

TAXATION

Reimbursement

**Agreement Between the
UNITED STATES OF AMERICA
and the INTERNATIONAL RENEWABLE
ENERGY AGENCY**

Signed at Abu Dhabi December 3, 2013

with

Annex



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966
(80 Stat. 271; 1 U.S.C. 113)—

“. . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”

**INTERNATIONAL RENEWABLE
ENERGY AGENCY**

Taxation: Reimbursement

*Agreement signed at Abu Dhabi December 3, 2013;
Entered into force December 3, 2013.
With annex.*

TAX REIMBURSEMENT AGREEMENT BETWEEN THE UNITED STATES
OF AMERICA AND THE INTERNATIONAL RENEWABLE ENERGY
AGENCY

This Agreement is made between the United States of America (hereinafter "United States") and the International Renewable Energy Agency (hereinafter "IRENA"), herein after called "the Parties."

It is the intent of the United States to assume sole responsibility pursuant to this Agreement for funding the reimbursement of taxes to directly employed staff members (hereinafter "staff members") of IRENA who are subject to United States tax law as United States citizens or permanent resident aliens;

It is the intent of IRENA to place the reimbursement of United States income tax to its staff members on a sound basis; and

The Parties are desirous of concluding an agreement on reimbursement to IRENA staff members of United States Federal, state, and local income tax and self-employment tax levied under United States law on the income they receive as compensation for official services rendered to IRENA (hereinafter "institutional income");

THE PARTIES AGREE AS FOLLOWS:

1. IRENA shall reimburse the IRENA staff members paid from the regular budget who are liable for and pay United States Federal self-employment tax and United States Federal, state, and local income taxes on their IRENA institutional income, as defined in the Annex of this Agreement, for the amount of those taxes, under the terms and conditions set forth below. This Agreement does not apply to any reimbursement of taxes by the IRENA on income not included in the Annex. This Agreement does not cover staff members paid from voluntary funds. An advance payment made by IRENA relating to the estimated tax liability of a staff member during a current year shall be treated as reimbursement under this Agreement, provided that such payment is effected by an instrument payable to the Internal Revenue Service or counterpart body of the taxing state or local government.

2. Subject to the availability of appropriated funds, the United States shall reimburse IRENA for each taxpayer an amount not to exceed the tax that would be due if the specified categories of IRENA income were the taxpayer's only income, taking into account any special tax benefits available to United States taxpayers

employed abroad, as well as the deductions and personal exemptions otherwise allowed.

3. IRENA shall inform the staff members who seek reimbursement of taxes under this Agreement that they are obligated to claim all deductions, exemptions, or exclusions to which they are entitled under applicable tax legislation and regulations.

4. For purposes of United States Federal income tax, deductions, exemptions, and adjustments to income shall be apportioned on a *pro rata* basis between taxable IRENA institutional income and private income for the purposes of calculating tax reimbursement, except where deductions and exemptions relate to a specific category of income. "Taxable IRENA institutional income" means the amount of IRENA income subject to tax after the application of the foreign earned income exclusion.

5. Both parties shall take all possible measures to reduce or eliminate the burden resulting from the cumulative effect of tax reimbursements being treated as taxable income.

6. IRENA staff members who seek reimbursement of taxes under this Agreement are themselves responsible for complying with any income tax laws applicable to them. Penalties, interest, or other charges resulting from noncompliance with such laws shall not be reimbursed by IRENA to IRENA staff members and shall not be reimbursed by the United States to IRENA.

7. IRENA shall require each IRENA staff member claiming tax reimbursement to determine the status defined by United States tax law under which that staff member files an income tax return, reimbursement being made on the basis of the status under which taxes are in fact being paid.

8. IRENA shall maintain separate accounting of the tax reimbursements covered by this Agreement. IRENA shall require each staff member receiving tax reimbursement to authorize IRENA to obtain confirmation from the United States Internal Revenue Service and state and local government counterpart bodies, as appropriate of the tax liability of that staff member and the payment of the tax due. IRENA shall require each staff member to provide it with all the materials necessary to verify that the amounts claimed under this Agreement from IRENA

are the same as the tax liability the staff member reports and the tax payments the staff member in fact makes.

9. Checks by IRENA for payment of estimated taxes shall be made payable to the Internal Revenue Service, or counterpart body of the taxing state or local government, and checks by IRENA for reimbursement of taxes already paid by a staff member shall be made payable to the staff member concerned.

10. Reimbursement of the United States Federal self-employment taxes shall equal the difference between the amount the staff member pays as a result of the staff member's classification as a self-employed person, less any applicable tax credit arising from the same qualification, and the amount the staff member would have to pay in social security (Old Age, Survivors and Disability Insurance) taxes and health insurance (Medicare) taxes were the staff member classified as an employee.

11. The principles embodied in this Agreement on reimbursement of Federal taxes equally constitute the basis for the reimbursement of state and local taxes.

12. The United States shall reimburse IRENA on the basis of a certification that reimbursements have been made by IRENA to United States citizens or others who are liable to pay United States income taxes. The certification shall set forth the names and United States social security numbers of the IRENA staff members reimbursed, the total of IRENA income against which the United States tax has been paid (that is, institutional income as defined in the Annex), the amounts reimbursed to IRENA staff members, the tax year for which reimbursement is made, the year in which reimbursement is made for each category of tax specified in Article 1, and affirm that the salaries and benefits of the staff members reimbursed are paid from the regular budget as required by Article 1. This information shall be provided yearly to the United States by October 1 following the tax year for which the claim is made. Without prejudice to the foregoing, IRENA shall claim all tax reimbursements for a particular tax year no later than 24 months from October 1 following the tax year for which the claim is made.

13. The United States shall reimburse IRENA at the earliest possible date following receipt of the certification specified in Article 12 a sum sufficient to cover all tax reimbursements documented by such certification that were paid by IRENA with respect to preceding tax years, in accordance with this Agreement.

14. Subject to the availability of funds, the United States and IRENA may agree to a reimbursement for such reasonable and actual necessary expenses as IRENA may incur in connection with the implementation of the administrative procedures required to carry out the provisions of this Agreement.

15. This Agreement shall apply with regard to tax reimbursements for institutional income earned on or after January 1, 2012.

16. This Agreement shall enter into force upon signature by the Parties and may thereafter be terminated by either Party on December 31 of the year following the year in which notice of termination is given in writing to the other Party.

17. Should the United States subsequently conclude a tax reimbursement agreement with any other international organization substantially more favorable to that organization or its staff members than the present Agreement, the latter shall be amended to extend to the IRENA the benefit of the former, subject to the written agreement of the United States and IRENA, which shall not unreasonably be refused by the United States.

18. Any difficulties arising from the implementation of this Agreement shall be resolved by consultations between the Parties.

Done in duplicate, in the English language, at Abu Dhabi, this third day of December 2013.

FOR THE UNITED STATES
OF AMERICA:

FOR THE INTERNATIONAL
RENEWABLE ENERGY AGENCY:



Michael H. Corbin

Adnan Z. Amin

U.S. Ambassador to the UAE

Director General of IRENA

ANNEX

Particulars of Institutional Income

“Institutional income,” as used in this Tax Reimbursement Agreement, includes only the following particulars of compensation:

- Basic salary
- Overtime
- Post adjustments
- Rental subsidy
- Dependency allowances
- Representation allowance
- Education grant and related travel
- Special education grant and related travel
- Hardship and non-removal allowances
- Assignment grant
- Home leave travel
- Family visit travel
- Relocation grant
- Termination indemnity
- Accrued annual leave upon separation from service
- Repatriation grant
- Reimbursement as stipulated in this agreement of United States Federal, state, or local income tax payments and United States self-employment tax payments on institutional income.

Should IRENA approve the addition, modification, or deletion of any elements of institutional income, this Annex may be amended by written agreement of the Parties.