

No. 26468

**NETHERLANDS
and
IRAN-UNITED STATES CLAIMS TRIBUNAL**

Exchange of letters constituting an agreement on the granting of privileges to the Tribunal (with related letter of 5 July 1982). The Hague, 4 and 14 March 1988

Authentic text of the exchange of letters: English.

Authentic text of related letter: Dutch

Registered by the Netherlands on 14 March 1989.

**PAYS-BAS
et
TRIBUNAL DE RÉCLAMATIONS IRAN - ÉTATS-UNIS**

Échange de lettres constituant un accord relatif à l'octroi de privilèges au Tribunal (avec lettre connexe du 5 juillet 1982). La Haye, 4 et 14 mars 1988

Texte authentique de l'échange de lettres : anglais.

Texte authentique de la lettre connexe : néerlandais.

Enregistré par les Pays-Bas le 14 mars 1989.

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹
BETWEEN THE KINGDOM OF THE NETHERLANDS AND
THE IRAN-UNITED STATES CLAIMS TRIBUNAL ON THE
GRANTING OF PRIVILEGES TO THE TRIBUNAL

I

IRAN-UNITED STATES CLAIMS TRIBUNAL
THE HAGUE, THE NETHERLANDS
THE PRESIDENT

4 March 1988

Sir,

I have the honour to refer to the conversations between the Netherlands authorities and the Secretary-General of the Iran-United States Claims Tribunal regarding the fiscal and customs privileges of the Tribunal. Pending the conclusion of a host State agreement between the Government of the Kingdom of the Netherlands and the Iran-United States Claims Tribunal I hereby propose to Your Excellency the following:

1. The fiscal and customs exemptions provided for in the letter of the Minister of Finance to the Directors of Inland Revenue of 5 July 1982 nr. 081-1386 are hereby confirmed.

2. In addition to the exemptions granted under 1, the Tribunal personnel in Staff categories 9 and 10 shall be entitled to such further exemptions as are accorded to diplomatic agents who are members of diplomatic missions accredited to the Netherlands, provided that they are not Netherlands nationals.

3. Tribunal personnel in Staff categories lower than 9, who are not Netherlands nationals, and who purchased a tax-free car prior to 1 January 1984 in accordance with the first arrival facility granted to them, will be permitted to purchase one more car tax-free.

4. The Secretary-General of the Tribunal shall communicate to the Protocol Department of the Ministry of Foreign Affairs the names of Tribunal personnel in Staff categories 9 and 10, the effective date of their appointments to either category, and of termination of their employment by the Tribunal.

5. The Ministry of Finance shall inform the Directors of Inland Revenue of the above provisions.

If the foregoing proposals meet with the approval of Your Excellency I have the honour further to propose that this letter and Your letter in reply concurring therein shall constitute an agreement between the Government of the Kingdom of the Netherlands and the Iran-United States Claims Tribunal which will enter into force on the date of receipt by the Iran-United States Claims Tribunal of Your Excellency's letter confirming the above.

¹ Came into force on 17 March 1988, the date of receipt by the Tribunal of the letter in reply, in accordance with the provisions of the said letters.

Please accept, Sir, the assurances of my highest consideration.

[*Signed*]

KARL-HEINZ BÖCKSTIEGEL
President

His Excellency Mr. H. van den Broek
Minister for Foreign Affairs of the Kingdom
of the Netherlands
The Hague

II

MINISTER FOR FOREIGN AFFAIRS

The Hague, 14 March 1988

Sir,

I have the honour to refer to Your Excellency's letter of March 4, 1988 regarding fiscal and customs privileges. Pending the conclusion of a host State agreement between the Government of the Kingdom of the Netherlands and the Iran-United States Claims Tribunal, You made the following proposals:

[*See letter I*]

On behalf of the Government of the Kingdom of the Netherlands I accept the foregoing proposals and I confirm that Your letter and this reply shall constitute an agreement between the Government of the Kingdom of the Netherlands and the Iran-United States Claims Tribunal which will enter into force on the date of receipt by the Iran-United States Claims Tribunal of this reply.

Please accept, Sir, the assurances of my highest consideration.

[*Signed*]

H. VAN DEN BROEK

His Excellency Prof. Dr. K. H. Böckstiegel
President of the Iran-United States Claims Tribunal
at The Hague

[TRANSLATION — TRADUCTION]

RELATED LETTER

MINISTRY OF FINANCE

To the Directors of State Taxes

The Hague, 5 July 1982

No. 082-1386

*Subject: Iran–United States Claims Tribunal*1. *Introduction*

The Iran–United States Claims Tribunal (hereinafter referred to as “the Tribunal”) which has its seat in The Hague, began its work on 19 May 1981.

The privileges and immunities of the Tribunal, its members and its Secretary-General, its Special Assistant, co-registrars, and other staff members shall be established by an international Agreement to be concluded between Iran, the United States of America and the Netherlands. Pending conclusion of the Agreement I hereby authorize the following tax exemptions to be applied as from 18 May 1981.

2. *Tax privileges of the Tribunal*2.1. *General*

The Tribunal shall be exempt from all direct taxes, as well as from:

a. Customs taxes, duties and levies on goods imported or exported by the Tribunal for performing its official duties;

b. Taxes and levies included in the price of goods and services intended for performing its official duties in the Netherlands;

c. The motor vehicle tax in respect of the motor vehicles used by the Tribunal for its official duties.

2.2. *Import tax*

The exemption referred to in 2.1, letter *a*, above shall depend on a permit issued by the Inspector of Customs and Excise in The Hague. Goods for duty-free importation shall be so declared by using a “Douane 35” form; no security needs to be given.

2.3. *Importing by mail*

Written import declarations and exemption permits, as referred to in 2.2 above, shall not be required for letters, documents and other items imported duty-free by mail, provided it is clear that the Tribunal is their destination.

2.4. *Withdrawal of exemption*

Goods imported duty-free, as referred to in 2.1, letter *a*, above, which are put to a use different from that which was indicated in order to obtain exemption (e.g. by being sold, given as a gift or rented to a third party), shall be declared again to the

customs authorities. Duty shall be payable at the current rate in force at the time of redeclaration and on the value of the goods at the time of declaring again.

2.5. *Value added tax (VAT)*

Exemption from the value added tax, which is granted in respect of goods and services provided to the Tribunal in the Netherlands (as referred to in 2.1, letter *b*), shall take the form of a refund. Application for such a refund must be made within three months of the end of each quarter to the Inspector of Customs and Excise in The Hague using an OB No. 95 form, or a form approved by the Inspector.

The Inspector may prescribe conditions for the submission of invoices and other documents in support of the application.

Tax refunds shall be possible only in amounts of f. 500 and over, excluding VAT. Therefore in principle no refund shall be payable for invoices less than f. 500. However, the Tribunal may submit several invoices together for less than f. 500 from the same contractor:

- a.* If they are for recurrent items, such as gas, water and electricity supplies, and the invoice dates are within the quarter concerned;
- b.* If the invoices emanate in some other way from one single order or contract, provided that the invoice dates are within the quarter concerned.

2.6. *Excise duty*

Exemption from excise duty shall be granted on:

- a.* Mineral oils obtained in the Netherlands for use in performing the Tribunal's official duties, including the use for its motor vehicles and for heating its official premises;
- b.* Tobacco products, alcoholic beverages, still and sparkling wines, for use in performing the Tribunal's official duties, including official receptions and the like.

The exemption referred to in *a* shall take the form of a refund of excise duty which shall be made only by the Inspector of Customs and Excise in The Hague. In order to obtain a refund the Tribunal must submit an application to the Inspector within three months of the end of each quarter. The relevant application must be accompanied by the original invoices relating to the supply of mineral oils, unless the oils were intended for use in motor vehicles, in which case receipts shall suffice, providing that they contain the following information:

- The name of the supplier;
- The name of the driver of the motor vehicle;
- The type, quantity and price of the mineral oils;
- The place and date of delivery;
- The registration mark of the motor vehicle to which the mineral oil is delivered.

The receipt must be signed as correct by both the supplier and the driver of the motor vehicle concerned. On application for a refund, the receipts must be submitted together with a list of the quantities to which they refer. If the documents are to be returned to the Tribunal, the Inspector shall mark them to show that exemption has been granted.

For the exemption referred to at *b* above, an exemption permit shall be obtained in advance from the Inspector of Customs and Excise in The Hague, for which

purpose a "Douane 39" form must be used; the form must be signed by the President or by the Secretary-General of the Tribunal or by a person authorized by them. A list of the names and signatures of authorized persons is given in the annex.

The Inspector's decision to grant an exemption shall be announced by issuing a permit. No security is required. The Inspector may prescribe further conditions. This exemption cannot be made in the form of a refund.

2.7. *Registration marks*

Motor vehicles which are imported duty-free under section 2.2. above shall be given a CDJ registration number, accompanied by a Benelux 4 certificate (no security needs to be given). The registration document shall bear the words "SLECHTS GELDIG MET BENELUX 4" ("ONLY VALID WITH BENELUX").

3. *Tax exemptions for the members of the "Tribunal", the Secretary-General, the co-registrars and the other staff members*

3.1. *Members of the Tribunal, the Special Assistant, the Secretary-General and the co-registrars*

The members of the Tribunal, the Secretary-General and the co-registrars shall enjoy all the tax privileges accorded to accredited diplomatic agents of comparable rank assigned to the Kingdom of the Netherlands.⁽¹⁾ The general provisions and conditions included in article 25, paragraphs 1, 2 and 3, of the Order to implement the General Act concerning State Taxes, 1964 (*Uitvoeringsbeschikking Algemene wet inzake rijksbelastingen 1964*), and in article 33 of the Resolution concerning the Schedule of Exemptions, 1960 (*Beschikking Vrijstellingen-Tariefbesluit 1960*), are applicable.

3.2. *Other staff members*

The staff members of the Tribunal to whom section 3.1 does not apply shall enjoy exemption from income tax on salaries and emoluments paid by the Tribunal. The so-called progressivity conditions, contained in article 40 of the General Act concerning State Taxes (*Algemene wet inzake rijksbelastingen*) in conjunction with article 31 of the Order to implement the General Act concerning State Taxes, 1964 (*Uitvoeringsbeschikking Algemene wet inzake rijksbelastingen 1964*), shall not be applicable in this case. Furthermore they are exempt from duties on the importation of their furniture and personal effects when they take up their functions in the Netherlands for the first time.

3.3. *Exemption on furniture and personal effects*

The persons referred to in section 3.2 shall enjoy exemption from taxes and duties on the importation of their furniture and personal effects when they first take up their post in the Netherlands under the provisions of article 46 of the Resolution concerning the Schedule of Exemptions, 1960 (*Beschikking Vrijstellingen-Tariefbesluit 1960*), sections 3.4 to 3.7 below apply.

If a trial period precedes the definitive appointment, the beginning of the trial period is deemed to be the inception of the period of service. I do not object to the granting of an exemption with regard to goods that arrive later, but not later than one month following the date of definitive appointment, and on condition that the goods

⁽¹⁾ The members of the Tribunal and the Secretary-General shall be on an equal footing with the heads of diplomatic missions; and the Special Assistant of the Tribunal and the co-registrars shall be on an equal footing with diplomatic personnel. Assistant registrars, therefore, shall not be eligible for diplomatic exemptions.

concerned already belonged to the person in question before the inception of his service.

3.4. *Principal residence*

The condition of article 46, paragraph 1, letter *a*, of the transfer of principal residence (*Beschikking Vrijstellingen-Tariefbesluit 1960*) shall not be applicable.

3.5. *Dutch nationals*

Sections 3.6 and 3.7 do not apply to Dutch nationals. To this category article 46 of the *Beschikking Vrijstellingen-Tariefbesluit 1960* shall be applicable in full, except section 3.4.

3.6. *Application of the furniture and personal effects exemption to goods other than motor vehicles*

If goods other than motor vehicles have been purchased in free circulation abroad, and no tax refund has been given or will be given, article 46, paragraph 3, letter *b*, may be disregarded. In all other cases article 46 shall be applicable in full.

3.7. *Application of the furniture and personal effects exemption to motor vehicles*

If an ordinary foreign registration mark indicates that the motor vehicle has been in free circulation in a foreign country, article 46, paragraph 3, letter *b*, in conjunction with paragraph 6, may be disregarded. For one motor vehicle which has been purchased abroad tax-free, or is imported new from abroad, or is purchased from a bonded warehouse in the Netherlands, a tax exemption may be granted, providing an exemption permit is applied for within one month after arrival in the Netherlands.

If a trial period precedes the definitive appointment, and on condition that this period does not exceed six months, an exemption may be granted during the trial period or within one month from the definitive appointment.

The condition laid down in article 46, paragraph 3, that all goods must remain part of a person's personal effects and cannot be transferred, leased or lent out for at least twelve months from the date of importation is applicable.⁽¹⁾

3.8. *Registration marks*

Motor vehicles for which an exemption is granted under 3.7 above, shall be given normal Netherlands registrations marks. Motor vehicles for which an exemption is granted under the regulations applicable to diplomatic agents (see 3.1) shall be given a CDJ registration number.

For the Minister of Finances:
A. SCHOEMAKER
Director-General for Taxation

⁽¹⁾ Staff members of the Tribunal whose probation period expired prior to the second issue of these instructions may still avail themselves of this possibility within one month from that date.