

**HOST COUNTRY AGREEMENT BETWEEN
THE NORDIC DEVELOPMENT FUND
AND
THE GOVERNMENT OF THE REPUBLIC OF FINLAND**

The Nordic Development Fund (hereinafter the "Fund") and the Government of the Republic of Finland (hereinafter the "Government"),

Noting that the Fund was established in 1988 by the five Nordic countries to promote economic and social development in developing countries through the participation in financing on concessional terms of projects of interest to the Nordic countries;

Having regard to the Agreement concluded on 9 November 1998 between Denmark, Finland, Iceland, Norway and Sweden concerning the Nordic Development Fund (hereinafter the "Agreement"), which includes provisions on both the Fund's legal status as an international legal person and certain privileges and immunities concerning the Fund and its staff;

Noting that the Government and the Fund concluded a Host Country Agreement on 14 October 1999, regulating certain issues relating to the Fund and its staff in more detail;

Noting that the Fund's headquarters is located at the headquarters of the Nordic Investment Bank in Helsinki;

Bearing in mind that the Fund has a similar background, standing and legal framework as the Nordic Investment Bank and the two institutions are administratively closely linked and that the Government and the Nordic Investment Bank have concluded a new Host Country Agreement in 2010;

Taking into account that certain legislative provisions concerning the Fund and its staff have been amended;

Noting the need to clarify the Fund's status as an international organisation;

Desiring therefore to conclude a new Host Country Agreement while acknowledging that the purpose of the new Host Country Agreement is to preserve the current practice, particularly with respect to social security;

have agreed the following:

ARTICLE I

Definitions

In this agreement:

- a) "host country" means the State of Finland;

- b) "Government" means the Government of Finland;
- c) "Fund" means the Nordic Development Fund;
- d) "Agreement" means the treaty concluded on 9 November 1998 between Denmark, Finland, Iceland, Norway, and Sweden concerning the Nordic Development Fund;
- e) "President" means the President of the Fund or a person assigned to work on his or her behalf, whose name is communicated by the President to the Government;
- f) "Fund's premises" means real estates, buildings and parts of buildings normally occupied by the Fund in order for it to carry out its official tasks;
- g) "staff" means persons working at the Fund's headquarters, including the Fund's President;
- h) "family member" means a person included in the definition of a family member in the Finnish Aliens Act, of which amendments are notified from time to time to the Fund.

ARTICLE II

Legal status

The Fund, which is an international organisation, shall have the status of an international legal person and full legal capacity pursuant to Article 1 of the Agreement. In particular, the Fund shall have the capacity to enter into agreements, acquire and dispose of immovable and movable property and to be a party to legal proceedings before courts of law and other authorities.

ARTICLE III

Premises

The premises of the Fund shall be inviolable. No Finnish official or any other person exercising public authority shall enter the Fund's premises to perform their official duties without the express consent of the President and under conditions approved by or at the request of the President. The service of process or seizure of private property shall not take place in the premises without the express consent of the President and under conditions approved by him or her.

The President shall, upon request, make the appropriate arrangements to enable the relevant public utility services to inspect, repair, maintain, reconstruct, and relocate the public utilities and equipment related to them within the Fund's premises.

In the event of a fire or some other emergency constituting a threat to the safety of the staff or to the premises and requiring prompt protective action, the consent of the Fund may be assumed for the competent authorities to take reasonable measures to protect the staff and the premises of the Fund.

With the exception of immunity from legal process accorded to the staff of the Fund pursuant to Article 10 of the Agreement, the Fund shall not allow the premises of the

Fund to become a refuge from justice for persons who are avoiding arrest or service of legal process or who are subject to extradition or deportation.

In situations where public order or safety is in danger and immediate action is required and in situations where the police intends to arrest a person trying to escape, the consent of the Fund shall be assumed for the police to take required action in accordance with the acts and decrees governing the activities of the police and by taking into consideration the general principles guiding the activities of the police.

Similarly, it shall be assumed that the Fund has given its consent in situations where someone from the Fund calls the police or which concern calling the police by using technical means.

The Government shall be under a duty to take reasonable actions to prevent the Fund's premises from forceful entry and damage and to prevent disturbances of the peace and infringements of the Fund's dignity.

The Fund has the right to request a security clearance concerning a person applying for a position, to be chosen for a position or for training, or occupying a position within the Fund, as set out in the legislation in force from time to time.

ARTICLE IV

The procedure in connection with the Fund's exemption from taxes and customs duties

The exemption from the taxes and customs duties referred to in paragraph 4 of Article 9 of the Agreement shall be granted in accordance with Finnish legislation in force, either directly without application to the effect that no tax or customs duty is collected, or upon application as a tax refund to the Fund.

ARTICLE V

Social security for the staff

Staff who reside in Finland when this Agreement enters into force or staff who reside in Finland at the time of their recruitment and to whom Finnish social security legislation applies, shall continue to be covered by this legislation irrespective of nationality. The same shall apply to the family members of these persons.

Finnish social security legislation shall be applied to staff members to whom Finnish social security legislation was not applied prior to them being recruited by the Fund and these persons shall be covered by the Finnish social security legislation and benefit from the municipal social and health care services. The same shall apply to the family members of these persons.

The Fund shall be liable for paying statutory contributions to the Finnish social security system in respect of its staff, and similarly the Fund's staff shall be liable for paying statutory employee contributions.

ARTICLE VI

Pension security of the staff

The Fund shall be responsible for pension security of its staff. The Fund may set up its own pension scheme for the staff or organise the pension security in some other way. The Fund's staff may belong to the Finnish State Pension System. If the Fund so wishes, the entire staff or certain employees can be insured in accordance with the pension scheme for the private sector in Finland.

ARTICLE VII

Entry into the country, transit and residence

The Government shall take all the necessary measures to facilitate the entry into the country, residing and transit through Finnish territory of the persons referred to in Article 11 of the Agreement as well as the President and their family members in order for them to perform their official tasks relating to the Fund. This facilitation shall include the granting of visas and residence permits free of charge and as promptly as possible in accordance with the applicable legislation.

The Fund shall when requested provide the Ministry for Foreign Affairs with a list of the persons referred to in Article 11 of the Agreement, including their family members. The Fund shall notify the Ministry for Foreign Affairs of any changes to the list. The Fund shall provide the Ministry for Foreign Affairs with notification of appointment of the persons referred to in paragraph 2 of Article V of the Host Country Agreement. The details on these persons shall at their request be recorded in the population information system and they shall be provided with an identity number.

At the request of the Fund, the Ministry for Foreign Affairs shall issue to those persons mentioned in paragraph 2 of Article V of the Host Country Agreement a card bearing a photo and identifying the holder of the card as a staff member of the Fund or a family member of the person in question. The card shall be granted at the request of the Fund also to other persons belonging to the Fund's staff, if the card is required for the performance of official tasks.

This Article shall not prevent the requirement of reasonable evidence to establish that persons claiming the treatment provided for in this article fall within the categories described in this article.

ARTICLE VIII

Host country reimbursement

According to Finnish tax legislation the amount of tax withheld in advance on the salaries of the Fund's staff and the final tax on salaries collected shall be repaid to the Fund. The Government shall reserve an appropriation for this purpose every year in its budget proposal.

The Fund shall annually provide the Ministry of Finance with the necessary information before the end of March on the amount of tax withheld in advance and the final tax on salaries collected during the previous calendar year.

The tax administration shall repay this amount to the Fund automatically at the latest before the end of June of the second calendar year that follows the calendar year during which the tax was withheld in advance and the final tax on salaries was collected.

Amounts repaid shall be taken as a separate entry in the accounts of the Fund.

ARTICLE IX

Settlement of disputes

Any dispute that may arise concerning the interpretation or application of this Agreement shall be settled through negotiations between the Government and the Fund.

If the dispute cannot be settled by negotiations between the Government and the Fund, it shall be referred to the Nordic Council of Ministers for settlement by the Ministers for Nordic Co-operation.

ARTICLE X

Special provisions

Without prejudice to the privileges and immunities pursuant to this Agreement, it is the duty of the Fund and all the persons enjoying privileges and immunities to observe the laws and regulations in force in Finland.

This Host Country Agreement shall be construed in the light of its primary purpose of enabling the Fund to discharge fully and efficiently its functions.

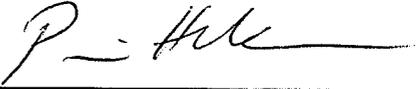
This Host Country Agreement shall enter into force on the thirtieth day from the date on which the Government has notified the Fund of its approval of the Host Country Agreement. Upon entry into force of this Host Country Agreement, the Host Country Agreement of 14 October 1999 shall cease to be in force.

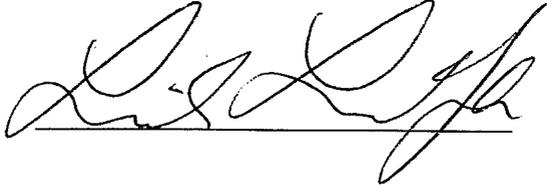
Notwithstanding the foregoing, decisions adopted under the Host Country Agreement of 1999 shall continue to be applicable to the extent that they are compatible with or not explicitly terminated by this Host Country Agreement.

Negotiations concerning the amendment of the Host Country Agreement shall be initiated at the request of the Government or the Fund.

Done at Helsinki in two originals in each of the Finnish, Swedish and English languages,
with all the texts being equally authentic, on this 15th day of October, 2013.

Nordic Development Fund





Government of the Republic of Finland

