
SCOTUS Opinion: Court Limits Immunity Afforded Under The International Organizations Immunity Act Of 1945

27 Feb 2019

Originally, the [International Organizations Immunity Act of 1945](#) (IOIA) granted foreign corporations virtually absolute immunity from suit. In 1952, the State Department adopted a more restrictive view, carving out commercial acts from that immunity. Congress then passed the [Foreign Sovereign Immunities Act](#) (FSIA) in 1976, which specifically excepted commercial activity with a sufficient nexus in the United States from the grant of foreign immunity. In [Jam v. International Finance Corp.](#) (IFC), a group of farmers and fishermen in India sued IFC for a commercial loan it made to build a coal plant in the Indian state of Gujarat, alleging that the plant caused them harm. IFC, which was designated by executive order as being subject to the IOIA, claimed that Act's immunity from suit. The D.C. Circuit affirmed the dismissal of the case. Addressing a split between the D.C. Circuit and the Third Circuit on the issue, the Court, in an opinion by Chief Justice Roberts (Justice Kavanaugh recused), reversed, holding that the IOIA's grant of immunity has since evolved with the passage of FSIA, and thus the exception for commercial activities applied to sever immunity for IFC. Justice Breyer filed a dissent, arguing that the history and circumstances of the IOIA compelled the conclusion that its grant of immunity, in the wake of World War II, was meant to be immutable.

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Act, *Jam v. International Finance Corp.*