

INTER-GOVERNMENTAL MARITIME
CONSULTATIVE ORGANIZATION



I M C O



COUNCIL XIV/Res.22
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COUNCIL - 14th session
Agenda item 18(c)
FINANCIAL QUESTIONS

PROPOSED AMENDMENTS TO THE FINANCIAL REGULATIONS

RESOLUTION C.22(XIV)
adopted on 18 June 1965

THE COUNCIL,

TAKING NOTE of the observations by the External Auditor
with regard to the implementation of certain articles of the
Financial Regulations,

CONSIDERING the explanatory notes of the Secretary-General
and the desirability to amend the Financial Regulations as
suggested by the Secretary-General,

RECOMMENDS to the Assembly the amendments to the Financial
Regulations as follows:

COUNCIL XIV/Res.22

Existing text

Article 3.3

The estimates for each of the calendar years covered by the financial period shall be divided into Sections, Chapters, and Articles. The budget estimates shall include details on the programme of work to which they relate and shall be accompanied by such information annexes as may be required by, or on behalf of, the Assembly or Council and such further information as the Secretary-General may deem necessary and useful.

Article 3.6

The budget shall be adopted by the Assembly, which shall vote budget appropriations by Sections and in toto for the calendar year to which they relate.

Article 4.2

Appropriations shall be available for obligation during the calendar year to which they relate.

Article 4.3

Appropriations shall remain available for twelve months following the end of the calendar year to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the calendar year, to liquidate any outstanding legal obligation of the period, and to cover any transfers made under regulation 4.5. The balance of the appropriations remaining unobligated at the close of a calendar year shall, in the case of Members whose contributions

Proposed amendments

Article 3.3

No change in English text.

Article 3.6

No change in English text

Article 4.2

Deleted.

Article 4.2 (replacing present 4.3)

Appropriations shall be available for obligations during the calendar year to which they relate. Unobligated appropriations at the close of the calendar year shall, if not required for transfer, be cancelled.

COUNCIL XIV/Res.22

Existing text

have been paid in full, be surrendered in accordance with the procedure in regulation 5.2. In other cases it shall be applied to reduce any unpaid portions of the contributions of the Members concerned.

Article 4.4

At the end of the twelve-month period provided in regulation 4.3 above, the then remaining unspent balance of any appropriations retained shall, in the case of Members whose contributions have been paid in full, be surrendered in accordance with the procedure in regulation 5.2. In other cases it shall be applied to reduce any unpaid portions of the contributions of the Members concerned. Any unliquidated obligations shall be cancelled, or when the obligation remains a valid charge, transferred as an obligation against current appropriations.

Article 4.5

The Secretary-General may make transfers from one section of the budget to another without prior concurrence of the Council, provided that such transfers shall not exceed 10% of the total appropriation of any section concerned. At the end of the first calendar year of a financial period the Secretary-General may proceed, without prior concurrence of the Council, to transfer any uncommitted balances of appropriations to the same section in the second calendar year, provided that such transfers do not exceed 10% of the smaller amount of the two annual appropriations provided for by the sections concerned. The latter transfers should be limited to the total amount of the uncommitted

Proposed amendments

Article 4.3 (replacing present 4.4)

Such portion of appropriations as may be required to meet the outstanding legal obligations as at the last day of the calendar year shall remain available for twelve months, at the end of which period any remaining balances shall be credited to Miscellaneous Income of the current calendar year. Any obligations remaining a valid claim at that time shall be charged against the appropriations of the current calendar year.

Article 4.5 (renumbered 4.4)

No change in English text.

COUNCIL XIV/Res.22

Existing text

balances of appropriations and may not lead to a total amount of appropriations for a financial period in excess of the amount approved by the Assembly. All transfers must be reported by the Secretary-General to the next session of the Council.

Article 5.2

In the assessment of the contributions of Member States, adjustments shall be made to the amount of:

- (a) The contributions for the following calendar year in respect of the assessments of new Members and their advances to the Working Capital Fund under the provisions of regulation 5.8;
- (b) The appropriations approved by the Assembly for the following financial period in respect of:
 - (i) Supplementary appropriations for which contributions have not previously been assessed on the Members;
 - (ii) Miscellaneous income for which credits have not previously been taken into account and any adjustments in estimated miscellaneous income previously taken into account;
 - (iii) Any balance of the appropriations surrendered under regulations 4.3 and 4.4.

Proposed amendments

Article 5.2

In the assessment of the contributions of Members for each calendar year, adjustments shall be made in respect of:

- (a) estimated Miscellaneous Income of the calendar year in respect of which the assessment of contributions is being made
- (b) supplementary appropriations for which contributions have not previously been assessed on the Members.

Existing text

Article 5.3

After the Assembly has voted the appropriations and determined the amount of the Working Capital Fund the Secretary-General shall:

- (a) Transmit the relevant documents to Member States;
- (b) At the beginning of each calendar year:
 - (i) Inform Members of their commitments in respect of contributions for the calendar year and advances to the Working Capital Fund;
 - (ii) Request them to remit their contributions and advances relating to the calendar year;
- (c) During the calendar year:
 - (i) Inform new Members, if any, of their commitments in respect of contributions for the calendar year and advances to the Working Capital Fund;
 - (ii) Request them to remit their contributions and advances relating to the calendar year.
- (d) At the end of each calendar year inform Members of their final commitments in respect of contributions for the calendar year and advances to the Working Capital Fund in accordance with regulation 5.8(c).

Proposed amendments

Article 5.3

At the beginning of each calendar year the Secretary-General shall:

- (a) Inform Members of their obligations in respect of annual contributions to the budget;
- (b) Inform Members of their obligations in respect of advances to the Working Capital Fund;
- (c) Request Members, as the case may be, to remit all contributions and advances due.

COUNCIL XIV/Res.22

Existing text

Article 5.8

- (a) New Members shall be required to make a contribution for the period in which they become Members and an advance to the Working Capital Fund based on the scale as applied to existing Members. The contributions assessed in respect of the current calendar year shall be based on the number of full months remaining in the calendar year after the date on which the Member's ratification of or adherence to the Convention has come into force. The contributions and advances of a new Member shall be due and payable within thirty days of receipt of the notification by the Secretary-General of the determinations made by the Assembly.
- (b) At the end of each calendar year the Secretary-General shall notify all Members of their final commitments in respect of contributions for that calendar year and advances to the Working Capital Fund.
- (c) These commitments shall be based on the number of Members at the end of a calendar year and at the rates determined by the Assembly in accordance with regulations 5.1 and 6.2.
- (d) Any balance of assessments and advances shall be deducted from the contributions for each of the Members for the following calendar year in accordance with the provisions of regulation 5.2(a).

Proposed amendments

Article 5.8

Delete (b), (c) and (d).

COUNCIL XIV/Res.22

Existing text

Article 6.1

There shall be established a General Fund for the purpose of accounting for the expenditures of the Organization. The contributions paid by Member States under regulations 5.1 and 5.8, miscellaneous income and any advances made from the Working Capital Fund to finance general expenditures shall be credited to the General Fund.

Article 6.2

There shall be established a Working Capital Fund in an amount and for purposes to be determined from time to time by the Assembly. The source of monies of the Working Capital Fund shall be advances from Member States in accordance with the scale of assessments as determined by the Assembly for the apportionment of the expenses of the Organization.

Proposed amendments

Article 6.1

- (a) There shall be established a General Fund for the purpose of accounting for the expenditures of the Organization. The contributions paid by Member States under regulation 5.1 miscellaneous income and any advances made from the Working Capital Fund to finance general expenditures shall be credited to the General Fund.
- (b) Any cash surplus in the General Fund at the close of any calendar year shall be allocated among Members in proportion to the assessments other than basic assessments contributed for that year and, as at 1 January following the year in which the audit of the relevant accounts is completed, shall be released and applied to liquidate, in whole or in part, first, any advance due to the Working Capital Fund; secondly, any arrears of contributions; and thirdly, contributions for the calendar year following the year in which the audit is completed.

Article 6.2

There shall be established a Working Capital Fund in an amount and for purposes to be determined from time to time by the Assembly.

Any Member on joining the Organization shall make an advance to the Fund in accordance with the scale of contributions applicable to the budget of the year of its accession.

The original level of \$250,000 on 1 January 1966 shall be increased by the amounts that Members joining after 1 January 1966 shall be required to pay, until such time as the Assembly may establish a new ceiling.

COUNCIL XIV/Res.22

Existing text

Article 7.1

All income, other than:

- (a) Contributions to the budget;
- (b) Refunds of direct expenditures made during the financial year; and
- (c) Advances or deposits to Funds, shall be classed as miscellaneous income, for credit to the General Fund.

Proposed amendments

Article 7.1

All income, other than:

- (a) Contributions to the budget under regulation 5.1;
 - (b) Refunds of direct expenditures made during the financial year; and
 - (c) Advances or deposits to Funds shall be classed as miscellaneous income, for credit to the General Fund.
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