



To whomever it may concern.

Dear Sir/Madam,

The United Nations Industrial Development Organization (UNIDO) is an autonomous international organization of the United Nations system set up by an international agreement (the Constitution of UNIDO). The Organization enjoys exemption from VAT on the basis of Article VII, Section 16 of the Headquarters Agreement between UNIDO and the Republic of Austria (the host country), as implemented by relevant national legislation.

With respect to other countries, please note that UNIDO is tax exempted on the basis of the following applicable treaties:

The Constitution of the Organization, if the country is a Member State:

Article 21 of the Constitution provides as follows:

1. The Organization shall enjoy in the territory of each of its Members such legal capacity and such privileges and immunities as are necessary for the exercise of its functions and for the fulfilment of its objectives. ...
2. The legal capacity, privileges and immunities referred to in paragraph 1 shall:
 - (a) In the territory of any Member that has acceded to the Convention on the Privileges and Immunities of the Specialized Agencies in respect of the Organization, be as defined in the standard clauses of that Convention, as modified by an annex thereto approved by the Board;
 - (b) In the territory of any Member that has not acceded to the Convention on the Privileges and Immunities of the Specialized Agencies in respect of the Organization but has acceded to the Convention on the Privileges and Immunities of the United Nations, be as defined in the latter Convention, unless such State notifies the Depositary on depositing its instrument of ratification, acceptance, approval or accession that it will not apply this Convention to the Organization; the Convention on the Privileges and Immunities of the United Nations shall cease to apply to the Organization thirty days after such State has so notified the Depositary;
 - (c) Be as defined in other agreements entered into by the Organization.



The Convention on Privileges and Immunities of the Specialized Agencies:

Section 7 of the Convention provides that the United Nations shall be “exempt from all direct taxes” and “exempt from customs duties”. Section 8 provides that, “when the United Nations is making important purchases for official use of property on which excise duties and sales taxes have been charged or are chargeable, Members will, whenever possible, make appropriate administrative arrangements for the remission or return of the amount of duty or tax”.

Section 9 of the Convention provides that the Specialized Agencies of the United Nations, such as UNIDO, shall be “exempt from all direct taxes” and “exempt from customs duties”,

Section 10 provides that “when the Specialized Agencies make important purchases for official use of property on which excise duties and sale taxes have been charged or are chargeable, States parties to this Convention will, whenever possible, make appropriate arrangements for the remission or return of the amount of duty or tax”.

Moreover, the above-mentioned tax exemption status has been recognized in Article 15(10) of EEC Council Decree 77/388 as amended by Directive 91/680, which reads as follows:

“Without prejudice to other Community provisions, Member States shall exempt the following:

10. Supplies of goods and services to international organizations recognized as such by the public authorities of the host country, and to members of such organizations, within the limit and under the conditions laid down by the international conventions establishing the organizations or by headquarters agreements. This exemption shall be subject to conditions and limitations laid down by the host Member State”.

Sincerely yours,

Mansi Ganatra
Associate Finance Officer
Financial Services Branch