies on the feasibility of particular industries.
3. Advising domestic businessmen on ways of attracting foreign capital, such as: helping to prepare prospectuses of their plans or contacting potential foreign investors on their behalf.
4. Assisting potential foreign investors by:
 - (a) Informing them about policies, programmes and current news pertaining to foreign investment in the host country;
 - (b) Arranging contacts for them with businessmen and the Government;
 - (c) Acting on their behalf with government agencies;
 - (d) Clarifying and mediating differences between the investor's and the Government's approach to a particular project;
 - (e) Helping them to obtain necessary permits and licences.
5. Engaging in extensive publicity abroad regarding investment opportunities and general political and economic conditions in the country.
6. Approaching particular business groups and businessmen abroad with a view to persuading them to invest in the country.
7. Creating a climate conducive to foreign investment by calling the Government's attention to obstacles to the flow of investment funds, and by suggesting ways to simplify procedures.

8. Maintaining close contact with government officials concerned with foreign investment.

This list of functions is by no means exhaustive; rather, it represents the minimum scope of an investment-promotion centre's efforts.

Co-operation with governmental departments

The centre is an instrument for carrying out one aspect of the country's economic policy. Its success will depend in part on constant and close liaison with the government ministries that are also concerned with implementing economic policy.

Many of its recommendations and much of its promotional and informational literature will have to be approved by a ministry. Continuing contact between the centre and the Government may facilitate such approvals and also better ensure that the centre is operating within the framework of national policy.

Co-ordination between the centre and the Government is important for two additional reasons. First, it helps to reduce or eliminate the red tape often characteristic of government departments; secondly, it provides the logical mechanism for handling investment inquiries that may be made directly to the Government by foreign businessmen who are unaware that the country provides a specialized agency dealing with investment activities.

Staffing

In staffing an investment-promotion centre, one factor should be given prime consideration: the agency is a business organization geared to sell its country's investment potential. Its director should therefore have either business or industrial experience. He should come preferably from the private sector of the country's economy, or at least have had a close association with it during his career.

Academic economists are usually not ideal candidates for this position since they are not normally as performance-oriented as business executives.

Functional organization for development

To achieve its purpose, the centre's staff must be capable of handling a number of functions. A typical staff organization is outlined below. The executives or officers of each department should naturally be experienced specialists in the function assigned to their departments.

The basic departments and their primary responsibilities are:

(a) A department for finance, which develops investment policy, co-ordinates investment programmes, maintains liaison with local banking institutions, and knows the sources and amount of the capital available for joint ventures with foreign investors;

(b) A technical department, which evaluates broad industrial areas and their potential contribution to the national development policy, determines the suitability and feasibility of specific proposals, and prepares prospectuses or models of industries whose development has been given priority under the country's investment policy;

(c) A promotion department, which disseminates general information about the country's investment climate and opportunities, prepares brochures and other documentation, maintains contact with foreign investors, supervises branch-office contact, and circulates the studies prepared by the technical department to the appropriate foreign investors. It is, in effect, the public relations and sales arm of the country's investment-development programme;

(d) A department for branch-office liaison, which provides rapid and complete communications between the centre's headquarters at home and its branch offices abroad. It may be set up as an integral part of the promotion department, but its role is so vital that it is mentioned here as a distinct function;

(e) A department for industrial services, which supervises training programmes financed by the Government in essential industries, assists investors in site selection and plant construction, advises on employment and labour availability, and furnishes other types of support in the early stages of a new project to ensure its expeditious start and eventual success.

Consultants

Opinion differs among those concerned with investment promotion about the effectiveness of outside consultants in supplementing the work done by the centre's own staff. Many countries find consultants useful in an advisory capacity but question whether the detailed reports and feasibility studies prepared by consulting firms are fully utilized. Such studies rapidly become out-dated, even when well prepared, and most investors of substantial sums prefer to have their own specialists in evaluation perform these duties.

Consultants, especially those available through international organizations such as UNIDO, may be extremely valuable, however, in advising a country on the formulation of its investment policy, on the best means of implementing that policy, and on the type of organization optimally suited for carrying it out effectively.

Promotional literature

An important auxiliary for the promotion of industrial development is informative, clearly written and attractively prepared literature about the country, its economy and the general and particular opportunities it holds out to industry. Prepared in the form of handbooks, brochures, newsletters, fact sheets, prospectuses, case histories, or short feasibility studies, this literature should be distributed as broadly as possible to investors in the industrial fields of primary interest to the country.

The principal types of printed material include:

(a) A comprehensive, detailed handbook (in either bound or loose-leaf form) setting out as much factual and statistical information as possible for the foreign investor. This would include labour availability, wage conditions, tax system, organizational requirements, markets, economic activities, transportation, availability and cost of utilities, transportation network, etc. A useful investment handbook may take a year or more to prepare. Work should therefore begin on it as soon as the centre is organized. The handbook it contains should be up-dated constantly. The handbook should be distributed to foreign investors who show a positive interest in local industry in the country;

(b) A shorter, more general brochure about the country (history, geography, Government, population and education) and its economy, including a statement on the national investment policy and the advantages of investing under its provisions;

(c) Fact sheets or "feasibility indications" on specific industrial areas that the country is most interested in developing;

(d) Public relations material, especially newsletters, news releases, photo-caption releases, motion pictures and exhibits;

(e) Check-lists, which should be issued to local manufacturers who might be interested in joint ventures with foreign investors. The answers to questionnaires may indicate potential investment partners.

Information that might be included in a typical check-list is:

Name of the company interested in a joint venture, and the addresses and telephone numbers of its main office and manufacturing plants

Product lines, processes or technical know-how in which the company is interested

Brief history of the company

Present product lines and technical skills

Name and address of the chief executive officer, with a brief résumé of his background and experience

Names, qualifications and experience of technical and supervisory staff to be employed on the project

Names and addresses of the company's attorneys, consultants, bankers and auditors

Audited balance sheet and profit-and-loss statements for the past three years

Description of the company's physical facilities: land, buildings, and equipment and machinery

Type of arrangement desired with foreign company (licence, equity participation, loan, technical assistance)

Extent of any financing required

Report or analysis of the markets being considered under the proposed arrangement, including previous experience in these markets or an evaluation of their future potential.

Abroad

The headquarters of an investment-promotion centre operates in many ways like the headquarters of a large industrial corporation. And, as in any international marketing effort, the centre requires branch offices abroad.

Operations of overseas offices

The primary function of branch offices and their executives is to initiate and maintain contacts with a broad range of potential investors and with business groups and financial institutions interested in foreign investment.

The branch office supplies these target audiences with a steady flow of information on the host country's economy and its investment opportunities. It maintains current information on markets, materials, labour supply, utilities, transportation, economic and financial policies, taxation, licensing regulations and procedures, and other matters of interest to potential investors. It may also suggest studies of investment potentials in specific fields.

It is, in effect, an information bureau for businessmen in the capital-exporting country.

The director and staff officers of the branch office should be prepared to do a certain amount of travelling to visit out-of-town companies that indicate an interest in the developing country, if the size and type of the potential investment warrants this expenditure.

The branch office may also assist businessmen from the host country on their visits abroad by arranging contacts and itineraries.

The most logical countries in which to locate branch offices are those with a potential for exporting capital and industrial know-how. Once specific countries are chosen, branches may be established in the city or cities from which the staff can most effectively cover the regions with the heaviest concentrations of industry and capital.

Staffing of branch offices

Director. A native of the developing country is probably a more suitable choice for director of an overseas branch than a native of the capital-exporting country in which this office is set up. He will be able to speak with greater authority about his own country, and the businessmen he contacts will recognize this greater authority. By his manner and the way he goes about his work, he will immediately convey an impression of his own people to foreign entrepreneurs.

Placing a qualified native in this position has a psychological advantage. Most executives are more responsive to dealing with principals. When a native of the developing country approaches a potential investor, the latter regards him as an equal party to the negotiations, not as a third-party advocate bringing together two principals (foreign company and the Government).

A citizen of the capital-exporting country may also be selected as director of the branch office if he is an energetic, dynamic person fully conversant with the developing country's economic and political conditions and its national development policies.

The director should be oriented towards business and industry. The executives with whom he will be in contact prefer to listen to someone who understands and talks knowledgeably about their problems. Hence, business experience and an appreciation of the profit motive are requisites.

Finally, he must inspire confidence at a high level. This is an intangible quality and somewhat difficult to define. The ideal director should have the stature to gain the respect required for the successful execution of his assignment. He should be a high-level salesman, well organized and well motivated. He must believe in his mission, not only in what it can do for his country, but also in what it can do for the businessmen whom he would like to persuade to invest there.

Other personnel. Depending on the size of the budget, the staff of the branch office may include a secretary, one or more assistants and, for a large operation,

specialists in finance, engineering or specific industries. In choosing a staff, it should be kept in mind that the branch is essentially a sales organization, whose ultimate success will be in direct proportion to the number and regularity of the contacts it maintains with potential investors.

Problems faced by a branch office that is insufficiently staffed. An office staffed by one or two people in a capital-exporting country must carry out many of the tasks that a larger office would do quickly and easily. A small office may be able to attract investment for its country, but it will probably have to work harder to be successful.

A job that must be done, regardless of staff, is to compile and maintain accurate, up-to-date mailing lists. This work may consume weeks, even months, of an officer's time, which might be better spent in meeting with prospective investors. Efficient, responsible clerical personnel should be hired, on a temporary basis, to do this type of work.

General industrial directories, such as *Poor's Register* and *Thomas' Register* in the United States, are almost indispensable for obtaining mailing lists. Also helpful are directories published by many trade associations which list the firms that are active in a particular industry.

A branch office staffed by only one officer should have a secretary who can handle administrative work and take care of many of the day-to-day details that are part of office routine.

Co-operation with diplomatic missions. The director of the branch office should maintain liaison with the diplomatic missions of the developing country in the capital-exporting country in which he is operating. This is important to provide a two-way flow of information between the Government (through its missions) and the branch office. It is also important for the ambassador of the developing country and the director of the office to co-operate in the latter's efforts to encourage an inflow of capital to the country. As his country's highest-ranking official in the capital-exporting country, the ambassador is an effective spokesman at press conferences or at regularly scheduled meetings with groups of businessmen or bankers.

By maintaining contact with diplomatic missions, the branch office is assured of receiving inquiries about investment made at the embassy, consulate or United Nations mission.

The branch offices of some countries are headed by the economic attaché. This approach has met with some success, although its effectiveness may have been due less to the organization of the office than to the outstanding advantages offered by these developing countries to industrial investors. A separation of the office and the diplomatic missions would seem preferable, as does the separation of the investment-promotion centre at home from the regular departments of the Government.

Examples of two functioning centres. One developing country organized its investment-promotion centre as a foundation financed 90 per cent by a grant from the Government and 10 per cent by banks and large industrial companies. Participation by private financing was particularly noteworthy in this centre.

The staff of the centre originally consisted of a managing director, two officers and two secretaries. The centre's primary functions lay in the areas of promotion and

liaison. Screening and approval of foreign investment proposals were handled by a special department of the Ministry of Economic Affairs.

A major advantage realized from the size and expertise of this small staff was its ability to make quick decisions and the elimination of red tape.

The centre had one branch office overseas, in New York, with another smaller branch in Chicago. Its staff in the United States of America consisted of a general manager, two officers and two secretaries. A substantial number of personal contacts were developed through regular advertising in a major business magazine. Each advertisement centred on a case history, reporting the favourable results of a United States Company that had invested profitably in the developing country. The advertisements were run quarterly, and were reprinted and sent to persons on the mailing list.

The currently operating organization of another country has a more elaborate staffing arrangement, which, contrary to expectation, seems to impede rather than facilitate its work. This centre is actually a foundation appointed by the Government; however, it operates autonomously. It is fully staffed for all the functions listed earlier, although final screening and approval of projects is handled by departments of the Government. The co-ordination that is vital between the centre and departments of the Government either has not been provided or does not function efficiently, however, and the result has been delays in a number of projects because of excessive red tape.

This centre maintains a branch office in New York which is staffed with two officers and two secretaries. Its major promotion efforts consist of mailing fact sheets to selected companies and holding meetings of businessmen in key industrial cities in the United States. The meetings, which are arranged by local advisory councils responsible to the New York office, have produced favourable results. The local councils, composed by executives from United States companies with investments in the developing country, are an ingenious and effective way of establishing contacts with industrialists.

Techniques for implementing industrial promotion

At home

Once the investment-promotion centre is organized, and even during the process of organization, it should begin to implement the various interconnected programmes designed to induce foreign investors to commit capital in the country. Priorities must be determined, based on the budget and staff available.

The co-operation of the head of the Government and of the ministries concerned is essential, assuming that economic development is a national goal. It is usual practice for the highest officials of a country to discuss investment programmes with ministers, diplomats and businessmen in the course of a visit to another country. It is routine, for example, for a minister on an official visit to a capital-exporting country to mention his country's economic goals in speeches and press conferences.

Contacts with local businessmen and visiting investors

A first task of a centre is to contact local businessmen individually and collectively through their representative groups (chambers of commerce,

manufacturers' associations, bankers' associations etc.). This contact also involves distributing check-lists or questionnaires to determine the extent of participation in joint ventures that can be offered to foreign businessmen, and the amount of capital that could be made available for such projects.

As the efforts of the centre and its branches abroad achieve results, growing numbers of potential foreign investors will visit the country. It is most important for the centre to do all it can to make these visits as pleasant and productive as possible for the foreign businessman. Hotel reservations, travel arrangements, meetings with officials of the Government and local businessmen, the supply of interpreters if there is a language problem, all are services that should be provided willingly and efficiently.

Prompt information is essential

A foreign businessman expects prompt, accurate and frank answers to his questions. If an answer cannot be given immediately, it should be obtained as soon as possible, preferably before the visitor leaves the country.

The branch office whose efforts resulted in his visit should be informed in detail about his reactions, questions and any indications he has given about the status of the project under consideration in order to follow it up quickly and efficiently.

This is only one form, but an important one, of servicing which the investment centre at home must provide to its branches abroad. Each branch must be kept fully and currently informed about every aspect of the country's economic progress and its industrialization programme. Countries have lost major investment projects because an industrialist considering an investment became discouraged after waiting, weeks or months, for information that did not arrive, as it should, by return mail (or even by cable, telex or telephone, depending on the size of a project and the time involved in its actuation).

Slipshod servicing of overseas branches gives the foreign investor the impression that all work in the potential host country is inefficient. In the present competitive market for foreign investment, no country can afford such a judgement of its business performance. Hence, investment centres assign a specific individual in the home office the responsibility of handling expeditiously inquiries and requests from each overseas branch.

Projects initiated as the result of a country's investment-development programme must be allowed to operate in accordance with the agreements and understandings reached before their capital was committed. Any breach of faith, misunderstanding, or a unilateral change in the rules governing investment may do irreparable harm to a country's industrialization effort. The confidence of foreign investors in a country is gained only over a long period in which the country actually lives up to the image it seeks to create abroad.

Abroad

In carrying out its responsibility, a branch office must direct its efforts to the decision-makers in the business community who can recommend and approve an investment project.

Focusing on decision-makers

In the beginning, these efforts are necessarily addressed to the broadest possible business public. Certain industries are quickly eliminated from consideration; others are gradually winnowed out. Companies remaining among the target industries are approached. Attention is concentrated on those that show interest; the decision-makers in these companies are identified, and regular contact is maintained with them.

The whole process may be likened to pouring grain through a funnel. Hundreds of kernels may flow in at the top, while only a few trickle through the narrow spout at the bottom.

Communications programme

A branch office may accomplish this process of elimination through increasingly selective methods of communication:

Mailings. A campaign by mail to many companies in a number of suitable industries is an important means of acquainting businessmen in the capital-exporting country with the advantages of investing in the developing country. The starting point for an effective mailing campaign is to compile complete and accurate mailing lists. Commercial registers, industrial directories, trade-association membership lists, business and trade magazines, daily newspapers and personal contacts may provide raw material for a mailing list. A complete mailing list should consist of two different sets of index cards, of which one set, arranged alphabetically, gives the names of the companies, the presidents or chairmen and the complete addresses and telephone numbers. If a company has an international department or foreign division, another card should be made giving the company name and the name of the head of this department. The second set of cards should be alphabetized according to the names of the executives of the companies and should state their positions. The purpose of the two sets of cards is for convenience, in order to provide two ways of checking the files.

A mailing list must be constantly up-dated. Unless additions or deletions are made on a current basis, even the best list may become out of date and ineffective.

The first general mailing normally consists of a brochure about the developing country and a personal letter from the director of the branch office to the presidents or chairmen of the companies on the mailing list. It is important that this first letter be interesting, but not too long or personal.

As activity increases, this type of introductory letter should be followed by a more restrictive and detailed mailing about specific industrial potentials which is addressed to presidents of companies in selected manufacturing areas (electronics, food processing, textiles, metal fabrication etc.). The companies on specific industry lists may be chosen from membership lists of trade associations. State and regional industrial directories may also be helpful.

A newsletter may be published regularly as part of the continuing mailing campaign. It should be sent to companies known to be interested in international operations, and to executives who have expressed an interest in the country's investment potential.

A newsletter should be brief (two to four single-spaced pages) and should mention as many items as possible rather than seek to discuss a single subject in

detail. An effective format consists of a page-long feature on a major area of interest, followed by a page or two of brief items of two or three sentences.

The material for a monthly or bi-monthly newsletter may be drawn generally from daily newspapers and business and industrial magazines published in the developing country.

Correspondence that is not confidential and reports from the home office may also contain a good deal of suitable material. Plant openings, export contracts, shipping news, construction of new facilities and the expansion of established industries are all valid news subjects.

Regular business meetings. Regular meetings should be scheduled with groups of businessmen and bankers in different cities of the capital-exporting country. In most industrial cities the international division of the local chamber of commerce or a separately organized world affairs centre is usually co-operative in organizing such meetings for their members.

The developing country's ambassador might be the principal speaker at these meetings, followed by the director of the branch office. If such meetings can be scheduled as part of the itinerary of a visiting minister or head of Government, they will be even more effective.

As its highest representative, the ambassador not only speaks with the most authority for his country, but he is also assured of a respectful and attentive audience. The participation of ambassadors in the industrialization effort has proved highly effective among the business community of capital-exporting countries.

Literature should be made available at meetings; motion pictures or slide presentations are also useful in providing the audience with a graphic concept of the country under discussion.

Liaison with the Government. A branch office should maintain regular liaison with appropriate officials of the Government in the capital-exporting country. These are officials in the foreign ministry and the ministry of economic affairs, whose task is to supply domestic industrialists and bankers with information on the developing country.

Press conferences. Receptions and luncheons for the press and press attendance at open meetings of businessmen are very helpful in informing businessmen of the country's potential.

Publicity. News stories and feature articles should be serviced to daily newspapers, and to business and financial media to create a general awareness of the country and its investment programme.

Feature articles in the industrial or trade press may be a major source of inquiries. They may describe a specific industry in the host country and indicate that the country seeks additional investment in that industry.

Follow-up. All inquiries resulting from any of the above-mentioned methods should be followed up promptly, either by letter or telephone, with a request for a personal interview to discuss investment possibilities in more detail.

Social functions and informal gatherings. Social functions also play an important part in efforts to communicate with the business community. Receptions, held in

conjunction with annual or special meetings of foreign trade associations, may be arranged during visits of officials from the developing country.

A public relations programme

Because its activities are primarily in the marketing and communications fields, and its staff is usually small, a branch office should consider engaging public relations and advertising counsel.

A continuing advertising programme in the main media is normally too burdensome and expensive for the budget. Advertising is effective only if repeated, and when reprints are mailed regularly to potential investors. A branch office should consider advertising only if it can afford to maintain a significant, continuous programme.

Public relations counsel, on the other hand, is almost indispensable if the branch hopes to get its message across to the many companies and individuals who are potential investors. A reputable public relations firm can provide advice in formulating, and assistance in carrying out, an effective communications programme, for various fees.

A developing country often finds that outside public relations counsel can advise its branch offices on the most appropriate type of programme, assist in preparing objectives and budgets, and carry out the approved programme efficiently. In recommending a programme, regardless of the budget involved, public relations counsel are generally concerned with:

Purpose of the programme

Communications objectives

Basic activities to attain communications objectives

Special projects, usually predicted on supplementary budgets

Advertising, if this is felt necessary and if a budget is available for it

Obviously, a programme prepared for a specific office will vary from this outline, depending on the work to be done. Every programme, however, should be built around a general purpose: a set of communications objectives and a plan of action to achieve the stated objectives.

Objectives and methods of communications

The communications objectives are not intended to produce new industrial investments in the developing country. This is the job of the staff of the branch office.

As the term implies, communications objectives are goals that may reasonably be expected to be accomplished through the media and other techniques of reaching the public. They normally involve a change of attitude, the adoption of an attitude where none existed before, the formation of favourable opinion, or simply the imparting of information.

Communications objectives should be linked to specific audiences (for example, government officials, businessmen) and to the specific investment advantages of the

developing country (stability, incentives, support of private capital, quality of the labour force, etc.).

A broad range of methods may be employed to communicate with target audiences, which can influence the decision to invest in a developing country. Some of these have already been discussed.

The frequency and intensity with which these techniques are used are quite naturally dependent on the budget that can be committed to a public relations effort. In the United States of America, for example, effective campaigns can be carried out for retainer fees of US\$18,000 a year, on a minimal basis, and for fees of US\$150,000 or more for active, multi-media programmes.

The methods employed include:

(a) Research, in order to learn investor attitudes towards the developing country and to determine if the programme has changed these attitudes;

(b) Publicity, which is often handled through a news bureau set up by the public relations counsel to service media with a steady flow of information through news releases, newsletters, statistics, photographs and interview material. Media receiving this information are business newspapers and magazines, wire services, news magazines, journals of opinion, industrial (trade) publications and professional journals. Columnists, editorial writers and free-lance writers are also supplied with information;

(c) Publications, which may include: general and special newsletters, brochures on various aspects of a country's investment climate, case-history studies on individual companies operating successfully in the country, an annual report on industrial progress, a detailed investment handbook and newspaper supplements;

(d) A photo library prepared and maintained by public relations counsel is a prime source of good publicity (through photo and caption releases) and of illustrative material for publications;

(e) Meetings, which can be arranged by public relations counsel, may lead to additional publicity benefits.

Special projects. These are normally outside the scope of the programme and usually require funds over and above those appropriated.

Examples are: trips to the developing country for selected members of the press and business community from the capital-exporting country; displays and exhibits; arranging for leaders of business and Government from the developing country to hold day-long seminars with businessmen in the capital-exporting country, etc.

A basic public relations programme for a minimal budget would not include such activities as a photo library, case-history studies, or even an unbudgeted but suddenly necessary press conference.

Communication between branch offices and the home office

A continual two-way exchange between the investment-promotion centre at home and its branches abroad is necessary.

Essential to such communication are call reports. These are summaries of discussions with, or pending actions of, potential investors and serve to keep the home office steadily informed of progress in the promotion effort, of investor reaction to conditions in the host country, and of questions being raised by foreign

businessmen. Ideally, call reports should be sent by airmail to the home office immediately after a meeting takes place.

It is also advisable for the branch office to submit a monthly report on its activities to the centre. This report may include a brief summary of economic trends in the foreign country and their possible effects on the investment-promotion programme.

Conclusions

Promotion of foreign investment is, in essence, a marketing effort and is best carried out by a specialized, quasi-governmental agency.

This agency and its staff should be proficient in a variety of informational and promotional activities related to achieving the country's economic goals. These goals should be carefully thought out and formulated in a legal context.

In carrying out its marketing function, the investment-promotion centre should establish branches in capital-exporting countries. The heads of these offices are normally marketing managers and salesmen whose job is to persuade foreign investors to establish industrial operations in the developing country.

Because their job is essentially one of communication, it is advisable for the branch offices to use a number of public relations techniques to reach individuals who can recommend or decide on foreign investment.

II. COMPARATIVE STUDY OF LEGISLATION INCORPORATING INVESTMENT-PROMOTION CENTRES OF SELECTED COUNTRIES

Name and location of investment centres

Greece and India specify the town in which the head office of the centre is to be located. Ireland, Israel and Jamaica do not.

Greece

"A Corporation is hereby established with head offices in Athens, under the name of Hellenic Industrial Development Bank (ETBA)." (Art. 1 (1))

India

"The name of the Society is the Indian Investment Centre." (Memo Art. 1)
(Full address of registered office in Delhi is given.) (Memo Art. 2)

Ireland

"There shall be a body to be known as the Industrial Development Authority."
(Act of 1950, Section 2 (1))

Israel

"There is hereby established an Investment Centre . . . which shall work for the attainment of the object of this Law." (Section 5)

Jamaica

"There shall be established for the purposes of this Law a body to be called the Industrial Development Corporation; provided that it shall be lawful for the word 'Jamaica' to be used in such manner as the Corporation may approve, as part of their name in any communications or documents or in any proceedings."
(Section 3(1))

Corporate status

Greece, Ireland and Jamaica give a definition of corporate status of the centre. The status of the centres of India and Israel differs. Although it is more precise to

give such a definition, detailed rules, such as those of Jamaica regarding the use of the common seal, could be avoided.

Greece

"The ETBA is a public corporation, exclusively owned by the Greek Government, operating under the principles of private enterprise and constituting a body corporate under private law." (Art. 1 (2)) "The ETBA shall have the same judicial privileges as those of the State." (Art. 7 (4))

Ireland

"The Authority shall be a body corporate with perpetual succession and a common seal and power to sue and be sued in its corporate name and to acquire, hold and dispose of land." (Act of 1969, Section 22, 2nd Schedule, Section 1)

Jamaica

"(1) The Corporation shall be a body corporate having perpetual succession and a common seal, with power to hold land and other property of whatever kind. (Section 5 (1))

"(2) The seal of the Corporation shall be kept in custody of the chairman, or the deputy chairman, or of the secretary of the Corporation and may be affixed to instruments pursuant to a resolution of the Corporation and in the presence of the chairman, or deputy chairman and of one other member, and the secretary. (Section 5 (2))

"(3) The seal of the Corporation shall be authenticated by the signature of the chairman, or deputy chairman, and the secretary of the Corporation, and such seal shall be officially and judicially noticed. (Section 5 (3))

"(4) All documents, other than those required by law to be under seal, made by, and all decisions of, the Corporation may be signified under the hand of the chairman, or deputy chairman, or the secretary of the Corporation. (Section 5 (4))

"(5) The Corporation may sue and be sued in their corporate name and may for all purposes be described by such name, and service upon the Corporation of any notice, order, or other document shall be executed by delivering the same or by sending it by registered post addressed to the secretary of the Corporation at the office of the Corporation." (Section 5 (5))

Line of responsibility

Greece and Ireland have clear and unequivocal statements as to whom their Centres are responsible. This would appear the best solution.

India and Israel have provisions from which one might deduce responsibility is to the Government. The term "Government" is rather all-embracing and not as precise as designating a specific Minister.

Jamaica does not specifically indicate responsibility, but it may be deduced that it is to the Governor in Council.

Administration should in theory be made easier if there is a clear line of responsibility from the Minister down to the chairman of the advisory board and thus to the chief executive of the centre. Members of the board should not be allowed access to the Minister independently of the chairman, particularly if the advisory and executive boards are the same. This may lead to conflict with the executive branch.

Greece

“Supervision over ETBA shall be exercised by the Minister of Industry”
(Art. 1 (3))

India

“In the discharge of its functions, the Society shall be guided by such directions in matters of policy involving public interest as the Central Government may give to it.” (Rule 32)

Ireland

“The Authority in the exercise of its powers and functions shall be responsible to the Minister [for Industry and Commerce].” (Act of 1950, Section 2 (2))

Israel

“The Government shall appoint the Director who shall *ex officio* be a member of the Board and the Council and the chairman of both.” (Section 7)

“The Government shall appoint to the Board, in addition to the Director, six members, who shall *ex officio* be also members of the Council.” (Section 9)

“The Government shall, after consultation with local authorities and with economic, public, scientific and professional organizations and institutions concerned with branches of the economy which are of national importance, appoint to the Council ten members of the public in addition to the members of the Board.” (Section 12)

Chairmen and members

All five countries have fairly detailed provisions as to who shall be nominated as members and chairmen of their respective centres. India specifies exactly who should be on the governing body of the centre.

Greece, Ireland and Jamaica specifically exclude certain categories of persons from eligibility. Otherwise, the general tendency of all countries is to keep the basis for selection broad so that a maximum of suitably qualified persons may be appointed from the country as a whole.

Unfortunately, four of the countries do not make it clear in their legislation whether their boards are full-time or part-time. Only Ireland refers to this point.

In countries where there are two boards, an advisory and an executive board, and where the advisory board is part-time, there is a risk that the part-time board members may have so many other interests that they are unable to brief themselves

fully on the activities of the centre. This can lead to the executive branch dictating policy to the advisory board, instead of the other way around

A case could be made for the Indian system whereby the members of the governing body must by definition be mainly men with experience in finance and therefore with a broad appreciation of the country's economy as a whole, as distinct from, say, individual businessmen whose interest is in one sector only.

The Israeli solution is also a good one in so far as all members of the executive board are also members of the advisory council. The boards in all five countries, however, are too large. Israel has a maximum of 17 members, India 10, Greece and Ireland 9 and Jamaica 8. Quorums of less than the maximum can be fixed, as India does, but a compact board of a maximum of six would be more efficient.

The Industrial Development Authority of Ireland was directed by a single board of five, four full-time members and one part-time member, until the system was changed by the Act of 1969. This Act superimposed an advisory board on the executive board, with the chief executive (managing director) of the executive board also a member of the advisory board.

Greece

"ETBA will be managed by a Board of Directors consisting of:

- (a) Its Governor who shall preside over the meetings of the Board,
 - (b) Two Deputy Governors,
 - (c) Six Directors (Members of the Board)." (Art. 4 (1))
- (See also Art. 6.)

India

"The Governing Body of the Society shall be composed of eleven members to be nominated by the Government of India representing certain interests as follows:

- (a) Five members representing the Industrial Credit and Investment Corporation of India Limited;
- (b) Two members representing the Government of India;
- (c) Four members representing institutions to be selected out of:
 - The Industrial Finance Corporation in India
 - The Chambers of Commerce
 - The State Finance Corporations
 - The Commercial Banks
 - The Reserve Bank of India
 - The Refinance Corporation
 - The Unit Trust of India, and
 - The Industrial Development Bank of India."

Note: Alternatives may be appointed for foreign members. (Rule 2)

"The Central Government shall nominate a member of the Governing Body to be the Chairman of the Governing Body." (Rule 3)

Ireland

“(i) The Authority shall consist of not more than nine members of whom one shall be Chairman and of whom two others may be Deputy Chairman.” (Act of 1950, Section 2 (2))

“(ii) One member of the Authority shall be designated as Chairman by the Minister (for Industry and Commerce) and two other members *may* be designated by the Minister as Deputy Chairman.” (Act of 1950, Section 2 (2))

Israel

“The Government shall, after consultation with the local authorities and with economic, public, scientific and professional organisations and institutions concerned with branches of the economy which are of national importance, appoint to the Council ten members of the public in addition to the members of the Board.” (Section 12)

Jamaica

“The Corporation shall consist of one official member and of such number of other members, not being less than seven as the Governor in Council may from time to time determine.” (Section 3 (2))

“The Governor in Council shall appoint a chairman and a deputy chairman of the Corporation from amongst the members of the Corporation neither of whom shall be the official member.”

Appointment of officers*Greece*

“The Governor, the Deputy Governors and the Directors (Members of the Board) shall be appointed by Royal Decree initiated by the Prime Minister and the Ministers of Co-ordination, Finance and Industry, for a term of office of five years, selected from persons having special knowledge and experience on matters falling within the competence of ETBA.” (Art. 4 (2))

India

“The Governing Body of the Society shall be . . . nominated by the Government of India . . .” (Rule 2)

Ireland

“The members of the Authority shall be appointed by the Minister (for Industry and Commerce) with the consent of the Minister for Finance.” (Act of 1969, Section 22, 2nd Schedule, Sub-section 2 (ii))

Jamaica

“The official member and the other members of the Corporation shall be appointed by the Governor in Council by instrument in writing from amongst

persons appearing to him to be qualified as having had experience of, and shown capacity in, matters relating to industry, trade, finance, science or administration." (Sect. 3 (3))

Tenure and remuneration

The period of office of membership is specified by India, Ireland and Jamaica, but not by Greece and Israel.

The advantage of having a defined period is that the Minister or other competent authority reviews the membership every few years. This acts as a deterrent to certain individuals becoming permanently entrenched, although if they are competent, there is no reason why they should not continue to be members. From the national point of view, however, appointments that are subject to review are usually better than indefinite, open-ended appointments.

Term of office

India

"The term of office of each member shall be three years unless, in any case, the Central Government decided otherwise." (Rule 4 (a))

Ireland

"The period of office of a member [of the Authority] shall be fixed by the Minister when appointing him and shall not exceed five years." (Act of 1950, Section 4 (1))

"The remuneration, terms of appointment and conditions of service of the Chairman, Deputy Chairman and other members may be fixed by contracts entered into with them by the Minister [for Industry and Commerce] with the consent of the Minister for Finance." (Act of 1969, Section 24)

Jamaica

"A member of the Corporation shall, subject to the provisions of subsections (8) and (9) of this section, hold office for such period, not exceeding three years, as the Governor in Council may direct in the instrument appointing such members, but such member shall be eligible for re-appointment." (Section 3 (5))

Remuneration of members

Greece

"The Governor and Deputy Governor shall receive, respectively, the monthly emoluments of the Governor and the Deputy Governor of the Bank of Greece." (Art. 4 (6))

Jamaica

"The Corporation shall pay to each member of the Corporation, in respect of his office as such, such, if any, remuneration and allowances as the Governor in

Council may determine and to the chairman and to the deputy chairman in respect of his office as such, such, if any, remuneration and allowances (in addition to any remuneration or allowances to which he may be entitled in respect of his office as a member) as may be so determined." (Section 14)

Restrictive clauses

Greece, Ireland and Jamaica preclude members of Parliament from holding office as members of their centres.

The legislation of Israel does not cover this point, but that of India specifies fairly exactly who can be members. Ireland extends the exclusion to members of local authorities, but in practice local authorities are elected on a political basis.

Greece is the most strict of all. The post of governor and deputy governor is restricted to professors of higher educational institutions; even persons who have been civil servants within the last three years are excluded.

Objectively, the exclusion of civil servants and confining the senior posts to professors seems unnecessarily rigid.

It would appear desirable, however, both in theory and in practice, that there be only one professional politician involved in the centre—that is, the responsible Minister as political head—and that all other politicians be excluded.

On the other hand, where the appointees to the centre are businessmen, a declaration-of-interest clause would seem essential.

Only Greece, Ireland and Jamaica have such a clause. ETBA of Greece is more restrictive, precluding private businessmen from being on the board, although board members may also be board members of private concerns in which ETBA has an interest.

Israel has no such provisions in its legislation.

India restricts membership of the governing council to holders of specific positions.

Ireland is unique in having a provision that a member of its Authority shall devote as much time to his duties as the Minister may direct. Prior to 1970, the Minister did in fact appoint full-time members. This provision is likely to be a dead letter for the present Authority since its chairman and all members except the chief executive are part-time.

Members of parliament or state employees

Greece

"The Governor, the Deputy Governors and the Directors (Members of the Board) of ETBA may not be or have been for the last three years prior to their appointment, members of the Greek Parliament or civil servants, with the exception of Professors of Higher Educational Institutions . . ." (Art. 4 (3))

"The post of Governor and Deputy Governor of ETBA is incompatible with any other professional occupation except that of a Professor of Higher Educational Institutions." (Art. 4 (5))

Ireland

“(i) Where a member of the Authority is nominated either as a candidate for election to either House of (Parliament) or as a member of (the Senate), he shall thereupon cease to be a member of the Authority.” (Act of 1969, Section 25)

“A member of the Authority shall not be a member of a local authority.” (Act of 1969, Section 22, 2nd Schedule, sub-section 4)

Jamaica

“A person shall be disqualified from being appointed or being a member of the Corporation so long as he is a member of the House of Representatives or of the Legislative Council.” (Section 3 (7))

*Declaration of financial interest**Greece*

“... persons participating in the management of Banks or other credit institutions or persons participating in the management of private corporations or possessing a high percentage of the share capital thereof may not be appointed Directors (Members of the Board of ETBA). Members of the Board of Directors of ETBA may also be members of the Board of Directors of companies wherein ETBA has a credit or partnership interest so that such interest may be followed up and safeguarded in the best way.” (Art. 4 (3))

Ireland

“Where a member has any financial interest directly or indirectly in any industrial undertaking, he shall before exercising any functions as a member declare the nature of such interest to the Minister [for Industry and Commerce] and shall comply with such directions as the Minister may give him in regard to it.” (Act of 1950, Section 4 (12))

Jamaica

“(1) Subject to the provisions of this section, it shall be the duty of a member of the Corporation who is in any way, whether directly or indirectly, interested in an application to the Corporation for a loan under the provisions of this Law or in a company or firm in receipt of such a loan, or in a contract or proposed contract with the Corporation, to declare the nature of his interest at a meeting of the Corporation. (Section 15 (1))

“(2) In the case of such application or proposed contract the declaration required by this section to be made by a member of the Corporation shall be made at the meeting of the Corporation at which the question of granting or refusing the application or entering into the contract is first taken into consideration, or if such member was not at the date of that meeting interested in the application or proposed contract at the next meeting of the Corporation held after he became so interested and in a case where such member acquires an interest in any company or firm in receipt of a loan from the Corporation or

becomes interested in a contract with the Corporation after it is made, the said declaration shall be made at the first meeting of the Corporation held after such member acquires such interest or becomes so interested. (Section 15 (2))

“(3) For the purpose of this section, a general notice given to the other members of the Corporation by a member to the effect that he is also a member of a specified company or firm and is to be regarded as interested in any application for a loan from the Corporation or in any contract which may, after the date of the notice, be made by or with that company or firm, shall be deemed to be a sufficient declaration of interest in relation to any application or contract so made:

Provided that no such notice shall be of effect unless either it is given at a meeting of the Corporation or the member of the Corporation concerned takes reasonable steps to secure that it is brought up and read at the next meeting of the Corporation after it is given (Section 15 (3))

“(4) A member of the Corporation shall not vote in respect of any application to the Corporation for a loan in which he is interested, or in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting. (Section 15 (4))

“(5) Any member of the Corporation who fails to comply with the provisions of subsections (1), (2) and (3) of this section or contravenes the provisions of subsection (4) of this section shall be guilty of an offence against this Law.” (Section 15 (5))

Full- or part-time duties

Ireland

“A member shall devote to his duties the whole of his time or so much of his time as the Minister may from time to time direct.” (Act of 1950, Section 4 (7))

Residence or nationality

Only Ireland has a specific restriction here and it is based on residence, not nationality.

India by inference may have foreigners on its governing body. The other countries do not mention this matter.

It would seem desirable that countries should not be too nationalistic in this regard, since the part-time (or full-time) membership on the board of a foreign expert may be highly desirable. On balance, restrictions like these are best avoided.

India

Alternates may be appointed for foreign Directors. (Note to Rule 2) (The acceptance of foreign members on the Governing Body is thus presumed.)

Ireland

"No person shall be appointed to be a member unless he is ordinarily resident in the state." (Act of 1950, Section 4 (10))

*Ex-officio membership**India*

"Where a person is a member of the Society by virtue of an office held by him, his membership shall terminate when he ceases to hold that office." (Rule 4 (b)) (The "Society" is presumed to include members of the governing body.)

Secrecy clause

Only Ireland and Israel have secrecy clauses. Greece, India and Jamaica do not. Such a clause seems desirable.

Ireland

"No member shall disclose any information obtained by him in the exercise of his functions under this Act as to the private affairs of any person or business except in the course of a report of the Authority to the Minister." (Act of 1950, Section 4(11))

"The Authority shall not, without the consent of the Minister, disclose any document in its custody or under its control, production of which is sought in relation to any legal proceeding, and the Minister may claim the like privilege in respect of the document as if it were in his own custody." (Act of 1969, Section 28)

Israel

"No part of the proceeding of the Board or the Council, nor any data supplied to them, shall be disclosed except by the Director or the Government or with his or its consent." (Section 16)

Removal clauses

The Corporation of Jamaica has a categorical dismissal clause. In Ireland, members may be dismissed for misconduct. The centres in Greece, India and Israel do not have such clauses.

Members may be disqualified in Ireland for criminal activities and for ceasing to be a resident of the State, and in India, for criminal activities and insanity. Jamaica, Israel and Greece have no such clauses.

India, Ireland and Jamaica have resignation clauses. In India, a member's resignation shall take effect only if it is accepted by the chairman. Presumably, the chairman can refuse a resignation.

If the objective of a country is to ensure that the administration of its investment-promotion centre is to run smoothly without constant risk of its members being dismissed arbitrarily, the more safeguards there are the better. The statutes of the Centre in India appear to provide the best protection against removal.

Removal from office

Ireland

"The Minister may, by order, remove a member from office for stated misconduct or incapacity and shall lay such order before each House of [Parliament]." (Act of 1950, Section 4, Subsection (3))

Disqualification for misconduct

India

"A member of the Society shall cease to be such member if he shall become of unsound mind, or become insolvent or is convicted of a criminal offence involving moral turpitude." (Rule 4 (d)) (The Society is presumed to include members of the governing body.)

Ireland

"A member shall be disqualified from holding and shall cease to hold office if he is adjudged bankrupt, or makes a composition or arrangement with his creditors, or is sentenced by a court of competent jurisdiction to suffer imprisonment or penal servitude, or ceases to be ordinarily resident in the State." (Act of 1950, Section 4 (13))

Jamaica

"The Governor in Council may at any time revoke the appointment of any member of the Corporation if he thinks it expedient so to do." (Section 3 (9))

Resignation

India

"A member of the Society may resign his office by letter addressed to the Secretary, but his resignation shall take effect only on its acceptance by the Chairman." (Rule 4(c)) (The "Society" is presumed to include members of the governing body.)

Ireland

"A member may resign his office by notice in writing to the Minister and the resignation shall take effect on the date on which the Minister received the notice." (Act of 1950, Section 4, Sub-section (4))

Jamaica

"Any member of the Corporation other than the official member may at any time resign his office by instrument in writing addressed to the Chairman thereof, who shall forthwith cause it to be forwarded to the Minister, and upon the date of the receipt by the Chairman of such instrument such member shall cease to be a member of the Corporation." (Section 3 (8))

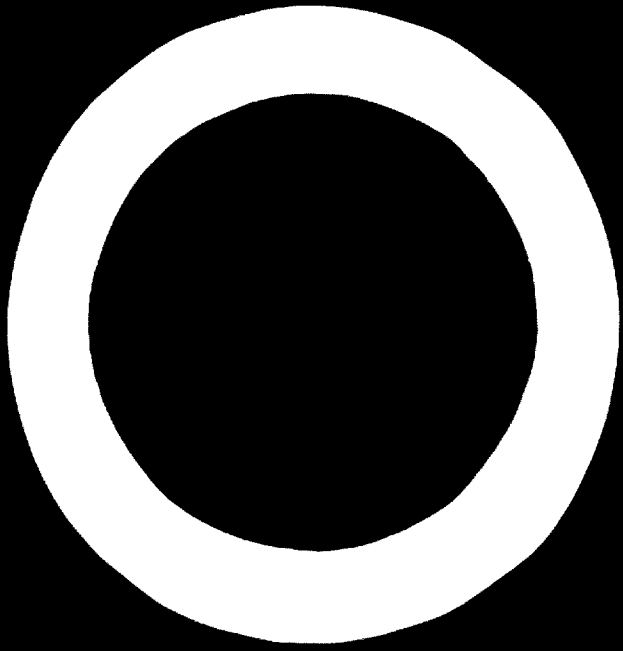
"The appointment, removal, death or resignation of any member of the Corporation shall be notified in the Gazette." (Section 3 (10))

*Filling of vacancies**India*

"Any vacancy in the Governing Body however occurring shall be filled up by nomination by the Central Government." (Rule 4(e))

ANNEXES

Texts of legislation incorporating investment-promotion centres



Annex I

GREECE: ESTABLISHMENT OF THE "HELLENIC INDUSTRIAL DEVELOPMENT BANK"

(Law No. 4366/16.9.64, Athens, 16 September 1964)

Article 1

1. A Corporation is hereby established, with head offices in Athens, under the name of "Hellenic Industrial Development Bank" (ETBA).
2. The "Hellenic Industrial Development Bank" is a public corporation, exclusively owned by the Greek Government, operating under the principles of private enterprise and constituting a body corporate under private law.
3. Supervision over ETBA shall be exercised by the Minister of Industry.

Article 2

1. The purpose of ETBA is to further the over-all industrial growth of the country:
 - (a) By supporting, either in the form of credit or of equity participation, projects for the improvement, expansion, integration and modernization of the operations of existing industrial or handicraft enterprises or enterprises operating for the development of the country, as well as by establishing new ones;
 - (b) By promoting foreign capital investments in productive concerns in this country, and
 - (c) By assisting in the development of a capital market.
2. In order to achieve the above objects ETBA may:
 - (a) Grant medium and long-term loans, participate in the capital of existing enterprises or of others in course of being established, or set up such enterprises itself;
 - (b) Give guarantees or counter-guarantees against medium or long term loans granted to newly established, expanded or merged enterprises;
 - (c) Mediate the issue of debenture loans or shares or guarantee the coverage thereof, and take up such part of the said loans or shares as is not covered by public subscription;
 - (d) Accept conversion of bonds acquired by it in respect of loans granted to industrial enterprises, into shares in the capital of such enterprises, or vice versa, i.e. conversion of shares into bonds issued by them;

(e) Offer debenture loans for public subscription in Greece or abroad. In the case of such loans as well as in the case of item (c) of this paragraph the provisions of L.D. 3756/1957 may be applied;

(f) Contract loans with the Greek or foreign Governments, or with domestic or foreign banks or credit institutions with or without Greek Government guarantee. Prior approval of the Council of Ministers shall be required in the case of loans contracted with foreign Governments;

(g) Transfer in whole or in part, in cash or on credit, shares, bonds or other claims of any kind acquired by it;

(h) Undertake the administration of enterprises established by it until such time as they are transferred to private entrepreneurs;

(i) Undertake the administration of public enterprises, whenever such an undertaking is decided upon by a joint decision of the Ministers of Co-ordination, Finance and Industry;

(j) Compile studies, work out surveys and render services for the purpose of establishing and organizing corporations, in which it participates, or any other enterprises contributing to the country's development;

(k) Carry on within the scope of the Government's economic policy all business in general of the I.D.C., E.D.F.O. and Tourist Credit Organization which are hereby merged.

3. The transfer of ETBA owned enterprises, or of a part of its participation in other enterprises to third parties, shall be effected by a duly justified resolution of its Board of Directors, following a prior evaluation by chartered accountants, of the assets of the enterprise or of the part of the participation so transferred.

4. For the purpose of achieving its objects, ETBA shall be set up in two branches i.e. Development and Financing (loans), each with separate accounting service and appearance in the balance sheet.

Article 3

1. The starting capital of ETBA shall, in accordance with Article 9 of this decree, consist of the entire actual net assets of the "Industrial Development Corporation S.A." (I.D.C.), the "Economic Development Financing Organization" (E.D.F.O.), and the "Tourist Credit Organization" held on the day of publication thereof, after refunding of the contributions mentioned in para. 2 of the same article has been made.

2. For the purpose of an accurate evaluation of the property taken up by ETBA the aforesaid three corporations shall draw up provisional balance sheets on the day of publication of the present decree and shall close their accounting books after the final inventory and evaluation are drawn up.

In order to estimate the real value of the assets of the above three corporations a committee of three chartered accountants shall be set up, by decision of the Athens Presiding Judge of First Instance, which committee, having examined the books of each of the above corporations and having made an actual evaluation of their assets,

shall draw up and submit within two months from the day of their appointment a report on the exact real value of the assets of each corporation on the day of publication of this decree.

3. By joint decisions of the Ministers of Co-ordination, Finance and the Minister appropriate for each case, ETBA may carry out projects included in and financed through the public investment budget. The terms under which such projects are to be carried out shall be determined each time by agreement concluded between ETBA and the aforementioned Ministers.

Article 4

1. ETBA will be managed by a Board of Directors consisting of:

- (a) Its Governor who shall preside over the meetings of the Board,
- (b) Two Deputy Governors,
- (c) Six Directors (Members of the Board).

2. The Governor, the Deputy Governors and the Directors (Members of the Board) shall be appointed by Royal Decree initiated by the Prime Minister and the Ministers of Co-ordination, Finance and Industry, for a term of office of five years, selected from persons having special knowledge and experience on matters falling within the competence of ETBA.

3. The Governor, the Deputy Governors and the Directors (Members of the Board) of ETBA may not be or have been for the last three years prior to their appointment, members of the Greek Parliament or civil servants, with the exception of Professors of Higher Educational Institutions. Likewise, persons participating in the management of Banks or other credit institutions or persons participating in the management of private corporations or possessing a high percentage of the share capital thereof may not be appointed Directors (Members of the Board of ETBA).

Members of the Board of Directors of ETBA may also be members of the Board of Directors of companies wherein ETBA has a credit or partnership interest so that such interest may be followed up and safeguarded in the best way.

4. If the Governor is absent, prevented or non-existent, he shall be substituted for, in all matters within his competence, by the senior of the Deputy Governors, and if the Deputy Governors are simultaneously appointed, by the one suggested for this purpose by the Governor.

5. The post of Governor and Deputy Governor of ETBA is incompatible with any other professional occupation except that of a Professor of Higher Educational Institutions.

6. The Governor and the Deputy Governor shall receive, respectively, the monthly emoluments of the Governor and the Deputy Governor of the Bank of Greece.

Article 5

1. The employment contract of each employee, and of any person rendering services on paid commission to the dissolved corporations I.D.C., E.D.F.O., and Tourist Credit Organization, shall be cancelled two months after promulgation of the present decree; as from such date there shall also cease to be valid any special contract, whether of definite or indefinite duration, pertaining to services rendered to the said corporations. Likewise all permanent or temporary employees of the Tourist Credit Organization shall be discharged due to the abolition of their posts.

2. The ETBA Board of Directors shall decide which of the employees are to be employed in the Bank: such employees shall be appointed on the basis of their qualifications. Employees so appointed shall not be entitled to any compensation due to them, in accordance with current provisions, owing to their being discharged from the dissolved corporations.

3. Employees serving in the aforesaid dissolved corporations against total monthly emoluments less than 4,000 drachmae and not receiving pension from the State or any other agency shall not be subject to the provisions of paragraphs 1 and 2 of this article.

Such employees shall, subject to the provisions of the following paragraph, be included in the ETBA personnel, with exception of those whom the ETBA Board of Directors would, within a period of three months, deem to be redundant because of inefficiency or because there is no post in ETBA equivalent to the post they held in the dissolved corporations.

4. Matters concerning the organization and operation of ETBA, the engagement, qualifications, and the selection of the personnel in regard to rank and salary, shall be arranged by internal regulations drawn up by the Board of Directors of ETBA, approved by decision of the Ministers of Co-ordination, Finance and Industry and published in the Government Gazette. Until such internal regulations are issued, the aforesaid matters shall be arranged provisionally by resolution of the ETBA Board of Directors.

5. The provisions of Article 15, para. 2 of L.D. 2970/1954 concerning E.D.F.O. shall apply to the engagement of ETBA personnel in general.

Article 6

Auditing control over the management of ETBA shall be exercised by a Supervisory Council, the composition and functions of which shall be specified by R. Decree initiated by the Prime Minister and the Ministers of Co-ordination, Finance and Industry.

Article 7

1. The registration of the transfer of real rights in general, made over by the dissolved corporations I.D.C., E.D.F.O. and Tourist Credit Organization to ETBA

shall be effected by entry in the relevant transfer-books wherein reference shall be made that ETBA is the universal successor of the dissolved corporations, by virtue of the present Law. The said entry as well as any other future act or agreement relating to the transfer to ETBA or to companies established by it, or in which it has participated, of assets or liabilities including "good will", or of rights and obligations, or of any real right, shall be exempt from any and all stamp duties, transfer or any other tax, duty, charge or fee in favour of the State, of any body corporate under public law, of insurance agencies, or of any third party.

2. ETBA being a public corporation shall not be liable to any taxes, customs, stamp or other duties whatsoever levied in favour of the State, the Demes, bodies corporate under public law, insurance agencies, or any third party. More especially the property, operating receipts, profits and all benefits of ETBA, its transactions and contracts and all documents issued or received by it shall, only in so far as ETBA is concerned, be exempt from stamp duties and from any and all taxes, dues, retentions, charges, fees or deposits in favour of the State, Demes or Communes and of any third party, whether such taxes etc. are now in force or are to be imposed in future.

3. In the case of contracts, notarial acts and articles of association concluded or drawn up by enterprises in which ETBA participates, the provisions of L.D. 3026/1954 shall not apply as they are currently in force, and the notarial fees may not exceed the sum of 5,000 drachmae; also fees of any kind due to paid or unpaid mortgage registrars for the registration of such contracts, or the fees due for the registration in favour of ETBA of any mortgage notice or seizure, may not exceed the sum of 3,000 drachmae.

4. ETBA shall have the same judicial privileges as those of the State.

Article 8

1. In the case of contribution of any property or enterprise to a limited liability company (*société anonyme*) established by ETBA or by an enterprise as specified in Article 1, para. 1 of L.D. 4015/1959, either upon its establishment or upon any increase of its share capital, liability under Article 479 of the Civil Code exists only towards such lenders as will declare themselves within one month from the day of the last of the publications referred to in the following paragraph and in respect of amounts not exceeding those for which such announcement will be made.

2. For this purpose, pending such contribution, ETBA which is about to participate or is already participating in the said limited liability company (*société anonyme*), shall extend the pertinent invitation to the lenders, and such invitation is to be published in two of the Athens daily newspapers. In the event that the property to be contributed or the seat of the enterprise is situated outside the Nomos of Attica, such invitation must be published also in at least one daily newspaper of the nearest provincial town, preferably of the capital of the Nomos within the district of which the property or the seat of the enterprise is situated, provided such newspaper is in circulation.

3. The lenders' announcement must be made known through a bailiff to the person effecting the publication and must be accompanied with a responsible declaration of the announced lender about the existence of his claim and the amount of capital and interest thereof. Within the period specified in the preceding paragraph, conditional claims, or claims not yet due, must also be announced.

4. Claims of third parties against the contributor of the said property or enterprise, launched after the lapse of the one month period within which announcement should have been made as above, shall not be charged to the limited liability company (société anonyme) referred to in para. 1 of this article, to which the contribution is made.

Article 9

1. As from the day of promulgation of this decree, the "Industrial Development Corporation S.A." of Athens, the "Economic Development Financing Organization" and the "Tourist Credit Organization" shall be dissolved "ipso jure" and without any further formality, and all the assets of the said corporations as evaluated on the day of promulgation of this decree under Article 3 thereof, with exception of the part of the I.D.C. capital referred to in the following paragraph, shall be deemed to have been automatically contributed to ETBA hereby established. ETBA shall be subrogated, "ipso jure" and without any further formality whatsoever, to all the rights and obligations, of the three dissolved corporations, as their universal successor. The provisions of Law 2190/1920 concerning companies limited by shares (S.A.) and of the I.D.C. Articles of Association shall not apply to the dissolution of the "Industrial Development Corporation S.A." under this decree.

2. The amounts paid in to build up the share capital of the Industrial Development Corporation by the Consignment Deposits and Loans Fund, the Banks and private individuals shall be paid back to such shareholders by ETBA without interest.

3. ETBA shall undertake to collect all claims of the merged corporations I.D.C., E.D.F.O. and Tourist Credit Organization, due to loans or any other cause. ETBA shall also exercise and carry out henceforth, all competencies and functions of the aforesaid three corporations.

4. By decision of the Minister of Co-ordination and the competent Minister in each case, there may be transferred to ETBA any rights of the State or the Bank of Agriculture to installations or enterprises relating to the object of ETBA. By the same decision, the manner of evaluating the transferred assets--and in the case of the Agricultural Bank the compensation to be paid-- shall be specified.

5. Where, in Laws, Royal Decree or contracts of any kind, reference is made to any of the corporations dissolved as above, such reference shall be deemed to be made to the hereby constituted ETBA, and any and all provisions in Laws, Decrees,

ministerial decisions or contracts of any kind in favour of one of the three dissolved corporations shall be deemed, "ipso jure", to be valid in favour of ETBA.

Article 10

1. ETBA shall, at any time and without payment of compensation, have the right to denounce any standing agreement concluded with any other participating or authorized Bank, whereby such Bank has been commissioned at any time to intermediate in the granting of loans by E.D.F.O., C.L.C. or AMAG and generally to transact business under the provisions of L.722/1948 and L.D. 1038/1949, 2941/1954, 2970/1954, 3733/1959 and of Agreements ratified thereby or concluded thereunder. Such denunciation shall be effected by declaration addressed to the other Bank and shall be valid as from the time of its notification or upon the expiry of the term specified therein. The other Bank must, without any excuse and without having the right of retention, deliver to ETBA all files and other relevant records. Eventual liabilities of the other Bank due to violations or omissions concerning the administration of the commission shall remain. Denunciation may be exercised also in the event that the other authorized Bank has given a guarantee under Article 2, para. 3 of L.D. 3733/1957, in which case such other bank shall cease to be used as an intermediary in the lending transaction, but its guarantee obligations shall remain in full.

2. In the event of compulsory execution in respect of movable or real property being held as a pledge or mortgage in favour of E.D.F.O. in order to safeguard any transaction, there shall apply the provisions of Article 9, para. 3 of L.D. 1038/1949 ratified by L.D. 1198/1949 as supplemented by Article 1 of L.D. 2688/1953. In the event of compulsory execution in respect of such property initiated by any third party, including the State, the disposal of the said property must, under penalty of invalidation which, however, may be invoked only by ETBA be effected always by auction sale of all the property as a whole, unless ETBA should agree, in writing, to a partial or separate sale. In the event of a total auction sale, the relevant list shall be drawn up in accordance with the provisions of Article 23 of L.D.3562/1956 applied "mutatis mutandis".

3. In the event of sale by auction of movable property held in pledge or of real property burdened with a mortgage in favour of E.D.F.O. or of a Bank authorized by it, no general or specific preference right shall have priority in respect of the claim secured by such pledge or mortgage, with the exception of rights referred to in Article 940, para. 1 of Civil Procedure.

4. In the event of real property held in mortgage or movable property held in pledge, to secure a loan or credit granted by E.D.F.O. or by a Bank authorized by it, this property belongs or will, after a certain time, devolve to the State free of any burden or charge, by virtue of the agreement on "utilization of the Ptolemais lignite district" ratified by Law 3304/1955, the pledge or mortgage rights of E.D.F.O. and of the Bank guaranteeing the loan or credit shall at all events be deemed to have been validly constituted and shall remain valid until the claims secured thereby are fully satisfied.

Article 11

Matters pertaining to the insurance of ETBA personnel shall be arranged by R. Decree initiated by the Ministers of Industry and Labour pursuant to the opinion of the ETBA Board of Directors.

Article 12

1. The Minister of Co-ordination shall exercise on ETBA all powers afforded to him by virtue of Legislative Decree 4355/1964.
2. Any provision contrary to this Law is hereby abolished.

Annex II

INDIA: MEMORANDUM OF ASSOCIATION OF THE INDIAN INVESTMENT CENTRE

(26 November 1960)

1. The name of the Society is the "Indian Investment Centre".
2. The registered office of the Society is situated in the Union Territory of Delhi; at present Jeevan Vihar Building, Parliament Street, New Delhi.
3. The objects for which the Indian Investment Centre is established are:
 - (a) to promote wider knowledge and understanding, in the capital exporting centres of the world, of conditions, laws, policies and procedures pertaining to investment in India, and of investment opportunities in India;
 - (b) to advise and assist Indian businessmen, including medium and small, on matters necessary to attract foreign private capital and technique;
 - (c) to advise and assist foreign businessmen on matters pertaining to investment in India; and for this purpose, if necessary, to establish branch offices abroad;
 - (d) to establish a reference library and services on matters pertaining to foreign investment;
 - (e) to undertake surveys of foreign investment possibilities and studies in relation to particular industries;
 - (f) to undertake publicity abroad on investment opportunities and on general conditions in India;
 - (g) to undertake, by the diffusion of such knowledge and information, implementation of programmes designed to encourage and promote the flow of private capital into India in a manner most helpful to the Indian economy and the Indian Five Year Plan;
 - (h) to prepare, print and publish any papers or periodicals in furtherance of the objects of the Society and to contribute to any periodicals;
 - (i) to accept any grants, gifts, donations and subscriptions whether in cash or securities and of any property either movable or immovable in furtherance of the objects of the Centre;
 - (j) to purchase, take on lease, or otherwise acquire any land or building wherever situate which may be necessary for the Society;
 - (k) to sell, lease, exchange and otherwise transfer all or any properties of the Society;

(l) to undertake and accept the management of any endowment or trust fund having objects similar to the objects of the Society;

(m) to invest the funds of or moneys entrusted to the Society in such securities and in such manner as may from time to time be determined by the Governing Body;

(n) for the purpose of the Society to draw, accept, make, endorse, discount and deposit Government of India and other promissory notes, bills of exchange, cheques or other negotiable instruments;

(o) to incur all lawful expenses either in India or other part of the world as may be necessary from time to time for the employment of the staff required to discharge the duties incidental and conducive to the attainment of the aforesaid objectives;

(p) to do all such other lawful things, including borrowing to meet temporary operating expenses, either in India or any other part of the world, as are incidental or conducive to the attainment of the above objectives;

(q) to promote wider knowledge and understanding of conditions, laws, policies and procedures pertaining to investment and opportunities for investment by Indian entrepreneurs in foreign countries;

(r) to advise and actively assist Indian businessmen in the setting up of industrial or other joint ventures abroad.

4. The Governing Body of the Society shall be the body constituted to be the Governing Body under the rules of the said Society, and the first members of the Governing Body as required under Section 2 of Societies Registration Act shall be:

<i>Name</i>	<i>Address/ Occupation</i>	<i>Designation in relation to the Society</i>
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[*Note:* The names of individual members cited in the Memorandum have been omitted for the sake of clarity.]

5. We, the several persons whose names and addresses are subscribed hereto, are desirous of forming a Society under the Societies Registration Act XXI of 1860, in pursuance of this Memorandum of Association:

<i>Name</i>	<i>Signature</i>	<i>Address/Occupation</i>
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[*Note:* The names of individual members cited in the Memorandum have been omitted for the sake of clarity.]

**RULES AND REGULATIONS OF
THE INDIAN INVESTMENT CENTRE**

(Registered under the Societies Registration Act XXI of 1860)

Definitions

1. In these Rules:

(a) "Governing Body" means the body which under rule 2 is constituted to be the Governing Body of the Society;

(b) "Executive Director" means the Executive Director of the Society;

(c) "Secretary" means the Secretary of the Society;

(d) "Society" means the Indian Investment Centre.

Governing Body

2. The Governing Body of the Society shall be composed of 11 members to be nominated by the Government of India representing certain interests as follows:

(a) 5 members representing the Industrial Credit and Investment Corporation of India Limited;

(b) 2 members representing the Government of India;

(c) 4 members representing institutions to be selected out of:

(i) The Industrial Finance Corporation of India;

(ii) The Chambers of Commerce;

(iii) The State Finance Corporations;

(iv) The Commercial Banks;

(v) The Reserve Bank of India;

(vi) The Refinance Corporation;

(vii) The Unit Trust of India; and

(viii) The Industrial Development Bank of India.

Note: Alternates may be appointed for foreign Directors.

3. The Central Government shall nominate one member of the Governing Body to be the Chairman of the Governing Body.

Term of office

4. (a) The term of office of each member shall be three years unless, in any case, the Central Government decides otherwise;

(b) Where a person is a member of the Society by virtue of an office held by him, his membership shall terminate when he ceases to hold that office;

(c) A member of the Society may resign his office by letter addressed to the Secretary but his resignation shall take effect only on its acceptance by the Chairman;

(d) A member of the Society shall cease to be such member if he shall become of unsound mind, or become insolvent or is convicted of a criminal offence involving moral turpitude,

(e) Any vacancy in the Governing Body, however occurring, shall be filled up by nomination by the Central Government.

Officers of the Society

5. (1) The Officers of the Society shall be:

(a) The Chairman;

(b) The Executive Director;

(c) The Secretary, and

(d) Such other officers as the Governing Body may from time to time appoint.

Note: The day-to-day affairs of the Society will be controlled by the Chairman until such time as an Executive Director is appointed.

(2) The Executive Director shall be appointed by the Governing Body and the terms of his office and other conditions of service shall be such as the Governing Body may determine.

(3) The Secretary shall be appointed by the Governing Body of the Society on such terms and conditions as that Body may determine.

Powers of the Governing Body

6. The general superintending, direction and management of the affairs and business of the Society shall rest in the Governing Body which shall exercise all the powers and discharge all the functions which may be exercised or discharged by the Society.

Powers of the Executive Director

7. The Executive Director, as the Principal Executive Officer of the Society, shall be responsible for the proper administration of the affairs of the Society under the direction and guidance of the Governing Body.

Duties of the Secretary

8. The Secretary shall maintain a record of the proceedings of the Society and the Governing Body and shall perform the duties hereinafter directed to be performed by the Secretary, and all such other duties as may from time to time be entrusted to him by the Chairman, the Executive Director or the Governing Body.

Annual Meeting

9. The Annual Meeting of the Society shall be held at such time and place as may be determined by the Chairman. At such Annual Meeting, the Governing Body shall submit the annual report and the yearly accounts of the Society.

Special Meeting

10. The Chairman may convene a Special Meeting of the Society on the written requisition of not less than one-fourth of the members of the Society. Every requisition so made by the members of the Society shall express the object for which the meeting is proposed to be called and shall be left at the address of the Secretary or posted to his address. Upon receiving any such requisition, the Chairman shall convene a meeting of the Society at a suitable time and place. At such Special Meetings no subject other than that stated in the notice of the requisition, as the case may be, shall be discussed, except with the permission of the Chairman.

Notice of the meeting

11. Every notice calling a meeting of the Society shall state the date, time and place at which such meeting will be held and shall be served upon every member of the Society not less than 15 clear days before the day appointed for such meeting.

Quorum

12. Three members present in person shall form a quorum for any meeting of the Society.

13. (1) The Chairman shall preside at all meetings of the Society. If the Chairman is not present at any meeting, any member of the Governing Body appointed by the Chairman in writing shall preside at the meeting. But if there shall be no member appointed as aforesaid present or willing to take the chair, the members of the Society shall choose one of their own number to be the Chairman of the meeting.

(2) No business shall be transacted at any meeting of the Society except the election for the Chairman if the chair is vacant.

Questions to be decided by majority vote

14. All questions at any meeting of the Society shall be determined by a majority of votes. Every member of the Society shall have one vote. In case of an equality of votes, the Chairman shall have a casting vote in addition to his ordinary vote.

Meeting of the Governing Body

15. One meeting at least of the Governing Body shall be held every 3 months.

Chairman to preside at meetings

16. Every meeting of the Governing Body shall be presided over by the Chairman. If the Chairman is not present at any meeting, any member of the Governing Body appointed by the Chairman in writing shall be the Chairman of the meeting. But if there shall be no member appointed as aforesaid present or willing to take the chair, the members of the Governing Body present shall choose one of their own number to be the Chairman of the meeting.

Quorum

17. Three members of the Governing Body present in person shall constitute a quorum at any meeting of the Governing Body.

Notice of the meeting

18. Not less than 7 clear days' notice of every meeting of the Governing Body shall be given to each member of the Governing Body who is for the time being in India.

Questions to be decided by majority of vote

19. All questions at a meeting of the Governing Body shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a casting vote.

Business by circulars

20. Any business which it may be necessary for the Governing Body to transact (except such as may be placed before its Annual Meeting) may be transacted by circulation among all its members and any resolution so circulated and approved by a majority of the members signing the circular shall be as effectual and binding as if such resolution has been passed at a meeting of the Governing Body; provided that at least 3 members of the Governing Body have recorded their assent on the resolution.

Executive Committee

21. The Governing Body may nominate three members from among themselves to constitute the Executive Committee subject to such general or special directions as the Governing Body may from time to time give. The Executive Committee may deal with any matter within the competence of the Governing Body.

Delegation of powers to the Chairman and the Executive Director

22. The Governing Body may delegate to the Chairman or Executive Director such of its powers for the conduct of business as it may deem fit.

Advisory Committee

23. The Central Government may constitute a broad-based Advisory Council representative of regions and economic groups and institutions to discuss matters pertaining to the promotion of foreign investment in India.

Acceptance of donations, etc.

24. The Governing Body may accept the management of any endowment or trust fund or subscription or donation provided that it is unaccompanied by any condition inconsistent or in conflict with the objects of the Society.

Funds of the Society

25. The Funds of the Society will consist of the following:

- (a) Grants made by the Central Government;
- (b) Donations and contributions from other sources;
- (c) Fees and charges imposed by the Society for services rendered by it;
- (d) Income from investment; and
- (e) Income and receipts from other sources.

Bye-laws

26. The Governing Body shall have power to make such bye-laws as they deem fit for the regulation of the business of the Society and in particular with reference to the preparation and sanction of budget estimates, the sanctioning of expenditure, entering into contracts and investment of the funds of the Society.

Annual accounts and audit

27. The accounts of the Society shall be audited by a qualified auditor or auditors appointed by the Governing Body in consultation with the Central Government. The nature of audit to be applied and the detailed arrangements to be made in regard to the form of accounts and their maintenance and the presentation of the accounts shall be prescribed by bye-laws to be framed by the Governing Body with the approval of the Central Government.

Annual report

28. An annual report of the proceedings of the Society for all work undertaken during a year shall be prepared by the Governing Body for the information of the members of the Society and the Central Government. A copy of their annual report

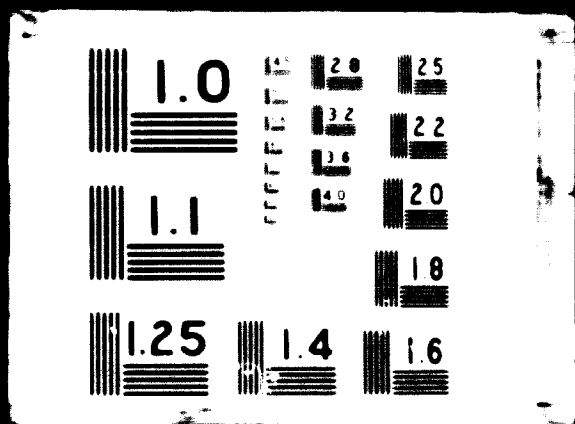


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and an audited statement of its accounts shall be forwarded to the Central Government by the Society within 14 days of the annual meeting and the Society shall abide by any directions issued thereon by the Central Government.

Office of the Society

29. The Head Office of the Society shall be situated in New Delhi. Branch offices may be situated at such other places as the Governing Body may from time to time decide.

Alteration or extension of the purpose of the Society

30. The Society may, subject to the concurrence of the Central Government, alter or extend the purposes for which it is established.

Amendment of the Rules

31. The Rules of the Society, except where they refer to the approval or concurrence of the Central Government, and except this Rule, may be altered at any time by a resolution passed by a majority of the members of the Society present at any meeting of the Society which shall have been duly convened for the purpose.

Directions by Central Government

32. In the discharge of its functions, the Society shall be guided by such directions in matters of policy involving public interest as the Central Government may give to it.

33. The income and property of the Society, however derived, shall be applied towards the promotion of the objects thereof as set forth in the Memorandum of Association subject nevertheless in respect of the expenditure of grants made by the Central Government to such limitations as that Government may from time to time impose. No portion of the income and property of the Society shall be paid or transferred, directly or indirectly, by way of dividends, bonus, or otherwise howsoever by way of profits to any persons who at any time are or have been members of the Society or to any of them or to any persons claiming through them or any of them, provided that nothing herein contained shall prevent the payment in good faith of remuneration to any member thereof, or other persons in return for any service rendered to the Society.

34. If on the winding up or dissolution of the Society, there shall remain after the satisfaction of its debts and liabilities of any property whatsoever, the same shall not be paid to, or distributed among, the members of the Society or any of them but shall consistently with the objects of the Society be dealt with in such manner as the

Central Government may determine provided, however, that the assets are used in such manner as to further as nearly as possible the objects for which the Society was established.

General

35. No act or proceeding of the Society or its Governing Body shall be deemed to be invalid by reason merely of any vacancy in or any defect in the Constitution of the Society or the Governing Body as the case may be.

36. All the provisions of Societies Registration (Punjab Amendment) Act 1957 as extended to the Union Territory of Delhi shall apply to the Society.

37. In the event of any change in the registered address of the Society the same will be communicated to the Registrar of Societies within 15 days of such change.

We, the several persons whose names and addresses are subscribed hereto, being Members of the Governing Body of the Indian Investment Centre, certify the above to be a correct copy of the Rules and Regulations of the said Centre:

Name

Designation

Signature

[Note: The names of individual members cited in the Rules and Regulations have been omitted for the sake of clarity.]

Annex III

IRELAND: INDUSTRIAL DEVELOPMENT AUTHORITY ACT, 1950
(Number 29 of 1950)

**AN ACT TO ESTABLISH AN INDUSTRIAL DEVELOPMENT AUTHORITY AND
TO PROVIDE FOR CERTAIN MATTERS CONNECTED THEREWITH**

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

Definitions

1. In this Act:

"the Authority" means the Industrial Development Authority;
"member" means a member of the Authority; "the Minister" means
the Minister for Industry and Commerce; references to industry do
not include references to banking, insurance or agriculture.

**The
Industrial
Development
Authority**

2. (1) There shall be a body to be known as the Industrial
Development Authority.

(2) The Authority in the exercise of its powers and functions
shall be responsible to the Minister.

(3) The members of the Authority shall consist of a chairman
and not more than four other members.

(4) The members shall be appointed by the Minister with the
consent of the Minister for Finance.

(5) The provisions of the Schedule to this Act shall apply with
respect to the first appointment of members.

**Functions
of the
Authority**

3. The Authority shall be an autonomous body with the following
functions:

(i) To initiate proposals and schemes for submission to the
Minister for the creation and development of Irish
industries;

(ii) To survey possibilities of further industrial development
and advise the Minister thereon;

(iii) to advise the Minister on steps necessary and desirable for
establishing new industries;

(iv) to advise the Minister on steps necessary for the expansion
and modernisation of existing industries;

- (v) to give on request advice and guidance to persons contemplating starting new industries or expanding existing industries;
- (vi) to investigate the effects of protective measures, with special reference to employment, prices, quality of goods, wage levels and conditions of employment and report thereon to the Minister;
- (vii) to examine any proposals referred to the Authority by the Minister relating to the imposition or revision of tariffs, quotas or other protective or developmental measures, and to investigate the probable effects of such proposals, with special reference to employment, prices, quality of goods, wage levels and conditions of employment, and
- (viii) to advise on any matter relating to industrial development referred to the Authority by the Minister.

4. (1) The period of office of a member shall be fixed by the Minister when appointing him and shall not exceed five years.

Members

(2) A person who is a member immediately before the expiration of the initial period for which he was appointed or any subsequent period for which he was reappointed shall be eligible for reappointment on terms not less favourable to him than those on which he was first appointed.

(3) The Minister may, by order, remove a member from office for stated misconduct or incapacity and shall lay any such order before each House of the Oireachtas.

(4) A member may resign his office by notice in writing to the Minister and the resignation shall take effect on the date on which the Minister receives the notice.

(5) The remuneration, terms of appointment and conditions of service of a member may be fixed by contract entered into with him by the Minister, acting with the approval of the Government.

(6) The members in the exercise of their duties shall be responsible to the Minister.

(7) A member shall devote to his duties the whole of his time or so much of his time as the Minister may from time to time direct.

(8) The Civil Service Regulation Acts, 1924 and 1926, shall not apply to the office of member.

(9) (a) Where a member of the Authority becomes a member of either House of the Oireachtas, he shall, upon his becoming entitled, under the Standing Orders of that House, to sit therein, cease to be a member of the Authority.

(b) A person who is for the time being entitled under the Standing Orders of either House of the Oireachtas to sit therein shall be disqualified from being a member of the Authority.

(10) No person shall be appointed to be a member unless he is ordinarily resident in the State.

(11) No member shall disclose any information obtained by him in the exercise of his functions under this Act as to the private affairs of any person or business except in the course of a report of the Authority to the Minister.

(12) Where a member has any financial interest directly or indirectly in any industrial undertaking, he shall before exercising any functions as a member declare the nature of such interest to the Minister and shall comply with such directions as the Minister may give him in regard to it.

(13) A member shall be disqualified from holding and shall cease to hold office if he is adjudged bankrupt, or makes a composition or arrangement with his creditors, or is sentenced by a court of competent jurisdiction to suffer imprisonment or penal servitude, or ceases to be ordinarily resident in the State.

**Power of
Authority
to summon
witnesses,
etc.**

5. (1) The Authority may for the purposes of their functions do all or any of the following things:

(a) summon witnesses to attend before them,

(b) examine on oath (which any member is hereby authorised to administer) the witnesses attending before them,

(c) require a witness to produce to the Authority any document in his power or control.

(2) A witness shall not under any circumstances be called upon to disclose any particulars which would involve the divulging of secret manufacturing processes or recipes or of methods peculiar to the particular undertaking of such witness.

(3) The Authority shall not summon a witness to attend before them or require a witness to produce any document or furnish any information without informing the witness of the purpose for which the information is required by them.

(4) A witness before the Authority shall be entitled to the same immunities and privileges as if he were a witness before the High Court.

(5) If any person

(a) on being duly summoned as a witness before the Authority makes default in attending, or

(b) being in attendance as a witness refuses to take an oath legally required by the Authority to be taken, or to produce any document in his power or control legally required by the Authority to be produced by him, or to answer any question to which the Authority may legally require an answer,

he shall be guilty of an offence under this section and shall be liable on summary conviction thereof to a fine not exceeding fifty pounds.

(6) A summons under this section shall be signed by at least one member.

(7) Proceedings for an offence under this section may be brought and prosecuted by the Minister.

6. (1) The Minister, with the consent of the Minister for Finance, may appoint such officers and servants as he thinks necessary to assist the Authority in the performance of their functions.

Officers and
servants

(2) The officers and servants appointed to assist the Authority shall hold office on such terms and receive such remuneration as the Minister for Finance determines.

(3) The Minister, at the request of the Authority and with the consent of the Minister for Finance, may appoint technical advisers to the Authority and such advisers may be paid out of moneys provided by the Oireachtas such fees or other remuneration as the Minister, with the consent of the Minister for Finance, determines.

(4) No technical adviser appointed under subsection (3) of this section shall disclose any information obtained by him in performing his duties as such adviser except in the course of a report made by him to the Authority.

(5) A person who contravenes subsection (4) of this section shall be guilty of an offence under this section and shall be liable on summary conviction thereof to a fine not exceeding fifty pounds.

7. In the financial year current at the passing of this Act and in every subsequent financial year, there shall be paid to the Authority out of moneys provided by the Oireachtas a grant of such amount as the Minister, with the consent of the Minister for Finance, may determine for defraying the remuneration of the members and such expenses, incident to their work, as the members in their sole discretion consider necessary to enable them to discharge their functions.

Annual
grant

8. (1) It shall be the duty of the Authority to Administer the annual grant.

Finances,
accounts
and audit

(2) The Authority shall keep in such form as may be approved of by the Minister, with the consent of the Minister for Finance, all proper and usual accounts of moneys received and expended by them, and in particular shall keep all such special accounts as the Minister may from time to time direct.

(3) The accounts shall be submitted annually by the Authority to the Comptroller and Auditor General for audit at such time as the Minister, with the consent of the Minister for Finance, shall direct

and the said accounts, when so audited, shall, together with the report of the Comptroller and Auditor General thereon, be presented to the Minister who shall cause copies thereof to be laid before each House of the Oireachtas.

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|---|---|
| Disclosure of documents of Authority | 9. The Authority shall not, without the consent of the Minister, disclose any document in their custody or under their control, production of which is sought in relation to any legal proceeding, and the Minister may claim the like privilege in respect of the document as if it were in his own custody. |
| Expenses | 10. The expenses incurred by the Minister in the administration of this Act shall, to such extent as may be sanctioned by the Minister for Finance, be paid out of moneys provided by the Oireachtas. |
| Short title | 11. This Act may be cited as the Industrial Development Authority Act, 1950. |

SCHEDULE

First members of the Industrial Development Authority

1. The appointments (made by the Minister for Industry and Commerce, with the approval of the Minister for Finance, by warrants dated the 26th day of May, 1949) of James Patrick Beddy as member and chairman and Kevin C. McCourt, Luke J. Duffy and John J. Walsh as members of the Industrial Development Authority shall take effect on the passing of this Act as appointments to the like offices of the Authority established by this Act for the period ending on the 25th day of May, 1954.
2. The said James Patrick Beddy shall, as on and from the 26th day of May, 1949, be remunerated at a rate of not less than £2,500 a year and the said Kevin C. McCourt, Luke J. Duffy and John J. Walsh shall, as on and from the same date, be remunerated at a rate of not less than £2,000 a year.
3. If the said James Patrick Beddy is chairman when he reaches the age of 65 years, he shall be entitled on resignation to a pension payable from moneys provided by the Oireachtas of an amount equal to that to which he would have been entitled if he had continued to serve with the Industrial Credit Company, Limited, after the 26th day of May, 1949, and had qualified for the full pension which he would have been entitled to be paid by that Company.
4. (a) If at any time before he reaches the age of 65 years the said James Patrick Beddy is eligible for reappointment as Chairman

and is not so reappointed, the provisions of paragraph (3) shall apply as if he had been so reappointed and had held office until he reached the age of 65 years.

(b) This paragraph shall not have effect if the Minister declines to reappoint him because of stated misconduct or incapacity or if he refuses to accept reappointment.

5. If the said James Patrick Beddy retires from the office of chairman on the ground of ill health before reaching the age of 65 years, and his retirement is accepted by the Minister, he shall be entitled to be paid out of moneys provided by the Oireachtas such pension as he would have been entitled to had he then retired from the service of the Industrial Credit Company, Limited.

6. The pension, whether arising under paragraph 3, 4 or 5, shall be computed by reference to the salary as chairman to which the said James Patrick Beddy shall have been entitled immediately before ceasing to hold office in the circumstances referred to in the relevant paragraph.

7. Any award of pension under this Schedule shall be made by the Minister for Finance on the recommendation of the Minister for Industry and Commerce.

8. If, after the award of pension, the pensioner holds a post remunerated out of moneys provided by the Oireachtas or out of the Central Fund or by a local authority or a board or body established under an Act of the Oireachtas or a Saorstát Eireann statute or jointly by two or more of the above-mentioned, then

(a) the pension shall not be payable for any period for which the remuneration equals or exceeds the salary by reference to which the pension was computed;

(b) if for any period the sum of the pension and remuneration exceeds the said salary, the pension shall be reduced for that period by the amount of the excess.

9. If, after the award of pension, a second pension is payable to the pensioner in respect of service in a post of a kind referred to in paragraph 8, then

(a) the pension under this Schedule shall not be payable for any period for which the second pension equals or exceeds two-thirds of the salary by reference to which the pension under this Schedule was computed;

(b) if for any period the second pension is less than two-thirds of the said salary, the pension under this Schedule shall be reduced for that period to the amount of the deficiency.

10. Payment of the pension shall be subject to the making by the pensioner of a declaration in such form and at such times as the Minister for Finance may require.

11. (a) The Minister for Finance may determine that part of a payment in respect of the pension under this Schedule shall be borne by the Industrial Credit Company, Ltd.

(b) If the Minister for Finance so determines, he shall also determine the amount of the payment to be borne by the Company and the Company shall pay that amount to the said Minister.

(c) Any amount paid to the Minister for Finance under this paragraph shall be paid into or disposed of for the benefit of the Exchequer in accordance with the direction of the said Minister.

IRELAND: INDUSTRIAL DEVELOPMENT ACT, 1969
(Number 32 of 1969)

AN ACT TO AMEND AND EXTEND THE INDUSTRIAL DEVELOPMENT AUTHORITY ACT, 1950, THE UNDEVELOPED AREAS ACTS, 1952 TO 1969, AND THE INDUSTRIAL GRANTS ACTS, 1959 TO 1969, AND TO PROVIDE FOR OTHER MATTERS CONNECTED WITH THE MATTERS AFORESAID

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

PART I

Preliminary and General

- | | |
|---|---------------------|
| 1. This Act may be cited as the Industrial Development Act, 1969. | Short title |
| 2. In this Act: | Definitions |
| "the Act of 1950" means the Industrial Development Authority Act, 1950; | 1950, No. 29 |
| "the Act of 1952" means the Undeveloped Areas Act, 1952; | 1952, No. 1 |
| "the Act of 1966" means the Industrial Grants (Amendment) Act, 1966; | 1966, No. 12 |
| "the Authority" means the Industrial Development Authority; | |
| "fixed assets" means machinery, plant, equipment, land, buildings, services and other works of or for an industrial undertaking; | |
| "industrial undertaking" includes an undertaking ancillary to industry; | |
| "land" includes messuages, tenements and hereditaments, houses and buildings of any tenure; | |
| "local authority" has the same meaning as in section 2 of the Local Government Act, 1941; | 1941, No. 23 |
| "the Minister" means the Minister for Industry and Commerce. | |
| 3. (a) This Act shall come into operation on such day or days as may be fixed therefor by order or orders of the Minister, either generally or with reference to a particular purpose or provision, and different days may be so fixed for different purposes and different provisions of this Act. | Commencement |
| (b) An order made under this section shall as soon as may be after it is made be laid before each House of the Oireachtas. | |
| 4. The enactments specified in column (1) of the Third Schedule to this Act are hereby repealed to the extent mentioned in column (3) of that Schedule. | Repeals |

- Expenses** 5. The expenses incurred by the Minister in the administration of this Act shall, to such extent as may be sanctioned by the Minister for Finance, be paid out of moneys provided by the Oireachtas.
- Designated areas** 6. (1) Each of the following shall be a designated area for the purposes of this Act:
- (a) the congested areas as defined in section 3 of the Act of 1952,
- (b) an area which before the commencement of this section was declared by an order under section 3 of the Act of 1952 to be an area to which that Act applied,
- (c) any area which the Minister from time to time, with the consent of the Minister for Finance, declares by order to be a designated area.
- (2) An order under this section may declare an area to be a designated area for such period as is specified in the order.
- (3) An order made under this section shall as soon as may be after it is made be laid before each House of the Oireachtas.

PART II

Provisions Relating to the Dissolution of An Foras Tionscal

- Dissolution of An Foras Tionscal** 7. An Foras Tionscal (in this Part of this Act and in the First Schedule to this Act referred to as the dissolved Board) is hereby by virtue of this section dissolved.
- Transfer of powers, functions etc. to Industrial Development Authority** 8. Save as otherwise provided by this Act, the powers, functions and rights conferred on the dissolved Board by the Undeveloped Areas Acts, 1952 to 1969, and the Industrial Grants Acts, 1959 to 1969, and the duties and liabilities imposed by those Acts on the dissolved Board are hereby transferred to the Authority.
- Provisions consequential on dissolution** 9. The First Schedule to this Act shall have effect in relation to the dissolution effected by this Part of this Act.
- Winding up of superannuation schemes** 10. (1) The Minister may, on or after the commencement of this Part of this Act by regulations made with the consent of the Minister for Finance, provide for the winding up of a scheme made under section 6 of the Act of 1966.
- (2) Regulations under this section may contain such consequential or ancillary provisions as appear to the Minister to be necessary.
- (3) A regulation made under this section shall as soon as may be after it is made be laid before each House of the Oireachtas.

PART III

Industrial Development Authority

Chapter I

General Provisions

11. The Authority shall have, in addition to the functions assigned to it by section 3 of the Act of 1950, the following general functions:
- Additional functions of the Authority**
- (i) to act under the Minister as a body having national responsibility for the furtherance of industrial development;
 - (ii) to provide and administer such grants and other financial facilities for industry as it may be authorized by the Oireachtas to provide and to administer;
 - (iii) to develop, construct, maintain and administer industrial estates and factory buildings (other than at the Shannon Customs Free Airport) together with the associated facilities of such estates and buildings;
 - (iv) to provide and arrange, where the Authority considers it necessary, housing for employees in industry;
 - (v) to foster the national objective of regional industrial development.
12. The Authority may in the exercise of its functions have regard to the extent to which an industrial undertaking will serve to promote national objectives for regional development.
- Promotion of regional development**
13. Section 5 of the Act of 1950, which relates to the Authority's power to summon witnesses, shall not apply to the functions conferred on the Authority by this Act.
- Restriction of section 5 of Act of 1950**
14. The Authority shall not make a grant in respect of the establishment, development or maintenance of an industrial undertaking at the Shannon Customs Free Airport.
- Authority not to make grants relating to undertakings at Shannon Customs Free Airport**
15. (1) The Authority may provide sites, buildings, services and facilities in any part of the State (other than at the Shannon Customs Free Airport) where the Authority considers or anticipates that industrial development will or is likely to occur.
- Provision of sites and services by the Authority for industrial development**
- (2) The powers conferred on An Foras Tionscal by section 5 of the Act of 1952 and vested in the Authority by virtue of Part II of this Act may be exercised by the Authority for the purposes of

subsection (1) of this section in any part of the State other than the Shannon Customs Free Airport.

Provision by Authority of housing for employees in industry

16. (1) The Authority may provide and arrange the provision of housing intended for occupation by employees in industry and, for this purpose, may buy, lease or sell lands, subsidize rents and do everything necessary or ancillary to such provision.

(2) The Authority may carry out its functions under this section by arrangement with or through the agency of the National Building Agency Limited, a local Authority or the industry in connection with which the housing is being provided.

Grants to the Authority

17. (1) In each financial year there may be paid by the Minister to the Authority out of moneys provided by the Oireachtas grants of such amounts as the Minister with the consent of the Minister for Finance may sanction to enable the Authority:

(a) to meet its administration and general expenses, and

(b) to discharge the obligations or liabilities incurred by the Authority under this Act or otherwise, including any obligations or liabilities incurred by reason of any transfer of powers or functions effected by this Act.

1956, No. 48

(2) The aggregate amount of grants made by the Authority under the Industrial Grants Act, 1956, and of grants (other than grants under section 12 of the Act of 1952) made by An Foras Tionscal and the Minister under the Undeveloped Areas Acts, 1952 to 1969, and the Industrial Grants Acts, 1959 to 1969, and by the Authority under this Act, and of payments made by An Foras Tionscal and the Minister on foot of guarantees given by An Foras Tionscal and the Minister under the Industrial Grants Act, 1959, and of payments made by the Authority on foot of guarantees given under this Act and of payments made by An Foras Tionscal or the Authority under section 4 of the Act of 1966 and of payments made by the Authority under section 15 of this Act, shall not exceed £100,000,000.

1959, No. 26

(3) The aggregate amount of grants under section 12 of the Act of 1952, section 3, of the Industrial Grants Act, 1956, and subsection (1)(b) of this section shall not exceed £100,000,000.

Transfer of certain powers to An Chomhairle Oiliúna

18. (1) The Minister may by order, made with the consent of the Minister for Labour, provide for the transfer to An Chomhairle Oiliúna of some or all (as may be specified in the order) of the powers conferred on the Authority by section 39 of this Act.

(2) An order under this section may make such consequential and ancillary provisions and such adaptations as appear to the Minister to be necessary.

(3) An order made under this section shall as soon as may be after it is made be laid before each House of the Oireachtas.

19. (1) The Authority may accept a gift of money, land or other property on such trusts and conditions as may be specified by the donor. Authority's power to accept gifts
- (2) The Authority shall not accept a gift if a condition attached by the donor to the acceptance of the gift is inconsistent with the functions of the Authority.
20. The Authority may, with the consent of the Minister given with the concurrence of the Minister for Finance, borrow temporarily by arrangement with bankers such sums as it may require for the purpose of providing for current expenditure. Temporary borrowing by Authority
21. The Authority may, out of moneys at its disposal, from time to time employ such consultants or advisers as it may consider necessary for the discharge of its functions. Authority's power to employ consultants and advisers
22. The Second Schedule to this Act shall apply to the Authority. Application of Second Schedule
23. No stamp duty shall be payable on any instrument under which any land, easement, way-leave, water right or other right whatsoever over or in respect of land or water is acquired by the Authority. Exemption from stamp duty

Chapter II

Provisions Relating to Members and Staff

24. The remuneration, terms of appointment and conditions of service of the Chairman, Deputy Chairmen and other members may be fixed by contracts entered into with them by the Minister with the consent of the Minister for Finance. Remuneration, etc. of members of Authority
25. Section 4 of the Act of 1950 is hereby amended by the substitution of the following for subsection 9 (a): Member of Authority becoming candidate for membership of House of Oireachtas
- “(a) Where a member of the Authority is nominated either as a candidate for election to either House of the Oireachtas or as a member of Seanad Éireann, he shall thereupon cease to be a member of the Authority”.
26. (1) The Authority may appoint such and so many persons to be officers and servants of the Authority as it thinks proper from time to time. Officers and servants of Authority
- (2) An officer or servant of the Authority shall hold office or employment on such terms and conditions as the Authority may from time to time determine.

(3) A person who immediately before the commencement of this section was a person who was appointed by the Minister under section 6 (3) of the Act of 1950 shall on and from such commencement become and be an officer or servant of the Authority.

(4) A person who was appointed an officer or servant of An Foras Tionscal under section 5 (1) of the Act of 1966 shall on and from the commencement of this section become and be an officer or servant of the Authority.

1956, No. 45

(5) A person who was appointed by the Minister pursuant to an order made under section 5 (1) of the Civil Service Commissioners Act, 1956, to serve the Authority shall on and from the commencement of this section become and be an officer or servant of the Authority and any such order shall on and from the commencement of this subsection cease to have effect.

(6) An officer or servant of the Authority shall be paid such remuneration and allowances as the Authority, with the consent of the Minister and the Minister for Finance, may from time to time determine.

Superannuation
of staff
referred to
in section 26

27. (1) The Authority shall prepare and submit to the Minister a contributory scheme or schemes for the granting of pensions, gratuities and other allowances on retirement to or in respect of such officers and servants referred to in section 26 of this Act as it may think fit.

(2) Every such scheme shall fix the time and conditions of retirement for all persons to or in respect of whom pensions, gratuities or allowances on retirement are payable under the scheme, and different times and conditions may be fixed in respect of different classes of persons.

(3) The Authority may at any time prepare and submit to the Minister a scheme amending a scheme previously submitted and approved of under this section.

(4) A scheme submitted to the Minister under this section shall, if approved of by the Minister with the concurrence of the Minister for Finance, be carried out by the Authority in accordance with its terms.

If any dispute arises as to the claim of any person to, or the amount of, any pension, gratuity or allowance payable in pursuance of a scheme under this section, such dispute shall be submitted to the Minister who shall refer it to the Minister for Finance, whose decision shall be final.

(6) Every scheme submitted and approved of under this section shall be laid before each House of the Oireachtas as soon as may be after it is approved of and if either House, within the next twenty-one days on which that House has sat after the scheme is laid

before it, passes a resolution annulling the scheme, the scheme shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.

(7) An officer or servant of the Authority becoming entitled to superannuation benefits under this section shall, if appointed a whole-time member of the Authority, not be entitled to the superannuation benefits to which, but for this subsection, he would have been entitled under section 28 of the Superannuation and Pensions Act, 1963.

1963, No. 24

28. The Authority shall not, without the consent of the Minister, disclose any document in its custody or under its control, production of which is sought in relation to any legal proceeding, and the Minister may claim the like privilege in respect of the document as if it were in his own custody.

Disclosure of documents

29. (1) No person who is an officer or servant of, or an adviser or consultant to, the Authority shall disclose any information obtained by him while performing duties as such officer, servant, adviser or consultant.

Disclosure of information

(2) A person who contravenes subsection (1) of this section shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding £50.

(3) Nothing in subsection (1) of this section shall prevent:

(a) disclosure of information in a report made to the Authority or (on behalf of the Authority) to the Minister,

(b) disclosure of information by the Authority for the purpose of a scheme of research or development.

(4) A member of the Authority shall not be prevented from disclosing information for the purpose of a scheme of research or development.

30. (1) Where a person who is either an officer or a servant in the employment of the Authority becomes a member of either House of the Oireachtas:

Officer or servant of Authority becoming member of House of Oireachtas

(a) he shall, during the period (in this section referred to as the secondment period) commencing upon his becoming entitled under the Standing Orders of that House to sit therein and ending either when he ceases to be a member of that House or, if it should sooner happen, upon his resignation or retirement from that employment by the Authority, stand seconded from that employment,

(b) he shall not be paid by, or entitled to receive from, the Authority any remuneration or allowances in respect of the secondment period,

(c) if there is in force a scheme made under section 27 of this Act and the scheme establishes a fund to which the Authority and the person pay contributions:

- (i) the secondment period shall, for the purposes of the scheme, be deemed to be service of that person which is reckonable for superannuation benefits under the scheme if, but only if:
 - (I) he was in the permanent employment of the Authority and was a contributor under the scheme immediately before the commencement of the secondment period,
 - (II) he elects, by notice in writing given to the Authority within three months after the commencement of the secondment period, to pay contributions under the scheme in respect of the secondment period in accordance with the provisions of this section, and
 - (III) he pays, at such times and in such manner as the person duly appointed to administer the scheme may specify, contributions under the scheme in respect of the secondment period equal in amount to the aggregate of the contributions which he would have paid and the contributions which the Authority would have paid in respect of the secondment period if he had remained without secondment under this subsection in the service of the Authority during the secondment period and had been in receipt of remuneration from the Authority during the period,
- (ii) the Authority shall not pay any contributions under the scheme in respect of the secondment period, but that part of the contributions payable by him as aforesaid which is equal to the amount of the contributions which the Authority would have paid under the scheme in respect of the secondment period if he had remained without secondment under this subsection in the service of the Authority during the secondment period and had been in receipt of remuneration from the Authority during that period shall, for the purposes of the scheme be deemed to have been paid by the Authority,
- (iii) if the secondment period is terminated by his death or by his retirement from that employment, he shall, for the purposes of the scheme, be deemed to have died in or to have been retired from the service of the Authority, as the case may be, and to have been in receipt of remuneration from the Authority immediately before such death or retirement, as the case may be,
- (iv) if he does not pay or if, having paid contributions under the scheme in accordance with the provisions of this subsection, he ceases to pay contributions as aforesaid, he

shall, for the purposes of the scheme, be deemed to have resigned from that employment,

- (I) in case he ceases to pay contributions as aforesaid—on the date of the last payment, and
- (II) in any other case—immediately before the commencement of the secondment period.

(2) If a person who is or was an officer or servant of the Authority becomes entitled to a pension under the Ministerial and Parliamentary Offices Acts, 1938 to 1968.

(a) he shall not be entitled to reckon the whole or any part of his period of pensionable service, within the meaning of those Acts, for any superannuation benefits payable under a Scheme made in pursuance of section 27 of this Act,

(b) if he has paid any contributions in accordance with the provisions of subsection (1) of this section in respect of that period, so much thereof as is equal to the amount of the contributions which he would have paid in respect of that period under the scheme if he had remained without secondment under the said subsection (1) in the service of the Authority during that period and had been in receipt of remuneration from the Authority during that period, shall be returned to him if and when a payment of benefit or a return of other contributions is made to him under the scheme.

(3) A reference in subsection (1) or (2) of this section to the receipt by any person of remuneration from the Authority shall be taken as a reference to the receipt by that person of remuneration from the Authority at the rate at which he was being remunerated by the Authority on the last day of his whole-time employment with the Authority before his secondment under the said subsection (1).

(4) A person who is for the time being entitled under the Standing Orders of either House of the Oireachtas to sit therein shall, while so entitled, be disqualified from becoming an officer or servant of the Authority.

31. All persons who immediately before the commencement of this section were employed by the Minister under paragraph 9 (3) of the First Schedule to the Act of 1952 shall on and from such commencement become and be employees of the Authority, and shall hold such employment on such terms and conditions as the Authority may from time to time determine.

Transfer to
Authority of
technical
advisers

32. Section 28 of the Superannuation and Pensions Act, 1963, is hereby amended by the insertion after subsection 5 (a) (ii) of the following:

Amendment of
section 28 of
Superannuation
and Pensions
Act, 1963

“and

- (iii) in the case of a person who was first appointed a full time member of the Authority on the 19th day of March, 1965,

with effect from the 1st day of April, 1965, the period from the 1st day of January, 1960, to the 31st day of March, 1965”.

Chapter III

Provisions Relating to Grants

Authority's
general
grant-making
powers

33. (1) The Authority may make a grant, on such terms and conditions as it thinks proper, towards the cost of fixed assets of or for an industrial undertaking to which this section applies.

(2) The amount of a grant under this section shall not exceed 40 per cent of the cost of the fixed assets in the case of an industrial undertaking in a designated area, or 25 per cent of the cost of the fixed assets in the case of an industrial undertaking elsewhere than in a designated area.

(3) This section applies to an industrial undertaking in respect of which the Authority is satisfied that:

(a) it would be likely to provide or maintain employment in the State,

(b) financial assistance is necessary to ensure its establishment, maintenance or development, and

(c) it is of a reasonably permanent nature and will be carried on efficiently.

Further grants
by
Authority

34. (1) Where the Authority has made a grant under section 33 of this Act in respect of fixed assets it may make a further grant, on such terms and conditions as it thinks proper, in respect of those assets if the industrial undertaking is one to which this section applies.

(2) The amount of a grant under this section shall not exceed 20 per cent of the cost of the fixed assets.

(3) This section applies to an industrial undertaking in respect of which the Authority is satisfied that:

(a) the significance and character of the employment likely to be provided by the undertaking warrants the making of the further grant,

(b) the undertaking will result in the development or utilisation of local materials, agricultural products or other natural resources or will achieve significant linkages either with existing firms or potential new enterprises,

(c) the undertaking will have a high technological or scientific content, or

(d) the industry in which the undertaking is engaged is likely to have an exceptional growth potential.

35. (1) The Authority may make a grant on such terms and conditions as it thinks proper in respect of the cost of fixed assets which have been leased for the purpose of an industrial undertaking which confirms to the requirements of section 33 (3) of this Act.

**Grants by
Authority for
fixed assets
leased**

(2) The amount of a grant under subsection (1) of this section shall not exceed 40 per cent of the cost of the fixed assets in the case of an industrial undertaking in a designated area or 25 per cent of the cost of the fixed assets in the case of an industrial undertaking elsewhere than in a designated area.

(3) Where the Authority has made a grant under subsection (1) of this section, in respect of the cost of fixed assets, it may make a further grant, on such terms and conditions as it thinks proper, in respect of the cost of those assets if the undertaking conforms to the requirements of section 34 (3) of this Act.

(4) The amount of a grant under subsection (3) of this section shall not exceed 20 per cent of the cost of the fixed assets of the industrial undertaking.

(5) Where a grant under this section is payable by instalments over a period of years, the amount of the grant shall, for the purposes of subsection (2) and (4) of this section, be taken to be the capital value of such instalments as determined by the Authority.

36. (1) The Authority may, in the case of an industrial undertaking which conforms to the requirements of section 33 (3) and 34 (3) of this Act, make a grant on such terms and conditions as it thinks fit towards a reduction of the interest payable on a loan raised to provide fixed assets for that undertaking.

**Grants by
Authority
towards reduction
of interest**

(2) A grant under this section shall not be reckoned in the calculation of the maximum grants payable to the undertaking concerned for the purpose of sections 33 (2) and 34 (2) of this Act.

(3) Where a grant is made by the Authority under subsection (1) of this section, the grant shall be in such form and on such terms and conditions as may be specified in a scheme governing the making of such grants sanctioned by the Minister with the concurrence of the Minister for Finance.

37. (1) The Authority may guarantee the due repayment of the whole or part of the principal of any moneys (including moneys in a currency other than the currency of the State) borrowed in respect of fixed assets of an industrial undertaking or the payment of interest on such moneys or both the repayment of the principal and the payment of such interest, if (in each such case) the undertaking conforms to the requirements of sections 33 (3) and 34 (3) of this Act.

**Guarantee by
Authority
of loans**

(2) Whenever a loan is guaranteed under this section, the guarantee shall be in such form and manner and on such terms and conditions as may be specified in a scheme governing the giving of such guarantees sanctioned by the Minister with the concurrence of the Minister for Finance.

(3) Moneys required by the Authority to meet sums which may become payable by the Authority under a guarantee shall be paid out of funds at the disposal of the Authority and shall not be reckoned in the calculation of the maximum grants payable to the undertaking concerned for the purposes of sections 33 (2) and 34 (2) of this section.

(4) In relation to a guarantee under this section in a currency other than the currency of the State, the reference to moneys in subsection (3) of this section shall be taken as referring to the cost in the currency of the State of the actual moneys payable by the Authority.

**Grants by
Authority
towards
re-equipment
etc.**

38. (1) The Authority may make a grant, on such terms and conditions as it thinks proper, towards the cost of fixed assets required for the re-equipment, modernization, improvement or expansion of an industrial undertaking or in respect of fixed assets leased by an industrial undertaking for the re-equipment, modernization, improvement or expansion of the undertaking.

(2) The amount of a grant under this section shall not exceed 35 per cent of the cost of the fixed assets in the case of an industrial undertaking in a designated area, or 25 per cent of the cost of the fixed assets in the case of an industrial undertaking elsewhere than in a designated area.

(3) The total amount of moneys paid in grants under this section in respect of an industrial undertaking shall not exceed £350,000.

(4) Notwithstanding anything in this section the Government may, in respect of a particular industrial undertaking, permit the making by the Authority of grants under subsection (1) of this section exceeding in amount £350,000, but provided that in each such case the percentage limits specified in subsection (2) of this section are not exceeded.

(5) Where a grant under this section is payable by instalments over a period of years, the amount of the grant shall be taken to be the capital value of such instalments as determined by the Authority.

**Training grants
by Authority**

39. (1) The Authority may make grants (in this Act referred to as training grants), on such terms and conditions as it thinks proper, for

the training (either in the State or elsewhere) of persons in the processes of an industrial undertaking, if the Authority is satisfied that:

(a) the undertaking would be likely to provide or maintain employment in the State,

(b) financial assistance is necessary to secure the establishment, maintenance or development of the undertaking, and

(c) the undertaking is of a reasonably permanent nature and will be carried on efficiently.

(2) A training grant may be made for the training of persons for positions of supervision or management in an industrial undertaking or for the engagement of instructors, technical advisers or consultants to train (or assist in the training of) persons for such positions.

(3) The amount of training grants made in respect of a particular industrial undertaking shall not exceed the sum of the amount of wages or salaries paid by the undertaking during the period of training to the persons being trained, the amount of expenses paid to those persons by the undertaking for travel and subsistence and the amount paid by the undertaking in respect of fees (including fees and remuneration of instructors, advisers and consultants) and similar expenses connected with the training.

40. (1) The Authority may make grants (in this Act referred to as **research grants**), on such terms and conditions as it thinks proper, towards the cost of projects of research and development to which this section applies.

**Research
grants by
Authority**

(2) This section applies to projects of research and development which:

(a) have as their primary object the promotion or development of new or improved industrial processes, methods or products in the State, and, in particular, such processes, methods or products as are likely either to involve the use or development of local materials, local agricultural produce or local natural resources or to offer prospects of expansion in existing industries or prospects of promotion of new industries, and

(b) are carried out wholly or mainly in the State and wholly or mainly sponsored by one or more than one industrial undertaking in the State.

(3) For the purpose of a research grant the Authority may consult such adviser, consultant, institute or other organization or person as it considers proper.

(4) (a) Subject to paragraph (b), the amount of a research grant shall not exceed 50 per cent of the approved costs of the project concerned or £15,000, whichever is the smaller sum.

(b) The amount of a research grant may, with the approval of the Government in a particular case, exceed £15,000 by such sum as the Government shall in that case specify, but provided that the percentage limit specified in paragraph (a) of this subsection is not exceeded.

(c) In this subsection "approved costs" means, in relation to a particular proposed research grant, such expenditure by the industrial undertaking or undertakings concerned as the Authority is satisfied has been incurred for the purpose of promoting the project concerned and has been expended on:

- (i) the provision of sites or premises (including the acquisition of land), the construction and adaptation of buildings, and the provision of services and other works;
- (ii) the provision of plant, machinery, equipment and materials;
- (iii) the payment of salaries and wages to persons engaged on the project;
- (iv) the payment of fees or other remuneration to technical advisers consulted in connection with the project.

Percentage limits on aggregate of certain grants

41. (1) Where in respect of an industrial undertaking grants have been made under two or more of the sections to which this section applies, the aggregate amount of such grants shall not exceed the amount of grants payable under sections 33 and 34 of this Act.

(2) This section applies to sections 33, 34, 35 and 46 of this Act.

Maximum amount of certain grants

42. (1) The total amount of moneys granted under one or more of the following sections of this Act, namely sections 33, 34, 35 and 46, to or in respect of a particular industrial undertaking shall not exceed £350,000.

(2) Notwithstanding anything in this section the Government may, in respect of a particular industrial undertaking, permit the making of a grant or grants under one or more of the said sections of this Act exceeding in amount £350,000, but provided that in each such case the percentage limits specified in sections 33 (2), 34 (2), 35 (2) and 35 (4) of this Act (as may be appropriate) are not exceeded.

Authority's powers to value assets, etc.

43. For the purpose of making a grant or other payment under this Part of this Act, the Authority may determine at its discretion the cost or value of assets of an industrial undertaking or the capital value of any payments made to or benefits received or receivable by an industrial undertaking.

44. (1) Where, in the opinion of the Authority, an industrial undertaking conforms to the requirements of sections 33 (3) and 34 (3) of this Act, the Authority may out of funds at its disposal purchase or take shares in the body corporate owning, controlling or managing the undertaking.

Authority's power to purchase shares in certain industrial undertakings

(2) Shares purchased or taken by the Authority under this section shall be registered in the name of the Minister for Finance.

(3) All amounts representing dividends or other moneys received by the Minister for Finance in respect of shares purchased or taken under this section shall be paid into or disposed of for the benefit of the Exchequer in such manner as the Minister for Finance may direct.

45. Whenever there is a contravention of a term or condition attached to a grant or other payment under this Part of this Act, the amount of such grant or payment shall be repayable to the Authority and in default of being so repaid may be recoverable by the Authority as a simple contract debt.

Contravention of term or condition attached to grant

46. (1) Where, in the opinion of the Authority, a grant may be made under section 9 of the Act of 1966 to a person, the Authority may, in lieu of making the grant to that person, make the grant on such terms and conditions as it thinks proper, to the person carrying on (or intending to carry on) the industrial undertaking concerned.

Grants to secure reduction of factory rents

(2) The amount of a grant under the said section 9 (as extended by this section of this Act) made after the commencement of this section shall not exceed the amount of the grant which may be made in respect of a factory building under section 33 or sections 33 and 34 of this Act (as the case may be).

(3) Notwithstanding anything in the said section 9, a grant under that section (as extended by this section) may be made to or in respect of an industrial undertaking in an area which is not an industrial estate.

(4) Where a grant under the said section 9 (as so extended) is payable by instalments over a period of years, the amount of the grant shall be taken to be the capital value of the instalments as determined by the Authority.

47. Where land is leased by the Authority to or for an industrial undertaking at a rent less than the economic rent as determined by the Authority, the capital value of the difference between the rent so payable and the economic rent so determined shall be deemed to be a grant for the purposes of section 35 of this Act.

Leasing by Authority of land at concessional rent

Section 9

FIRST SCHEDULE

*Provisions Consequential on Dissolution of An Foras Tionscal*Transfer of
property

1. (1) Any property, whether real or personal (including choses-in-action) which immediately before the commencement of section 7 of this Act was vested in or belonged to or was held in trust for the dissolved Board and all rights, powers and privileges relating to or connected with any such property shall, on such commencement, without any conveyance or assignment but subject where necessary to transfer in the books of any bank, corporation, or company, become the property of or be held in trust for and be vested in (as the case may require) the Authority for all the estate, term or interest for which the same immediately before such commencement was vested in or belonged to or was held in trust for the dissolved Board, but subject to all trusts and equities affecting the same and then subsisting and capable of being performed.

(2) Any property transferred by this paragraph which, immediately before the commencement of section 7 of this Act, was standing in the books of any bank, corporation or company or was registered in the books of any bank, corporation or company in the name of the dissolved Board shall, upon the request of the Authority made at any time after such commencement, be transferred in those books by that bank, corporation or company into the name of the Authority.

(3) After the commencement of section 7 of this Act, every chose-in-action transferred in accordance with this paragraph to the Authority may be sued upon, recovered or enforced by the Authority in its own name, and it shall not be necessary for the Authority to give notice to the person bound by such chose-in-action of the transfer effected by this paragraph.

Transfer of
liabilities

2. (1) Any debt and other liability (including stock and mortgage debts, and unliquidated liabilities arising from torts or breaches of contract) which immediately before the commencement of section 7 of this Act was owing and unpaid or had been incurred and was undischarged by the dissolved Board shall, on such commencement, become and be the debt or liability of the Authority and shall be paid or discharged by and may be recovered from or enforced against the Authority accordingly.

(2) The dissolution effected by section 7 of this Act shall not invalidate or affect any paying order or cheque which may have been issued by the dissolved Board and not presented for payment before the commencement of the said section or any authority given by the dissolved Board for the payment of the amount of the paying order or cheque, and the Authority shall make arrangements for the

payment of the amount of every such paying order or cheque upon due presentation within a reasonable time after the said commencement.

3. Any bond, guarantee, or other security of a continuing character made or given by the dissolved Board to another person or by any person to the dissolved Board and in force immediately before the commencement of section 7 of this Act, and every contract or agreement in writing made between the dissolved Board and another person and not fully executed and completed before such commencement shall, notwithstanding the dissolution, continue in force after such commencement but shall be construed and have effect as if the name of the Authority were substituted therein for the name of the dissolved Board and such security, contract or agreement shall be enforceable accordingly by or against the Authority.

Preservation of
continuing
contracts

4. In any action, suit, prosecution or other proceeding which was pending immediately before the commencement of section 7 of this Act in any court or tribunal and to which the dissolved Board was a party, the Authority shall on the operative date become and be a party in the place of the dissolved Board and those proceedings shall be continued between the Authority and the other parties thereto accordingly, and no such proceedings shall abate or be discontinued or prejudicially affected by reason of the dissolution.

Continuance of
pending legal
proceedings

5. Any contract of service (express or implied) in force immediately before the commencement of section 7 of this Act between the dissolved Board and any person not being an officer or servant of the dissolved Board shall continue in force on or after such commencement, but shall be construed and have effect as if the name of the Authority were substituted therein for the name of the dissolved Board and every such contract shall be enforceable accordingly by or against the body so specified.

Preservation of
contracts of
service

SECOND SCHEDULE

Section 22

The Industrial Development Authority

1. The Authority shall be a body corporate with perpetual succession and a common seal and power to sue and be sued in its corporate name and to acquire, hold and dispose of land.
2. (i) The Authority shall consist of not more than nine members, of whom one shall be Chairman and of whom two others may be Deputy Chairmen.

- (ii) The members of the Authority shall be appointed by the Minister with the consent of the Minister for Finance.
 - (iii) One member of the Authority shall be designated as Chairman by the Minister and two other members of the Authority may be designated by the Minister as Deputy Chairmen.
3.
 - (1) The Authority may act by any three of its number.
 - (2) The Authority may regulate its own procedure.
4. A member of the Authority shall not be a member of a local authority.
5. The Authority may perform any of its functions through or by any member or any of its officers or servants duly authorized by the Authority in that behalf.
6.
 - (1) The common seal of the Authority shall, when applied to a document, be attested by the signature of two members or by the signature of a member and an officer or servant of the Authority authorized by it to act in that behalf.
 - (2) All courts of justice shall take judicial notice of the common seal of the Authority and every document purporting to be an instrument made by the Authority and to be sealed with the common seal and to be attested in accordance with this paragraph shall, unless the contrary is shown, be received in evidence and be deemed to be that instrument without further proof.
7. Any contract or instrument which, if entered into or executed by an individual, would not require to be under seal may be entered into or executed on behalf of the Authority by any person generally or specially authorized by the Authority for that purpose.
8.
 - (a) The Authority shall submit in such form as the Minister may direct an annual report of its activities as soon as may be after the end of the financial year to which it refers and the Minister shall cause copies of the report to be laid before each House of the Oireachtas.
 - (b) The Authority shall keep in such form as may be approved of by the Minister, with the consent of the Minister for Finance, all proper and usual accounts of moneys received and expended by it and, in particular, shall keep in such form as aforesaid all such special accounts as the Minister may from time to time direct.
 - (c) The accounts of the Authority shall be submitted annually by the Authority to the Comptroller and Auditor General for audit at such times as the Minister, with the consent of the Minister for

Finance, shall direct and, when so audited, shall together with the report of the Comptroller and Auditor General thereon, be presented to the Minister who shall cause copies thereof to be laid before each House of the Oireachtas.

9. The Authority shall supply to the Minister such information regarding its activities as he may from time to time require.

THIRD SCHEDULE

Section 4

Enactments Repealed

<i>Number and Year (1)</i>	<i>Short Title (2)</i>	<i>Extent of Repeal (3)</i>
No. 29 of 1950	Industrial Development Authority Act, 1950.	Sections 2 (3), 2 (4), 4 (5), 4 (6), 6, 7, 8 and 9.
No. 1 of 1952	Undeveloped Areas Act, 1952.	Sections 4 and 6, 7 (1), 7 (2), 8 (1) (b) and the First Schedule
No. 30 of 1961	Industrial Grants (Amendment) Act, 1961.	Section 2.
No. 3 of 1963	Undeveloped Areas (Amendment) Act, 1963.	Sections 2 and 3.
No. 4 of 1963	Industrial Grants (Amendment) Act, 1963	Sections 2, 3, 5 and 6 (1) (b).
No. 37 of 1964	Industrial Grants (Amendment) Act, 1964.	Sections 3 and 4.
No. 12 of 1966	Industrial Grants (Amendment) Act, 1966.	Section 5 (4).
No. 8 of 1969	Industrial Grants (Amendment) Act, 1969.	Section 1.

ANNEX IV

ISRAEL: LAW FOR THE ENCOURAGEMENT OF CAPITAL INVESTMENTS

(Jerusalem, 1967)

Chapter Two: Investment Centre

Establishment of Centre

5. There is hereby established an Investment Centre (hereinafter referred to as "the Centre"), which shall work for the attainment of the object of this Law.

Authorities of Centre

6. The authorities of the Centre are—

- (1) the Director of the Centre (hereinafter referred to as "the Director");
- (2) the Board of the Centre (hereinafter referred to as "the Board");
- (3) the Council of the Centre (hereinafter referred to as "the Council").

Appointment of Director

7. The Government shall appoint the Director, who shall *ex officio* be a member of the Board and the Council and the chairman of both.

Functions of Director

8. (a) The Director is charged with the implementation of the decisions of the Board and the Council, shall act in their name and shall carry out any other function assigned to him under any enactment.

(b) Anything to be submitted to the Board, the Council or the Ministers shall be submitted through the Director, and any communication on their behalf shall be made by him.

Appointment of Board

9. The Government shall appoint to the Board, in addition to the Director, six members, who shall *ex officio* be also members of the Council.

Functions of Board

10. The functions of the Board shall be -

(1) to initiate and organise activities for the encouragement of investments of foreign and local capital and for the immigration and absorption of capital investors, and to provide for the creation of the conditions required therefor;

(2) to grant approval to projects (hereinafter referred to as "approval");

(3) to maintain liaison between investors and Government offices and other authorities concerned, to give and disseminate information in matters of capital investments in Israel, and to assist investors in the implementation of their projects;

(4) to recommend to any competent authority to grant, within the scope of the enactments which apply in its sphere of competence or with the implementation of which it is charged, any exemption, reduction, facility or licence in respect of any enterprise, property, investment or loan likely to assist in the attainment of the object of this Law.

Procedure for Activities of Board

11. The Board shall determine its procedure and order of business in so far as they have not been prescribed by regulations.

Appointment of Council

12. The Government shall, after consultation with local authorities and with economic, public, scientific and professional organisations and institutions concerned with branches of the economy which are of national importance, appoint to the Council ten members of the public in addition to the members of the Board.

Functions of Council

13. The functions of the Council shall be-

(1) to advise the Government on any matter relating to the attainment of the object of this Law and, in particular, on the basic policy for the encouragement of capital investments, on ways for the implementation thereof and on legislation for the encouragement of capital investments;

(2) to consider, as provided in section 25, objections lodged under that section and to give an opinion thereon to the Minister.

Procedure for Activities of Council

14. The Council shall determine its procedure and order of business in so far as they have not been prescribed by regulations.

Payments to Members of Council

15. A public member of the Council is entitled to be reimbursed by the Treasury for expenses, including loss of wages, incurred by him through his participation in the meetings of the Council.

Secrecy

16. No part of the proceedings of the Board or the Council, nor any data supplied to them, shall be disclosed except by the Director or the Government or with his or its consent.

*Chapter Three: Approvals and Objections**Application for Approval*

17. A person applying for approval shall submit to the Board a project containing a detailed description of the operation he intends to carry out, and he shall also supply any additional particular or document required for the examination of the project.

Approval of Project

18. The Board may, at its discretion, approve the project submitted to it or a part thereof if it considers that the implementation thereof is likely to assist in the attainment of the object of this Law and that it is desirable to encourage the implementation of the project by the grant of approval; a project, or part of a project, approved as aforesaid shall become an "approved project".

Conditions of Approval

19. The Board may, at its discretion, make the coming into force of the approval conditional on the fulfilment of prior conditions prescribed in the instrument of approval and lay down in such instrument conditions in respect of the implementation of the project and subsequent operations.

Directives for Approval of Project for Investments in Foreign Currency

19A. The Board may prescribe directives for the approval of classes of projects the subject of which is the investment of capital in Israel in foreign currency, and the Director may, with the consent of the Controller of Foreign Exchange, approve a project if it conforms with the prescribed directives, and the approval shall have the effect of approval under section 18; if the Director does not see fit to approve the project, he shall return it to the Board for their consideration.

Approval to be in Writing

20. The approval shall be in writing; the instrument of approval shall be signed by the Director.

Provisions as to Approved Project

21. Any such enterprise or property—including an enlargement of an enterprise or property—or any such investment or loan, or any such part of an enterprise, property, investment or loan, as is the subject of an approved project, shall, in so far as specified in the instrument of approval, become an approved enterprise, property, investment or loan, as the case may be.

Approved Enterprise to be Owned by Company

22. An enterprise shall not be recognised as an approved enterprise unless it is owned by a company registered in Israel, including a company registered in Israel as a foreign company and a cooperative society registered in Israel, except where the Board agreed to a different form of ownership.

Provisions as to Approved Property

23. The provisions of this Law concerning an approved enterprise, except the provisions of sections 22, 40B and 62, shall apply also to an approved property.

24. The provisions of this Law concerning an approved investment, except the provisions of section 66, shall apply also to an approved loan.

Objection to Decisions of Board

25. (a) A person who disputes the decision of the Board concerning an application submitted by him under section 17, or its decision under section 17, or its decision under section 74, 75 or 75A, or a decision of the Director under section 85, may, within sixty days from the day on which notice of the decision was delivered to him, object to it before the Minister. The objection shall be in writing and shall specify the reasons on which it is based.

(b) The objection shall be submitted to the Council and shall be considered by a permanent subcommittee of seven members, four of whom shall not be members of the Board. The subcommittee shall state to the Ministers its opinion on the objection.

(c) The Ministers may confirm, cancel or vary the decision of the Board or the Director.

Chapter Four: Deferment of Payment of Fees

Registration Fee and Capital Fee

26. Where the establishment of a company having a share capital, or an increase of the capital of such a company, is included in an approved project, the Director shall notify such fact to the Registrar of Companies, and upon his doing so, the payment of the registration fee and capital fee payable under the Companies Ordinance³ (hereafter in this chapter referred to as "the Ordinance"), or of such part of those fees as is payable on the capital amount included in the approved project, shall be deferred for five years.

Deferment Pending Grant of Approval

27. Where an application for the approval of a project has been submitted to the Board, and it is stated in the project that for the purpose of the implementation thereof an application will be submitted for the registration of a company having a share capital or for the registration of an increase of the capital of such a company, and it is important, in the opinion of the Director, that the registration take place before the Board decides on the approval, then, upon the recommendation of the Director, the payment of the registration fee and capital fee payable under the Ordinance, or of such part of those fees as is payable on the capital amount in respect of which the recommendation is given, shall be deferred for four months from the day of the registration or for such longer period, not exceeding eight months from the day of the registration, as the Director may fix; if the project is meanwhile approved, the provisions of section 26 shall apply.

Priority for Deferred Fees in Case of Winding Up⁴

27A. Where the payment of the registration fee and the capital fee has been deferred under section 26 or 27, and the company is wound up before the deferred date of payment the date for the payment of the said fees shall be deemed to be twelve months before the relevant date within the meaning of section 220a(6) of the Companies Ordinance.⁵

Striking Off of Company Which Has Not Paid Fees the Payment of Which Was Deferred

28. Where a company does not pay at the deferred date a fee the payment of which has been deferred under section 27, the Registrar of Companies may strike its name off the register, provided that before the striking off he has published in Reshumot a notice summoning creditors of the company to appear before him within thirty days

³ *Laws of Palestine*, Vol. 1, chap. 22, p. 161 (English edition).

⁴ *Sefer Ha-Chukkim*, No. 383 of 5723 [1963], p. 14.

⁵ *Laws of Palestine*, Vol. 1, chap. 22, p. 155.

from the day of the publication of the notice and to show cause why the name of the company should not be struck off. If no reasonable grounds are brought before the Registrar, the name of the company shall be struck off the register, and the Court shall not order its restoration to the register under section 242(6) of the Companies Ordinance unless—

(1) the fees, plus interest, at the maximum legal rate prescribed under the Interest Law, 5717–1957⁶ or under section 56 of the Bank of Israel Law, 5714–1954,⁷ whichever is the higher rate, from the day of the registration of the company or the registration of the increase of its capital to the day of the actual payment, have been paid;

(2) the application for restoration has been submitted within six months from the day as from which the company is regarded as struck off.

Land Transfer Fee

29. Where a transfer of any immovable property is included in an approved project, the Director shall notify such fact to the Director of the Department of Land Registration and Land Settlement, and upon his doing so, the payment of the fee payable under the Land Transfer Ordinance⁸ on the transfer or on such part thereof as is included in the approved project shall be deferred for five years.

⁶ *Sefer Ha-Chukkim*, No. 213 of 5717 [1957], p. 501.

⁷ *Sefer Ha-Chukkim*, No. 164 of 5714 [1954], p. 192.

⁸ *Laws of Palestine*, Vol. II, chap. 81, p. 881 (English edition).

Annex V

JAMAICA: THE INDUSTRIAL DEVELOPMENT CORPORATION LAW

(Laws 13 of 1952, 45 of 1952)

(As amended by Laws 40 of 1958, 16 of 1959
and Act 31 of 1963)

Short title 1. This Law may be cited as the Industrial Development Corporation Law.

Interpretation 2. In this Law--
“chairman” means chairman of the Corporation;
“deputy chairman” means deputy chairman of the Corporation;
“member” includes chairman and deputy chairman;
“official member” means a person who is the holder of an office of emolument under the Crown in Jamaica and is appointed a member of the Corporation under the provisions of subsection (3) of section 3 of this Law: Provided that no member of the Corporation shall be deemed by reason of that fact only to hold an office of emolument under the Crown;
“the Corporation” means the Industrial Development Corporation to be established in accordance with this Law.

Establishment and Functions of Corporation

Establishment and constitution of Corporation 3. (1) There shall be established for the purposes of this Law a body to be called the Industrial Development Corporation; provided that it shall be lawful for the word “Jamaica” to be used in such manner as the Corporation may approve, as part of their name in any communications or documents or in any proceedings.

(2) The Corporation shall consist of one official member and of such number of other members, not being less than seven, as the Governor in Council may from time to time determine.

(3) The official member and other members of the Corporation shall be appointed by the Governor in Council by instrument in writing from amongst persons appearing to him to be qualified as having had experience of, and shown capacity in, matters relating to industry, trade, finance, science, or administration.

(4) The Governor in Council shall appoint a chairman and a deputy chairman of the Corporation from amongst the members of the Corporation neither of whom shall be the official member.

(5) A member of the Corporation shall, subject to the provisions of subsections (8) and (9) of this section, hold office for such period, not exceeding three years, as the Governor in Council may direct in the instrument appointing such member, but such member shall be eligible for reappointment.

(6) The Governor in Council may appoint any person appearing to him to have the qualifications necessary for appointment under the provisions of subsection (3) of this section as a member of the Corporation to act temporarily in the place of any member of the Corporation in the case of the absence or inability to act of such member:

Provided that only a person with the qualifications necessary for appointment in the place of a member of the Corporation, if a vacancy occurred in the membership of the Corporation by reason of the termination of the appointment of such member, shall be appointed to act temporarily in the place of such member.

(7) A person shall be disqualified from being appointed or being a member of the Corporation so long as he is a member of the House of Representatives or of the Legislative Council.

(8) Any member of the Corporation other than the official member may at any time resign his office by instrument in writing addressed to the chairman thereof, who shall forthwith cause it to be forwarded to the Minister, and upon the date of the receipt by the chairman of such instrument such member shall cease to be a member of the Corporation.

(9) The Governor in Council may at any time revoke the appointment of any member of the Corporation if he thinks it expedient so to do.

(10) The appointment, removal, death or resignation of any member of the Corporation shall be notified in the Gazette.

S. 2 of
45/1952

4. (1) It shall be the duty of the Corporation to stimulate, facilitate and undertake the development of industry in this Island.

Functions of
Corporation

(2) The Corporation shall have power for the purpose of the discharge of their duty under subsection (1) of this section:

(a) to carry on all activities, the carrying on whereof appears to them to be requisite, advantageous or convenient for or in connection with the discharge of their said duty, including the processing and marketing of products and research activities;

(b) to promote the carrying on of any such activities by other bodies or persons, and for that purpose to establish or expand, or promote the establishment or expansion of, other bodies to carry on

any such activities, either under the control or partial control of the Corporation or independently, and to give assistance to such bodies or to other bodies or persons appearing to the Corporation to have facilities for the carrying on of any such activities, including financial assistance by the taking up of share or loan capital, or by loan or otherwise.

(c) to carry on any such activities in association with other bodies or persons (including Government authorities) or as managing agents or otherwise on their behalf.

Incorporation

5. (1) The Corporation shall be a body corporate having perpetual succession and a common seal, with power to hold land and other property of whatever kind.

(2) The seal of the Corporation shall be kept in the custody of the chairman or the deputy chairman or of the secretary of the Corporation and may be affixed to instruments pursuant to a resolution of the Corporation and in the presence of the chairman, or deputy chairman and of one other member, and the secretary.

(3) The seal of the Corporation shall be authenticated by the signature of the chairman, or deputy chairman, and the secretary of the Corporation, and such seal shall be officially and judicially noticed.

(4) All documents, other than those required by law to be under seal, made by, and all decisions of, the Corporation may be signified under the hand of the chairman, or deputy chairman, or the secretary of the Corporation.

(5) The Corporation may sue and be sued in their corporate name and may for all purposes be described by such name, and service upon the Corporation of any notice, order, or other document shall be executed by delivering the same or by sending it by registered post addressed to the secretary of the Corporation at the office of the Corporation.

General powers of Corporation to transact business

6. The Corporation shall have power to do anything and to enter into any transaction (whether or not involving expenditure, borrowing, granting of loans or investment of money in accordance with the provisions of this Law in that behalf, the acquisition of any property or rights, or, subject to the provisions of section 17 of this Law, the disposal of any property or rights) which in their opinion is calculated to facilitate the proper discharge of their functions or is incidental or conducive thereto.

Procedure and meetings of Corporation

7. (1) The Corporation shall meet at such time as may be necessary or expedient for the transaction of business, and such meetings shall be held at such place and time and on such days as the Corporation may determine.

(2) The chairman may at any time call a special meeting of the Corporation and shall call a special meeting within seven days of a requisition for that purpose addressed to him by any three members of the Corporation.

(3) The chairman, or in his absence the deputy chairman, shall preside at all meetings of the Corporation.

(3A) If the Chairman and the deputy chairman fail to attend any meeting of the Corporation the members present at such meeting shall elect one of their number other than the official member to act as chairman at such meeting.

(4) Three members of the Corporation shall form a quorum.

(5) The decisions of the Corporation shall be by a majority of votes and, in addition to an original vote, in any case in which the voting is equal the chairman, deputy chairman or other member presiding at the meeting shall have casting vote.

(6) Minutes in proper form of each meeting shall be kept by the secretary and shall be confirmed by the chairman or other member elected to preside at the meeting (as the case may be) as soon as practicable thereafter at a subsequent meeting.

(7) The Corporation may co-opt any one or more persons to attend any particular meeting of the Corporation at which they are dealing with the needs of a particular industry, for the purpose of assisting or advising the Corporation, but no such co-opted person shall have any right to vote.

(8) Subject to the provisions of this section, the Corporation shall have power to regulate their own proceedings.

8. (1) The Corporation may appoint a committee of the Corporation to examine and report to them on any matter whatsoever arising out of or connected with any of their powers and duties under this Law.

Power to
appoint
committees

(2) Any such committee shall consist of at least two members of the Corporation together with such other persons, whether members of the Corporation or not, whose assistance or advice the Corporation may desire.

(3) Where persons, not being members of the Corporation, are members of a committee appointed under this section, or where any person is co-opted under the provision of subsection (7) of section 7 of this Law, the Corporation may by resolution declare the remuneration and allowances of such persons, and such sums shall properly be payable out of the funds and resources of the Corporation.

(4) The Corporation may by resolution reject the report of any such committee or adopt it either wholly or with such modifications, additions or adaptations as the Corporation may think fit.

Power to delegate

9. Subject to the provisions of this Law, the Corporation may delegate to any member or committee of the Corporation the power and authority to carry out on their behalf such duties as the Corporation may determine.

Appointment of officers and servants

10. The Corporation shall appoint and employ at such remuneration and on such terms and conditions as they think fit a secretary and such officers and servants as they deem necessary for the proper carrying out of the provisions of this Law:

Provided that:

(a) no salary in excess of the rate of one thousand five hundred pounds per annum shall be assigned to any post without the prior approval of the Minister;

(b) no appointment shall be made to any post to which a salary in excess of the rate of one thousand five hundred pounds per annum is assigned without the prior approval of the Minister; and

(c) no provision shall be made for the payment of any pensions, gratuities or other like benefits to any secretary, officers, or servants or to others by reference to their service without the prior approval of the Governor in Council.

Power to make regulations

11. The Corporation, with the approval of the Governor in Council, may, subject to the express provisions of this Law, make regulations:

(a) governing the proceedings of the Corporation and the manner and transaction of their business;

(b) prescribing the manner in which documents, cheques, and instruments of any description shall be signed or executed on behalf of the Corporation;

(c) prescribing the circumstances in which members of the Corporation may receive travelling and subsistence allowances and fixing the rates of such allowances;

(d) imposing fees in such cases as may be determined by the Corporation;

(e) generally for the exercise of their powers and duties under the provisions of this Law.

Protection of Corporation

12. No act done or proceeding taken under this Law shall be questioned on the ground:

(a) of the existence of any vacancy in the membership of, or any defect in the constitution of, the Corporation; or

(b) of the contravention by a member of the Corporation of the provisions of section 15 of this Law; or

(c) of any omission, defect or irregularity not affecting the merits of the case.

13. (1) No action, suit, prosecution or other proceedings shall be brought or instituted personally against any member of the Corporation in respect of any act done *bona fide* in pursuance or execution or intended execution of this Law.

Protection of
members of
Corporation

(2) Where any member of the Corporation is exempt from liability by reason only of the provisions of this section the Corporation shall be liable to the extent that it would be if the said member was a servant or agent of the Corporation.

14. The Corporation shall pay to each member of the Corporation, in respect of his office as such, such, if any, remuneration and allowances as the Governor in Council may determine and to the chairman and to the deputy chairman in respect of his office as such, such, if any, remuneration and allowances (in addition to any remuneration or allowances to which he may be entitled in respect of his office as a member) as may be so determined.

Remuneration
of members

15. (1) Subject to the provisions of this section, it shall be the duty of a member of the Corporation who is in any way, whether directly or indirectly, interested in an application to the Corporation for a loan under the provisions of this Law or in a company or firm in receipt of such a loan, or in a contract or proposed contract with the Corporation, to declare the nature of his interest at a meeting of the Corporation.

Disclosure by
member of
Corporation of
interest in
transaction with
Corporation,
and
disqualification
from voting, etc.

(2) In the case of such application or proposed contract the declaration required by this section to be made by a member of the Corporation shall be made at the meeting of the Corporation at which the question of granting or refusing the application or entering into the contract is first taken into consideration, or if such member was not at the date of that meeting interested in the application or proposed contract at the next meeting of the Corporation held after he became so interested and in a case where such member acquires an interest in any company or firm in receipt of a loan from the Corporation or becomes interested in a contract with the Corporation after it is made, the said declaration shall be made at the first meeting of the Corporation held after such member acquires such interest or becomes so interested.

(3) For the purpose of this section, a general notice given to the other members of the Corporation by a member to the effect that he is also a member of a specified company or firm and is to be regarded as interested in any application for a loan from the Corporation or in any contract which may, after the date of the notice, be made by or with that company or firm, shall be deemed to be a sufficient declaration of interest in relation to any application or contract so made:

Provided that no such notice shall be of effect unless either it is given at a meeting of the Corporation or the member of the

Corporation concerned takes reasonable steps to secure that it is brought up and read at the next meeting of the Corporation after it is given.

(4) A member of the Corporation shall not vote in respect of any application to the Corporation for a loan in which he is interested, or in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting.

(5) Any member of the Corporation who fails to comply with the provisions of subsections (1), (2) and (3) of this section or contravenes the provisions of subsection (4) of this section shall be guilty of an offence against this Law.

**Powers of
Executive
Council**

16. The Governor in Council may, after consultation with the chairman, give to the Corporation directions of a general character as to the policy to be followed in the exercise and performance of their functions in relation to matters appearing to him to concern the public interest, and the Corporation shall give effect to any such directions.

**Disposal of
capital assets**

17. The power of the Governor in Council to give directions to the Corporation shall extend to the giving to them of directions:

(a) as to the disposal of capital assets; or

(b) as to the application of proceeds of such disposals, notwithstanding that the directions may be of a specific character.

Financial

**Funds and
resources of
the Corporation**

18. (1) The funds and resources of the Corporation shall consist of:

(a) such sums as may be provided annually for the purpose in the Estimates of Revenue and Expenditure of the Island;

(b) such sums as may be allocated from time to time to the Corporation from loan funds;

(c) all sums from time to time received by or falling due to the Corporation in respect of the repayment of any loan made by the Corporation and the interest payable in respect of any such loan;

(d) monies earned or arising from any property, investments, mortgages and debentures acquired by or vested in the Corporation;

(e) any property, mortgages, debentures, or investments acquired by or vested in the Corporation;

(f) sums borrowed by the Corporation for the purpose of meeting any of their obligations or discharging any of their functions;

(g) all other sums or property which may in any manner become payable to or vested in the Corporation in respect of any matter incidental to their powers and duties.

(2) The charges on any amount which may be allocated to the Corporation from loan funds shall be met by the Corporation:

Provided that all or any part of such charges may be met from the General Revenue of the Island subject to the approval of the House of Representatives.

(3) For the purposes of this section, the expression "loan funds" means such sums as may be made available from time to time to the Government by way of loan.

19. (1) Subject to the provisions of subsection (2) of this section, the Corporation may borrow sums required by them for meeting any of their obligations or discharging any of their functions.

**Borrowing
powers**

(2) The power of the Corporation to borrow shall be exercisable only with the approval of the Governor in Council, as to the amount, as to the sources of the borrowing and as to the terms on which the borrowing may be effected. An approval given in any respect for the purposes of this subsection may be either general or limited to a particular borrowing or otherwise, and may be either unconditional or subject to conditions.

20. (1) With the approval of the House of Representatives, the Governor in Council may guarantee, in such manner and on such conditions as he may think fit, the payment of the principal and of interest on any authorised borrowings of the Corporation.

**Guarantee by
Executive
Council of
borrowings by
Corporation
and repayment
of sums issued
to meet
guarantees**

(2) Where the Governor in Council is satisfied that there has been default in the repayment of any principal monies or interest guaranteed under the provisions of this section, he shall direct the repayment out of the general assets and revenue of this Island of the amount in respect of which there has been such default.

(3) The Corporation shall make to the Accountant-General, at such times and in such manner as the Governor in Council may direct, payments of such amounts as may be so directed in or towards repayment of any sums issued in fulfilment of any guarantee given under this section, and payments of interest on what is outstanding for the time being in respect of any sums so issued at such rate as the Governor in Council may direct, and different rates of interest may be directed as respects different sums and as respects interest for different periods.

21. Monies standing to the credit of the Corporation may from time to time be invested in securities approved either generally or specifically by the Governor in Council, and the Corporation may, from time to time, with the like approval sell any or all of such securities.

Investments

- Power of Corporation to make loans**
22. Subject to such conditions as they may deem fit to impose in particular cases, the Corporation may, out of their funds, and resources, make loans in accordance with the provisions of this Law in that behalf, in the execution of their duty or in the discharge of their functions under section 4 of this Law.
- Other powers of expenditure**
23. In addition to the provisions of section 22 of this Law the Corporation may from their funds and resources:
- (a) pay any expenses lawfully incurred by them including survey, legal and other fees and costs;
- (b) pay any other expense, cost, or expenditure properly incurred or accepted by them in pursuance of their purposes under the provisions of this Law;
- (c) purchase plant, equipment, stores and any other materials and acquire land and erect buildings and carry out any other works and undertakings in the execution of their duty or in the discharge of their functions under section 4 of this Law, in contemplation of loans to be made for those purposes under the provisions of section 22 of this Law, so, however, that any sums expended by the Corporation under this paragraph shall be set off against the loans in contemplation of which they were expended upon the actual making of such loans.
- Interest on loans made by the Corporation**
24. In making loans under the provisions of this Law the Corporation may charge such rate of interest as they may deem fit in any particular case.
- Repayment of loans made by the Corporation**
25. Subject to the provisions of sections 26 and 27 and of subsection (3) of section 32 of this Law every loan shall be repaid to the Corporation in accordance with the terms and conditions under which such loan was made and the monies so paid shall thereupon be taken into the accounts of the Corporation.
- Suspension of payment of principal and interest and power to extend time compound or release**
26. The Corporation, with the approval of the Governor in Council, may:
- (a) postpone, for any time not exceeding five years, the payment of any sum due for principal and interest or for either principal or interest to them in respect of a loan made by them upon such terms and conditions for the carrying out of the purposes for which such loan was made and for the ultimate repayment of such principal or payment of such interest as they may deem necessary;

(b) from time to time extend the period for the repayment of any loan, or compound or release any loan or any part thereof subject to such terms and conditions as they may deem fit.

27. The Corporation may at any time accept payment of the whole or any part of the amount representing the principal of a loan and interest thereon, before the time when such payment is due, upon such terms and conditions as they may think fit.

Payment of
loan before
due date

28. (1) Where the Corporation have made a loan of money under the provisions of this Law they may:

Examination as
to application
of monies
lent

(a) from time to time, make or cause to be made, such examination as may be necessary to ensure that the loan is being applied to the purposes for which it was made;

(b) require financial statements in such detail as they may determine to be submitted by the person, body or authority in receipt of the loan bi-annually or at shorter intervals at the discretion of the Corporation and such person, body or authority shall comply with such request.

(2) The Corporation may authorise in writing any of their officers or any other person to make such examination, and the person, body or authority in receipt of the loan shall produce to such officer or person all the relevant books, documents and other matters and things necessary for the purposes of the examination.

(3) Any person who contravenes the provisions of paragraph (b) of subsection (1) of this section, or the provisions of subsection (2) of this section, shall be guilty of an offence against this Law.

29. Where upon any examination made under the provisions of section 28 of this Law it appears to the Corporation that any sum being the whole or any part of the loan has not been applied for the purposes for which the loan was made they may order that any such sum be, within the time mentioned in the order, applied to such purposes or that such sum together with any interest due thereon on the date of the order be repaid to the Corporation within the time mentioned in the order, and any sum with the interest thereon so ordered to be repaid to the Corporation shall thereupon become a debt due to the Corporation.

Order of
Corporation
upon such
examination

30. (1) If any loan made under the provisions of this Law or any part of such loan has been misapplied the Corporation may:

Misapplication
of loan
secured by
mortgage
or otherwise

(a) where such loan has been secured by mortgage, by notice in writing addressed to the mortgagor, recall the said loan or any part thereof and may require the loan or that part together with any

interest due on such loan or part thereof on the date of the notice to be repaid on a date to be specified in the notice and in default of payment on such specified date any security given for the purpose of the loan may thereupon be realised.

(b) where such loan has been secured otherwise than by way of mortgage, by notice addressed to the borrower, request the loan or any part thereof together with any interest due on such loan or part thereof on the date of the notice to be repaid on a date to be specified in the notice and in default of payment on such specified date any security given for the purpose of the loan may thereupon be realised.

(2) The provisions of subsection (1) of this section shall be in addition to any other proceedings under any Law.

**Enforcement
of
securities**

31. Where any property mortgaged as security for a loan under the provisions of this Law is sold for the purpose of the enforcement of the security the Corporation may buy such property and may either manage and hold such property or sell or otherwise dispose of it as they may deem fit.

**Accounts
and audit**

32. (1) The Corporation shall keep accounts of their transactions to the satisfaction of the Governor in Council and such accounts shall be audited annually by an auditor appointed by the Governor in Council.

(2) The members, officers and servants of the Corporation shall grant to the auditor appointed to audit the accounts of the Corporation under the provisions of subsection (1) of this section access to all books, documents, cash and securities, of the Corporation and shall give to him on request all such information as may be within their knowledge in relation to the operation of the Corporation.

(3) The Corporation may write off bad debts.

Report

33. (1) The Corporation shall not later than six months from the end of each financial year (as defined by the Interpretation Law) submit to the Governor in Council a report containing:

(a) an account of their transactions throughout such year in such detail as the Governor in Council may direct; and

(b) a statement of the accounts of the Corporation audited in accordance with the provisions of section 32 of this Law.

(2) A copy of the report together with a copy of the auditor's report shall be printed and laid on the table of the Legislative Council and House of Representatives and published in the Gazette.

(3) Notwithstanding the provisions of sub-section (1) of this section, the report to be submitted to the Minister during the year 1963 shall contain:

(a) an account of the transactions of the Corporation for the period commencing on the 1st day of January, 1962 and ending on the 31st day of March, 1962; and

(b) a statement of the accounts of the Corporation for the same period audited in accordance with the provisions of section 32 of this Law.

Miscellaneous

34. Where a loan is made by the Corporation on the security of a mortgage of any property, whether with or without any other security, the property, from and after the date of the mortgage, shall be charged with the payment of such loan and interest as in the mortgage mentioned, in priority, save so far as otherwise specified in the mortgage, to every other debt, mortgage or charge whatsoever affecting the property, except any loan due to any creditor not assenting to such priority which has been made in good faith before the loan made by the Corporation and which has been secured by a duly registered mortgage of the property executed to a person who is entitled as a bona fide creditor to the repayment thereof with interest.

Charge on property and priority of loan

35. Any person who:

(a) obtains a loan from the Corporation under the provisions of this Law by means of any false representation;

(b) wilfully applies any loan made to him by the Corporation under the provisions of this Law to any purpose other than the purpose for which the loan was made;

(c) having obtained a loan from the Corporation under the provisions of this Law, wilfully destroys any security given in relation to any such loan, shall be guilty of an offence against this Law, and shall be liable on summary conviction before a Resident Magistrate to a fine not exceeding five hundred pounds, or to imprisonment with or without hard labour for a term not exceeding twelve months, or to both such fine and imprisonment.

Offences in respect of loans

36. Proceedings for offences arising out of the provisions of this Law or in connection with any loan made hereunder shall not be instituted without the consent in writing of the Attorney-General.

Attorney-General's fiat

37. In any criminal proceeding in respect of an offence under paragraph (b) of section 35 of this Law the onus of proving that he acted in good faith and without knowledge that he was not entitled so to apply the loan or any part thereof shall be upon the person charged.

Burden of proof in cases of misapplication of loans

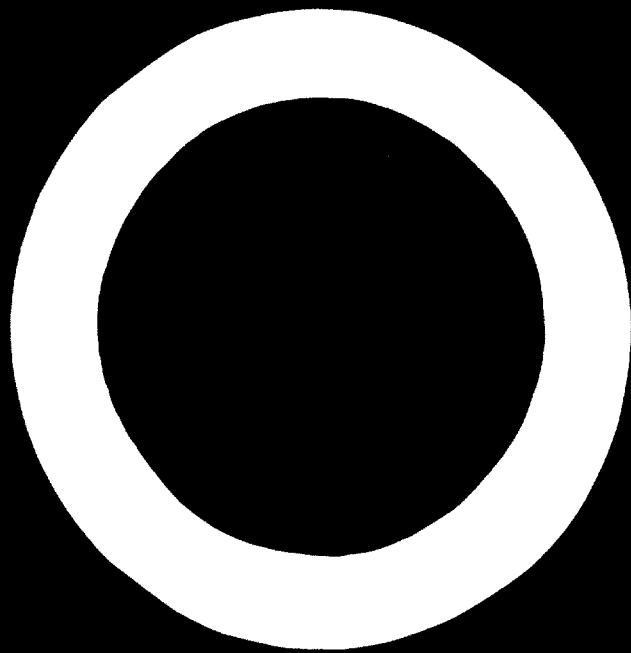
**Minutes
receivable
in evidence**

38. Any minutes made of meetings of the Corporation shall, if duly signed by the chairman, be receivable in evidence in all legal proceedings without further proof and every meeting of the Corporation in respect of the proceedings of which minutes have been so made shall be deemed to have been duly convened and held and all members thereat to have been duly qualified to act.

**Punishment
of offences**

39. Any person guilty of an offence against this Law for which no special penalty is provided by this Law shall be liable on summary conviction before a Resident Magistrate to a fine not exceeding one hundred pounds or in default of payment thereof to imprisonment with or without hard labour for a term not exceeding six months.





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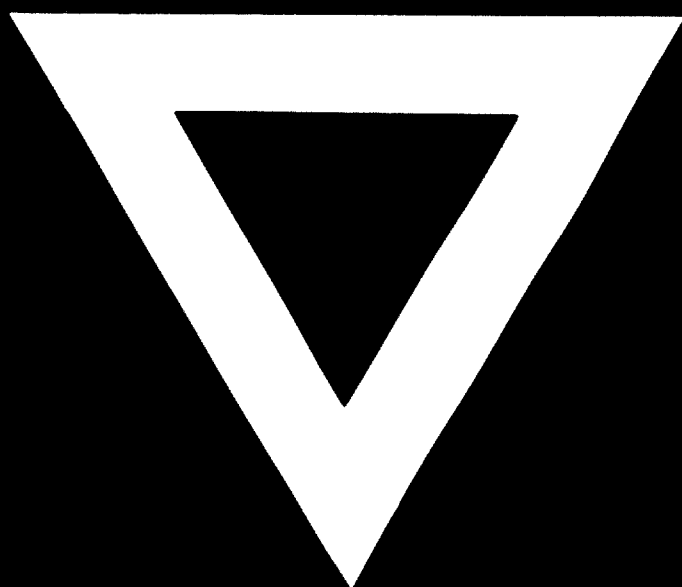
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