



**CTBTO**  
PREPARATORY COMMISSION

COMPREHENSIVE  
NUCLEAR-TEST-BAN  
TREATY ORGANIZATION

Distr.: GENERAL  
CTBT/RR/12  
22 January 2021

ENGLISH ONLY

---

**REGULATIONS AND RULES  
OF THE PREPARATORY COMMISSION  
FOR THE COMPREHENSIVE NUCLEAR-TEST-BAN TREATY  
ORGANIZATION**

---



**STAFF REGULATIONS AND RULES  
FOR THE PROVISIONAL TECHNICAL SECRETARIAT  
OF THE PREPARATORY COMMISSION  
FOR THE COMPREHENSIVE NUCLEAR-TEST-BAN TREATY  
ORGANIZATION**

**Contents**

<b>Scope and Purpose of the Staff Regulations.....</b>	<b>12</b>
Rule 0.0.01: Applicability .....	12
<b>Article 1: Duties, Obligations and Privileges .....</b>	<b>13</b>
Regulation 1.1 .....	13
Regulation 1.2 .....	13
Rule 1.2.01: Obligation to Supply Information .....	13
Rule 1.2.02: Hours of Work .....	13
Rule 1.2.03: Official Holidays .....	13
Regulation 1.3 .....	14
Rule 1.3.01: Secretariat Documents.....	14
Regulation 1.4 .....	14
Regulation 1.5 .....	14
Rule 1.5.01: Discriminatory Conduct .....	14
Rule 1.5.02: Outside Activities and Interests.....	15
Rule 1.5.03: Conflict of Interest.....	15
Regulation 1.6 .....	16
Rule 1.6.01: Confidential Information .....	16
Regulation 1.7 .....	16
Regulation 1.8 .....	16
Rule 1.8.01: Non-Acceptance of Any Honour, Decoration, Favour, Gift or Remuneration from External Sources .....	16
Regulation 1.9 .....	17
Rule 1.9.01: Membership of Political Parties and Political Activities .....	17
Regulation 1.10 .....	17
Regulation 1.11 .....	18
Regulation 1.12 .....	18
<b>Article 2: Classification of Posts and Staff.....</b>	<b>19</b>
Regulation 2.1 .....	19
Rule 2.1.01: Classification of Posts and Staff.....	19
<b>Article 3: Salaries and Related Allowances.....</b>	<b>20</b>
Regulation 3.1 .....	20
Rule 3.1.01: Salary Increments .....	20
Rule 3.1.02: Salary Policy in Level Changes.....	20
Rule 3.1.03: Special Post Allowance .....	21
Rule 3.1.04: Overtime and Compensatory Time Off .....	21
Rule 3.1.05: Night Differential .....	21
Rule 3.1.06: Salary Advances .....	21
Rule 3.1.07: Retroactivity of Payments .....	22
Rule 3.1.08: Deductions and Contributions .....	22
Regulation 3.2 .....	23
Rule 3.2.01: Education Grant.....	23
Rule 3.2.02: Mother Tongue Tuition .....	26

Rule 3.2.03: Special Education Grant for Disabled Children .....	26
Regulation 3.3 .....	27
Rule 3.3.01: Refund of National Income Tax .....	27
Regulation 3.4 .....	27
Rule 3.4.01: Dependency Allowances .....	29
Rule 3.4.02: Definition of Dependency .....	29
<b>Article 4: Appointment .....</b>	<b>30</b>
Regulation 4.1 .....	30
Rule 4.1.01: Personnel Advisory Panels .....	30
Rule 4.1.02: Letter of Appointment .....	30
Rule 4.1.03: Effective Date of Appointment .....	30
Rule 4.1.04: Local Recruitment .....	30
Rule 4.1.05: International Recruitment .....	31
Rule 4.1.06: Short Term Appointments .....	31
Rule 4.1.07: Nationality .....	31
Rule 4.1.08: Change of Residence or Nationality .....	32
Regulation 4.2 .....	32
Rule 4.2.01: Appraisal of the Performance of Staff Members, Reward System.....	32
Regulation 4.3 .....	32
Rule 4.3.01: Family Relationships .....	33
Regulation 4.4 .....	33
Rule 4.4.01: Fixed-Term Appointments .....	33
Regulation 4.5 .....	34
Regulation 4.6 .....	34
Rule 4.6.01: Medical Examination.....	34
<b>Article 5: Annual Leave, Home Leave and Special Leave .....</b>	<b>35</b>
Regulation 5.1 .....	35
Rule 5.1.01: Annual Leave.....	35
Regulation 5.2 .....	35
Rule 5.2.01: Home Leave.....	35
Regulation 5.3 .....	37
Rule 5.3.01: Special Leave.....	37
<b>Article 6: Social Security .....</b>	<b>39</b>
Regulation 6.1 .....	39
Rule 6.1.01: Participation in the United Nations Joint Staff Pension Fund .....	39
Rule 6.1.02: Pensionable Remuneration .....	39
Regulation 6.2 .....	39
Rule 6.2.01: Sick Leave .....	40
Rule 6.2.02: Maternity Leave.....	41
Rule 6.2.03: Compensation for Death, Injury or Illness Attributable to Service .....	42
Rule 6.2.04: Compensation for Loss or Damage to Personal Effects Attributable to Service .....	42
Rule 6.2.05: Medical Insurance .....	42
<b>Article 7: Travel and Relocation Expenses .....</b>	<b>43</b>
Regulation 7.1 .....	43
Rule 7.1.01: Official Travel of Staff Members .....	43
Rule 7.1.02: Official Travel of Family Members.....	43
Rule 7.1.03: Loss of Entitlement to Return Transportation .....	44
Rule 7.1.04: Eligible Family Members .....	44
Rule 7.1.05: Authority for Travel .....	45
Rule 7.1.06: Travel Expenses.....	45
Rule 7.1.07: Route, Mode and Standard of Transportation .....	45

Rule 7.1.08: Route and Mode of Travel.....	45
Rule 7.1.09: Standard of Accommodation.....	46
Rule 7.1.10: Travel by Automobile.....	46
Rule 7.1.11: Purchase of Tickets.....	47
Rule 7.1.12: Terminal Expenses .....	47
Rule 7.1.13: Expenses While in Transit.....	47
Rule 7.1.14: Travel Subsistence Allowance .....	48
Rule 7.1.15: Special Rates of Travel Subsistence Allowance.....	48
Rule 7.1.16: Computation of the Travel Subsistence Allowance.....	48
Rule 7.1.17: Travel Subsistence Allowance for Official Duties on Board Ship.....	49
Rule 7.1.18: Miscellaneous Travel Expenses.....	49
Rule 7.1.19: Settling-In Grant.....	50
Rule 7.1.20: Excess Baggage and Unaccompanied Shipments .....	50
Rule 7.1.21: Insurance .....	53
Rule 7.1.22: Travel Advances.....	53
Rule 7.1.23: Illness or Accident During Travel .....	54
Rule 7.1.24: Reimbursement of Travel Expenses .....	54
Rule 7.1.25: Transportation of Decedents.....	54
Regulation 7.2 .....	54
Rule 7.2.01: Relocation Shipment .....	54
Rule 7.2.02: Loss of Entitlement to Unaccompanied Shipment or Relocation Shipment .....	56
Rule 7.2.03: Relocation Grant.....	56
<b>Article 8: Staff Relations.....</b>	<b>57</b>
Regulation 8.1 .....	57
Rule 8.1.01: Staff Council.....	57
Regulation 8.2 .....	58
Rule 8.2.01: Administrative Machinery .....	58
<b>Article 9: Separation from Service .....</b>	<b>59</b>
Regulation 9.1 .....	59
Rule 9.1.01: Consideration of Termination of Appointment, Definition of Termination.....	59
Regulation 9.2 .....	59
Rule 9.2.01: Resignation.....	60
Regulation 9.3 .....	60
Rule 9.3.01: Notice of Termination .....	60
Rule 9.3.02: Termination Indemnity.....	61
Regulation 9.4 .....	61
Rule 9.4.01: Repatriation Grant .....	61
Rule 9.4.02: Payment of Repatriation Grant.....	62
Rule 9.4.03: End-of-Service Allowance .....	63
Rule 9.4.04: Expiration of Fixed-Term Appointments .....	63
Rule 9.4.05: Commutation of Accrued Annual Leave.....	63
Rule 9.4.06: Restitution of Advance Annual and Sick Leave.....	64
Rule 9.4.07: Last Day for Pay Purposes .....	64
Rule 9.4.08: Certification of Service.....	64
Regulation 9.5 .....	65
<b>Article 10: Disciplinary Measures.....</b>	<b>66</b>
Regulation 10.1 .....	66
Rule 10.1.01: Joint Disciplinary Panel.....	66
Rule 10.1.02: Composition of Joint Disciplinary Panel.....	66
Rule 10.1.03: Joint Disciplinary Panel Procedure.....	67
Regulation 10.2 .....	67
Rule 10.2.01: Misconduct .....	68

Rule 10.2.02: Disciplinary Measures .....	68
Rule 10.2.03: Suspension During Investigation and Disciplinary Proceedings.....	68
Rule 10.2.04: Due Process .....	69
Regulation 10.3 .....	69
Rule 10.3.01: Summary Dismissal.....	69
<b>Article 11: Appeals .....</b>	<b>70</b>
Regulation 11.1 .....	70
Rule 11.1.01: Joint Appeals Panel .....	70
Rule 11.1.02: Appeals.....	71
Regulation 11.2 .....	73
<b>Article 12: General Provisions .....</b>	<b>74</b>
Rule 12.0.01: Liability Insurance.....	74
Rule 12.0.02: Financial Responsibility .....	74
Regulation 12.1 .....	74
Regulation 12.2 .....	74
Rule 12.2.01: Amendment of, and Exceptions to, Staff Rules.....	74
Regulation 12.3 .....	74
Regulation 12.4 .....	74
Rule 12.4.01: Effective Date of Rules .....	75
<b>Annex 1 to the Staff Regulations: Salary Scales and Related Provisions.....</b>	<b>76</b>
<b>Annex 2 to the Staff Regulations: Letters of Appointment .....</b>	<b>77</b>
<b>Annex 3 to the Staff Regulations: Termination Indemnity .....</b>	<b>78</b>

This edition of the Staff Regulations and Rules is based on the following documents:

<b>Document</b>	<b>Date of Issue</b>	<b>Date of Entry into Force</b>	<b>Affected Regulation or Rule</b>	<b>Summary</b>	<b>Changes in Numbering</b>
CTBT/PC-6/2	21 August 1998	18 August 1998	All Staff Regulations	Initial text	–
CTBT/PTS/INF.215	13 October 1999	1 December 1999	All Staff Rules	Initial text	–
CTBT/PC-17/1/Annex I, recommendation 3	15 April 2002	1 May 2002	5.2.01	Amendment related to home leave	–
CTBT/PC-18/1/Annex I, recommendation 7	21 August 2002	1 September 2002	1.2.02	Amendment related to hours of work	–
CTBT/PC-29/1/Annex XI	22 November 2007	1 December 2007	1.5.03	Addition of rule on conflict of interest	–
CTBT/PC-31/1/Annex XI	26 November 2008	1 December 2008	3.2 3.2.01 3.2.03	Amendments related to education grant	Deletion of paragraph h of Rule 3.2.01 and renumbering of former paragraphs i–l as h–k
			7.2.01 9.4.01 9.4.02 9.4.03	Amendments related to removal costs, repatriation grant and end-of-service allowance	–
CTBT/PC-38/2/Annex III	18 June 2012	1 July 2012	6.1.01 6.2.05	Amendments related to the Provident Fund and medical insurance	–
CTBT/PC-39/2/Annex II	1 November 2012	1 November 2012	4.3.01	Amendments related to family relationships	Addition of new paragraphs b and c to Rule 4.3.01 and renumbering of former paragraph b as d

Document	Date of Issue	Date of Entry into Force	Affected Regulation or Rule	Summary	Changes in Numbering
CTBT/PC-42/2/Annex I	24 June 2014	1 July 2014	0.0.01 4.1.06 4.1.07 4.1.08 4.4.01	Amendments related to short term appointments	Addition of a new Rule 4.1.06 and renumbering of former Rules 4.1.06 and 4.1.07 as Rules 4.1.07 and 4.1.08; and addition of new paragraph b to Rule 4.4.01 and renumbering of former paragraphs b and c as c and d
CTBT/PC-47/2, Annex III	14 November 2016	1 January 2017	3.4 3.4.01 3.4.02 4.1.06 Annex 1	Amendments related to changes in the dependency allowances, salary scale and step progression	Addition of new subparagraphs i, ii and iv to Regulation 3.4(a) and renumbering of former subparagraphs i and ii as iii and v; deletion of paragraph b of Rule 3.4.01 and renumbering of former paragraph c as b; addition of new subparagraph iii to Rule 3.4.02(b); addition of new paragraph c to Rule 4.1.06



Document	Date of Issue	Date of Entry into Force	Affected Regulation or Rule	Summary	Changes in Numbering
CTBT/PC-48/2, Annex I	23 June 2017	Scholastic year 2017/2018	3.2 3.2.01 3.2.03	Amendments related to the education grant	Addition of new subparagraphs e, h, i, k, l and m to Rule 3.2.01 and renumbering of former subparagraph e as f, former subparagraph f as g, former subparagraph g as j and former subparagraphs h-k as n-q

Document	Date of Issue	Date of Entry into Force	Affected Regulation or Rule	Summary	Changes in Numbering
CTBT/PC-48/2/Annex I	23 June 2017	1 January 2018	4.1.05 7.1.19 7.2 7.2.01 7.2.02 7.2.03 9.4 9.4.01 9.5	Amendments related to the settling-in grant, relocation shipment, relocation grant, repatriation grant, and the age of separation	Addition of new subparagraphs b(i) and (ii) and renumbering of former subparagraphs b(i) and (ii) as (1) and (2) in Rule 7.1.19; deletion of subparagraph f, renumbering of former subparagraph g as f and addition of new subparagraph g in Rule 7.2.01; deletion of Rule 7.2.02 and renumbering of former Rule 7.2.03 as Rule 7.2.02; addition of new Rule 7.2.03; numbering of first paragraph as subparagraph a and insertion of new subparagraph b in Rule 9.4.01; renumbering of former subparagraphs d-k as e-l and insertion of new subparagraph m in Rule 9.4.02.

<b>Document</b>	<b>Date of Issue</b>	<b>Date of Entry into Force</b>	<b>Affected Regulation or Rule</b>	<b>Summary</b>	<b>Changes in Numbering</b>
CTBT/PC-50/2, Annex V	4 July 2018	1 January 2019	3.1.03 3.1.08 4.1.06 6.1 6.1.01 6.1.02	Amendments related to joining the United Nations Joint Staff Pension Fund	Addition of new subparagraphs i and ii to Rule 6.1.01(a); deletion of subparagraph c of Rule 6.1.01; addition of new subparagraph c to Rule 6.1.01; deletion of subparagraph d of Rule 6.1.01; addition of new Rule 6.1.02
CTBT/PC-53/2/Rev.1 Annex III	15 January 2020	4 December 2019	3.2.01 (D)	Amendments related to the education grant	-

## **SCOPE AND PURPOSE OF THE STAFF REGULATIONS**

The Staff Regulations embody the fundamental conditions of service and the basic rights, duties and obligations of the Provisional Technical Secretariat (hereafter referred to as the “Secretariat”) of the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (hereafter referred to as the “Commission”). These Regulations represent the broad principles of personnel policy for the staffing and administration of the Secretariat. The Executive Secretary, as the head and chief executive officer of the Secretariat, shall provide and enforce such Staff Rules consistent with these principles as he or she considers necessary.

### *Rule 0.0.01: Applicability*

- (a) Subject to paragraph (b) below, these Rules are applicable to all staff members appointed by the Executive Secretary.
- (b) These Rules are applicable to all staff members appointed to short term appointments and to personnel engaged for conferences and other short term service, to consultants and to project personnel only to the extent that they may be made applicable in their contracts of employment or letters of appointment.

## **ARTICLE 1: DUTIES, OBLIGATIONS AND PRIVILEGES**

### **Regulation 1.1**

Staff members of the Secretariat are international civil servants. As such, their responsibilities are not national but exclusively international. By accepting appointment, they pledge themselves to discharge their functions and to regulate their conduct with the interests of the Commission only in view.

### **Regulation 1.2**

Staff members are subject to the authority of the Executive Secretary and to assignment by him or her to any of the activities or offices of the Commission. They are responsible to him or her in the exercise of their functions. The whole working time of staff members shall be at the disposal of the Executive Secretary. The Executive Secretary shall establish a normal working week.

#### ***Rules Pertaining to Regulation 1.2***

##### *Rule 1.2.01: Obligation to Supply Information*

- (a) On appointment staff members shall supply the Executive Secretary with whatever information may be required for the purpose of determining their status under the Staff Regulations and these Rules or of completing administrative arrangements in connection with their appointments.
- (b) Staff members shall also promptly notify the Executive Secretary in writing of any subsequent changes affecting their status under the Staff Regulations and these Rules.
- (c) A staff member may at any time be required by the Executive Secretary to supply information concerning facts anterior to his or her appointment and relevant to his or her suitability, or concerning facts relevant to his or her integrity, conduct and service as a staff member.

##### *Rule 1.2.02: Hours of Work*

- (a) The Executive Secretary shall set the normal working hours within a normal working week of 39.3 hours. Exceptions may be made by the Executive Secretary as the needs of the service may require.
- (b) A staff member shall be required to work beyond the normal tour of duty whenever requested to do so.

##### *Rule 1.2.03: Official Holidays*

The Executive Secretary shall set the official holidays taking into account the advice of the Commission.

### **Regulation 1.3**

No Secretariat document shall be issued except on the responsibility of the Executive Secretary.

#### ***Rules Pertaining to Regulation 1.3***

##### ***Rule 1.3.01: Secretariat Documents***

The Executive Secretary shall issue an Administrative Directive setting out internal controls over the issuance of Secretariat documents.

### **Regulation 1.4**

In the performance of their duties, staff members of the Secretariat shall neither seek nor accept instructions from any Government or from any other authority external to the Commission.

### **Regulation 1.5**

- (a) Staff members of the Secretariat shall conduct themselves at all times in a manner befitting their status as international civil servants. They shall not engage in any activity that is incompatible with the proper discharge of their duties with the Commission. They shall avoid any action, and in particular any kind of public pronouncement that may adversely reflect on their status, or on the integrity, independence and impartiality that are required by that status. While they are not expected to give up their national sentiments or their political and religious convictions, they shall at all times bear in mind the reserve and tact incumbent upon them by reason of their international status.
- (b) No staff member shall be actively associated with the management of or hold a financial interest in any business concern if his or her official position with the Secretariat would make it possible for him or her to promote the interest of that concern or to derive additional benefits from his or her participation in that concern. Any staff member who deals in his or her official capacity with any matter involving a business concern in which he or she holds a financial interest shall at once disclose the nature and measure of that interest to the Executive Secretary.

#### ***Rules Pertaining to Regulation 1.5***

##### ***Rule 1.5.01: Discriminatory Conduct***

The Executive Secretary shall take all appropriate measures, including disciplinary action, to ensure that no discrimination or other inappropriate conduct based on grounds such as age, race, religion, gender, language and national or social origin will be tolerated within the Secretariat.

*Rule 1.5.02: Outside Activities and Interests*

- (a) Staff members shall not engage in any continuous or recurring outside occupation or employment without the prior approval of the Executive Secretary.
- (b) The mere holding of shares in a company or other similar holding in a commercial entity shall not constitute a financial interest within the meaning of Staff Regulation 1.5(b) unless such holding constitutes a substantial control.
- (c) Staff members shall not, except in the normal course of official duties and with the prior approval of the Executive Secretary, perform any one of the following acts, if such an act relates to the purpose, activities or interests of the Commission:
  - (i) Issue statements to the press, radio or other agencies of public information;
  - (ii) Accept speaking engagements;
  - (iii) Take part in film, photo, theatre, radio or television productions;
  - (iv) Submit articles, books or other material for publication.

*Rule 1.5.03: Conflict of Interest*

- (a) Staff members shall not put themselves in a situation where they or a member of their family may benefit, either directly or indirectly, from their association with an entity which conducts business with the Commission. Furthermore, they shall not allow third parties to benefit improperly from Commission business.
- (b) Staff members shall avoid conflict, or the appearance of conflict, between their public duty and private interests. They shall withdraw themselves from consideration of any matter which could place them in a situation of conflict or the appearance of conflict, and shall not participate in any activity which might impair the performance of their official duties and responsibilities.
- (c) Private interests are not limited to financial interests or those interests which generate a direct personal benefit to the staff member. They may involve otherwise legitimate private-capacity activities, personal affiliations and associations, and family interests, if those interests could reasonably be considered likely to impair the staff member's performance of his or her official duties and responsibilities.
- (d) Staff members are required to identify and disclose any interests that might conflict or appear to conflict with their official duties. As soon as a staff member becomes aware of, or suspects, a conflict of interest, he or she must disclose the relevant details in writing to his or her supervisor and Director, and to the Chief, Personnel Section, who will provide a copy of the disclosure to the Internal Auditor. Any information disclosed in this way shall be treated as confidential.
- (e) Staff members whose official duties relate to the investment of the assets of the Commission or the management of any accounts of the Commission or staff members who have direct access to procurement or investment information need to be particularly sensitive to the potential for conflict of interest in the performance of their official

duties and shall be particularly alert to the need to report such potential conflict of interest in accordance with paragraph (d) above.

- (f) Staff Regulation 10.2 is applicable to any violation of the above.

### **Regulation 1.6**

Staff members shall exercise the utmost discretion in regard to all matters of official business. They shall not communicate to any person, government or other entity any information known to them by reason of their official position which has not been made public, except in the course of the performance of their duties or by authorization of the Executive Secretary. They shall not at any time use such information to private advantage and they shall not at any time publish anything based thereon except with the written approval of the Executive Secretary. These obligations do not cease upon separation from the Secretariat.

#### ***Rules Pertaining to Regulation 1.6***

##### ***Rule 1.6.01: Confidential Information***

In accordance with any decision of the Commission, the Executive Secretary shall determine in an Administrative Directive:

- (a) Criteria for the classification of information as confidential; and
- (b) Procedures to be followed regarding the safekeeping, handling, release or disclosure of information so classified.

### **Regulation 1.7**

All right, title and interest, including, without limitation, all copyrights and patents, in and to any material produced and invention developed by any member of the Secretariat on behalf of the Commission during his or her term of employment by the Commission shall vest in the Commission, and no member of the Secretariat shall have any personal right, title or interest whatsoever therein.

### **Regulation 1.8**

No staff member shall accept any honour, decoration, favour, gift or remuneration from any Government or any other source external to the Organization, without first obtaining the approval of the Executive Secretary. Approval shall be granted only in exceptional cases and where such acceptance is not incompatible with the terms of these Regulations and with the individual's status as an international civil servant.

#### ***Rules Pertaining to Regulation 1.8***

##### ***Rule 1.8.01: Non-Acceptance of Any Honour, Decoration, Favour, Gift or Remuneration from External Sources***

- (a) No staff member shall accept any honour, decoration, favour, gift or remuneration from an external source without first obtaining the approval of the Executive Secretary.



- (b) Approval shall not be granted if the honour, decoration, favour, gift or remuneration is from a Government, except for decorations for national service earned before appointment.
- (c) If the honour, decoration, favour, gift or remuneration is from a non-governmental source, approval shall be granted only in exceptional cases and where such acceptance is not incompatible with the terms of the Staff Regulations and the individual's status as an international civil servant.
- (d) The provisions of paragraphs (b) and (c) above do not preclude approval of the acceptance of:
  - (i) Academic awards;
  - (ii) Reimbursement of travel and subsistence expenses for activities otherwise authorized;
  - (iii) Tokens of a commemorative or honorary character, such as scrolls and trophies.

### **Regulation 1.9**

Staff members may exercise the right to vote but shall not engage in any political activity which is inconsistent with or might reflect upon the independence and impartiality required by their status as international civil servants.

#### ***Rules Pertaining to Regulation 1.9***

##### ***Rule 1.9.01: Membership of Political Parties and Political Activities***

- (a) Membership in a political party is permitted provided that such membership does not entail action, or obligation to action, contrary to Staff Regulation 1.9. The payment of normal financial contributions shall not be construed as an activity contrary to Staff Regulation 1.9.
- (b) In any case of doubt as to the interpretation or application of Staff Regulation 1.9 and the present Rule, the staff member concerned shall request a ruling from the Executive Secretary.

### **Regulation 1.10**

The immunities and privileges attached to the Commission are conferred in the interests of the Commission. These privileges and immunities furnish no excuse to the staff members who enjoy them for non-performance of their private obligations or failure to observe laws and police regulations. In any case where these privileges and immunities arise, the staff member shall immediately report to the Executive Secretary, who shall decide, in consultation where appropriate with the Commission, whether they shall be waived. In the case of the Executive Secretary, the Commission shall have the right to waive immunities.

### **Regulation 1.11**

Staff members shall subscribe to the following oath or declaration:

“I solemnly swear (undertake, affirm, promise) to exercise in all loyalty, discretion and conscience the functions entrusted to me as an international civil servant of the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization, to discharge these functions and regulate my conduct with the interests of the Commission only in view, and not to seek or accept instructions in regard to the performance of my duties from any Government or other authority external to the Commission.”

### **Regulation 1.12**

The oath or declaration shall be made orally by the Executive Secretary at a plenary session of the Commission. Staff members shall make the oath or declaration before the Executive Secretary or his or her authorized representative and in writing.

## **ARTICLE 2: CLASSIFICATION OF POSTS AND STAFF**

### **Regulation 2.1**

In accordance with provisions established by the Commission, the Executive Secretary shall make appropriate provision for the classification of posts and staff according to the nature of the duties and responsibilities required. The Executive Secretary shall be guided by the principle that the staff and the classification of posts shall be kept to a minimum necessary for the proper discharge of the responsibilities of the Secretariat.

#### ***Rules Pertaining to Regulation 2.1***

##### ***Rule 2.1.01: Classification of Posts and Staff***

In classifying posts and staff according to the nature of the duties and responsibilities required, the Executive Secretary shall be guided by the standards set by the International Civil Service Commission.

## **ARTICLE 3: SALARIES AND RELATED ALLOWANCES**

### **Regulation 3.1**

Salaries of staff members shall be fixed by the Executive Secretary in accordance with the provisions of Annex 1 to the present Regulations.

#### ***Rules Pertaining to Regulation 3.1***

##### *Rule 3.1.01: Salary Increments*

- (a) Satisfactory service for the purpose of awarding a salary increment shall be defined, unless otherwise decided by the Executive Secretary in any particular case, as satisfactory performance and conduct of staff members in their assignments as evaluated by their supervisors.
- (b) Salary increments shall be effective on the first day of the pay period in which the service requirements are completed, provided that the period of service may be shortened to meet the requirements of Rule 3.1.02 and that such increments shall not be effective earlier than the first day of the pay period in which a staff member returns to pay status from a period of leave without pay. No increment shall be paid in the case of a staff member whose services will cease during the month in which the increment would otherwise have been due.
- (c) If a staff member with satisfactory service is changed to a lower salary level, the period of service since the last increment shall be credited towards the next increment within the lower level. If a staff member whose service has not been satisfactory is changed to a lower salary level, the staff member's eligibility for salary increment in the lower level will be based on satisfactory service in the lower level.

##### *Rule 3.1.02: Salary Policy in Level Changes*

- (a) If a staff member is advanced to a higher level, he or she shall be placed at the lowest step in the level to which he or she has been advanced that provides an increase in net base salary equal to at least the amount that would have resulted from the granting of two steps at the lower level.
- (b) If the advancement is effective on the month in which an increment at the lower level is due, such increment will be included in the salary at the lower level, to which two steps will then be added to determine the staff member's salary after such advancement in accordance with paragraph (a) above.
- (c) The date of the first salary increment at the higher level shall be the anniversary date of the advancement, except that in the case of those increments that require two years of satisfactory service, the first increment at the higher level will become due two years from the date of the advancement.

*Rule 3.1.03: Special Post Allowance*

- (a) Staff members shall be expected to assume temporarily, as a normal part of their customary work and without extra compensation, the duties and responsibilities of higher level posts.
- (b) A staff member who is called upon to assume the full duties and responsibilities of a post at a level clearly recognizable as higher than his or her own for a temporary period exceeding three months may, in exceptional cases, be granted a special post allowance from the beginning of the fourth month of service at the higher level, which allowance shall not be taken into account in calculating the pensionable remuneration for purposes of the United Nations Joint Staff Pension Fund.
- (c) In the event that a staff member in the General Service category is required to serve in a higher level post in the Professional category, or when a staff member in any category is required to serve in a post which is classified more than one level above his or her level, the allowance may be paid from the date upon which the staff member assumes the higher duties and responsibilities.
- (d) The amount of the special post allowance shall be equivalent to the salary increase (including post adjustment and dependency allowances, if any) which the staff member would have received, subject to the provisions of Rule 3.1.02, had the staff member been advanced to the next higher level.

*Rule 3.1.04: Overtime and Compensatory Time Off*

- (a) Staff members in the General Service category who are required to work in excess of the normal working hours shall be given compensatory time off on terms and conditions determined by the Executive Secretary in an Administrative Directive.
- (b) Should the exigencies of the service permit, and subject to the prior approval of the Executive Secretary, occasional compensatory time off may be granted to staff members in the Professional category who have been required to work substantial or recurrent periods of overtime.
- (c) The Executive Secretary may authorize payment for overtime only under exceptional circumstances.

*Rule 3.1.05: Night Differential*

Staff members who are assigned to night-time tours of duty shall receive a night differential at a rate and under conditions to be determined by the Executive Secretary in an Administrative Directive.

*Rule 3.1.06: Salary Advances*

- (a) Salary advances may be made to staff members:
  - (i) In cases where staff members do not receive their regular pay cheque through no fault of their own, in the amount due;

- (ii) Upon separation from service, where final settlement of pay accounts cannot be made at the time of departure, subject to the advance not exceeding 80 per cent of the estimated final net payments due;
  - (iii) In cases where new staff members arrive without sufficient funds, in such amount as the Executive Secretary may deem appropriate.
- (b) The Executive Secretary may, in exceptional and compelling circumstances, and if the request of the staff member is supported by a detailed justification in writing, authorize an advance for any reason other than those enumerated above.
- (c) Salary advances other than those referred to in subparagraphs (a)(i), (ii) and (iii) above shall be liquidated at a constant rate as determined at the time the advance is authorized, in consecutive pay periods, commencing not later than the period following that in which the advance is made.

*Rule 3.1.07: Retroactivity of Payments*

A staff member who has not been receiving an allowance, grant or other payment to which he or she is entitled shall not receive retroactively such allowance, grant or payment unless the staff member has made written claim:

- (a) In the case of the cancellation or modification of the Staff Rule governing eligibility, within three months following the date of such cancellation or modification;
- (b) In every other case, within one year following the date on which the staff member would have been entitled to the initial payment.

*Rule 3.1.08: Deductions and Contributions*

- (a) The contribution to the United Nations Joint Staff Pension Fund shall be deducted each pay period from the total payments due to each staff member.
- (b) Deductions from salaries and other emoluments may also be made for the following purposes:
  - (i) For contributions, other than to the United Nations Joint Staff Pension Fund, for which provision is made under these Rules;
  - (ii) For indebtedness to the Commission;
  - (iii) For indebtedness to third parties when any deduction for this purpose is authorized by the Executive Secretary;
  - (iv) For lodging provided by the Commission, by a Government or by a related institution;
  - (v) For contributions to the Staff Council established pursuant to Staff Regulation 8.1, provided that each staff member has the opportunity to withhold his or her consent to, or at any time to discontinue, such deduction, by notice to the Executive Secretary.

## **Regulation 3.2**

- (a) The Executive Secretary shall establish terms and conditions under which an education grant shall be available to a staff member residing and serving outside his or her recognized home country whose dependent child is in full-time attendance at a school, university or similar educational institution of a type that will, in the opinion of the Executive Secretary, facilitate the child's reassimilation in the staff member's recognized home country, in accordance with the terms and conditions established by the International Civil Service Commission.
- (b) The Executive Secretary shall also establish terms and conditions under which an education grant shall be available to a staff member serving in a country whose language is different from his or her own and who is obliged to pay tuition for the teaching of the mother tongue to a dependent child attending a local school in which the instruction is given in a language other than his or her own, in accordance with the terms and conditions established by the International Civil Service Commission.
- (c) The Executive Secretary shall establish terms and conditions under which an education grant shall be available to a staff member with a disabled child. The amount of this grant per year for each disabled child shall be equal to 100 per cent of the educational expenses actually incurred, up to a maximum amount approved by the United Nations General Assembly for the United Nations common system, in accordance with the terms and conditions established by the International Civil Service Commission. Travel costs of the child may also be paid for an outward and return journey once in each scholastic year between the educational institution and Vienna.

### ***Rules Pertaining to Regulation 3.2***

#### *Rule 3.2.01: Education Grant*

##### Definitions

- (a) For the purposes of this Rule:
  - (i) "Child" means a child of a staff member who is dependent upon the staff member for main and continuing support. "Disabled child" means a child who is unable, by reasons of physical or mental disability, to attend a normal educational institution and therefore requires special teaching or training to prepare him or her for full integration into society or, while attending a normal educational institution, requires special teaching or training to assist him or her in overcoming the disability;
  - (ii) "Home country" means the country of home leave of the staff member under Rule 5.2.01. If both parents are eligible staff members, "home country" means the country of home leave of either parent.

##### Eligibility for Education Grant

- (b) A staff member who is regarded as an international recruit under Rule 4.1.05, and who resides in Vienna outside his or her home country, shall be entitled to an education grant

in respect of each child in full-time attendance at a school, university or similar educational institution in accordance with the provisions of Staff Regulation 3.2, provided that the appointment or assignment is for a minimum of six months, or, if initially for a period of less than six months, is extended so that total continuous service is at least six months.

- (c) The grant shall not, however, be payable in respect of:
- (i) Attendance at a kindergarten or nursery school at the pre-primary level;
  - (ii) Attendance at a free school or one charging only nominal fees;
  - (iii) Correspondence courses, except those which in the opinion of the Executive Secretary are the best available substitute for full-time attendance at a school of a type not available in Vienna;
  - (iv) Private tuition, except tuition in a language of the home country at duty stations where satisfactory school facilities for learning that language are not available;
  - (v) Vocational training or apprenticeship which does not involve full-time schooling or in which the child receives payment for services rendered.
- (d) The grant shall be payable from the scholastic year following the child's fifth birthday, or from the scholastic year in which the child completes his or her fifth year provided this occurs in the first three months of that scholastic year.
- (e) The grant shall be payable up to the day on which the child ceases full-time attendance at an educational institution or up to the end of the scholastic year in which the child completes the fourth year of post-secondary studies or is awarded the first recognized degree, whichever is earlier.
- (f) The grant will not normally be payable beyond the school year in which the child reaches the age of 25 years. If the child's education is interrupted for at least one school year by national service, illness, or other compelling reasons, the period of eligibility shall be extended by the period of interruption.

#### Amount of the Grant, Boarding Assistance and Capital Assessment Fees

- (g) The admissible educational expenses per scholastic year for each child shall be reimbursed under a sliding scale consisting of seven reimbursement brackets in US dollars, with declining reimbursement rates as shown in the table below:

Claim Amount Bracket (US \$)	Reimbursement Rate (%)
0-11 600	86
11 601-17 400	81
17 401-23 200	76
23 201-29 000	71
29 001-34 800	66
34 801-40 600	61
40 601 and above	0



- (h) Under the discretionary authority of the Executive Secretary, boarding assistance may be granted, in exceptional cases, to staff members serving at headquarters duty stations as classified by the International Civil Service Commission.
- (i) Capital assessment fees will be reimbursed, outside of the education grant scheme, at the rate determined by the Executive Secretary in a separate administrative instruction.

#### Further Conditions for Payment of the Education Grant

- (j) Where attendance is for less than two thirds of the scholastic year, the amount of the grant shall be the proportion of the annual grant otherwise payable which the period of attendance bears to the full scholastic year.
- (k) Where the period of service of the staff member is less than two thirds of the scholastic year, the amount of the grant shall be the proportion of the annual grant otherwise payable which the period of service bears to the full scholastic year. Upon separation or retirement, but not upon the resignation by the staff member nor upon early retirement, if the period of service covers two thirds of the scholastic year or more, the full grant shall be payable provided that the child is expected to complete the scholastic year at the same educational institution.
- (l) No prorating shall be required when the staff member dies while in service after the beginning of the school year provided that the child is expected to complete that year.
- (m) The scholastic year shall consist of the actual number of days of compulsory attendance at the school between the first day of the opening term and the last day of the final term at the educational institution attended by the child.

#### Travel Expenses Related to the Education Grant

- (n) A staff member to whom boarding assistance is payable under paragraph (h) above shall be entitled to travel expenses for the child of one return journey each scholastic year between the educational institution and Vienna, provided that such travel expenses shall not be paid if the requested journey is unreasonable, either because of its timing in relation to other authorized travel of the staff member or his or her eligible family members or because of the brevity of the visit in relation to the expense involved. Where attendance is for less than two thirds of the school year, travel expenses shall not normally be payable.
- (o) Transportation expenses shall not exceed the cost of a journey between the staff member's home country and Vienna.

#### Claims for the Education Grant

- (p) Claims for the education grant shall be submitted in writing and supported by evidence satisfactory to the Executive Secretary.

### Establishment of the Education Grant in Local Currency

- (q) When educational expenses are incurred outside Vienna, and the Executive Secretary so decides, the amount of the grant shall be established in local currency.

#### *Rule 3.2.02: Mother Tongue Tuition*

The Executive Secretary will decide in each case whether the education grant shall be paid for tuition of the mother tongue under Staff Regulation 3.2.

#### *Rule 3.2.03: Special Education Grant for Disabled Children*

- (a) A special education grant for disabled children shall be available to staff members of all categories, regardless of whether or not they are serving in their home country, provided that they have an appointment of one year or longer or have completed one year of continuous service.
- (b) The amount of the grant per scholastic year for each disabled child shall be equal to 100 per cent of the admissible educational expenses actually incurred, subject to a maximum reimbursement equal to the upper limit of the top bracket of the sliding scale in Rule 3.2.01(g), i.e. US\$40 600, and shall comprise the expenses incurred to provide an educational programme designed to meet the needs of the disabled child in order that he or she may attain the highest possible level of functional ability. For boarding assistance, if applicable, the actual expenses for boarding shall be included in the calculation of the admissible expenses, subject to a maximum reimbursement equal to the upper limit on the top bracket of the sliding scale in Rule 3.2.01(g), plus a boarding lump sum of US\$5000.
- (c) The grant shall be computed on the basis of the calendar year, if the child is unable to attend a normal educational institution, or on the basis of the school year, if the child is in full-time attendance at a normal educational institution while receiving special teaching or training. The grant shall be payable in respect of any disabled child from the date on which the special teaching or training is required up to the end of the school year or the calendar year, as appropriate, in which the child reaches the age of 25 years. In exceptional cases, the age limit may be extended up to the end of the school year or the calendar year, as appropriate, in which the child reaches the age of 28 years.
- (d) The amount of the grant to be paid when the staff member's period of service or the child's school attendance does not cover the full school year or calendar year, as applicable, shall be prorated under conditions to be defined by the Executive Secretary. No prorating shall be required when the staff member dies while in service after the beginning of the school or calendar year.
- (e) Claims for the grant shall be submitted annually in writing and supported by medical evidence satisfactory to the Executive Secretary regarding the child's disability. The staff member shall also be required to provide evidence that he or she has exhausted all other sources of benefits that may be available for the education and training of the child. The amount of educational expenses used as the basis for the calculation of the

special education grant shall be reduced by the amount of any benefits so received or receivable by the staff member.

- (f) The provision in Rule 3.2.01(q) above shall also apply to the computation and payment of the special education grant for disabled children.
- (g) Where the disabled child attends an educational institution away from Vienna, travel costs may be paid for one return journey per school year between the educational institution and Vienna, provided the Executive Secretary is satisfied that the needs of the disabled child require attendance at the educational institution. In very exceptional circumstances, travel may also be reimbursed for the person accompanying the disabled child.

### **Regulation 3.3**

- (a) In the event a staff member is subject to national income taxation with respect to the net salaries and emoluments paid to him or her by the Commission, the Executive Secretary is authorized to refund to him or her the amount of those taxes paid.
- (b) Payments made in accordance with the provisions of the present Regulation shall be reimbursed as prescribed by the provisions of a Tax Reimbursement Agreement, bilaterally negotiated between the Executive Secretary and the Member State concerned.

#### ***Rules Pertaining to Regulation 3.3***

##### *Rule 3.3.01: Refund of National Income Tax*

Refund shall be made to the extent provided for in a Tax Reimbursement Agreement concluded between the Commission and the Member State concerned.

### **Regulation 3.4**

- (a) Staff members referred to in paragraph 1 of Annex 1 to the present Regulations shall be entitled to receive dependency allowances as follows:
  - (i) A staff member who has a dependent spouse shall be entitled to a spouse allowance in the amount and under conditions approved by the United Nations General Assembly for the United Nations common system.
  - (ii) A staff member who is a single parent and who provides main and continuous support in respect of the first dependent child shall be entitled to a single parent allowance in respect of the first dependent child in the amount and under conditions approved by the United Nations General Assembly for the United Nations common system.
  - (iii) For each dependent child, a staff member shall be entitled to an annual amount equal to the amount approved by the United Nations General Assembly for the United Nations common system, except that the allowance shall not be paid in respect of the first dependent child if the staff member receives a single parent allowance in accordance with (ii) above.

- (iv) A staff member who, on the day before the effective date of implementation of the spouse allowance, is in receipt of the dependency rate of salary by virtue of a first dependent child but who is not a single parent will receive a transitional allowance in the amount and under conditions approved by the United Nations General Assembly for the United Nations common system in respect of that dependent child. In this case, no dependency allowance will be paid concurrently in respect of that dependent child. The transitional allowance will be reduced by one percentage point of net remuneration every 12 months thereafter. When the amount of the transitional allowance becomes equal to or less than the amount of the dependency allowance set out in (iii) above, the latter will be payable in lieu thereof.
  - (v) For each disabled child, a staff member shall be entitled to an annual amount equal to the amount approved by the United Nations General Assembly for the United Nations common system. However, if the staff member is entitled to the single parent allowance in accordance with (ii) above in respect of a disabled child, the allowance shall be the same as the allowance for a dependent child in (iii) above.
- (b) If both husband and wife are staff members only one may claim for dependent children.
  - (c) Where a governmental grant or benefit is received for a dependent child, the amount of such grant or benefit shall be deducted from the dependency allowance specified in paragraph (a) above. The deduction shall be made regardless of whether the governmental grant or benefit is paid to the staff member, his or her spouse or former spouse, or any other person with whom the child may reside. In no case shall the sum of the two payments be less than the rate set out under these Staff Regulations and Rules.
  - (d) Staff members referred to in paragraph 4 or paragraph 5 of Annex 1 to the present Regulations shall be entitled to receive dependency allowances at rates and under conditions determined by the Executive Secretary, due regard being given to the circumstances in Vienna.
  - (e) Claims for dependency allowances shall be submitted in writing and supported by evidence satisfactory to the Executive Secretary. A separate claim for dependency allowance shall be made each year.
  - (f) The deductions which shall be made each pay period, or which may be made for other purposes from the total payments due to each staff member, shall be stipulated in the Staff Rules promulgated by the Executive Secretary. Such deductions may, where appropriate, include deductions for maintenance or child support to a spouse or former spouse, or for child support in the case of a child born out of wedlock, where such maintenance or child support is payable in terms of the decision of a national court or tribunal.

### ***Rules Pertaining to Regulation 3.4***

#### *Rule 3.4.01: Dependency Allowances*

- (a) The rates of dependency allowances shall be the rates applied by the United Nations. Payments shall be made only in respect of dependent spouses and children.
- (b) Staff members shall be responsible for notifying the Executive Secretary in writing of claims for a dependency allowance and may be required to support such claims by documentary evidence satisfactory to the Executive Secretary. They shall be responsible for reporting to the Executive Secretary any change in the status of a dependant affecting the payment of this allowance.

#### *Rule 3.4.02: Definition of Dependency*

For the purposes of the Staff Regulations and these Rules:

- (a) A dependent spouse shall be a spouse whose annual gross income, including pensions and other retirement related income, if any, does not exceed the lowest entry level of the United Nations General Service gross salary scales, provided that, in the case of a staff member in the Professional or higher category, the amount shall not be less than the equivalent of the lowest entry level at the base of the salary system (GS-2, step I, for New York);
- (b) A “dependent child” shall be any of the following children under the age of 18 years or under the age of 21 years if the child is in full time attendance at a school or university (or similar educational institution), for whom the staff member provides main and continuing support, i.e. more than one half of the total support:
  - (i) A staff member’s natural or legally adopted child,
  - (ii) A staff member’s stepchild, if residing with the staff member, or
  - (iii) Where adoption is not possible, a child for whom the staff member assumes legal responsibility as a member of the family.

The Executive Secretary shall determine in an Administrative Directive special conditions under which other children, who fulfil the age, school attendance and support requirements indicated above, may be regarded as dependent children of a staff member. If a child over the age of 18 years is physically or mentally incapacitated for substantial gainful employment, either permanently or for a period expected to be of long duration, the requirements as to school attendance and age shall be waived;

- (c) A staff member claiming a child as dependent must certify that he or she provides main and continuing support. This certificate must be supported by documentary evidence satisfactory to the Executive Secretary, if a child:
  - (i) Does not reside with the staff member because of divorce or legal separation of the staff member;
  - (ii) Is married; or
  - (iii) Is regarded as a dependant under the special conditions referred to above.

## **ARTICLE 4: APPOINTMENT**

### **Regulation 4.1**

- (a) Pursuant to decisions by the Commission, the power of appointment of staff rests with the Executive Secretary. The Executive Secretary shall make recommendations to the Commission on the appointment of officials of the rank of Principal Officer (D-1) or above and directly appoint all other necessary staff. Upon appointment each staff member shall receive a letter of appointment in accordance with the provisions of Annex 2 to the present Regulations and signed by the Executive Secretary or by an official in the name of the Executive Secretary.
- (b) Only nationals of Member States shall be appointed to the Secretariat.

### ***Rules Pertaining to Regulation 4.1***

#### *Rule 4.1.01: Personnel Advisory Panels*

The Executive Secretary shall establish personnel advisory panels to give advice on the appointment, advancement and review of staff in the General Service and Professional categories. The terms of reference of the personnel advisory panels shall be determined in an Administrative Directive.

#### *Rule 4.1.02: Letter of Appointment*

The letter of appointment granted to every staff member contains expressly or by reference all the terms and conditions of employment. All contractual entitlements of staff members are strictly limited to those contained expressly or by reference in their letters of appointment.

#### *Rule 4.1.03: Effective Date of Appointment*

- (a) The appointment of every locally recruited staff member shall take effect from the date on which the staff member starts to perform his or her duties.
- (b) The appointment of every internationally recruited staff member shall take effect from the date on which the staff member enters into authorized official travel status to assume his or her duties or, if no official travel is involved, from the date on which the staff member starts to perform his or her duties.

#### *Rule 4.1.04: Local Recruitment*

Staff members who have been recruited to serve in posts classified in the General Service category shall be regarded as having been locally recruited unless:

- (a) Their entitlement to one or more of the allowances or benefits indicated under Rule 4.1.05 has been duly established by the Executive Secretary, or
- (b) The post for which the staff member has been recruited is one which, in the opinion of the Executive Secretary, can only be filled by recruitment from outside Austria.

*Rule 4.1.05: International Recruitment*

- (a) Staff members other than those regarded under Rule 4.1.04 as having been locally recruited shall be considered as having been internationally recruited. The allowances and benefits in general available to internationally recruited staff members include: payment of travel expenses upon initial appointment and on separation for themselves and their spouses and dependent children, relocation shipment, settling-in grant, home leave where applicable, education grant and repatriation grant.
- (b) A staff member who has changed his or her residential status in such a way that he or she may, in the opinion of the Executive Secretary, be deemed to be a permanent resident of any country other than that of his or her nationality may lose entitlement to an allowance or benefit referred to in paragraph (a) above, if the Executive Secretary considers that the continuation of such entitlement would be contrary to the purposes for which the allowance or benefit was created.

*Rule 4.1.06: Short Term Appointments*

- (a) Staff members who have been recruited under short term appointments shall be entitled to the following benefits in accordance with the Staff Regulations and Rules:
  - (i) Participation in the United Nations Joint Staff Pension Fund:
    - Upon commencing employment under an appointment for six months or longer or upon accepting such an appointment while in employment; or
    - Upon completing, in the same or more than one member organization of the United Nations Joint Staff Pension Fund, six months of service without an interruption of more than thirty days.
  - (ii) Sick leave and certified sick leave;
  - (iii) Maternity leave;
  - (iv) Compensation for death, injury or illness attributable to service;
  - (v) Compensation for loss or damage to personal effects, attributable to service;
  - (vi) Medical insurance;
  - (vii) Annual leave.
- (b) Staff members who have been recruited under short term appointments shall be remunerated in accordance with the provisions of Annex 1 to the present regulations, and where recruited from outside the duty station shall be entitled to assignment and repatriation travel and grant in accordance with the Staff Regulations and Rules.
- (c) No allowances, benefits or entitlements other than those listed in this Rule shall be available for staff recruited under short term appointments.

*Rule 4.1.07: Nationality*

- (a) In the application of Staff Regulations and Staff Rules, the Executive Secretary shall not recognize more than one nationality for each staff member.

- (b) When a staff member has been legally accorded nationality status by more than one State, the staff member's nationality for the purposes of the Staff Regulations and these Rules shall be the nationality of the State with which the staff member is, in the opinion of the Executive Secretary, most closely associated.

*Rule 4.1.08: Change of Residence or Nationality*

A staff member who intends to acquire permanent residence status in any country other than that of his or her nationality or who intends to change his or her nationality shall notify the Executive Secretary of that intention before the change in residence status or in nationality takes place.

**Regulation 4.2**

The paramount consideration in the recruitment, employment and promotion of the staff shall be the necessity of securing the highest standards of professional expertise, experience, efficiency, competence and integrity. Subject to this consideration, due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible and to the contributions of Member States, as appropriate.

***Rules Pertaining to Regulation 4.2***

*Rule 4.2.01: Appraisal of the Performance of Staff Members, Reward System*

- (a) The Executive Secretary shall establish a system by which the performance of staff members is regularly appraised in order to make the best possible use of the human resources of the Commission and to contribute to the development of individual staff members. Performance appraisal reports shall be regularly completed, shall be shown to the staff member for his or her comment and shall form part of his or her cumulative record.
- (b) The reward system in the Secretariat shall be based on the regular appraisal of the performance of staff members. The system shall incorporate non-financial rewards, which include recognition, responsibility and personal growth, as well as the following measures:
  - (i) In specific cases, the Executive Secretary or the Director of Division may recognize a staff member's performance in writing;
  - (ii) In exceptional cases, the Director of Division may propose to the Executive Secretary to recognize a staff member's performance by granting five days of additional annual leave in one calendar year. The Executive Secretary may choose to pay an equivalent amount to the staff member instead of granting annual leave.

**Regulation 4.3**

Selection of staff shall be made without distinction as to race, gender, religion or age, subject to Regulation 9.5. So far as practicable, selection shall be made on a competitive basis. Selection and appointment of candidates shall also be done in a manner that ensures transparency of the process and consistency with the principles contained in Regulation 4.2 as



well as with decisions taken by the Commission. The Executive Secretary shall periodically report to the Commission on the implementation of this Regulation for its consideration.

### ***Rules Pertaining to Regulation 4.3***

#### ***Rule 4.3.01: Family Relationships***

- (a) Except where another person equally well qualified cannot be recruited, an appointment shall not be granted to a person who bears the following relationship to a staff member: father, mother, son, daughter, brother or sister.
- (b) The spouse of a staff member may be appointed provided that he/she is:
  - (i) A well qualified candidate for the post for which he/she is being considered; and
  - (ii) Not given any preference by virtue of his/her relationship to the staff member.
- (c) A staff member who bears to another staff member any of the relationships specified in (a) or (b) above:
  - (i) Shall not be assigned to serve in a post within the same line of authority as the staff member to whom he/she is related or which could lead to financial collusion between the two; and
  - (ii) Shall disqualify himself/herself from participating in the process of reaching or reviewing an administrative decision affecting the status or entitlements of the staff member to whom he/she is related.
- (d) The marriage of one staff member to another shall not affect the contractual status of either spouse but their entitlements and other benefits shall be modified as provided in the Staff Regulations and these Rules. The same modifications shall apply in the case of a staff member whose spouse is a staff member of another organization participating in the United Nations common system. Where both spouses are staff members and maintain separate households because they are assigned to different duty stations, the Executive Secretary may decide to maintain such separate entitlements and benefits, provided that this is not inconsistent with any Staff Regulation.

### **Regulation 4.4**

Staff shall be granted fixed-term appointments under such terms and conditions, consistent with the present Regulations, as the Executive Secretary may prescribe. A fixed-term appointment may be extended or renewed at the discretion of the Executive Secretary, if the staff member is willing to accept such extension or renewal. At no time, however, shall such an appointment be deemed to carry any expectation of or right to extension or renewal.

### ***Rules Pertaining to Regulation 4.4***

#### ***Rule 4.4.01: Fixed-Term Appointments***

All staff members shall be granted fixed-term appointments.

- (a) Subject to paragraph (b) below, a fixed-term appointment, having an expiration date specified in the letter of appointment, may be granted for a period or periods not exceeding three years.
- (b) A fixed-term appointment for staff members who have been recruited under a short term appointment as set out in Rule 4.1.06 shall be granted for no more than one year and may be extended for a further period of no more than one year.
- (c) An initial fixed-term appointment may be subject to a probationary period as determined by the Executive Secretary. The probationary period shall not exceed six months and may be extended once.
- (d) In granting fixed-term appointments, the Executive Secretary shall bear in mind the non-career nature of the Commission.

#### **Regulation 4.5**

Consultants may be engaged under such terms and conditions as the Executive Secretary may determine and shall not be staff members of the Secretariat for the purposes of these Regulations.

#### **Regulation 4.6**

The Executive Secretary shall establish appropriate medical standards which staff shall be required to meet before appointment.

#### ***Rules Pertaining to Regulation 4.6***

##### *Rule 4.6.01: Medical Examination*

- (a) The appointment of all staff members shall be subject to a satisfactory report from the medical adviser of the Commission. Should the result of the examination be unfavourable, the Executive Secretary may cancel the offer of appointment or amend its terms.
- (b) Staff members may be required from time to time to satisfy the medical adviser of the Commission, by medical examination, that they are free from any ailment likely to impair the health of others.

## **ARTICLE 5: ANNUAL LEAVE, HOME LEAVE AND SPECIAL LEAVE**

### **Regulation 5.1**

Staff members shall be allowed appropriate annual leave, as provided in Staff Rules promulgated by the Executive Secretary.

#### ***Rules Pertaining to Regulation 5.1***

##### *Rule 5.1.01: Annual Leave*

- (a) Staff members shall accrue annual leave while in full pay status at the rate of 30 working days a year, subject to the provisions of Rule 5.3.01. No leave shall accrue while a staff member is receiving compensation equivalent to salary and allowances under Rule 6.2.03.
- (b)
  - (i) Annual leave may be taken in units of days and half-days.
  - (ii) Leave may be taken only when authorized. If a staff member is absent from work without authorization, payment of salary and allowances shall cease for the period of unauthorized absence. However, if, in the opinion of the Executive Secretary, the absence was caused by reasons beyond the staff member's control, and the staff member has accrued annual leave, the absence will be charged to that leave.
  - (iii) All arrangements as to leave shall be subject to the exigencies of the service, which may require that leave be taken by a staff member during a period designated by the Executive Secretary. The personal circumstances and preferences of the individual staff member shall, as far as possible, be considered.
- (c) Annual leave may be accumulated, provided that only 15 working days may be accumulated in respect of each year of service. Any exceptions shall be approved by the Executive Secretary.
- (d) A staff member may, in exceptional circumstances, be granted advance annual leave up to a maximum of 10 working days, provided his or her service is expected to continue for a period beyond that necessary to accrue the leave so advanced.

### **Regulation 5.2**

Internationally recruited staff shall be granted home leave once in every two years in accordance with the provisions of Staff Rules promulgated by the Executive Secretary.

#### ***Rules Pertaining to Regulation 5.2***

##### *Rule 5.2.01: Home Leave*

- (a) Staff members regarded as international recruits under Rule 4.1.05 and not excluded from home leave under Rule 4.1.05(b), who are serving outside their home country and who are otherwise eligible, shall be entitled once in every two years of qualifying

service to visit their home country at the expense of the Commission for the purpose of spending in that country a reasonable period of annual leave.

- (b) A staff member shall be eligible for home leave provided the following conditions are fulfilled:
  - (i) While performing his or her official duties the staff member continues to reside in a country other than that of which he or she is a national;
  - (ii) The staff member's service is expected by the Executive Secretary to continue at least six months beyond the date of his or her return from any proposed home leave, and in the case of the first home leave, at least six months beyond the date on which the staff member will have completed two years of qualifying service.
- (c) Staff members whose eligibility under paragraph (b) above is established at the time of their appointment shall begin to accrue service credit towards home leave from that date. Staff members who become eligible for home leave subsequent to appointment shall begin to accrue such service credit from the effective date of their becoming eligible.
- (d) The country of home leave shall be the country of the staff member's nationality, subject to the following terms, conditions, and exceptions:
  - (i) The place of home leave of the staff member within his or her home country shall be, for purposes of travel and transportation entitlements, the place with which the staff member had the closest residential ties during the period of his or her most recent residence in the home country. In exceptional circumstances, a change in the place in the country of home leave may be authorized, under conditions established by the Executive Secretary;
  - (ii) A staff member who has served with another public international organization immediately preceding his or her appointment shall have the place of home leave determined as though his or her entire previous service with the other international organization had been with the Commission.
- (e)
  - (i) A staff member's first home leave shall fall due in the calendar year in which the staff member completes two years of qualifying service.
  - (ii) Home leave may be taken, subject to the exigencies of the service and to the provisions in subparagraph (i) above any time during the calendar year in which it falls due.
- (f) If a staff member delays taking his or her home leave beyond the calendar year in which it falls due, such delayed leave may be taken without altering the time of his or her next and succeeding home leave entitlements, provided that normally not less than 12 months of qualifying service elapse between the date of the staff member's return from the delayed home leave and the date of his or her next home leave departure.
- (g) A staff member may be required to take his or her home leave in conjunction with travel on official business, due regard being paid to the interests of the staff member and his or her family.

- (h) A staff member shall be entitled to claim, in respect of authorized travel on home leave, travel time and expenses for himself or herself and eligible family members for the outward and return journeys between the official duty station and the place of home leave.
- (i) Travel of eligible family members shall be in conjunction with the approved home leave of the staff member, provided that exceptions may be granted if the exigencies of the service or other special circumstances prevent the staff member and his or her family members from travelling together.
- (j) If both spouses are staff members who are eligible for home leave, and taking into account Rule 4.3.01(d), each staff member shall have the choice either of exercising his or her own home leave entitlement or of accompanying the spouse. A staff member who chooses to accompany his or her spouse shall be granted travel time appropriate to the travel involved. Dependent children whose parents are staff members, each of whom is entitled to home leave, may accompany either parent. The frequency of travel shall not exceed the established periodicity of the home leave both with regard to staff members and their dependent children, if any.
- (k) A staff member travelling on home leave shall be required to spend no less than seven days, exclusive of travel time, in his or her home country. The Executive Secretary may request a staff member, on his or her return from home leave, to furnish satisfactory evidence that this requirement has been fully met.

### **Regulation 5.3**

Special leave may be authorized by the Executive Secretary in exceptional cases, and normally without pay in accordance with the Staff Rules.

#### ***Rules Pertaining to Regulation 5.3***

##### ***Rule 5.3.01: Special Leave***

- (a)
  - (i) Special leave may be granted for advanced study or research in the interests of the Commission, in cases of extended illness, for child care or for other important reasons for such period as the Executive Secretary may prescribe. In exceptional cases, the Executive Secretary may, at his initiative, place a staff member on special leave with partial or full pay if he considers such leave to be in the interests of the Commission.
  - (ii) Special leave is normally without pay. In exceptional circumstances, special leave with full or partial pay may be granted.
- (b) Special leave shall not be authorized for governmental service in a political office, in a diplomatic or other representational post or for the purpose of performing any functions that are incompatible with the staff member's continuing status as an international civil servant. In exceptional circumstances, special leave without pay may be granted to a staff member who is requested by his or her Government to render temporary services involving functions of a technical nature.

- (c) A staff member who is called upon to serve in the armed forces of the State of which the staff member is a national, whether for training or active duty, may be granted special leave without pay for the duration of such military service, in accordance with terms and conditions determined by the Executive Secretary in an Administrative Directive.
  
- (d) Staff members shall not accrue service credits towards sick, annual and home leave, salary increment, seniority, termination indemnity and repatriation grant during periods of special leave with partial pay or without pay. Periods of less than one full month of such leave shall not affect the ordinary rates of accrual. Continuity of service shall not be considered broken by periods of special leave.

## **ARTICLE 6: SOCIAL SECURITY**

### **Regulation 6.1**

Provision shall be made for the participation of staff members in the United Nations Joint Staff Pension Fund in accordance with the Regulations of that fund.

#### ***Rules Pertaining to Regulation 6.1***

##### *Rule 6.1.01: Participation in the United Nations Joint Staff Pension Fund*

- (a) Staff members shall become participants in the United Nations Joint Staff Pension Fund:
  - (i) Upon commencing employment under an appointment for six months or longer or upon accepting such an appointment while in employment; or
  - (ii) Upon completing, in the same or more than one member organization of the United Nations Joint Staff Pension Fund, six months of service without an interruption of more than thirty days.
- (b) The rates of contributions to the United Nations Joint Staff Pension Fund both by the staff member and the Commission shall not exceed the rates established by the United Nations General Assembly for the United Nations Joint Staff Pension Fund, as specified in the Regulations and Rules of the United Nations Joint Staff Pension Fund.
- (c) Junior Professional Officers and seconded Associate/National Experts shall not be obliged to become participants in the United Nations Joint Staff Pension Fund provided staff members or sponsoring governments demonstrate the existence of satisfactory alternative social security arrangements, including national pension schemes.

##### *Rule 6.1.02: Pensionable Remuneration*

- (a) The definition of pensionable remuneration shall be as set out in the Regulations of the United Nations Joint Staff Pension Fund.
- (b) If the promotion of a staff member from the General Service category to the Professional category entails a decrease in his or her pensionable remuneration, he or she may request, for the purpose of participation in the United Nations Joint Staff Pension Fund, that his or her pensionable remuneration be maintained at the level applicable on the first day of the month immediately preceding his or her promotion until such time as that level is attained or exceeded by the pensionable remuneration applicable to the staff member's new grade and step.

### **Regulation 6.2**

The Executive Secretary shall establish a cost effective and administratively efficient scheme of social security for the staff, which includes adequate provisions where appropriate in the Staff Rules, for health protection, sick leave and maternity leave and reasonable compensation

in the event of illness, accident or death attributable to the performance of official duties on behalf of the Commission.

### ***Rules Pertaining to Regulation 6.2***

#### *Rule 6.2.01: Sick Leave*

- (a) Staff members who are incapacitated for the performance of their duties by illness or injury or whose attendance is prevented by public health requirements will be granted sick leave in accordance with the following provisions:
- (i) All sick leave must be approved on behalf of the Executive Secretary.
  - (ii) A staff member holding a fixed-term appointment for less than one year and staff members on probation shall be granted sick leave credit at the rate of two working days a month of contractual service.
  - (iii) A staff member holding a fixed-term appointment of one year or longer but less than three years, except while being on probation, shall be granted sick leave up to three months on full salary and three months on half salary in any period of 12 consecutive months.
  - (iv) A staff member holding a fixed-term appointment for three years or who has completed three years of continuous service shall be granted sick leave up to nine months on full salary and nine months on half salary in any period of four consecutive years.
  - (v) Staff members shall be responsible for informing their supervisors as soon as possible of absences due to illness or injury. Where practicable, they should, before absenting themselves, report to the Medical Service.
  - (vi) Except with the approval of the Executive Secretary, no staff member may be granted sick leave for a period of more than three consecutive working days without producing a certificate from a duly qualified medical practitioner to the effect that the staff member is unable to perform his or her duties and stating the nature of the illness and the probable duration of incapacity. Such certificate shall, except in circumstances beyond the control of the staff member, be submitted in a sealed envelope to the Personnel Section not later than the fourth working day following the initial absence from duty of the staff member. If the absence lasts longer than 10 days, the Personnel Section must be notified, preferably in writing, with a preliminary medical report, in a sealed envelope, for forwarding to the Medical Service.
  - (vii) A staff member may take uncertified sick leave of not more than three consecutive working days at a time, for up to seven working days in a calendar year, when incapacitated for the performance of his or her duties by illness or injury. Part or all of this entitlement may be used to attend to family related emergencies, or for paternity leave in case of birth or adoption of a child, in which case the limitation of three consecutive working days shall not apply. After a staff member has taken periods of uncertified sick leave totalling seven working days within that year, any further absence from duty within that year shall either be supported by a medical certificate or be treated as an unauthorized absence in accordance with Rule 5.1.01(b)(ii).



- (viii) A staff member may be required at any time to submit a medical certificate as to his or her condition or to undergo examination by the Medical Service or a medical practitioner designated by the Medical Service. Further sick leave may be refused or the unused portion withdrawn, if the Executive Secretary is satisfied that the staff member is able to return to duty. If the staff member disputes the decision, the matter shall be referred, at his or her request, to an independent practitioner acceptable to both the Medical Service and the staff member.
- (ix) A staff member shall not, while on sick leave, leave the area of the duty station without the prior approval of the Executive Secretary.
- (b) When sickness of more than five consecutive working days occurs within a period of annual leave, including home leave, sick leave may be approved on production of an appropriate medical certificate or other satisfactory evidence. If the sick leave involves an extension of the approved period of annual leave, the Personnel Section must be informed before the approved period expires, where practicable with the submission of a medical certificate. The request for approval of sick leave during annual leave must be submitted, together with a medical certificate or other evidence, immediately upon return to duty.
- (c) A staff member shall immediately notify the Medical Service of any case of contagious disease occurring in his or her household or of any quarantine order affecting the household. In such a case, or in the case of any other condition which may affect the health of others, the Medical Service shall be requested to decide whether the staff member should be excused from attendance at the office. He or she shall receive full salary and other emoluments for the period of authorized absence.
- (d) When, in the opinion of the Medical Service, a medical condition impairs a staff member's ability to perform his or her functions, the staff member may be directed not to attend the office and advised to seek treatment from a duly qualified medical practitioner.
- (e) Entitlement to sick leave shall lapse on the final date of the staff member's appointment.

*Rule 6.2.02: Maternity Leave*

- (a) A staff member shall be entitled to maternity leave in accordance with the following provisions:
  - (i) The leave shall extend for a total period of 16 weeks from the time it is granted, except as provided in subparagraph (iii) below;
  - (ii) The leave shall commence six weeks prior to the anticipated date of birth upon production of a certificate from a duly qualified medical practitioner or midwife indicating the anticipated date of birth. However, at the staff member's request and upon production of a certificate from a duly qualified medical practitioner or midwife indicating that she is fit to continue working, the absence may be permitted to commence less than six weeks but normally not less than two weeks before the anticipated date of birth. The pre-delivery leave shall extend to the actual date of birth;

- (iii) The post-delivery leave shall extend for a period equivalent to the difference between 16 weeks and the actual period of pre-delivery leave, subject to a minimum of 10 weeks. However, the staff member, on request, may be permitted to return to work after the lapse of a minimum period of six weeks following delivery.
- (b) The staff member shall receive maternity leave with full pay for the entire duration of her absence under subparagraphs (ii) and (iii) above.
- (c) Sick leave shall not normally be granted for maternity cases except where serious complications arise.
- (d) Annual leave shall accrue during the period of maternity leave, provided that the staff member returns to service for at least six months after the completion of maternity leave.

*Rule 6.2.03: Compensation for Death, Injury or Illness Attributable to Service*

Staff members shall be entitled to compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the Commission, in accordance with the rules set forth in Appendix D to the Staff Rules of the United Nations.

*Rule 6.2.04: Compensation for Loss or Damage to Personal Effects Attributable to Service*

Staff members shall be entitled, within the limits and under terms and conditions established by the Executive Secretary, to reasonable compensation in the event of loss or damage to their personal effects determined to be directly attributable to the performance of official duties on behalf of the Commission.

*Rule 6.2.05: Medical Insurance*

Staff members may be required to participate in the medical insurance scheme of the Commission under the conditions determined by the Executive Secretary, unless the staff member elects coverage under the Austrian social security scheme pursuant to the applicable provisions on this subject.

## **ARTICLE 7: TRAVEL AND RELOCATION EXPENSES**

### **Regulation 7.1**

Subject to conditions and definitions prescribed in the Staff Rules promulgated by the Executive Secretary, the Executive Secretary shall in appropriate cases pay the travel expenses of staff, their spouses and dependent children.

#### ***Rules Pertaining to Regulation 7.1***

##### *Rule 7.1.01: Official Travel of Staff Members*

- (a) Subject to the conditions laid down in these Rules, the Commission shall pay the travel expenses of a staff member under the following circumstances:
  - (i) On initial appointment, provided the staff member is considered to have been internationally recruited under Rule 4.1.05;
  - (ii) When required to travel on official business;
  - (iii) On home leave, in accordance with the provisions of Rule 5.2.01;
  - (iv) On separation from service, in accordance with the provisions of Article 9 of the Staff Regulations and these Rules.
  
- (b) Under paragraph (a)(iv) above, the Commission shall pay the travel expenses of a staff member to the place of recruitment or, if the staff member had an appointment for a period of two years or longer or had completed not less than two years of continuous service, to the place recognized as his or her home for the purposes of home leave under Rule 5.2.01. Should a staff member, on separation, wish to go to any other place, the travel expenses borne by the Commission shall not exceed the maximum amount that would have been payable on the basis of return transportation to the place of recruitment or home leave.

##### *Rule 7.1.02: Official Travel of Family Members*

- (a) Subject to the conditions laid down in these Rules, the Commission shall pay the travel expenses of a staff member's eligible family members under the following circumstances:
  - (i) On the initial appointment of a staff member who is considered to have been internationally recruited for a period of one year or more, under the provisions of Rule 4.1.05, provided the staff member's services are expected by the Executive Secretary to continue for more than six months beyond the date on which travel of his or her family members commences;
  - (ii) Following completion by the staff member of not less than one year of continuous service, provided his or her services are expected by the Executive Secretary to continue for more than six months beyond the date on which travel of his or her family members commences;
  - (iii) On home leave, in accordance with the provisions of Rule 5.2.01;

- (iv) On separation of a staff member from service, provided the staff member's appointment was for a period of one year or longer or the staff member had completed not less than one year of continuous service;
  - (v) On journeys approved in connection with the education of a staff member's child.
- (b) Under subparagraphs (a)(i) and (ii) above, the Commission shall pay the travel expenses of a staff member's eligible family members either from the place of recruitment or from the place of home leave. Should a staff member wish to bring any eligible family member to Vienna from any other place, the travel expenses borne by the Commission shall not exceed the maximum amount that would have been payable on the basis of travel from the place of recruitment or home leave.
- (c) Under subparagraph (a)(iv) above, the Commission shall pay the travel expenses of a staff member's eligible family members from Vienna to the place to which the staff member is entitled to be returned in accordance with the provisions of Rule 7.1.01. Where both spouses are staff members and either or both are entitled to the payment of travel expenses on separation from service, and taking into account Rule 4.3.01(d), travel expenses shall be paid for each of them only upon their own separation from service. Where both spouses are entitled to return travel expenses, each staff member shall have the choice either of exercising his or her own entitlement or of accompanying the other spouse, provided that in no case shall such expenses be paid for a staff member while he or she remains in the service of the Commission.

*Rule 7.1.03: Loss of Entitlement to Return Transportation*

- (a) A staff member who resigns before completing one year of service or within three months following the date of his or her return from travel on home leave or family visit shall not be entitled to payment of return travel expenses for himself or herself and family members unless, in the opinion of the Executive Secretary, there are compelling reasons for authorizing such payment.
- (b) Entitlement to return travel expenses shall cease if travel has not commenced within six months after the date of separation. However, where both spouses are staff members and the spouse who separates first is entitled to return travel expenses, and taking into account Rule 4.3.01(d), his or her entitlement shall not cease until three months after the date of separation of the other spouse.

*Rule 7.1.04: Eligible Family Members*

- (a) Eligible family members, for the purposes of official travel, shall be deemed to comprise spouse and those children recognized as dependent under Rule 3.4.02(b). In addition, those children in respect of whom an education grant is payable, even though they are no longer recognized as dependent under Rule 3.4.02(b), shall be eligible for education grant travel.
- (b) The Executive Secretary may authorize payment of the travel expenses of a child for one trip either to Vienna or to his or her home country beyond the age when the dependency status of the child would otherwise cease under the relevant Staff Regulations and these Rules, either within one year or upon completion of the child's

continuous full-time attendance at a university, when the attendance at the university commenced during the period of recognized dependency status.

- (c) Notwithstanding Rule 7.1.02(a)(iv) the Executive Secretary may also authorize payment of the travel expenses for repatriation purposes of a former spouse.

*Rule 7.1.05: Authority for Travel*

Travel shall be authorized in writing before it is undertaken. In exceptional cases, staff members may be authorized to travel on oral orders, but such oral authorization shall require written confirmation. A staff member shall be personally responsible for ascertaining that he or she has the proper authorization before commencing travel.

*Rule 7.1.06: Travel Expenses*

- (a) Travel expenses that shall be paid or reimbursed by the Commission under the relevant provisions of these Rules include:
  - (i) Transportation expenses (i.e. carrier fare);
  - (ii) Terminal expenses;
  - (iii) Transit expenses;
  - (iv) Travel subsistence allowance;
  - (v) Necessary additional expenses incurred during travel.
- (b) Staff members shall exercise the same care in incurring expenses that a prudent person would exercise if travelling on personal business.

*Rule 7.1.07: Route, Mode and Standard of Transportation*

- (a) Official travel shall, in all instances, be by a route, mode and standard of transportation approved in advance by the Executive Secretary.
- (b) Travel expenses and other entitlements, including travel time, shall be limited to the amount allowable for a journey by the approved route, mode and standard. Staff members who wish to make other arrangements for personal convenience must obtain permission to do so in advance and pay all additional costs.

*Rule 7.1.08: Route and Mode of Travel*

- (a) The normal route for all official travel shall be the most direct and economic route. An alternative route may be approved when, in the opinion of the Executive Secretary, it is in the best interests of the Commission.
- (b) The normal mode of transportation for all official travel shall be by air. An alternative mode of transportation may be approved when, in the opinion of the Executive Secretary, its use is in the best interests of the Commission.

- (c) If a staff member or a family member travels by a more economical mode of transportation than the approved mode, the Commission shall pay only for the mode of transportation actually used.

*Rule 7.1.09: Standard of Accommodation*

- (a) For all official travel by air, staff members and their eligible family members shall be provided with economy class transportation in accordance with the least costly airfare structure regularly available or its equivalent. However, under conditions established by the Executive Secretary restricted business class accommodation may be granted.
- (b) The air travel accommodation under paragraph (a) above shall be provided at the most economical rate appropriate. Children under two years of age travelling by air shall be provided with a ticket giving entitlement to a seat.
- (c) For all official travel by sea approved under paragraph (b) of Rule 7.1.08, staff members and their family members shall be provided with the standard of accommodation which is, in the opinion of the Executive Secretary, appropriate to the circumstances of the case.
- (d) For official travel by train approved by the Executive Secretary, staff members and their family members shall be provided with the standard of accommodation, including sleeper and other facilities, which is, in the opinion of the Executive Secretary, appropriate to the circumstances of the case.
- (e) A higher standard of accommodation may be approved when, in the opinion of the Executive Secretary, exceptional and special circumstances warrant it.
- (f) If a staff member or family member travels by more economical accommodation than the approved standard, the Commission shall only pay for accommodation actually used at the rate paid by the traveller.

*Rule 7.1.10: Travel by Automobile*

- (a) Staff members who are authorized to travel by automobile shall be reimbursed by the Commission at rates and under conditions established by the United Nations on the basis of operating costs in the area in which the travel is undertaken and an appropriate minimum distance for the calculation of the daily subsistence allowance.
- (b) Reimbursement for travel within a radius of 35 miles of the official duty station shall be based on actual mileage, and for travel beyond a 35 mile radius, on the mileage as shown on official road guides. Commutation between residence and place of business shall not be reimbursable.
- (c) The mileage rate shall be payable to only one of two or more persons travelling together on the same trip and in the same automobile.
- (d) The total of mileage rate reimbursed and travel subsistence allowance which a staff member may claim in respect of a particular journey shall be limited to the maximum

travel expenses to which he or she would have been entitled had the staff member and eligible family members travelled by the most economical route.

*Rule 7.1.11: Purchase of Tickets*

- (a) Unless the staff member concerned is specifically authorized to make other arrangements, all tickets for transportation involving official travel of staff members and eligible family members shall be purchased by the Commission in advance of the actual travel or, where circumstances so require, shall be secured by the staff member.
- (b) When a staff member requests a standard of accommodation in excess of his or her entitlement, or is authorized to travel for reasons of personal preference or convenience, by other than the approved route or mode of transportation, the staff member shall be required to reimburse the Commission for any additional costs thus incurred before the Commission provides him or her with the necessary tickets.

*Rule 7.1.12: Terminal Expenses*

- (a) For all official travel to or from Vienna, a staff member may claim reimbursement of terminal expenses incurred for each required trip by means of public conveyance between the airport or other point of arrival or departure and the hotel or other place of dwelling in respect of himself or herself and in respect of each family member authorized to travel at the expense of the Commission, at rates and under conditions applicable in the United Nations. No expenses shall be reimbursable in respect of an intermediate stop that:
  - (i) Is not authorized;
  - (ii) Does not involve leaving the terminal; or
  - (iii) Is exclusively for the purpose of making an onward connection.
- (b) Terminal expenses shall be deemed to include all expenditures for transportation between the airport or other point of arrival or departure and the hotel or other place of dwelling, including transfer of accompanied baggage and other incidental charges, except the costs provided for under Rule 7.1.18(c).

*Rule 7.1.13: Expenses While in Transit*

- (a) A staff member and his or her eligible family members authorized to travel by sea shall be entitled to a fixed amount to cover transit expenses equivalent to the amount of travel subsistence allowances that would have been payable in respect of the travel if the travel had been by air.
- (b) When the authorized mode of transportation is other than by sea, full travel subsistence allowance shall be payable for the time spent in transit, subject to the conditions laid down in Rules 7.1.14 to 7.1.16, and provided that, in the case of travel other than on official business, a maximum of three days' travel time shall be allowed in respect of any specific journey.

*Rule 7.1.14: Travel Subsistence Allowance*

- (a) Except as provided in Rule 7.1.13(a) and in paragraph (g) below, a staff member authorized to travel at the expense of the Commission shall receive an appropriate daily subsistence allowance in accordance with the schedule of rates applicable in the United Nations. Such established rates shall be subject to Rule 7.1.15 and to reductions in cases where lodging or meals are provided free of charge by the Commission, by a Government or a related institution.
- (b) The Executive Secretary may, in exceptional and compelling circumstances, authorize a reasonable increase in the travel subsistence allowance to be paid to a staff member who is required to accompany a senior official and whose official duties while in travel status require that his or her additional living expenses be established at a rate substantially higher than that contemplated in setting the allowance rate for his or her level.
- (c) Travel subsistence allowance shall be deemed to comprise the total contribution of the Commission towards such charges as meals, lodging, gratuities and other payments made for personal services rendered. Except as provided in Rule 7.1.18, any expenditures incurred in excess of the allowance shall be borne by the staff member.
- (d) Except as provided in Rule 7.1.13(a) and in paragraph (g) below, when the spouse or dependent children of a staff member are authorized to travel at the expense of the Commission, the staff member shall be paid an additional travel subsistence allowance in respect of each of them at half the rate applicable to the staff member.
- (e) The travel subsistence allowance shall continue to be paid during periods of sick leave while in travel status, except that, if the traveller is hospitalized, only one third of the appropriate daily rate shall be paid.
- (f) The appropriate travel subsistence allowance shall be paid for any days on which a staff member is required to perform official duties in connection with travel on home leave.
- (g) No travel subsistence allowance shall be payable in respect of travel on home leave or education grant.

*Rule 7.1.15: Special Rates of Travel Subsistence Allowance*

In the event of staff members being assigned to conferences or for other extended periods of duty away from Vienna, the Executive Secretary may establish a special rate of subsistence allowance not exceeding the rates applicable in the United Nations.

*Rule 7.1.16: Computation of the Travel Subsistence Allowance*

- (a) Except during travel by sea, subsistence allowance shall be paid to a staff member, at the rates and under the conditions prescribed in Rule 7.1.14 for each calendar day or fraction thereof involving an overnight stay away from his or her residence, during which the staff member or his or her family members are in official travel status, provided that for a journey of 24 hours or longer a full day's allowance at the appropriate rate shall be paid for the day on which travel is begun and that no allowance



shall be paid for the day on which travel is ended. Where travel does not involve an overnight stay away from the residence, no allowance shall be paid for a journey of less than 10 hours, and 40 per cent of the allowance shall be paid for a journey of 10 hours or more.

- (b) Where travel is by sea, a full day's allowance at the appropriate rate shall be paid for the day of arrival at the port of disembarkation, provided the traveller remains in official travel status for more than 12 hours thereafter. No allowance shall be paid for the day on which embarkation takes place.
- (c) If more than one rate should apply during the course of any one day or if the traveller completes his or her travel on the same day as he or she commenced it, the rate applicable for the area of destination shall be paid for that day, except that for the last leg of the return travel on official business the allowance shall be paid at the rate applicable to the last authorized place where the staff member spent the night.
- (d) When it is necessary, for the purpose of computing the amount of travel subsistence allowance payable, to specify the "hour of departure" and the "hour of arrival", these shall be considered as the time when the train, vessel or airplane used by the traveller actually leaves or arrives at its regular terminal.

*Rule 7.1.17: Travel Subsistence Allowance for Official Duties on Board Ship*

- (a) Notwithstanding Rules 7.1.08, 7.1.13 and 7.1.16, where travel by sea is authorized for the purposes of performing official duties on board ship, a staff member shall receive a travel subsistence allowance at the appropriate rate for every calendar day at sea or fraction thereof involving an overnight stay.
- (b) Subject to the provisions of Rules 7.1.14 to 7.1.16, the appropriate rate of the allowance shall be the rate applicable in the area of travel or, if there is more than one area of travel, then the rates applicable in those areas. If no rate is applicable in the area of travel, then the rate shall be the rate applicable in Vienna. The provisions of Rule 7.1.16 shall apply for the computation of the travel subsistence allowance for official duties on board ship.

*Rule 7.1.18: Miscellaneous Travel Expenses*

Necessary additional expenses incurred by a staff member in connection with the transaction of official business or in the performance of authorized travel shall be reimbursed by the Commission after completion of travel, provided the necessity and nature of the expenses are satisfactorily explained and normally supported by proper receipts. Such expenses, for which advance authorization shall be obtained to the extent practicable, shall normally be limited to:

- (a) Hire of local transportation other than that provided for under Rule 7.1.12;
- (b) Telephone, electronic or other messages of official business;
- (c) Transfer of authorized baggage by railway express or other appropriate agency;
- (d) Hire of room for official use;

- (e) Stenographic or typewriting services or rental of equipment in connection with the preparation of official reports or correspondence;
- (f) Transportation or storage of baggage or property used on official business.

*Rule 7.1.19: Settling-In Grant*

- (a) A staff member who travels at the Commission's expense to Vienna for an assignment expected to be of at least one year's duration shall be paid a settling-in grant, subject to the conditions set forth below.
- (b) The settling-in grant consists of two portions:
  - (i) A daily subsistence allowance portion, which shall be equivalent to:
    - (1) 30 days of subsistence allowance at the travel subsistence allowance rates applicable under paragraph (a) of Rule 7.1.14; and
    - (2) 30 days of subsistence allowance at half such daily rate in respect of each family member for whom travel expenses have been paid by the Commission under Rule 7.1.02(a)(i) or (ii).
  - (ii) A lump sum portion, which is equivalent to one month of the staff member's net base salary and, where appropriate, post adjustment at the duty station of assignment.

The above mentioned amounts shall be calculated on the basis of the rate prevailing on the date of arrival at Vienna of the staff member or of the staff member's family member, as appropriate.

- (c) In cases where the staff member has not completed the period of service in respect of which the settling-in grant has been paid, the grant shall be adjusted proportionately and recovery made under conditions applicable in the United Nations but, in exceptional circumstances, the Executive Secretary may waive recovery.
- (d) The Executive Secretary may, in appropriate cases, authorize payment of all or part of the settling-in grant where the Commission has not been required to pay travel expenses upon the appointment of a staff member regarded as internationally recruited under Rule 4.1.05.

*Rule 7.1.20: Excess Baggage and Unaccompanied Shipments*

- (a) For the purposes of these Rules "excess baggage" shall mean baggage in excess of the weight or volume carried without extra charge by transportation companies, and "personal effects and household goods" shall be as defined in Rule 7.2.01(d)(ii).
- (b) Staff members travelling by air economy class or its equivalent shall be entitled to payment of excess baggage for themselves and their eligible family members to the extent of the difference between the free baggage allowance by the class immediately below first class and by economy class or its equivalent.
- (c) When baggage is carried without charge by one transportation company, but considered as excess by a company furnishing subsequent transportation other than by air, the

traveller may be reimbursed for the charges involved provided he or she obtains a statement from the company making the charges that the baggage was considered as excess.

- (d) Charges for excess baggage by air, other than those authorized under paragraph (b) above, shall not be reimbursable unless, in the opinion of the Executive Secretary, the circumstances under which the staff member is travelling are of a sufficiently exceptional and compelling nature to warrant such reimbursement.
- (e) When the authorized travel is by air or by land, charges for unaccompanied shipment of personal baggage relating to travel on education grant may be reimbursed up to a maximum, including the weight or volume of packing but excluding crating and lift vans, of:
  - (i) 50 kilograms or 0.31 cubic metres by surface means per person in respect of each journey, except as provided in subparagraph (ii) below. At the request of the staff member, this entitlement may be converted to 10 additional kilograms of accompanied excess baggage or its equivalent as established by the Executive Secretary;
  - (ii) 200 kilograms or 1.24 cubic metres by surface means in regard to the first outward journey to, and the final return journey from, an educational institution.
- (f) On travel on appointment for one year or more or on separation from service in the case of an appointment for one year or more, where no entitlement to removal costs exists under Rule 7.2.01, a staff member shall be paid expenses incurred in transporting personal effects and household goods by the most economical means as determined by the Executive Secretary, up to a maximum, including the weight or volume of packing but excluding crating and lift vans, of:
  - (i) 1000 kilograms or 6.23 cubic metres for the staff member;
  - (ii) 500 kilograms or 3.11 cubic metres for the first family member; and
  - (iii) 300 kilograms or 1.87 cubic metres for each additional family member authorized to travel at the expense of the Commission.
- (g) Unaccompanied shipments shall normally be made in one consignment and shall be within the limit of costs of transportation between the place of departure and destination of the authorized travel of the staff member or his or her family members. Reasonable costs of packing, crating, cartage, unpacking and uncrating of such shipments under paragraph (e)(ii), (f) and (h) will be reimbursed within the limits of authorizing weight or volume but costs for the servicing, dismantling, installing or special packing of personal effects and household goods shall not be reimbursed. Storage and demurrage charges shall not be reimbursed unless, in the opinion of the Executive Secretary, they are directly incidental to the transportation of the consignment.
- (h) On travel on appointment or separation from service, where entitlement to removal costs does exist under Rule 7.2.01, a staff member shall be paid expenses incurred in transporting, as an unaccompanied shipment, a reasonable amount of personal effects and household goods, as an advanced removal shipment, by the most economical

means, as determined by the Executive Secretary, up to a maximum, including the weight or volume of packing but excluding crating and lift vans, of:

- (i) 450 kilograms or 2.80 cubic metres for the staff member;
- (ii) 300 kilograms or 1.87 cubic metres for the first family member; and
- (iii) 150 kilograms or 0.93 cubic metres for each additional family member

authorized to travel at the expense of the Commission. The weight or volume of any shipment under this paragraph shall be deducted from the maximum weight or volume to which the staff member is entitled under paragraph (d) of Rule 7.2.01.

- (i) On travel on appointment for less than one year or on separation from service in the case of an appointment for less than one year, a staff member may be authorized to ship personal effects at the expense of the Commission by the most economical means, up to a maximum of 100 kilograms or 0.62 cubic metres, including the weight or volume of packing but excluding crating and lift vans. Where the appointment is extended for a total period of one year or more, the staff member shall be paid expenses for an additional shipment of personal effects and household goods up to the maximum entitlements established in paragraph (f) above.
- (j) Where surface shipment under paragraphs (e)(ii), (f), (h) or (i) is the most economical means of transport, such shipment may be converted to air freight on the basis of one half of the weight or volume of the authorized surface entitlement:
  - (i) When a staff member elects to convert the whole surface entitlement to air freight; or
  - (ii) When, in the opinion of the Executive Secretary, the conversion to air freight of a portion of the surface entitlement is necessary to meet urgent needs.

If the entitlement is under paragraph (h) above, twice the weight or volume of the air freight shipment shall be deducted from the staff member's entitlement under Rule 7.2.01.

- (k) When the authorized travel is by air, the staff member may elect to convert the whole surface shipment relating to travel on education grant under paragraph (e)(i) above to air freight on the basis of the one half rule. No costs for packing, crating, unpacking and uncrating will be paid, but reasonable costs will be paid for cartage of such air freight shipments.
- (l) Notwithstanding the one half rule laid down in paragraphs (j) and (k) above, conversion to air freight on the basis of the full weight or volume may be authorized in the following cases:
  - (i) Where the cost of air freight is lower than surface shipment;
  - (ii) Where there is an extraordinary risk of damage to, or loss of, the shipment in transit; or
  - (iii) Where an excessive shipping delay is expected, particularly for shipment to landlocked countries.

However, for surface shipments under paragraph (e), conversion on the basis of the full weight or volume may be authorized only in the cases in subparagraphs (i) and (ii).

*Rule 7.1.21: Insurance*

- (a) Staff members shall not be reimbursed for the cost of personal accident insurance or insurance of accompanied personal baggage. However, compensation may be paid in respect of loss or damage to accompanied personal baggage, in accordance with such arrangements as may be in force pursuant to Rule 6.2.04.
- (b) In the case of unaccompanied shipments, insurance coverage will be provided by the Commission up to the maximum coverage granted by the United Nations for the staff member, the first eligible family member and each additional family member. Such insurance coverage shall not include articles of special value for which special premium rates are charged. The Commission will not be responsible for loss or damage of unaccompanied baggage. When the unaccompanied shipment is in accordance with the entitlement for advance removal shipment authorized under Rule 7.1.20(h), the amount of the insurance coverage shall be deducted from the overall insurance entitlement authorized for removal shipments under paragraph (c) below.
- (c) The cost of insurance of personal effects and household goods in transit (excluding articles of special value for which special rates of premium are charged) under Rule 7.2.01 shall be reimbursed, up to a maximum valuation as provided in the United Nations for a staff member without a spouse or dependent child and for a staff member with a dependent spouse or child residing at Vienna. The Commission in no case shall be responsible for loss or damage.
- (d) In the case of unaccompanied shipments authorized under Rule 7.1.20, except on education grant travel, or under Rule 7.2.01, the staff member shall furnish the Commission, prior to shipment, with an itemized inventory in duplicate of all articles, including containers such as suitcases, and the replacement value in United States dollars of each article in the shipments.

*Rule 7.1.22: Travel Advances*

- (a) Staff members authorized to travel shall provide themselves with sufficient funds for all current expenses by securing an advance of funds if necessary. A reasonable advance of funds against the estimated reimbursable travel expenses may be made to a staff member or his or her family members for expenses authorized under these Rules. An advance of funds shall be considered reasonable if not more than 80 per cent of the estimated reimbursable expenses. If, in the course of travel, the staff member has earned in subsistence allowance an amount equal to the amount advanced, the staff member may be advanced the balance of the estimated reimbursable expenses.
- (b) However, in those cases where a staff member is authorized to travel in accordance with Rule 7.1.01(a)(ii), an advance of funds at the rate of 100 per cent of the estimated travel subsistence allowance may be made.

*Rule 7.1.23: Illness or Accident During Travel*

The Commission shall pay or reimburse appropriate hospital and medical expenses, in so far as these are not covered by other arrangements, which may be incurred by staff members who become ill or are injured while in travel status on official business.

*Rule 7.1.24: Reimbursement of Travel Expenses*

The Executive Secretary may reject any claim for payment or reimbursement of travel or removal expenses which are incurred by a staff member in contravention of any provision of these Rules.

*Rule 7.1.25: Transportation of Decedents*

Upon the death of a staff member or of his or her spouse or dependent child, the Commission shall pay the expenses of transportation of the body from Vienna, or in the event of death having occurred while in travel status, from the place of death, to a place to which the deceased was entitled to return transportation under Rule 7.1.01 or 7.1.02. These expenses shall include reasonable costs for preparation of the body. If local interment is elected, reasonable expenses incurred for the interment may be reimbursed.

**Regulation 7.2**

Subject to conditions and definitions prescribed in the Staff Rules promulgated by the Executive Secretary, the Secretariat shall pay the costs of relocation shipment for the full removal of personal effects and household goods for staff members. Where, however, the Executive Secretary considers that it is in the interest of the Commission or that it is more economical in light of the cost of removal and the probable period of appointment, the Executive Secretary may elect not to offer to pay the cost of removal of household goods and to pay instead for the shipment of personal effects at the rate established for the United Nations common system.

***Rules Pertaining to Regulation 7.2***

*Rule 7.2.01: Relocation Shipment*

- (a) When an internationally recruited staff member is to serve for a continuous period that is expected to be one year or longer, the Executive Secretary shall pay costs for relocation shipment for full removal in the following circumstances:
  - (i) On initial appointment for a period of two years or longer;
  - (ii) Upon completion of two years of continuous service if the period of initial appointment was shorter;
  - (iii) Upon separation from service, provided that the staff member had an appointment for a period of two years or longer or had completed not less than two years of continuous service and had been granted relocation shipment to Vienna or had been recruited from Vienna and is repatriating to the place of home leave or another location, in accordance with Rule 7.1.01(b).

- (b) Under subparagraphs (a)(i) and (ii) above, the Commission shall pay the expenses of removing a staff member's personal effects and household goods either from the place of recruitment or from the place recognized as his or her home for purposes of home leave under Rule 5.2.01, provided that the effects and goods were in the staff member's possession at the time of appointment and are being transported for his or her own use. Relocation shipment from a place other than that specified may be authorized by the Executive Secretary in exceptional cases, on such terms and conditions as the Executive Secretary deems appropriate. No expenses shall be paid for removing a staff member's personal effects and household goods from one residence to another in Vienna.
- (c) Under subparagraph (a)(iii) above, the Commission shall pay the expenses of removing a staff member's personal effects and household goods from Vienna to any one place to which the staff member is entitled to be returned in accordance with the provisions of Rule 7.1.01 or any other one place authorized by the Executive Secretary in exceptional cases on such terms and conditions as the Executive Secretary deems appropriate, provided that the effects and goods were in the staff member's possession at the time of separation from service and are being transported for his or her own use.
- (d) Payment by the Commission for removal shipment shall be subject to the following considerations:
  - (i) The maximum volume for which entitlement exists to removal at the expense of the Commission shall be a standard 20 foot container (equivalent to 33.2 cubic metres), including the volume of packing but excluding crating and lift vans, for a staff member without a spouse or dependent child and a standard 40 foot container (equivalent to 66.7 cubic metres) for a staff member with a spouse or dependent child residing at Vienna. Higher maxima may be authorized if the staff member presents convincing evidence that his or her normal and necessary personal effects and household goods to be removed exceed those limits;
  - (ii) For the purposes of unaccompanied shipments and removal, personal effects and household goods shall include all effects and goods normally required for personal or household use provided that animals, boats, automobiles, motorcycles, trailers and other power-assisted conveyances shall in no case be considered as such effects and goods;
  - (iii) Shipments under this Rule shall normally be made in one consignment. Reasonable costs of packing, crating, cartage, unpacking and uncrating of such shipments within the limits of the authorized weight or volume will be reimbursed, but costs for the servicing, dismantling, installing or special packing of personal effects and household goods shall not be reimbursed. Storage and demurrage charges shall not be reimbursed unless, in the opinion of the Executive Secretary, they are directly incidental to the transportation of the consignment;
  - (iv) Transportation of personal effects and household goods shall be by the most economical means, as determined by the Executive Secretary, taking into account costs allowable under paragraph (d)(iii) above;
  - (v) In addition to the relocation shipment under this Rule, the costs of transporting a privately owned automobile may be partially reimbursed under conditions established by the Executive Secretary in accordance with the practice of the United Nations.

- (e) Where both spouses are staff members and each is entitled to relocation shipment or to unaccompanied shipment under Rule 7.1.20, and taking into account Rule 4.3.01(d), the maximum volume that may be removed at Commission expense for both of them shall be that provided for a staff member with a spouse or dependent child residing at Vienna.
- (f) In cases where the staff member has not completed the period of service in respect of which removal costs have been paid, for reasons not attributable to the Commission, these costs may be adjusted proportionately and recovery made under conditions established by the Executive Secretary.
- (g) A staff member may opt not to exercise his or her entitlement to relocation shipment provided for in this Rule and instead elect to receive payment of unaccompanied shipment of personal effects and household goods provided for in Rule 7.1.20 above or the relocation grant under Rule 7.2.03 below.

*Rule 7.2.02: Loss of Entitlement to Unaccompanied Shipment or Relocation Shipment*

- (a) A staff member who resigns before completing one year of service shall not normally be entitled to payment of relocation shipment under Rule 7.2.01 above.
- (b) Entitlement to relocation shipment under Rule 7.2.01(a)(i) and (ii) shall normally cease if removal has not commenced within one year after the date on which the staff member became entitled to relocation shipment or if the staff member's services are not expected to continue for more than six months beyond the proposed date of arrival of the personal effects and household goods.
- (c) Upon separation from service, entitlement to unaccompanied shipment expenses under Rule 7.1.20(f) and (i) or relocation shipment under Rule 7.2.01 shall cease if the shipment or removal has not commenced within six months or one year, respectively, after the date of separation. However, where both spouses are staff members and the spouse who separates first is entitled to unaccompanied shipment or relocation shipment, and taking into account Rule 4.3.01(d), his or her entitlement shall not cease until six months or one year, as the case may be, after the date of separation of the other spouse.

*Rule 7.2.03: Relocation Grant*

On travel on appointment or separation from service, an internationally recruited staff member entitled to unaccompanied shipment or relocation shipment may opt for a lump sum payment, known as a relocation grant, in lieu of the entitlement provided under Rule 7.1.20 and Rule 7.2.01 above. The relocation grant will be payable in the amount and under conditions promulgated by the International Civil Service Commission.



## **ARTICLE 8: STAFF RELATIONS**

### **Regulation 8.1**

- (a) A Staff Council, elected by the staff members, shall be established for the purpose of ensuring continuous contact between the staff members and the Executive Secretary.
- (b) The Staff Council shall be composed in such a way as to afford equitable representation to all levels of the staff.
- (c) Election of the Staff Council shall take place annually under regulations drawn up by the Staff Council and agreed to by the Executive Secretary.

### ***Rules Pertaining to Regulation 8.1***

#### ***Rule 8.1.01: Staff Council***

- (a) Each member of the staff may participate in elections to the Staff Council, and all staff shall be eligible for election to it, subject to any exceptions as may be provided in the electoral regulations for the Staff Council and meeting the requirements of Regulation 8.1.
- (b) Polling officers selected by the staff shall conduct the election of the members of the Staff Council on the basis of its electoral regulations in such a way as to ensure the complete secrecy and fairness of the vote. The polling officers shall also conduct other elections of staff members as required by the Staff Regulations and these Rules or Administrative Directives issued pursuant thereto.
- (c) The Staff Council shall be entitled to effective participation in identifying, examining and resolving issues relating to staff welfare, including conditions of work, general conditions of life and other personnel policies, and shall be entitled to make proposals to the Executive Secretary on behalf of the staff.
- (d) In accordance with the principles of freedom of association, staff members may form and join associations, union or other groupings. However, formal contact and communication on matters referred to in paragraph (c) above shall be conducted through the Staff Council, which shall be the sole and exclusive representative body for such purpose.
- (e) General administrative instructions or directives on questions within the scope of paragraph (c) shall be transmitted in advance, unless emergency situations make this impracticable, to the Staff Council for its consideration and comments before being placed in effect.
- (f) No direct subsidy from the budget of the Commission shall be provided for the activities of the Staff Council.

## **Regulation 8.2**

The Executive Secretary shall establish administrative machinery with staff participation to advise him or her regarding personnel policies and general questions of staff welfare and to make to him or her such proposals as it may desire for amendment of the Staff Regulations, Staff Rules and Administrative Directives.

### ***Rules Pertaining to Regulation 8.2***

#### *Rule 8.2.01: Administrative Machinery*

- (a) The administrative machinery provided for in Regulation 8.2 shall consist of a Joint Consultative Panel normally composed of three representatives of the Executive Secretary and three members of the Staff Council.
- (b) The chairperson of the Joint Consultative Panel shall be selected by the Executive Secretary after consultation with the President of the Staff Council.
- (c) The Joint Consultative Panel shall establish its own rules and procedures.

## **ARTICLE 9: SEPARATION FROM SERVICE**

### **Regulation 9.1**

- (a) The Executive Secretary may terminate the appointment of a staff member prior to the expiration date of his or her contract if the necessities for the service require abolition of the post or reduction of the staff, if the services of the individual concerned prove unsatisfactory, or if he or she is, for reasons of health, incapacitated for further service.
- (b) The Executive Secretary may also, giving his or her reasons therefor, terminate the appointment of a staff member:
  - (i) If the conduct of a staff member indicates that the staff member does not meet the highest standards of integrity required by these Regulations;
  - (ii) If facts anterior to the appointment of the staff member and relevant to his or her suitability come to light that, if they had been known at the time of his or her appointment, should, under the standards established under these Regulations, have precluded his or her appointment;

No termination under subparagraphs (i) and (ii) shall take place until the matter has been considered and reported on by an Ad Hoc Panel appointed for that purpose by the Executive Secretary;

No termination under this paragraph or paragraph (a) above shall take place in respect of a staff member of the rank of D-1 or above without prior consultation with the Commission.

- (c) Finally, the Executive Secretary may terminate the appointment of a staff member if such action would be in the interest of the good administration of the Secretariat, provided that the action is not contested by the staff member concerned.

### ***Rules Pertaining to Regulation 9.1***

#### ***Rule 9.1.01: Consideration of Termination of Appointment, Definition of Termination***

- (a) The Executive Secretary shall not terminate the appointment of a staff member in accordance with the provisions of Regulation 9.1(a) until the matter has been considered by a personnel advisory panel, established in accordance with Rule 4.1.01.
- (b) A termination within the meaning of the Staff Regulations is any separation from service initiated by the Executive Secretary other than expiration of a fixed-term appointment or summary dismissal.

### **Regulation 9.2**

Staff may resign from the Secretariat upon giving the Executive Secretary the notice required under the terms of their appointment.

### ***Rules Pertaining to Regulation 9.2***

#### *Rule 9.2.01: Resignation*

- (a) A resignation, within the meaning of the Staff Regulations, is a separation initiated by a staff member.
- (b) Unless otherwise specified in their letters of appointment, 30 days' written notice of resignation shall be given by staff members having a fixed-term appointment of more than one month and five days' written notice of resignation by those having a fixed-term appointment of less than one month. The Executive Secretary, may, however, accept resignations on shorter notice.
- (c) The Executive Secretary may require the resignation to be submitted by the staff member in person in order to be acceptable.

### **Regulation 9.3**

- (a) If the Executive Secretary terminates an appointment the staff member shall be given such notice and such indemnity payment as may be applicable under these Regulations and the Staff Rules. Payments of termination indemnity shall be made by the Executive Secretary in accordance with the rates and conditions established by the United Nations General Assembly for the United Nations common system and specified in Annex 3 to the present Regulations.
- (b) The Executive Secretary may, where the circumstances warrant and he or she considers it justified, pay to a staff member terminated under paragraph (c) of Regulation 9.1 a termination indemnity payment not more than 50 per cent higher than that which would otherwise be payable under the Staff Regulations.

### ***Rules Pertaining to Regulation 9.3***

#### *Rule 9.3.01: Notice of Termination*

- (a) A staff member whose fixed-term appointment of more than one month is to be terminated shall be given not less than 30 days' written notice of such termination or such notice as may otherwise be stipulated in his or her letter of appointment. A staff member whose fixed-term appointment of less than one month is to be terminated shall be given not less than five days' written notice of such termination or such notice as may otherwise be stipulated in his or her letter of appointment.
- (b) In lieu of these notice periods, the Executive Secretary may authorize compensation, not to exceed the amount that would have been earned if the staff member had completed his or her term of appointment, calculated on the basis of the salary and allowances which the staff member would have received had the date of termination been at the end of the notice period.

*Rule 9.3.02: Termination Indemnity*

- (a) Payment of termination indemnity under Staff Regulation 9.3 and Annex 3 to the Staff Regulations shall be calculated on the basis of the rules applied in the United Nations.
- (b) Length of service shall be deemed to comprise the total period of a staff member's full-time continuous service with the Secretariat. Continuity of such service shall not be considered as broken by periods of special leave. However, service credits shall not accrue during periods of special leave with partial pay or without pay of one full month or more.

**Regulation 9.4**

The Executive Secretary shall establish a scheme for the payment of repatriation grants no higher than the maximum rates and under conditions in accordance with those established by the United Nations General Assembly for the United Nations common system and specified in the Staff Rules promulgated by the Executive Secretary.

***Rules Pertaining to Regulation 9.4***

*Rule 9.4.01: Repatriation Grant*

- (a) The repatriation grant shall be payable to staff members who have completed at least five years of continuous service with the Commission, whom the Commission is obliged to repatriate and who at the time of separation are residing, by virtue of their service with the Commission, outside their country of nationality. Staff members shall be entitled to a repatriation grant only upon relocation outside Austria. The amount of the grant shall be proportional to the length of service with the Commission in a post in the Professional category or higher or in a post in the General Service category subject to international recruitment, as follows:

Years of continuous service away from home country	Staff member with a spouse or dependent at time of separation	Staff member with neither a spouse nor dependent child at time of separation	
		Professional and higher categories	General Service category
Weeks of net base salary			
5	14	8	7
6	16	9	8
7	18	10	9

- (b) A staff member who was eligible for a repatriation grant under the version of Staff Rule 9.4.01 in effect on 31 December 2017 but who is no longer eligible for such a grant under the present Staff Rule 9.4.01(a) shall be paid a repatriation grant in accordance with the version of Staff Rule 9.4.01 in effect on 31 December 2017 for the number of years of qualifying service accrued as at 31 December 2017.

*Rule 9.4.02: Payment of Repatriation Grant*

Payment of repatriation grants shall be subject to the following conditions and definitions:

- (a) The expression “obliged to repatriate”, as used in Rule 9.4.01, shall mean the obligation to return a staff member and his or her spouse and dependent children, upon separation, at the expense of the Commission, to a place outside the country of the duty station.
- (b) “Home country” shall mean the country of home-leave entitlement under Rule 5.2.01 or such other country as the Executive Secretary may determine.
- (c) If the staff member has or acquires permanent residence in the country of the duty station during the time of service, the period of continuous service shall be considered to have started only when the last period of such permanent residence has ended.
- (d) Continuity of service shall not be considered as broken by periods of special leave. However, for the purpose of calculating the amount of the grant payable, service credit shall not accrue during periods of special leave with partial pay or without pay of one full month or more.
- (e) Payment of the repatriation grant shall be subject to the provision by the former staff member of documentary evidence of relocation away from the duty station.
- (f) Entitlement to repatriation grant shall cease if no claim for payment of the grant has been submitted within two years after the effective date of separation. However, where both spouses are staff members and the spouse who separates first is entitled to repatriation grant, his or her entitlement to repatriation grant shall cease if no claim for payment of the grant has been submitted within two years after the date of separation of the other spouse.
- (g) Payment of the repatriation grant shall be calculated on the basis of the rules applied by the United Nations.
- (h) No payment shall be made to a staff member who is summarily dismissed in accordance with the provisions of Staff Regulation 10.3 or who abandons his or her post or to any staff member who is residing at the time of separation in his or her home country while performing official duties.
- (i) A dependent child, for the purpose of a repatriation grant, shall mean a child recognized as dependent under Rule 3.4.02(b) at the time of the staff member’s separation from service. The repatriation grant shall be paid at the rate for a staff member with a spouse or dependent child to eligible staff members regardless of the place of residence of the spouse or dependent child.
- (j) Where both spouses are staff members and each is entitled, on separation, to payment of a repatriation grant, payment shall be made to each, at single rates, according to their respective entitlements, provided that, where dependent children are recognized, the first parent to be separated may claim payment at the rate applicable to a staff member with a spouse or dependent child. In this event, the second parent, on separation, may

claim payment at the single rate for the whole period of qualifying service, or, if eligible, at the rate applicable to a staff member with a spouse or dependent child for the whole period of his or her qualifying service, from which shall normally be deducted the amount difference between the dependency rate and the single rate of the repatriation grant paid to the first parent.

- (k) Loss of entitlement to payment of return travel expenses under Rule 7.1.03 shall not affect a staff member's eligibility for payment of the repatriation grant.
- (l) In the event of the death of an eligible staff member, no payment shall be made unless there is a surviving spouse or one or more dependent children whom the Commission is obligated to return to their home country. If there is one such survivor, payment shall be made at the single rate; if there are two or more such survivors, payment shall be made at the rate applicable to a staff member with a spouse or dependent child.
- (m) When a staff member joins the Commission less than 12 months after separation from another organization in the United Nations common system, the amount of any payment of repatriation grant shall be adjusted so that the total number of months, weeks or days of salary to be paid at the time of the separation from the Commission added to the number of months, weeks or days paid for prior periods of service with the other United Nations common system organization does not exceed the total of months, weeks or days that would have been paid had the service been continuous.

*Rule 9.4.03: End-of-Service Allowance*

Locally recruited staff members in the General Service category shall receive an end-of-service allowance upon separation from the Commission or upon appointment to a post in the Professional category or to a post in the General Service category subject to international recruitment in accordance with the policy of the United Nations in respect of locally recruited staff members in the General Service category.

*Rule 9.4.04: Expiration of Fixed-Term Appointments*

- (a) An appointment for a fixed term shall expire automatically and without prior notice on the expiration date specified in the letter of appointment.
- (b) Separation as a result of the expiration of any such appointment shall not be regarded as a termination within the meaning of the Staff Regulations and these Rules.

*Rule 9.4.05: Commutation of Accrued Annual Leave*

Upon separation from service and subject to the provisions of Rule 5.1.01, payments may be made in commutation of accrued annual leave up to a maximum of 60 working days. The payments shall be calculated in accordance with the method of calculation applied in the United Nations.

*Rule 9.4.06: Restitution of Advance Annual and Sick Leave*

Upon separation, a staff member who has taken advance annual or sick leave beyond that which he or she has subsequently accrued shall make restitution for such advance leave by means of a cash refund or an offset against monies due to the staff member from the Commission, equivalent to the remuneration received, including allowances and other payment, in respect of the advance leave period. The Executive Secretary may waive this requirement if in the opinion of the Executive Secretary there are exceptional or compelling reasons for so doing.

*Rule 9.4.07: Last Day for Pay Purposes*

- (a) When a staff member is separated from service, the date on which entitlement to salary, allowances and benefits shall cease shall be determined according to the following provisions:
- (i) Upon resignation, the date shall be either the date of expiration of the notice period under Rule 9.2.01 or such other date accepted by the Executive Secretary. Staff members will be expected to perform their duties during the period of notice of resignation, except when the resignation takes effect upon the completion of maternity leave or following sick or special leave;
  - (ii) Upon expiration of a fixed-term appointment, the date shall be the date specified in the letter of appointment;
  - (iii) Upon termination, the date shall be the date provided in the notice of termination;
  - (iv) In the case of summary dismissal, the date shall be the date of dismissal;
  - (v) In the case of death, the date on which entitlement to salary, allowance and benefits shall cease shall be the date of death, unless there is a surviving spouse or dependent child. In this event, the date shall be extended, in accordance with the rules applied by the United Nations, beyond the date of death. Payment related to the period of extension beyond the date of death may be made in a lump sum as soon as the pay accounts and related matters can be closed. Such payments shall be made only to the surviving spouse and dependent children. The payment shall be calculated on the basis of the rules applied by the United Nations. All other entitlements and accrual of benefits shall cease as of the date of death.
- (b) When an internationally recruited staff member is exercising an entitlement to return travel, the last day for pay purposes shall be the date established under subparagraphs (a)(i), (ii) or (iii) above or the estimated date of arrival at the place of entitlement, whichever is later. The estimated date of arrival shall be determined on the basis of the time it would take to travel without interruption by an approved route and mode of direct travel from Vienna to the place of entitlement, the travel commencing no later than the day following the date established under paragraph (a).

*Rule 9.4.08: Certification of Service*

Any staff member who so requests shall, on leaving the service of the Commission, be given a statement relating to the nature of his or her duties and the length of service. On the staff



member's written request, the statement shall also refer to the quality of his or her work and his or her official conduct.

**Regulation 9.5**

Staff members shall not normally be retained beyond the age of 65 years. The Executive Secretary may, in the interest of the Commission, extend this age limit in individual cases.

## **ARTICLE 10: DISCIPLINARY MEASURES**

### **Regulation 10.1**

The Executive Secretary shall establish administrative machinery with staff participation which will be available to advise him or her in disciplinary cases.

#### ***Rules Pertaining to Regulation 10.1***

##### *Rule 10.1.01: Joint Disciplinary Panel*

- (a) A standing Joint Disciplinary Panel shall be established and shall be available to advise the Executive Secretary at his request in disciplinary matters.
- (b) The Executive Secretary may also establish ad hoc Joint Disciplinary Panels for a particular case or series of cases.

##### *Rule 10.1.02: Composition of Joint Disciplinary Panel*

- (a) The Joint Disciplinary Panel shall consist of three members as follows:
  - (i) A chairperson designated by the Executive Secretary after consultation with the Staff Council;
  - (ii) One member appointed by the Executive Secretary; and
  - (iii) One member elected by all staff members.
- (b) Two alternates for each person in paragraph (a) above shall be selected in the same manner as indicated in that paragraph.
- (c) The chairperson and members of the Panel shall normally be appointed or elected for two years, shall be eligible for reappointment or re-election and shall remain in office until their successors are appointed or elected as long as they are staff members of the Commission.
- (d) The chairperson may be removed from office by the Executive Secretary after consultation with the Staff Council. A member or alternate member appointed by the Executive Secretary may be removed by him or her. A member or alternate member elected by the staff may be removed by a majority vote of the staff, taken at the initiative of the Staff Council.
- (e) Before the Panel undertakes consideration of a case, the parties shall be notified of the proposed composition thereof. The Executive Secretary may, at the request of either party, disqualify the chairperson or any member or alternate member from the consideration of a specific case if, in the opinion of the Executive Secretary, the action is warranted by the relation of that member or alternate member to the staff member whose case is to be considered or by any possible conflict of interest. The Executive Secretary may also excuse a member or alternate member from the consideration of a specific case at that member's or alternate member's request. A person so disqualified or excused will be replaced by an alternate referred to in paragraph (b) above.

- (f) The secretariat of the Joint Disciplinary Panel shall consist of a secretary and such other staff as may be required for the proper functioning of the Panel.
- (g) The services of legal counsel shall be provided to the Joint Disciplinary Panel upon its request.
- (h) Ad hoc Joint Disciplinary Panels shall be composed in a manner similar to that of the standing Joint Disciplinary Panel, except that instead of members elected by the staff there shall be substituted members appointed by the Staff Council, provided that if no appointments are made within a period set by the Executive Secretary, he may make the appointments after consultation with the Staff Council.
- (i) Any case relating to a staff member shall be referred to the standing Joint Disciplinary Panel unless the Executive Secretary considers that there is a good reason to refer the case to an ad hoc Joint Disciplinary Panel.

*Rule 10.1.03: Joint Disciplinary Panel Procedure*

- (a) In considering a case, the Joint Disciplinary Panel shall act with maximum dispatch and shall make every effort to provide its advice to the Executive Secretary within four weeks after the case has been submitted to it.
- (b) Proceedings before the Joint Disciplinary Panel shall normally be limited to the original written presentation of the case, together with brief statements and rebuttals, which may be made orally or in writing, but without delay. If the Panel considers that it requires the testimony of the staff member concerned or of other witnesses, it may, at its sole discretion, obtain such testimony by written deposition, by personal appearance before the Panel, before one of its members or before another staff member acting as a special master, or by telephone or other means of communication.
- (c) The standing Joint Disciplinary Panel shall adopt its own rules of procedure which shall be consistent with these Staff Rules and with any applicable administrative instructions, as well as with the requirements of due process. Except to the extent that it decides to apply other rules consistent with the requirements of due process, the rules of procedure of an ad hoc Joint Disciplinary Panel shall be those of the standing Joint Disciplinary Panel.
- (d) A Joint Disciplinary Panel shall permit a staff member to arrange to have his or her case presented before it by any other staff member or former staff member.

**Regulation 10.2**

The Executive Secretary may impose disciplinary measures on staff whose conduct is unsatisfactory.

***Rules Pertaining to Regulation 10.2***

*Rule 10.2.01: Misconduct*

Failure by a staff member to comply with his or her obligations under the Staff Regulations, these Rules or other relevant administrative issuances, or to observe the standards of conduct expected of an international civil servant, may amount to unsatisfactory conduct within the meaning of Staff Regulation 10.2, leading to the institution of disciplinary proceedings and the imposition of disciplinary measures for misconduct.

*Rule 10.2.02: Disciplinary Measures*

- (a) Disciplinary measures may take one or more of the following forms:
- (i) Written censure by the Executive Secretary;
  - (ii) Loss of one or more steps-in-grade;
  - (iii) Deferment, for a specified period, of eligibility for within-grade increment;
  - (iv) Suspension without pay;
  - (v) Fine;
  - (vi) Demotion;
  - (vii) Separation from service, with or without notice or compensation in lieu thereof, notwithstanding Rule 9.3.01;
  - (viii) Summary dismissal.
- (b) The following measures shall not be considered to be disciplinary measures, within the meaning of this Rule:
- (i) Reprimand, written or oral, by a supervisory official;
  - (ii) Recovery of monies owed to the Commission;
  - (iii) Suspension pursuant to Rule 10.2.03.

*Rule 10.2.03: Suspension During Investigation and Disciplinary Proceedings*

- (a) If a charge of misconduct is made against a staff member and the Executive Secretary so decides, the staff member may be suspended from duty during investigation and pending completion of disciplinary proceedings for a period which should normally not exceed three months. Such suspension shall be with pay unless, in exceptional circumstances, the Executive Secretary decides that suspension without pay is appropriate. The suspension shall be without prejudice to the rights of the staff member and shall not constitute a disciplinary measure.
- (b) A staff member suspended pursuant to paragraph (a) shall be given a written statement of the reason for the suspension and its probable duration.
- (c) If a suspension pursuant to paragraph (a) is without pay and the charge of misconduct is subsequently not sustained, any salary withheld shall be restored.

*Rule 10.2.04: Due Process*

- (a) No disciplinary proceedings may be instituted against a staff member unless he or she has been notified of the allegations against him or her, as well as of the right to seek the assistance in his or her defence of another staff member or former staff member, and has been given a reasonable opportunity to respond to those allegations.
- (b) No staff member shall be subject to disciplinary measures until the matter has been referred to the Joint Disciplinary Panel for advice as to what measures, if any, are appropriate, except that no such advice shall be required:
  - (i) If referral to the Joint Disciplinary Panel is waived by mutual agreement of the staff member concerned and the Executive Secretary;
  - (ii) In respect of summary dismissal imposed by the Executive Secretary in cases where the seriousness of the misconduct warrants immediate separation from service.
- (c) In cases of summary dismissal imposed without prior submission of the case to the Joint Disciplinary Panel in accordance with subparagraphs (b)(i) and (ii), the staff member or former staff member concerned may, within two months of having received written notification of the measure, request that the measure be reviewed by the Panel. A request shall not have the effect of suspending the measure. After the advice of the Panel has been received, the Executive Secretary shall decide as soon as possible what action to take in respect thereof.
- (d) An appeal in respect of a disciplinary measure considered by a Joint Disciplinary Panel pursuant to either paragraph (b) or (c) may be submitted directly to the independent tribunal provided for in Staff Regulation 11.2.

**Regulation 10.3**

The Executive Secretary may summarily dismiss a member of the staff for serious misconduct.

***Rules Pertaining to Regulation 10.3***

*Rule 10.3.01: Summary Dismissal*

- (a) Summary dismissal of a staff member for serious misconduct does not prejudice such staff member's right to due process as provided for in Rule 10.2.04.
- (b) Summary dismissal shall not constitute a termination of appointment as provided for in Article 9 of the Staff Regulations.

## **ARTICLE 11: APPEALS**

### **Regulation 11.1**

The Executive Secretary shall establish administrative machinery with staff participation to advise him or her, based on the Regulations and Rules of the Commission, in case of any appeal by staff members against an administrative decision in which the staff member alleges the non-observance of the terms of his or her appointment or of appeals against disciplinary actions.

#### ***Rules Pertaining to Regulation 11.1***

##### ***Rule 11.1.01: Joint Appeals Panel***

- (a) A Joint Appeals Panel shall be established to consider and advise the Executive Secretary on appeals filed under the terms of Staff Regulation 11.1.
- (b) The Joint Appeals Panel shall consist of three members as follows:
  - (i) A chairperson designated by the Executive Secretary after consultation with the Staff Council;
  - (ii) One member appointed by the Executive Secretary; and
  - (iii) One member elected by all staff members.
- (c) Two alternates for each person in paragraph (b) shall be selected in the same manner as indicated in that paragraph.
- (d) The chairperson and members of the Panel shall normally be appointed or elected for two years, shall be eligible for reappointment or re-election and shall remain in office until their successors are appointed or elected as long as they are staff members of the Commission.
- (e) The chairperson may be removed from office by the Executive Secretary after consultation with the Staff Council. A member or alternate member appointed by the Executive Secretary may be removed by him or her. A member or alternate member elected by the staff may be recalled by a majority vote of the staff, taken at the initiative of the Staff Council.
- (f) Before the Panel undertakes consideration of an appeal, the parties shall be notified of the proposed composition thereof. The chairperson may, at the request of either party, disqualify either member or alternate member, as the case may be, from the consideration of a specific appeal if, in the opinion of the chairperson, such action is warranted to ensure impartiality. He or she may also excuse a member or alternate member from serving on the Panel. The Executive Secretary may, at the request of either party, disqualify the chairperson if, in the opinion of the Executive Secretary, such action is warranted to ensure impartiality. The Executive Secretary may also excuse the chairperson from the consideration of a specific case at his or her request. No person who has assisted the Executive Secretary in a conciliation procedure referred to in Rule 11.1.02(b) below shall serve on the Panel to consider an appeal relating to the

same case. A person disqualified or excused will be replaced by an alternate referred to in paragraph (c) above.

- (g) The secretariat of the Joint Appeals Panel shall consist of a secretary and such other staff as may be required for its proper functioning.
- (h) The services of legal counsel shall be provided to the Joint Appeals Panel upon its request.
- (i) The Joint Appeals Panel shall establish its own rules of procedure.
- (j) The Joint Appeals Panel may, by a majority vote of its members, recommend to the Executive Secretary changes in the present chapter of these Rules.

*Rule 11.1.02: Appeals*

- (a) A staff member wishing to appeal an administrative decision, pursuant to Staff Regulation 11.1, shall, as a first step, address a letter to the Executive Secretary, requesting that the administrative decision be reviewed; such a letter must be sent within two months from the date the staff member received notification of the decision in writing.
  - (i) If the Executive Secretary replies to the staff member's letter, he or she may appeal against the answer within one month of the receipt of such reply;
  - (ii) If the Executive Secretary does not reply to the letter within one month, the staff member may appeal against the original administrative decision within one month of the expiration of the time limit for the Executive Secretary's reply.
- (b) The Executive Secretary, in reviewing the administrative decision in question, may, with the consent of the staff member or at the latter's request, seek the assistance of the chairperson, a member or an alternate member of the Joint Appeals Panel, to be designated by the chairperson, with a view to reaching a conciliatory conclusion of the matter. This procedure is without prejudice to the right of the staff member to pursue an appeal under the provisions of this Rule.
- (c) Neither a request for administrative review under paragraph (a) above nor the filing of an appeal under paragraph (d) below shall have the effect of suspending action on the contested decision.
  - (i) However, the staff member concerned may request a suspension of action on such a decision by writing to the secretary of the Joint Appeals Panel under paragraph (d) below. The request shall set forth the relevant facts and indicate how implementation would directly and irreparably injure the staff member's rights.
  - (ii) Upon receipt of such a request, the Joint Appeals Panel shall be promptly constituted, and shall act expeditiously. If the Panel, after considering the views of both parties, determines that the decision has not been implemented and that its implementation would result in irreparable injury to the appellant, it may recommend to the Executive Secretary the suspension of action on that decision until the time limits specified in subparagraph (a) (i) or (ii) have passed without an

appeal having been filed or, if an appeal is filed, until a decision on the appeal is taken.

- (iii) The Executive Secretary's decision on such a recommendation is not subject to appeal.
- (d) An appeal shall not be receivable unless the time limits specified in paragraph (a) above have been met or have been waived, in exceptional circumstances, by the Joint Appeals Panel.
- (e) The designated representative of the Executive Secretary shall submit a written reply within two months following the date of receipt of the appeal.
- (f) Proceedings before the Panel shall normally be limited to the original written presentation of the case, together with brief statements and rebuttals, which may be made orally or in writing.
- (g) A staff member may arrange to have his or her appeal presented to the Joint Appeals Panel on his or her behalf by another staff member or former staff member. The staff member may not, however, be represented before the Panel by any other person.
- (h) The Joint Appeals Panel shall decide questions of its own competence.
- (i) In case of termination or other action on grounds of inefficiency or relative efficiency, the Joint Appeals Panel shall not consider the substantive question of efficiency but only evidence that the decision was motivated by prejudice or by some other extraneous factor.
- (j) The Joint Appeals Panel shall have the authority to call members of the Secretariat who may be able to provide information concerning the issues before it and shall have access to all documents pertinent to the case. Notwithstanding the preceding sentence, should the Panel wish to have information or documents relating to the proceedings of the personnel advisory panels referred to in Rule 4.1.01 above, it shall request such information or documents from the chairperson thereof, who shall decide on the Joint Appeals Panel's request, taking into account the interests of confidentiality. This decision of the chairperson is not subject to appeal. The chairperson of the Joint Appeals Panel shall determine which documents are to be transmitted to all members of the Panel and the parties.
- (k) In considering an appeal, the Joint Appeals Panel shall act with the maximum dispatch consistent with a fair review of the issues before it.
- (l) Within one month of the date on which the consideration of an appeal has been completed, the Joint Appeals Panel shall, by majority vote, adopt and submit a report to the Executive Secretary. The report shall be considered as constituting a record of the proceedings in the appeal and may include a summary of the matter as well as all recommendations that the Panel considers appropriate. Votes on the recommendations shall be recorded and any member of the Panel may have his or her dissenting opinion included in the report.



- (m) The final decision on the appeal will normally be taken by the Executive Secretary within one month after the Panel has forwarded its report, and shall be communicated to the staff member, together with a copy of the Panel's report. The Executive Secretary's decision and a copy of the Panel's report shall also be transmitted to a designated officer of the Staff Council, unless the staff member objects.
- (n) To enable staff members to exercise their right to make application to the independent administrative tribunal referred to in Staff Regulation 11.2, the Secretary of the Joint Appeals Panel shall, at the request of the staff member, communicate to him or her the report of the Panel, if the Executive Secretary has not made a decision upon the report within a period of one month after the date on which the report was submitted to him or her.

### **Regulation 11.2**

The Executive Secretary shall make arrangements for the hearing by an independent tribunal of an appeal by a staff member against any administrative decision directly affecting him or her taken pursuant to Regulations 9.1, 10.3 or 11.1.

## **ARTICLE 12: GENERAL PROVISIONS**

### *Rule 12.0.01: Liability Insurance*

A staff member who owns or drives a motor vehicle shall carry public liability insurance which provides adequate insurance against claims arising from injury or death or from damage to property caused by the staff member.

### *Rule 12.0.02: Financial Responsibility*

Any staff member may be required to reimburse the Commission either partially or in full for any financial loss suffered by the Commission as a result of the staff member's negligence or of his or her having violated any regulation, rule or administrative instruction.

### **Regulation 12.1**

The present Staff Regulations may be supplemented or amended by the Commission, without prejudice to the existing contracts of staff members.

### **Regulation 12.2**

Such Staff Rules as the Executive Secretary may make to implement the present Regulations shall be provisional until the requirements of Regulations 12.3 and 12.4 below have been met.

### ***Rules Pertaining to Regulation 12.2***

#### *Rule 12.2.01: Amendment of, and Exceptions to, Staff Rules*

- (a) These Rules may be amended in accordance with the provisions of Regulations 12.1, 12.2, 12.3 and 12.4.
- (b) Exceptions to the Staff Rules may be made by the Executive Secretary, provided that such exceptions are not inconsistent with any Staff Regulation or other decision of the Commission and provided further that it is agreed to by the staff member directly affected and is, in the opinion of the Executive Secretary, not prejudicial to the interests of any other staff member or group of staff members.

### **Regulation 12.3**

The full text of provisional Staff Rules and amendments shall be reported to the Commission. Should the Commission find that a Staff Rule and/or amendment is inconsistent with the intent and purpose of the Staff Regulations, it may direct that the Rule and/or amendment be withdrawn or modified.

### **Regulation 12.4**

The Staff Rules and amendments reported by the Executive Secretary, taking into account such modifications and/or deletions that may be directed by the Commission, shall enter into

full force on the first day of the month following the month in which the report is approved by the Commission.

***Rules Pertaining to Regulation 12.4***

*Rule 12.4.01: Effective Date of Rules*

Except as otherwise indicated and subject always to the provisions of Staff Regulations 12.2, 12.3 and 12.4, these Rules shall enter into effect on 1 December 1999.

## **ANNEX 1 TO THE STAFF REGULATIONS**

### **SALARY SCALES AND RELATED PROVISIONS**

1. Except as provided in paragraph 4 of the present Annex, the salary scales of the net base salaries and the scales of post adjustment for staff in the Professional and higher categories shall be at the levels authorized and periodically adjusted for staff in the professional and higher categories in the United Nations serving in Vienna. The Executive Secretary may authorize rental subsidies or rental deductions in accordance with the terms and conditions applicable to the United Nations Office in Vienna.
2. The initial rate of salary of each staff member shall be a rate within the scale of his or her grade. It shall be specified in his or her letter of appointment, together with any post adjustment which may be in force at the time of his or her appointment.
3. Subject to satisfactory service and for performance incentive, within-grade step increments for staff in the Professional category shall be awarded annually up to Step VII and biennially thereafter. Within-grade step increments of Principal Officer (D-1) level shall be awarded annually up to step IV and biennially thereafter.
4. The Executive Secretary shall determine the salary rates to be paid to personnel specifically engaged for conferences and other short term service, to consultants and to technical assistance experts.
5. The salary scales for staff in the General Service and related categories shall be at the levels authorized and periodically adjusted for staff in the General Services and related categories employed at the United Nations Office in Vienna.
6. No salary shall be paid to staff in respect of periods of unauthorized absence from work unless such absence was caused by reasons beyond their control or duly certified medical reasons.

## ANNEX 2 TO THE STAFF REGULATIONS

### LETTERS OF APPOINTMENT

- (a) The letter of appointment shall state:
  - (i) That the appointment is subject to the provisions of the Staff Regulations and of the Staff Rules applicable to the category of appointment in question, and to changes that may be duly made in such Regulations and Rules from time to time;
  - (ii) That the specific attention of the staff member is drawn to the obligations of confidentiality contained in Staff Regulation 1.6;
  - (iii) The nature of the appointment;
  - (iv) The date at which the staff member is required to enter upon duty;
  - (v) The period of appointment, the notice required to terminate it and period of probation, if any;
  - (vi) The category, level, commencing rate of salary and, if increments are allowable, the scale of increments, and the maximum attainable;
  - (vii) Any special conditions that may be applicable.
  
- (b) A copy of the Staff Regulations and the Staff Rules shall be transmitted to a staff member with the letter of appointment. In accepting appointment the staff member shall state in writing that he or she has been made acquainted with, and accepts the conditions laid down in the Staff Regulations and Staff Rules.

## ANNEX 3 TO THE STAFF REGULATIONS

### TERMINATION INDEMNITY

Staff members whose appointments are terminated shall be paid an indemnity in accordance with the following provisions:

- (a) Except as provided in paragraphs (b), (c) and (e) below and in Regulation 9.3(b), the termination indemnity shall be paid in accordance with the following schedule:

Months of net base salary	
Completed years of service	Temporary appointments for fixed term exceeding six months
Less than 1	1 week for each month
1	of uncompleted service
2	subject to a minimum
3	of six weeks' and a
4	maximum of three
5	months' indemnity
6	pay
7 or more	3
	5

- (b) A staff member whose appointment is terminated for reasons of health shall receive an indemnity equal to the indemnity provided under paragraph (a) of the present Annex;
- (c) A staff member whose appointment is terminated for unsatisfactory service or who for disciplinary reasons is dismissed for misconduct other than summary dismissal may be paid, at the discretion of the Executive Secretary, an indemnity not exceeding one half of the indemnity provided under paragraph (a) of the present Annex;
- (d) No indemnity payments shall be made to:
- (i) A staff member who resigns, except where termination notice has been given and the termination date agreed upon;
  - (ii) A staff member who has a temporary appointment for a fixed term that is completed on the expiration date specified in the letter of appointment;
  - (iii) A staff member whose appointment is not confirmed at the end of his or her probationary period;
  - (iv) A staff member who is summarily dismissed;
  - (v) A staff member who abandons his or her post;
  - (vi) A staff member specifically engaged for conference or other short term service.

**FINANCIAL REGULATIONS AND RULES  
OF THE PREPARATORY COMMISSION  
FOR THE COMPREHENSIVE NUCLEAR-TEST-BAN TREATY  
ORGANIZATION**

**Contents**

<b>Article 1: Definitions .....</b>	<b>93</b>
Regulation 1.1 .....	93
Rule 1.1.01: Glossary of Definitions.....	94
<b>Article 2: Applicability.....</b>	<b>96</b>
Regulation 2.1 .....	96
Rule 2.1.01: Authority and Applicability.....	96
<b>Article 3: Financial Period.....</b>	<b>97</b>
Regulation 3.1 .....	97
Rule 3.1.01: Financial Period.....	97
<b>Article 4: The Budget.....</b>	<b>98</b>
Regulation 4.1 .....	98
Regulation 4.2 .....	98
Rule 4.2.01: Content of Proposed Budget.....	98
Regulation 4.3 .....	98
Rule 4.3.01: Budget: Tasks of Allotment Managers.....	99
Rule 4.3.02: Budget: Content and Resource Allocation .....	99
Rule 4.3.03: Budget: Preliminary Estimates .....	99
Rule 4.3.04: Budget: Listing of International Monitoring System Facilities.....	99
Rule 4.3.05: Budget: Reduced Assessment – First Official Notifications .....	100
Rule 4.3.06: Budget: Establishing a Claim for a Reduction in a Future Assessment .....	100
Rule 4.3.07: Budget: Currency of Presentation .....	100
Regulation 4.4 .....	100
Rule 4.4.01: Budget: Guidance Provided by Working Group B.....	101
Rule 4.4.02: Submission of the Draft Programme Budget to the Advisory Group.....	101
Regulation 4.5 .....	101
Rule 4.5.01: Procedures for Review of Reduced Assessment Claims .....	101
Rule 4.5.02: Report on the Status of Appropriations as Approved by the Commission.....	102
Regulation 4.6 .....	102
<b>Article 5: Appropriations .....</b>	<b>104</b>
Regulation 5.1 .....	104
Regulation 5.2 .....	104
Rule 5.2.01: Basis of Obligations .....	104
Regulation 5.3 .....	104
Regulation 5.4 .....	105
Rule 5.4.01: Provisional Cash Balance for the Financial Period .....	105
Rule 5.4.02: Cash Surplus for the Financial Period.....	105
Regulation 5.5 .....	105
Rule 5.5.01: Transfer of Funds Between Major Programmes.....	106
Rule 5.5.02: Transfer of Funds Within a Major Programme .....	106
Rule 5.5.03: Transfer of Funds to and from the Capital Investment Fund – Installation (CIF-I) and the Capital Investment Fund – Sustainment (CIF-S) .....	106
Rule 5.5.04: Transfer of Funds to and from the Multiyear Funds.....	106
Rule 5.5.05: Transfer of Euro Portion of Appropriations .....	107

- Regulation 5.6 ..... 107
  - Rule 5.6.01: Percentage for the Contingency Margin..... 107
  - Rule 5.6.02: Implementation of the Contingency Margin ..... 107
  - Rule 5.6.03: Reporting on the Implementation of the Contingency Margin..... 107
  - Rule 5.6.04: Appropriations and Cash Management ..... 107
- Article 6: Provision of Funds..... 108**
- Regulation 6.1 ..... 108
- Regulation 6.2 ..... 108
  - Rule 6.2.01: Requirement Prior to Commencement of Work Related to Reduced Assessment ..... 108
  - Rule 6.2.02: Requirements During Implementation of Reduced Assessment Activities ..... 109
  - Rule 6.2.03: Status Report of Reduced Assessment Activities ..... 109
  - Rule 6.2.04: Reduction in a State Signatory’s Assessment..... 109
  - Rule 6.2.05: Deduction of Estimated Miscellaneous Income ..... 110
- Regulation 6.3 ..... 110
- Regulation 6.4 ..... 110
  - Rule 6.4.01: Credit Against Contributions and Advances to the Working Capital Fund ..... 110
- Regulation 6.5 ..... 111
- Regulation 6.6 ..... 111
- Regulation 6.7 ..... 111
  - Rule 6.7.01: Report on Collection of Contributions and Advances to the Working Capital Fund..... 111
- Regulation 6.8 ..... 111
- Article 7: Funds ..... 113**
- Regulation 7.1 ..... 113
  - Rule 7.1.01: Apportioning of Cash Surplus ..... 113
  - Rule 7.1.02: Liquidation of Cash Surplus ..... 113
- Regulation 7.2 ..... 114
  - Rule 7.2.01: Capital Investment Fund..... 114
  - Rule 7.2.02: Capital Investment Fund: Sources and Uses of Funds ..... 114
  - Rule 7.2.03: Capital Investment Fund: Accounting and Reporting ..... 115
  - Rule 7.2.04: Capital Investment Fund: Cash Management..... 115
  - Rule 7.2.05: Capital Investment Fund: Cash Balances ..... 115
- Regulation 7.3 ..... 116
  - Rule 7.3.01: Multiyear Funds: Sources and Uses of Funds ..... 116
  - Rule 7.3.02: Multiyear Funds: Accounting and Reporting ..... 116
  - Rule 7.3.03: Multiyear Funds: Cash Balances ..... 116
- Regulation 7.4 ..... 117
  - Rule 7.4.01: Advances from the Working Capital Fund..... 117
- Regulation 7.5 ..... 117
- Regulation 7.6 ..... 117
- Regulation 7.7 ..... 117
- Regulation 7.8 ..... 118
- Article 8: Other Income ..... 119**
- Regulation 8.1 ..... 119
  - Rule 8.1.01: Miscellaneous Income ..... 119
  - Rule 8.1.02: Proceeds Income..... 119
  - Rule 8.1.03: Refunds of Expenditure..... 119
- Regulation 8.2 ..... 119
  - Rule 8.2.01: Establishment or Upgrading of IMS Facilities Through National Funding ..... 120
  - Rule 8.2.02: Submission of a Detailed Work Plan..... 120
  - Rule 8.2.03: Review of the Detailed Work Plan ..... 120
  - Rule 8.2.04: Identification in Programme Budget ..... 120
  - Rule 8.2.05: Progress Report ..... 120



Rule 8.2.06: Certification and Post-Certification Costs .....	120
Regulation 8.3 .....	120
Rule 8.3.01: Special Account for Voluntary Contributions .....	120
Rule 8.3.02: Voluntary Contributions in Kind .....	121
<b>Article 9: Custody of Funds.....</b>	<b>122</b>
Regulation 9.1 .....	122
Rule 9.1.01: Designation of Banks .....	122
Rule 9.1.02: Custody of Securities.....	122
Rule 9.1.03: Receipt of Funds.....	122
Rule 9.1.04: Deposit of Monies .....	122
Rule 9.1.05: Responsibility of Holders of Cash Advances .....	123
Rule 9.1.06: Authorization of Disbursements.....	123
<b>Article 10: Investment of Funds.....</b>	<b>124</b>
Regulation 10.1 .....	124
Rule 10.1.01: Investments.....	124
Rule 10.1.02: Investment Ledger .....	124
Regulation 10.2 .....	125
<b>Article 11: Internal Control.....</b>	<b>126</b>
Regulation 11.1 .....	126
Rule 11.1.01: Internal Audit.....	126
Rule 11.1.02: Administrative Directives.....	127
Rule 11.1.03: Basis of Accounting .....	127
Rule 11.1.04: Accounting Records .....	127
Rule 11.1.05: Accounting for Proceeds from Sales .....	127
Rule 11.1.06: Accounting for Property and Equipment.....	127
Rule 11.1.07: Responsibility for Property and Equipment Records .....	128
Rule 11.1.08: Inventories .....	128
Rule 11.1.09: Supporting Documentation.....	128
Rule 11.1.10: Retention and Destruction of Records.....	128
Rule 11.1.11: Payment: Basis for Payment of Salaries and Related Entitlements.....	128
Rule 11.1.12: Payments: Basis for Payments Related to Official Travel.....	128
Rule 11.1.13: Payment: Basis for Payment of Goods and Services.....	129
Rule 11.1.14: Payment: Certifying Officer .....	129
Rule 11.1.15: Payment: Approving Officer .....	129
Rule 11.1.16: Discounts .....	129
Rule 11.1.17: Advance External Payments and Internal Advances .....	129
Rule 11.1.18: Progress Payments.....	130
Rule 11.1.19: Imprest Accounts.....	130
Rule 11.1.20: Payment: Treasury.....	130
Rule 11.1.21: Bank Signatories.....	130
Rule 11.1.22: Receipt of Property, Equipment, Inventory or Services .....	130
Regulation 11.2 .....	131
Rule 11.2.01: Appropriations Made Available by Authorization from the Director of Administration.....	131
Rule 11.2.02: Commitments Against Appropriations of Future Years.....	131
Rule 11.2.03: Issuance of Allotments .....	131
Rule 11.2.04: Responsibility for Allotments.....	132
Rule 11.2.05: Requests to Incur Obligations .....	132
Rule 11.2.06: Obligations: Certifying Officers.....	132
Rule 11.2.07: Increase and Decrease in Obligations.....	132
Rule 11.2.08: Review of Outstanding Obligations .....	132
Regulation 11.3 .....	133
Rule 11.3.01: Ex Gratia Payments .....	133
Regulation 11.4 .....	133

- Rule 11.4.01: Writing Off of Losses of Cash, Property, Equipment and Inventory ..... 133
- Regulation 11.5 ..... 133
  - Rule 11.5.00: General Procurement Principles ..... 134
  - Rule 11.5.01: Contracts and Purchases: Authorized Officers ..... 134
  - Rule 11.5.02: Definitions of Solicitation Documents ..... 134
  - Rule 11.5.03: Requests for Procurement..... 135
  - Rule 11.5.04: Committee on Contracts ..... 135
  - Rule 11.5.05: Calling for Bids, Proposals or Quotations ..... 135
  - Rule 11.5.06: Exceptions to Competitive Procedures..... 136
  - Rule 11.5.07: Awarding of Contracts ..... 137
  - Rule 11.5.08: Form and Contents of Contracts ..... 137
  - Rule 11.5.09: Written Findings ..... 138
  - Rule 11.5.10: Interested Parties ..... 138
  - Rule 11.5.11: Property, Equipment and Inventory Records ..... 138
  - Rule 11.5.12: Physical Verification ..... 139
  - Rule 11.5.13: Property Issued to Individuals ..... 139
  - Rule 11.5.14: Requisitions ..... 139
  - Rule 11.5.15: Property, Equipment and Inventory Survey Panel ..... 139
  - Rule 11.5.16: Sale or Disposal of Property, Equipment and Inventory ..... 140
  - Rule 11.5.17: Removal of Assets from the Property, Equipment and Inventory Records..... 140
  - Rule 11.5.18: Sales on a Cash Basis ..... 140
  - Rule 11.5.19: Accounting for Proceeds from Sales ..... 141
  - Rule 11.5.20: Losses of Property, Equipment and Inventory ..... 141
- Article 12: Financial Statements ..... 142**
- Regulation 12.1 ..... 142
  - Rule 12.1.01: Responsibility for Maintaining the Financial Statements..... 142
  - Rule 12.1.02: Principal Financial Statements ..... 142
  - Rule 12.1.03: Subsidiary Accounts..... 143
  - Rule 12.1.04: Preparation of Financial Statements ..... 143
  - Rule 12.1.05: Regular Budget Statement ..... 143
  - Rule 12.1.06: Budgetary Charges ..... 144
  - Rule 12.1.07: Accrual Basis Accounting ..... 144
  - Rule 12.1.08: Reconciliation of Bank Accounts ..... 144
  - Rule 12.1.09: Other Statements ..... 144
- Regulation 12.2 ..... 145
  - Rule 12.2.01: Currency of Financial Statements..... 145
  - Rule 12.2.02: Exchange of Currencies..... 145
  - Rule 12.2.03: Treatment of Exchange Adjustments ..... 145
- Regulation 12.3 ..... 146
  - Rule 12.3.01: Acceptance of Audited Financial Statements ..... 146
- Article 13: External Audit ..... 147**
- Regulation 13.1 ..... 147
- Regulation 13.2 ..... 147
- Regulation 13.3 ..... 147
- Regulation 13.4 ..... 147
- Regulation 13.5 ..... 148
- Regulation 13.6 ..... 148
- Regulation 13.7 ..... 148
- Regulation 13.8 ..... 148
- Regulation 13.9 ..... 148
- Regulation 13.10 ..... 149
- Regulation 13.11 ..... 149
- Article 14: Decisions Involving Expenditures ..... 150**
- Regulation 14.1 ..... 150

Regulation 14.2 .....	150
Regulation 14.3 .....	150
<b>Article 15: General Provisions .....</b>	<b>151</b>
Regulation 15.1 .....	151
Rule 15.1.01: Advisory Group .....	151
Regulation 15.2 .....	151
Rule 15.2.01: Effective Date .....	152
Regulation 15.3 .....	152
Regulation 15.4 .....	152
<b>Article 16: Special Provisions .....</b>	<b>153</b>
Regulation 16.1 .....	153
<b>Supplement to the Financial Regulations: Additional Terms of Reference Governing the Audit .....</b>	<b>154</b>
<b>Annex I to the Financial Rules: Purchase Cycle: Internal Control .....</b>	<b>157</b>

This edition of the Financial Regulations and Rules is based on the following documents:

<b>Document</b>	<b>Date of Issue</b>	<b>Date of Entry into Force</b>	<b>Affected Regulation or Rule</b>	<b>Summary</b>	<b>Changes in Numbering</b>
CTBT/PC/II/1/Add.1, Appendix II	16 May 1997	13 May 1997	All Financial Regulations	Initial text	–
CTBT/PC-11/1/Annex X	29 May 2000	5 May 2000	All Financial Rules	Initial text	–
CTBT/PC-11/1/Annex X/Corr.1	20 June 2000	5 May 2000	Annex II	Correction to purchase cycle flowchart	–
CTBT/PC-11/1/Annex X/Corr.2	6 July 2000	5 May 2000	Annex II	Correction to purchase cycle flowchart	–
CTBT/PC-13/1/Annex I, recommendation 11	24 November 2000	24 November 2000	7.2.02	Amendment related to sources and uses of funds for the CIF	–
CTBT/PC-15/1/Annex I, recommendation 4	24 August 2001	24 August 2001	11.2.02	Amendment related to commitments against appropriations of future years	–
CTBT/PC-20/1/Annex I, recommendation 8	1 July 2003	1 July 2003	5.2.01	Amendment related to the lifespan of CIF obligations	–
CTBT/PC-21/1/Annex VI, Appendix VIII	19 November 2003	19 November 2003	5.4.01 5.4.02 7.2.02	Amendment related to application of arrears of assessed contributions to the CIF	–
CTBT/PC-21/1/Annex VI, Appendix IX	19 November 2003	19 November 2003	8.1.03	Amendment related to refunds of expenditures of the CIF	Addition of new paragraph b to Rule 8.1.03 and renumbering of former paragraph b as c

<b>Document</b>	<b>Date of Issue</b>	<b>Date of Entry into Force</b>	<b>Affected Regulation or Rule</b>	<b>Summary</b>	<b>Changes in Numbering</b>
CTBT/PC-21/1/Annex VI, Appendix X	19 November 2003	19 November 2003	5.5.03 7.2.02	Amendment related to the funding of the costs of capital replacement of certified IMS stations	Addition of a new Rule 5.5.03
CTBT/PC-22/1/Annex I, recommendation 8 and Appendix III	28 June 2004	28 June 2004	4.3 4.3.07 5.5.04 6.5 6.6 12.2.03	Amendment related to introduction of a split currency appropriation and assessment system	Introduction of new Rules 4.3.07 and 5.5.04, and introduction of new paragraphs b and d to Rule 12.2.03 and renumbering of former paragraph b as c
CTBT/PC-22/1/Annex I/Corr.1	16 December 2004	16 December 2004	5.5.04	Correction of misnumbering of Rule 5.5.04 as Rule 5.5.03	–
CTBT/PC-23/1/Annex I, recommendation 10 and Appendix I	26 November 2004	26 November 2004	11.5.05 11.5.09 11.5.10 Annex I	Amendment related to procurement processes	–
CTBT/PC-24/3/Annex I, recommendation 8	7 July 2005	7 July 2005	11.5.10	Amendment related to urgent unscheduled maintenance to IMS stations	–
CTBT/PC-26/2/Annex I, recommendations 3 and 8 and Appendix I	28 June 2006	28 June 2006	11.5.06	Amendment related to sole source contracts	–
CTBT/PC-27/2/Annex I, recommendation 7	21 November 2006	21 November 2006	12.2.03	Amendment related to treatment of exchange adjustment	Deletion of paragraph c of Rule 12.2.03 and renumbering of former paragraph d as c

<b>Document</b>	<b>Date of Issue</b>	<b>Date of Entry into Force</b>	<b>Affected Regulation or Rule</b>	<b>Summary</b>	<b>Changes in Numbering</b>
CTBT/PC-28/1/Annex I, recommendation 3	3 July 2007	3 July 2007	11.5.08 Annex I	Amendments related to the Committee on Contracts	–
CTBT/PC-28/1/Annex I, recommendation 6 and Appendix II	3 July 2007	3 July 2007	5.5.03 7.2 7.2.02	Amendment related to establishment of CIF sub-funds	–
CTBT/PC-31/1/Annex X	26 November 2008	26 November 2008	6.6	Amendment related to crediting of assessed contributions	–
CTBT/PC-33/2/Annex I, Appendix IV	25 November 2009	25 November 2009	11.5.10	Amendment related to urgent unscheduled maintenance to IMS stations	–
CTBT/PC-36/2/Annex III	17 June 2011	17 June 2011	10.1.01	Amendment related to investment of cash assets	–
CTBT/PC-37/2/Annex I	4 November 2011	4 November 2011	8.1.03	Amendment related to reimbursement of tax and customs duty	–
CTBT/PC-39/2/Annex V	1 November 2012	1 November 2012	11.1	Amendment related to internal control	–

Document	Date of Issue	Date of Entry into Force	Affected Regulation or Rule	Summary	Changes in Numbering
CTBT/PC-39/2/Annex III	1 November 2012	5 May 2014	1.1      7.4 3        8.1 3.1      8.2 4.3      10.1 4.5      11.3 5.2      11.4 5.3      12 5.4      12.1 5.6      12.2 6.2      12.3 6.5      13.1 6.8      13.3 7.1      13.9 7.2      13.10 7.3      Supplement	Amendments to Financial Regulations related to the introduction of an an IPSAS-compliant Enterprise Resource Planning system	Introduction of new paragraph b of Regulation 8.1 and renumbering of former paragraphs b and c as c and d

Document	Date of Issue	Date of Entry into Force	Affected Regulation or Rule	Summary	Changes in Numbering
CTBT/PC-39/2/Annex IV	5 November 2012	5 May 2014	3.1.01 11.1.22 4.2.01 11.2.08 4.3.03 11.4.01 4.5.02 11.5.13 5.2.01 11.5.14 5.4.01 11.5.16 5.4.02 11.5.17 5.5.01 11.5.18 5.5.03 11.5.19 7.1.01 11.5.21 7.1.02 11.5.22 7.2.02 12.1.01 7.2.05 12.1.02 8.1.03 12.1.04 8.3.02 12.1.05 10.1.02 12.1.06 11.1.03 12.1.07 11.1.04 12.1.09 11.1.06 12.2.01 11.1.07 12.2.02 11.1.08 12.2.03 11.1.09	Amendments to Financial Rules related to the introduction of an IPSAS-compliant Enterprise Resource Planning system	–



Document	Date of Issue	Date of Entry into Force	Affected Regulation or Rule	Summary	Changes in Numbering
CTBT/PC-44/2/Annex II	26 June 2015	26 June 2015	1.1 4.1 4.2.01 4.3 4.3.03 4.3.04 4.4.01 4.4.02 4.5 4.5.02 5.2 5.3 5.4 5.4.01 5.4.02 7.2.03	Amendment related to biennial budgeting	Introduction of a new paragraph c of Regulation 1.1 and renumbering of former paragraphs c-p as d-q; introduction of a new paragraph b of Regulation 4.3 and renumbering of former paragraphs b-d as c-e; deletion of paragraph b of Regulation 4.5 and renumbering of former paragraph c as b; introduction of a new Rule 4.4.01 and renumbering of former Rule 4.4.01 as Rule 4.4.02; and renumbering of Regulation 5.2 as paragraph a and introduction of a new paragraph b

Document	Date of Issue	Date of Entry into Force	Affected Regulation or Rule	Summary	Changes in Numbering
CTBT/PC-44/2/Annex III	26 June 2015	26 June 2015	6.3 7.3 7.3.01 7.3.02 7.3.03 7.4 7.4.01 7.5 7.6 7.7 7.8	Amendment related to multiyear funds	Introduction of a new Regulation 7.3 and Rules 7.3.01–7.3.03 and renumbering of former Regulations 7.3–7.7 as 7.4–7.8 and renumbering of former Rule 7.3.01 as 7.4.01
CTBT/PC-47/2, Annex II	14 November 2016	14 November 2016	11.1.21	Amendment related to bank signatories	–

Document	Date of Issue	Date of Entry into Force	Affected Regulation or Rule	Summary	Changes in Numbering
CTBT/PC-48/2, Annex IV	23 June 2017	23 June 2017	11.1 11.5 11.5.00 11.5.01- 11.5.22	Amendments related to procurement	Addition of a new paragraph h to Regulation 11.1; introduction of a new Rule 11.5.00; deletion of paragraph d of Rule 11.5.02; addition of new paragraph a-b to Rule 11.5.04; deletion of paragraphs a-h of Rule 11.5.05 and addition of new paragraphs a-c; addition of new paragraphs g-j to Rule 11.5.06; deletion of Rule 11.5.07; renumbering of Rule 11.5.08 as Rule 11.5.07; deletion of paragraphs b-c of renumbered Rule 11.5.07 and renumbering of paragraphs d-e as b-c; deletion of Rule 11.5.09; renumbering of Rules 11.5.10-11.5.22 as Rules 11.5.08-11.5.20; deletion of paragraphs a-c of renumbered Rule 11.5.08, addition of new paragraphs a-b and renumbering of paragraphs d-e as c-d; deletion of Annex I; and renumbering of Annex II as Annex I

Document	Date of Issue	Date of Entry into Force	Affected Regulation or Rule	Summary	Changes in Numbering
CTBT/PC-50/2, Annex II	4 July 2018	4 July 2018	5.2.01 Supplement to the Financial Regulations	Amendment related to the basis of obligations; amendment related to the additional terms of reference governing the audit	Deletion of subparagraphs a-e of paragraph 5 of the Supplement to the Financial Regulations
CTBT/PC-52/2 Annex I	2 October 2019	2 October 2019	5.5.04 5.5.05	Amendment to Regulation 5.5 of the Financial Regulations and Rules on the transfer of funds to and from the multiyear funds (MYFs)	Amendment to paragraph 5.5.04 Addition of new paragraph 5.5.05
CTBT/PC-55/2 Annex III	8 January 2021	8 January 2021	1.1.01 11.1.15 11.1.16 11.1.17 11.1.18 11.1.20 11.1.21 11.5.20	Amendments to address changes in the operating environment and to update and enhance internal controls	—

## ARTICLE 1: DEFINITIONS

### Regulation 1.1

For the purposes of these Regulations, the following definitions in respect of specific terms used shall apply. These terms are listed in alphabetical sequence.

- (a) **Appropriations** shall mean the aggregate of the expenditure authorizations approved by the Commission for the Regular Budget of the Commission for a financial period against which expenditures may be incurred for purposes specified by the Commission.
- (b) **Appropriation section** shall mean a subdivision of the appropriation resolution of the Commission showing the purpose for which expenditures may be incurred and the amount authorized to be expended for that purpose. In the Budget document a Major Programme corresponds to an Appropriation Section.
- (c) **Biennium** shall mean two consecutive financial periods starting on 1 January of each even-numbered year.
- (d) **Commitment** shall mean an engagement involving a liability against resources of future years for which expenditure authority has not yet been given.
- (e) **Disbursement** shall mean the actual amount paid.
- (f) **Ex gratia payment** shall mean a payment where there is no legal liability but where payment is justifiable in the light of circumstances.
- (g) **Expenditure** shall mean the sum of disbursements and unliquidated obligations.
- (h) **Fund** shall mean an independent accounting entity established pursuant to these Regulations for a specified purpose.
- (i) **Obligation** shall mean an engagement involving a liability against resources for which expenditure authority has been given.
- (j) **Regular budget estimates** shall mean estimates of expenditures and income for activities to be financed from the Regular Budget.
- (k) **Unliquidated obligation** shall mean an obligation or that portion of an obligation which is not yet paid.
- (l) **Members present and voting** shall mean Members casting an affirmative or negative note. Members who abstain from voting shall be regarded as not voting.
- (m) **Cash Surplus** shall mean the excess of cash receipts over cash disbursements for a given financial period.
- (n) **Contingency Margin** shall mean that portion of the Budget Appropriations for which the Executive Secretary shall not authorize expenditures until it is determined that the

contributions actually received are adequate to meet the full needs of the Appropriations in a given financial period.

- (o) **Short Term Investments** shall mean investments for a period not exceeding 12 months.
- (p) **Transfer** shall mean an increase in a Major Programme, Programme, Subprogramme or Project offset by decrease by the same total amount of Major Programme, Programme, Subprogramme or Project.
- (q) **Special account for voluntary contributions** shall mean those resources, whether in cash or in kind, provided by donors to fund either the special account for voluntary contributions, or activity specified by the donor.

### ***Rules Pertaining to Regulation 1.1***

#### *Rule 1.1.01: Glossary of Definitions*

The definitions set forth in Financial Regulation 1.1 shall also be applicable to these Rules. Additional definitions relevant to the understanding of the Financial Rules are set out below.

**An Allotment Manager** shall be an Officer of the Provisional Technical Secretariat (“the Secretariat”) designated by the Executive Secretary as being responsible for planning and initiating the utilization of one or more parts of the Programme Budget.

**A Certifying Officer** shall be a Secretariat Officer designated by the Executive Secretary in an Administrative Directive as being responsible for:

- (a) Examining all obligations proposed by Allotment Managers to ensure that appropriate funds are available and have been allotted, and that the proposed expenditure is in accordance with the Financial Regulations and Rules and is consistent with the purpose for which the appropriation was intended.
- (b) Certifying that goods have been received or shipped and that the services have been rendered in accordance with the documents establishing the obligation.

The authority granted and responsibility assigned to Certifying Officers is a personal one and can be delegated only to alternates as designated by the Executive Secretary under the Administrative Directive.

**An Approving Officer** shall be a Secretariat Officer of the Financial Services designated by the Executive Secretary. The Approving Officer shall be responsible for examining the payments before these are established in the accounting records and processed to Treasury, to ensure the following: that obligations have been authorized by the appropriate Certifying Officer; that vouchers and other documents passed by Certifying Officers for payment are properly supported by the evidence that goods or services have been received in accordance with the contractual agreement establishing the obligation; that the documents comprise duly certified original vouchers or electronic invoices with adequate internal controls; that payment has not previously been made, and that the supporting documents do not have irregularities

which might indicate that the payment is not properly due. An Approving Officer can never be a Certifying Officer.

**The Treasurer** shall be a Secretariat Officer of the Financial Services Section designated by the Executive Secretary, as being responsible for the proper management and custody of the Commission's cash assets, including investments.

## **ARTICLE 2: APPLICABILITY**

### **Regulation 2.1**

These Regulations shall govern the financial administration of the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization, hereafter called the Commission.

#### ***Rules Pertaining to Regulation 2.1***

##### ***Rule 2.1.01: Authority and Applicability***

These rules are approved by the Commission and issued by the Executive Secretary. These Rules implement, as appropriate, the Financial Regulations. They shall govern, together with the Financial Regulations, Directives and any other instructions as may be issued by or on behalf of the Executive Secretary, the financial administration of the Secretariat, except as may otherwise be provided by the States Signatories.



## **ARTICLE 3: FINANCIAL PERIOD**

### **Regulation 3.1**

The financial period shall be the calendar year starting on 1 January.

#### ***Rules Pertaining to Regulation 3.1***

##### ***Rule 3.1.01: Financial Period***

The financial period for all regular activities shall be the calendar year, irrespective of whether these activities encompass an entire calendar year or a portion thereof. In the latter case, i.e. where the financial period is less than 12 months, it shall be defined by indicating precisely the dates on which it commences and on which it ends.

## **ARTICLE 4: THE BUDGET**

### **Regulation 4.1**

The Regular Budget shall be established for a biennium.

#### ***Rules Pertaining to Regulation 4.1***

*None*

### **Regulation 4.2**

- (a) The Regular Budget of the Commission shall be prepared as a programme Budget. Estimated expenditures and income shall be grouped according to the programme to which they relate;
- (b) In addition to the Regular Budget, the Executive Secretary shall prepare a complementary Budget which shall specifically relate to those tasks the Commission shall undertake concerning the organization and work of the Provisional Technical Secretariat that will require immediate attention during the 180 days prior to the entry into force of the Treaty (Article XIV/para.1).

#### ***Rules Pertaining to Regulation 4.2***

##### ***Rule 4.2.01: Content of Proposed Budget***

The proposed Budget shall be designed as a Programme Budget, divided into appropriation sections, one for each Major Programme, and it shall contain:

- (a) Narratives for each Major Programme, Programme, Subprogramme and Project in conformity with the specific mandates established by the Commission;
- (b) A statement of estimated expenditure by Major Programme, Programme, Subprogramme and Project; for purposes of comparison, the appropriations for the current financial period and the actual expenditure of the financial period prior to the current one shall be indicated alongside the estimates for the ensuing biennium;
- (c) A statement of the estimated income under appropriate headings;
- (d) A breakdown of estimates by objects of expenditure, in total and for each Major Programme and Programme;
- (e) Clear specification of objectives, priorities and implementation deadlines in the Programme and Budget document.

### **Regulation 4.3**

- (a) The Executive Secretary shall prepare and submit to the Commission in the second financial period of each biennium a draft Budget for the next biennium, based on the draft programme of work;

- (b) The Executive Secretary shall prepare and submit to the Commission in the first financial period of each biennium any proposed changes to the Budget document to be carried out in the second financial period of the biennium;
- (c) The Budget shall be presented in United States dollars and in euros, in proportion to the estimated expenditures in these two currencies;
- (d) The Budget shall include a listing of IMS facilities that are to be established, upgraded or maintained;
- (e) Any State(s) intending to perform the work of establishing or upgrading an IMS station, as called for in the draft budget, shall submit, if desired, a request for a reduction in the assessment(s) as provided for in Fin. Reg. 6.2(d) to the Executive Secretary not later than three weeks prior to the beginning of the plenary session that will first consider the draft Budget. The Executive Secretary shall transmit these requests for reduced assessments to all Member States not later than two weeks prior to the beginning of the plenary session that will first consider the draft Budget.

### ***Rules Pertaining to Regulation 4.3***

#### *Rule 4.3.01: Budget: Tasks of Allotment Managers*

Allotment Managers shall prepare their respective draft Programme Budget proposals for the following financial period at such times and in such detail as the Executive Secretary shall direct and in accordance with the Financial Regulations and Rules and other applicable Regulations and Rules.

#### *Rule 4.3.02: Budget: Content and Resource Allocation*

After review of these Programme Budget proposals, the Executive Secretary shall decide on the programme content and resource allocation of the draft Programme Budget to be submitted to the Commission.

#### *Rule 4.3.03: Budget: Preliminary Estimates*

The Executive Secretary's preliminary estimates for the subsequent biennium shall be submitted in the first financial period of each biennium within the same time frame as the draft Budget referred to in Rule 4.2.01 above. These preliminary estimates shall include estimated allocations to the extent possible.

#### *Rule 4.3.04: Budget: Listing of International Monitoring System Facilities*

The Executive Secretary shall ensure that the listing required by Fin. Reg. 4.3(d) includes cost estimates and a detailed description of the activity to be performed for each IMS facility, estimated as accurately as possible, given available information and experience gained by the Secretariat in costing activities.

*Rule 4.3.05: Budget: Reduced Assessment – First Official Notifications*

The Secretariat shall ensure that official correspondence requesting reduced assessment, which must be submitted to the Executive Secretary not later than three weeks prior to the beginning of the plenary session of the Commission that will first consider the draft Programme Budget, includes a full description of the activity, cost estimates (as detailed as practical) for the activity, and the estimated dates of beginning and completing the activity.

*Rule 4.3.06: Budget: Establishing a Claim for a Reduction in a Future Assessment*

On receipt of official correspondence from a State Signatory requesting that it perform work described in the IMS Work Programme in the draft Programme and Budget for reduced assessments as described in Rule 4.3.05 above, the Executive Secretary shall transmit the requests for reduced assessments to all States Signatories not later than two weeks prior to the plenary session of the Commission that will first consider the draft Programme and Budget. The Executive Secretary shall then report to this session in writing that cost estimates have been given an initial review by the Secretariat for consistency with the task to be undertaken, give the result of that review, and state whether the following have been met:

The International Monitoring System activity to establish or upgrade a facility is included in the draft Programme and Budget.

The reduced assessment is for work provided for in paragraph 22 of Article IV of the Comprehensive Nuclear-Test-Ban Treaty.

The State submitted its request for a reduced assessment to the Executive Secretary at least three weeks prior to the beginning of the plenary session that will first consider the draft Programme and Budget.

The information in Rule 4.3.05 has been supplied by the State claiming the assessment.

The Executive Secretary, in his Report to the Preparatory Commission, shall state if the status of assessed contributions payments of the States Signatories concerned is satisfactory.

To meet the budget schedule, a State Signatory that plans to perform work with its own funds and requests a corresponding reduced assessment should, whenever feasible, give notice of its plans at the Working Group B session prior to the plenary session of the Commission that will first consider the draft Programme and Budget.

*Rule 4.3.07: Budget: Currency of Presentation*

For illustrative purposes, the Budget also shall be consolidated for presentation in United States dollars in the Budget document at an exchange rate to be determined by the Preparatory Commission.

**Regulation 4.4**

Bearing in mind Fin. Reg. 15.1, the Executive Secretary shall transmit the draft Budget and the preliminary estimates, together with the comments thereon of the Advisory Group to all

Member States not later than four weeks prior to the beginning of the plenary session of the Commission that will first consider the draft Budget. The Executive Secretary shall transmit the final draft Budget to all Member States not later than four weeks prior to the plenary session that is to adopt the Budget.

#### ***Rules Pertaining to Regulation 4.4***

##### *Rule 4.4.01: Budget: Guidance Provided by Working Group B*

Working Group B shall provide guidance to the PTS for the verification related elements of the Programme for the subsequent biennium during its second annual session in the first year of the current biennium. The Executive Secretary shall submit the initial outline of the verification related programme elements of the draft Programme Budget to Working Group B prior to its first annual session of the second year of the current biennium.

##### *Rule 4.4.02: Submission of the Draft Programme Budget to the Advisory Group*

The Executive Secretary shall submit advance copies of the draft Programme Budget and the preliminary estimates to the Advisory Group, not later than two weeks prior to the beginning of its session.

#### **Regulation 4.5**

The Commission shall consider the draft Budget and, before the beginning of the next financial period, shall:

- (a) Adopt the proposed Budget for the next biennium, or adopt the changes for the second year of a biennium, as appropriate;
- (b) Approve requests for a reduction in assessment as provided for in Fin. Reg. 4.3(e) subject to the procedure outlined in Fin. Reg. 6.2(d).

In the first financial period of each biennium, the Commission shall consider the preliminary estimates for the subsequent biennium and give any necessary guidance to the Executive Secretary.

#### ***Rules Pertaining to Regulation 4.5***

##### *Rule 4.5.01: Procedures for Review of Reduced Assessment Claims*

The procedure for review of reduced assessment claims shall be the following:

- (a) The Secretariat shall ensure that each State Signatory has submitted the necessary confirmation to the Executive Secretary, not later than three weeks prior to the beginning of the plenary session of the Commission that will adopt the draft Programme Budget, that it is claiming reduced assessment and has supplied as much further information on the activity and its costing (especially adjustments in the activity and/or its costings) as possible. Supplemental information should contain, if a State Signatory is claiming reduced assessment for a facility hosted by another State:

- Official notification to the Secretariat from the Hosting State that it concurs in the proposed work for which the reduced assessment is claimed;
- A listing of tasks which the States involved in the facility activity each propose to perform;
- Preliminary itemized cost estimates for each task;
- The corresponding total amount of the reduction in assessment requested by each State involved in the activity on the facility.

If a third State (or more) is involved in the same budget activity at a facility, those States claiming reduced assessment must make clear the proposed division of labour in the activity and confirm that all States involved in the activity have consulted and concur.

- (b) The Executive Secretary shall transmit these confirmations of reduced assessment claims to all States Signatories not later than two weeks prior to the beginning of the plenary session of the Commission that will adopt the draft Programme Budget. Taking the communications from States in subparagraph (a) above fully into account, the Executive Secretary shall then report to this session. The report should include:
- The number of requests in each technology, for which stations and a percentage of the total indicative cost estimates for each technology provided by Working Group B in the International Monitoring System listing;
  - An analysis of any effect from the requests on the implementation of the IMS work programme;
  - A technical and cost evaluation of claims, taking into account value for money and international procurement principles, and any adjustments to the activities since a claim has been submitted;
  - Taking into account in particular this Rule and Rules 4.3.05 and 4.3.06 above, recommendations for approval of reduced assessment claims.
- (c) Once a claim has been approved by the Commission, the Executive Secretary shall arrange for provision to be made for the reduced assessment to be included in the International Monitoring Facility Agreement/Arrangement between the Secretariat and the State that has made the claim.

*Rule 4.5.02: Report on the Status of Appropriations as Approved by the Commission*

The Executive Secretary shall ensure that the Commission is informed at each session of the status of appropriations and programme implementation including expenditure, the receipt of assessed contributions and miscellaneous income realized or projected to be realized, as appropriate. At the end of each biennium, the Executive Secretary shall issue a detailed report of Programme Budget performance in the same format as the initial Programme Budget.

**Regulation 4.6**

- (a) The Executive Secretary shall submit proposals for revisions of the Budget whenever requested by the Commission;

- (b) In exceptional cases, the Executive Secretary may, on his/her own initiative, following careful examination of available resources for their possible reallocation and taking into account Fin. Reg. 5.5 concerning the transfer of funds, submit proposals for revisions of the Budget;
- (c) The Executive Secretary shall prepare supplementary Budget proposals, with full justification, consistent with the Budget format and invite the review of the Advisory Group established under Fin. Reg. 15.1 of these Regulations. These proposals along with the comments of the Advisory Group should then be submitted to the Commission for its decision.

***Rules Pertaining to Regulation 4.6***

*None*

## **ARTICLE 5: APPROPRIATIONS**

### **Regulation 5.1**

The appropriations approved by the Commission shall constitute an authorization to the Executive Secretary to incur obligations and make payments for the purposes for which the appropriations were approved, and up to the amounts so approved for each appropriation section.

#### ***Rules Pertaining to Regulation 5.1***

*None*

### **Regulation 5.2**

- (a) Appropriations shall be available for obligation during the financial period to which they relate in accordance with the appropriation resolution.
- (b) However, any unobligated balance of the appropriations for the first financial period of a biennium shall be carried forward and made available for obligation until the end of the second financial period of the biennium.

#### ***Rules Pertaining to Regulation 5.2***

##### ***Rule 5.2.01: Basis of Obligations***

A legal obligation shall be based either on a contract, a purchase order, an agreement or other form of transaction document entered into on behalf of the Commission by the Executive Secretary or a Secretariat officer designated by the Executive Secretary, or on a liability recognized by the Secretariat for which goods and services were delivered, in part or in full. All such obligations shall be supported by appropriate obligating documents. Obligations against the General Fund may be carried as unliquidated obligations during the period of availability set forth in Financial Regulation 5.3. Since Financial Regulation 7.2 establishes the multiyear feature of the Capital Investment Fund through the carry-forward of its surpluses, obligations against the Capital Investment Fund may be carried forward until they are fully liquidated or cancelled.

### **Regulation 5.3**

Appropriations shall remain available for 12 months following the end of the financial period to which they relate or, in the case of a carry-forward pursuant to Fin. Reg. 5.2(b), following the end of the financial period to which the appropriations were carried forward, to the extent that they are required to liquidate any outstanding legal obligations of the financial period. The balance of the appropriations remaining unobligated at the close of the 12 month period, or the close of the financial period to which the appropriations were carried forward, after deducting therefrom any contributions from Member States relating to that financial period which remain unpaid, shall form part of any cash surplus of the General Fund and shall be treated in accordance with Fin. Reg. 7.1(b).



### ***Rules Pertaining to Regulation 5.3***

*None*

### **Regulation 5.4**

At the end of the 12 month period or at the end of the financial period to which the appropriations were carried forward provided for in Fin. Reg. 5.3, the then remaining unspent balance of appropriations retained, after deducting therefrom any contributions from Member States relating to the financial period of the appropriation which remain unpaid, shall be treated as a cash surplus as in Fin. Reg. 5.3. Any obligations remaining a valid claim at that time shall be charged against current appropriations.

### ***Rules Pertaining to Regulation 5.4***

#### *Rule 5.4.01: Provisional Cash Balance for the Financial Period*

At the end of each financial period the provisional cash balance for the financial period shall be determined by establishing the balance, in the General Fund, between credits: i.e. assessed contributions actually received for the financial period from States Signatories and miscellaneous income received during the financial period; and charges: i.e. all disbursements made against the appropriations for that financial period, provisions for unliquidated obligations for that financial period, transfers to reserves or special funds as authorized by the Commission on an exceptional basis and provisions for unobligated balances of appropriations carried forward from the first financial period to the second financial period of a biennium in accordance with Fin. Reg. 5.2(b).

#### *Rule 5.4.02: Cash Surplus for the Financial Period*

At the end of the 12 month period referred to in Financial Regulation 5.3 and in Rule 5.2.01 above, the cash surplus for the financial period shall be determined by crediting to the provisional cash balance, referred to in Rule 5.4.01 above, arrears of prior years' assessed contributions from States Signatories received during this period that remain after fully funding the CIF in accordance with Financial Rule 7.2.02, any savings from the provisions made for unliquidated obligations as mentioned under "charges" in Rule 5.4.01 above as well as any savings from the provisions for carried forward unobligated balances of appropriations pursuant to Rule 5.4.01. Any remaining outstanding obligations shall be re-obligated against the appropriations of the current year.

### **Regulation 5.5**

No transfer between appropriation sections may be made without prior authorization by the Commission after examination by the Advisory Group. Transfers within the same appropriation section between Programmes, Subprogrammes and Projects may be effected by the Executive Secretary up to a level of 15 per cent from such Programmes, Subprogrammes and Projects. He or she shall report such transfers to the Commission through the Advisory Group. Transfers in excess of the 15 per cent limit shall be made only with the prior concurrence of the Commission.

### ***Rules Pertaining to Regulation 5.5***

#### ***Rule 5.5.01: Transfer of Funds Between Major Programmes***

In the event that a transfer of funds between Major Programmes becomes necessary, it shall be the responsibility of the Allotment Manager(s) responsible for the affected appropriation section(s) under the programme structure proposing the transfer, to provide the required justification and to submit a proposal, through the Chief, Financial Services, to the Executive Secretary for concurrence. The Executive Secretary after review and comment shall submit the proposal to the Commission for approval after examination by the Advisory Group within the financial period.

#### ***Rule 5.5.02: Transfer of Funds Within a Major Programme***

Transfers within the same Major Programme may be made between programmes, subprogrammes and projects up to a limit of 15 per cent for each programme, subprogramme and project. The Allotment Manager(s) responsible shall provide the Executive Secretary with the justification for such transfers. The Chief, Financial Services, shall provide the Executive Secretary with a recommendation as to the advisability of such transfers. The Executive Secretary shall report these transfers to the Commission through the Advisory Group. Transfers of funds in excess of the 15 per cent limit shall be made only with the prior concurrence of the Commission.

#### ***Rule 5.5.03: Transfer of Funds to and from the Capital Investment Fund – Installation (CIF-I) and the Capital Investment Fund – Sustainment (CIF-S)***

Any transfer of funds to and from the Capital Investment Fund – Installation (CIF-I) and the Capital Investment Fund – Sustainment (CIF-S), as well as transfers between these two parts of the Capital Investment Fund, shall be made only with the prior concurrence of the Commission. In case such transfer becomes necessary, the Allotment Manager proposing the transfer shall submit a proposal, supported by a justification, through the Chief, Financial Services, to the Executive Secretary for concurrence. The Executive Secretary, after review and comment, shall submit the proposal to the Commission for approval after examination by the Advisory Group within the financial period.

#### ***Rule 5.5.04 Transfer of Funds to and from the Multiyear Funds***

Any transfer of funds to and from the multiyear funds (MYFs) that are established in accordance with Regulation 7.3, as well as transfers between these MYFs, shall be made only with the prior concurrence of the Commission. In case such transfer becomes necessary, the Allotment Manager proposing the transfer shall submit a proposal, supported by a justification, through the Chief, Financial Services, to the Executive Secretary for concurrence. The Executive Secretary, after review and comment, shall submit the proposal to the Commission for approval after examination by the Advisory Group within the financial period.

*Rule 5.5.05: Transfer of Euro Portion of Appropriations*

For the euro portion of appropriations, if any, the 15% level shall be calculated on the basis of the United States dollar equivalent at the time of the approval of the transfer.

**Regulation 5.6**

The Executive Secretary shall be accountable to the Commission for the proper management of the financial resources in accordance with these Regulations. The Executive Secretary shall prudently manage the appropriations approved for the financial period so as to ensure that expenditures can be met from funds available, keeping in view the actual contributions received, the availability of cash balances, and the application to the approved appropriations of a contingency margin as provided for in the Financial Rules.

***Rules Pertaining to Regulation 5.6***

*Rule 5.6.01: Percentage for the Contingency Margin*

The Executive Secretary shall determine the percentage for the contingency margin, having regard to the average collection rate for the assessed contributions over the last three years and to ensure that expenditures do not exceed the available funds in the given financial period.

*Rule 5.6.02: Implementation of the Contingency Margin*

The Budget Appropriation Resolution for any given financial period shall make reference to the contingency margin with the specific provision that the Executive Secretary may authorize the allotment and obligation of funds up to the level of the approved budget less this contingency margin, and that further authorizations for allotment and obligation shall only be permitted when and to the extent that adequate contributions have been received to ensure that expenditure does not exceed available funds.

*Rule 5.6.03: Reporting on the Implementation of the Contingency Margin*

The Executive Secretary shall report to the Commission on the implementation of the contingency margin referred to in Rules 5.6.01 and 5.6.02 above.

*Rule 5.6.04: Appropriations and Cash Management*

The Executive Secretary, in accordance with Financial Regulation 5.6, shall be accountable to the Commission to ensure that properly budgeted expenditures in any Major Programme can be met from available cash balances. When, in the Executive Secretary's opinion, this is not possible within the existing appropriations, the Commission shall be notified without delay. In such a case, in accordance with Financial Regulation 14.3, the proposed expenditure(s) shall not be made until the Commission has been made aware of the reasons for the shortage of cash and the necessary funding arrangements have been made in accordance with Financial Regulation 5.6.

## **ARTICLE 6: PROVISION OF FUNDS**

### **Regulation 6.1**

The appropriations, subject to the adjustment effected in accordance with the provisions of Fin. Reg. 6.2, shall be financed by contributions from Member States according to a scale of assessments determined by the Commission. The scale shall be determined in accordance with the current United Nations scale of assessments adjusted to take into account differences in membership between the United Nations and the Commission. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund.

#### ***Rules Pertaining to Regulation 6.1***

*None*

### **Regulation 6.2**

For each financial period the contributions of Member States shall be assessed, taking into account adjustments in respect of:

- (a) Supplementary appropriations for which contributions have not previously been assessed on Member States;
- (b) Estimated miscellaneous income of the financial period in respect of which the assessment of contributions is being made;
- (c) Contributions resulting from the assessment of new Member States under Fin. Reg. 6.8;
- (d) Costs incurred by any Member State pursuant to and in accordance with paragraph 22 of Article IV of the Treaty, subject to the approval by the Commission of a request by a Member State for an appropriate reduction in its assessed contribution. The reduction in a State's assessment, or States' assessments pursuant to an agreement between those States, shall be the agreed cost associated with the activity undertaken by the State(s). The reduction in assessment will not be effected until the assessment cycle directly following PTS certification of that IMS facility. In any event the reduction in assessment shall not exceed 50 per cent of the assessed contribution of the State(s) for that year. Any excess in the approved reduction over the 50 per cent limit may be credited in subsequent years.

#### ***Rules Pertaining to Regulation 6.2***

##### ***Rule 6.2.01: Requirement Prior to Commencement of Work Related to Reduced Assessment***

The State Signatory claiming reduced assessment shall provide the Secretariat with a detailed work plan including cost estimates before the work is started. The Secretariat shall evaluate this detailed work plan including cost estimates to check their feasibility and compliance with the programme adopted by the Commission. Any disagreement or dispute over the detailed work plan and cost estimates between the Secretariat and State(s) which cannot be reconciled after intensive discussions should be raised at the next plenary session of the Commission for advice and assistance.

*Rule 6.2.02: Requirements During Implementation of Reduced Assessment Activities*

The State Signatory claiming reduced assessment shall provide to the Secretariat progress reports at six-month intervals, including a cost accounting and relevant technical details for each activity and to provide an assurance that the activity remains, as best as can be judged, consistent with the initially approved budget and that the activity will be certifiable.

*Rule 6.2.03: Status Report of Reduced Assessment Activities*

The Secretariat shall include a status report of reduced assessment activities, on the basis of information provided by States Signatories in accordance with Rule 6.2.02 above, in its regular reports to the Commission and Working Groups. This status report shall include comments on the progress of each project in relation to the initially approved Budget as well as in relation to the appropriate certification standards.

*Rule 6.2.04: Reduction in a State Signatory's Assessment*

The processing of States' reduced assessment claims shall be the following:

- (a) The Secretariat shall determine with the claiming State(s) the final cost breakdown of the activity performed for which the reduced assessment is being claimed, taking into account the cost history of the project as reported on a six-month basis in accordance with Rule 6.2.02 above and the Secretariat's experience with costings throughout the International Monitoring System and ensure that the work done is in accordance with the task as originally undertaken, including any subsequently agreed adjustments. Any disagreement or dispute over the detailed work plan and cost estimates between the Secretariat and State(s) which cannot be reconciled after intensive discussions should be raised at the next plenary session of the Commission for advice and assistance. The Secretariat shall not settle the final cost of a claim at a level exceeding the initial amount approved by the Commission in the Programme Budget unless otherwise authorized by the Commission.
- (b) In accordance with Rule 5.6.04 above and on the basis of information provided to the Commission by the Executive Secretary under that Rule, the Secretariat shall effect a reduced assessment claim in the assessment cycle directly following Secretariat certification of the International Monitoring System facility. The effect of the reduced assessment claim shall be noted by the Secretariat in the invoice for the State Signatory's assessed contribution and shall be liquidated from that State's reduced assessment CIF account, as appropriate, when the State Signatory has paid its assessments up to and including the budget year for which the reduced assessment claim was approved. During the annual budget cycle, the Executive Secretary shall provide to the Commission at the plenary session that will adopt the Budget a report on the station certifications accomplished during the current budget year and the reduced assessment claims affected by their certification for the upcoming budget year.

*Rule 6.2.05: Deduction of Estimated Miscellaneous Income*

The estimated miscellaneous income in the proposed Programme Budget shall be deducted from the total amount of the Programme Budget to be assessed.

**Regulation 6.3**

After the Commission has adopted the Programme and Budget and determined the amount of the Working Capital Fund (Fin. Reg. 7.4) as well as the scale of assessments, the Executive Secretary shall:

- (a) Transmit the relevant documents to Member States;
- (b) Inform Member States of their commitments in respect of contributions to the Budget and their advance to the Working Capital Fund;
- (c) Request Member States to remit their contributions and advances.

***Rules Pertaining to Regulation 6.3***

*None*

**Regulation 6.4**

- (a) Contributions and advances relating to the Budget, as provided for in Fin. Reg. 4.2(a), shall be considered due and payable in full not later than 30 days after the receipt of the communication of the Executive Secretary referred to in Fin. Reg. 6.3 above or as of the first day of the year to which they relate, whichever is the later. As of 1 January of the following year the unpaid balance of such contributions and advances shall be considered to be one year in arrears;
- (b) Contributions relating to the complementary Budget, as provided for in Fin. Reg. 4.2(b), shall be considered due and payable in full when so decided by the Commission or not later than 30 days after the receipt of a request by the Executive Secretary, which request shall not be communicated by the Executive Secretary before the deposit of instruments of ratification by all States listed in Annex 2 to the Treaty, but in no case earlier than two years after its opening for signature, for remittance of such contributions and advances, whichever date is the earlier. As of 1 January of the following year or the date of entry into force of the Treaty, whichever is the earlier, the unpaid balance of such contributions shall be considered to be one year in arrears.

***Rules Pertaining to Regulation 6.4***

*Rule 6.4.01: Credit Against Contributions and Advances to the Working Capital Fund*

Credit shall be given against assessed contributions and advances due to the Working Capital Fund on the date when the Secretariat receives value for a cheque from the State Signatory concerned or, in the case of transfers, when the Secretariat's bank account receives credit for these funds. Any bank charges shall be borne by the State Signatory concerned.

### **Regulation 6.5**

- (a) Each assessment for the Regular Budget shall be established in a component in United States dollars and a component in euros. These components shall be in direct proportion to the respective shares of the Resolution on the Regular Budget in the two currencies as approved by the Commission.
- (b) At the end of each financial period, the unpaid euro amount of assessed contributions for the Regular Budget shall be revalued by the Secretariat in United States dollars on the basis of the applicable United Nations rate of exchange and carried forward to the following financial period in United States dollars.
- (c) Advances to the Working Capital Fund shall be assessed and paid in United States dollars.

#### ***Rules Pertaining to Regulation 6.5***

*None*

### **Regulation 6.6**

- (a) Assessed contributions shall be paid in United States dollars and euros in the ratio determined pursuant to Regulation 6.5(a) and (c).
- (b) Payments made by a Member State shall be credited first to the Working Capital Fund and then to the contributions due, in the order in which the Member was assessed.

#### ***Rules Pertaining to Regulation 6.6***

*None*

### **Regulation 6.7**

The Executive Secretary shall periodically transmit a report on the collection of contributions and advances to the Working Capital Fund to Member States.

#### ***Rules Pertaining to Regulation 6.7***

*Rule 6.7.01: Report on Collection of Contributions and Advances to the Working Capital Fund*

The report called for in Financial Regulation 6.7 shall normally be made to each session of the Commission.

### **Regulation 6.8**

New Members shall be required to make a prorated contribution for the financial period in which they become Members and provide their proportion of the total Working Capital Fund. Such contributions shall begin on the 30th day following the date of their signature.

***Rules Pertaining to Regulation 6.8***

*None*



## **ARTICLE 7: FUNDS**

### **Regulation 7.1**

- (a) There shall be established a General Fund to which shall be credited receipts from contributions – whether current or arrears – of Member States, miscellaneous income and transfers made from the Working Capital Fund; and from which shall be made all general expenditures and reimbursements to the Working Capital Fund under Fin. Reg. 7.3.
- (b) Any cash surplus in the General Fund at the close of any financial period shall be apportioned among Member States in proportion to the scale of assessments applicable to that financial period. As of 1 January following the year in which the audit of the financial statements of the financial period is completed, the amount so apportioned to a Member State shall be surrendered to such Member State if its contribution for that financial period has been paid in full and shall be applied to liquidate, in whole or in part, first, any advance due to the Working Capital Fund; secondly, any arrears of assessed contributions; and thirdly, assessed contributions for the financial period following the year in which the audit is completed.

### ***Rules Pertaining to Regulation 7.1***

#### ***Rule 7.1.01: Apportioning of Cash Surplus***

After the final review by the External Auditor of the financial statements for the 12 month period referred to in Financial Regulation 5.3 and in Rule 5.2.01 above has been completed, the cash surplus shall be apportioned among all States Signatories, in accordance with the scale of assessments for the financial period to which the surplus relates. While any cash surplus in the General Fund shall be apportioned among all States Signatories, in accordance with the scale of assessments for the financial period to which the surplus relates, the amount so apportioned shall be surrendered only to those States Signatories which have paid in full their contributions for that financial period.

Amounts apportioned but not surrendered shall be retained by the Secretariat until such time as the contribution for the relevant financial period is paid in full, at which time they shall be applied in the sequence set forth in Financial Regulation 7.1(b).

#### ***Rule 7.1.02: Liquidation of Cash Surplus***

The individual allocations to those States Signatories entitled to the surrender shall be applied to liquidate in the following order:

- (a) Outstanding advance to the Working Capital Fund;
- (b) Arrears of assessed contribution still outstanding at the time of the surrender;
- (c) Assessed contribution for the current financial period.

## **Regulation 7.2**

A Capital Investment Fund shall be established to which shall be credited each year budgeted items for the installation and upgrade (Capital Investment Fund – Installation), as well as the long term sustainment (Capital Investment Fund – Sustainment), of IMS stations/facilities. Cash surplus remaining in this Fund at the end of a given financial period shall be carried forward to the following period if approved by the Commission.

### ***Rules Pertaining to Regulation 7.2***

#### *Rule 7.2.01: Capital Investment Fund*

The Capital Investment Fund shall be financed by receipts of assessed contributions. The Executive Secretary shall administer the Capital Investment Fund in accordance with the present Rules.

#### *Rule 7.2.02: Capital Investment Fund: Sources and Uses of Funds*

The sources of funds for the CIF shall be derived from all receipts of assessed contributions from States Signatories and miscellaneous income in proportion to the amounts representing budgeted items identified in the approved Programme and Budget, Major Programme 1, International Monitoring System.

These budgeted items are:

For the Capital Investment Fund – Installation (CIF-I), all items up to and including certification:

- Headquarters equipment;
- Site surveys and preparation;
- Capital investment (acquisition and installation of equipment);
- Authentication;
- GCI interface;
- Testing and evaluation;
- Experimental noble gas equipment;
- Certification.

For the Capital Investment Fund – Sustainment (CIF-S), all post-certification items:

- Equipment replacement;
- Station improvement;
- End of life replacement (recapitalization).

Funds allocated to IMS budgeted items not listed above shall not be credited to the CIF. Funds for the CIF shall be deposited at the time of receipt. Expenditures from the CIF shall

only be made for the purposes specified and approved in the Programme and Budget as described above.

At the end of the 12 month period following the end of the financial period, any arrears of prior years' assessed contributions from States Signatories received during this period shall, after offsetting a provisional negative cash balance in the General Fund, if any, with the approval of the Preparatory Commission, be credited to the CIF, up to the unfunded amount of the CIF.

*Rule 7.2.03: Capital Investment Fund: Accounting and Reporting*

The accounts and any sub-accounts of the CIF shall be administered in accordance with the Financial Regulations and Rules.

Reduced assessment sub-accounts shall be opened for the purpose of identifying each claim approved by the Commission. Cash shall be transferred into sub-accounts from the assessed contributions of those States Signatories with approved reduced assessment claims. Amounts relating to any claims withdrawn shall be credited back from the relevant sub-account to the direct funding share of the CIF.

In its biennial Programme and Budget Performance Report to the Commission, the Secretariat shall specify for each station all relevant items of expenditure.

No commitments, obligations or expenditures against the CIF may be incurred without written authorization of the Allotment Manager. Allotments for specific stations shall constitute the ceiling on obligations to be incurred in connection with that project. Any requests for transfers of funds to and from the CIF shall be made consistent with the Financial Regulations and Rules.

*Rule 7.2.04: Capital Investment Fund: Cash Management*

When delays in the receipt of assessed contributions impede cash management of the CIF, advances from the Working Capital Fund may be made by the Executive Secretary pending receipt of assessed contributions up to the proportion defined in Rule 7.2.02 above. In addition, the Executive Secretary may, at his/her discretion, prioritize CIF activities, in the implementation of the contingency margin for approved Budget appropriations.

*Rule 7.2.05: Capital Investment Fund: Cash Balances*

The Executive Secretary shall request approval from the Commission to carry forward any cash balance that remains at the end of a given financial period.

In presenting such a request, the Executive Secretary shall report on the status of implementation of approved investment activities, including noteworthy savings/cost overruns, and on the overall financial situation of the CIF.

### **Regulation 7.3**

Multiyear funds (MYFs) may be established, which shall be credited in accordance with the Programme and Budget proposed by the Executive Secretary and approved by the Commission, for specific projects that require long term funding for the purpose of the development and sustainment of the Treaty verification regime, not covered by the CIF-I and CIF-S. The MYFs shall be proposed by the Executive Secretary and approved by the Commission. The Executive Secretary shall administer the MYFs in accordance with the following Rules.

#### ***Rules Pertaining to Regulation 7.3***

##### *Rule 7.3.01: Multiyear Funds: Sources and Uses of Funds*

The sources of funds for MYFs from the Regular Budget shall be:

- (a) All receipts of assessed contributions from States Signatories;
- (b) Miscellaneous income in proportion to the amounts representing budgeted items identified in the approved Programme and Budget for all MYFs;
- (c) Contributions made by States Signatories on a voluntary basis.

Expenditures from MYFs shall only be made for the purposes specified and approved in the Programme and Budget.

At the end of the 12 month period following the end of the financial period, any arrears of prior years' assessed contributions from States Signatories received during this period shall, after offsetting a provisional negative cash balance in the General Fund, if any, first be credited to the CIF, up to the unfunded amount of the CIF, and then to the MYFs up to the respective unfunded amount.

##### *Rule 7.3.02: Multiyear Funds: Accounting and Reporting*

MYFs shall be administered in accordance with the Financial Regulations and Rules.

In the Programme and Budget Performance Report to the Commission, the Executive Secretary shall specify the source of funding for all relevant items of expenditure (i.e. Regular Budget or contributions made by States Signatories on a voluntary basis) for each MYF.

No commitments, obligations or expenditures against MYFs may be incurred without a written authorization from the Allotment Manager. Any requests for transfers of funds to and from the MYFs shall be made consistent with the Financial Regulations and Rules.

##### *Rule 7.3.03: Multiyear Funds: Cash Balances*

The Executive Secretary shall request approval from the Commission to carry forward any cash balance that remains at the end of a given financial period.

In presenting such a request, the Executive Secretary shall report on the status of implementation of approved investment activities, including noteworthy savings or cost overruns, and the overall financial situation of the MYFs.

#### **Regulation 7.4**

There shall be established a Working Capital Fund to ensure initial capital for the Commission to finance budgetary expenditures pending receipt of assessed contributions and to meet short term liquidity problems during a given financial period. The amount shall be determined from time to time by the Commission. The source of money shall be advances from Member States in accordance with the scale of assessments determined by the Commission for the apportionment of the expenses of the Commission. Each such advance shall be carried to the credit of the Member State which has made the advance. At the conclusion of the work of the Commission, Member States will be reimbursed their credited advances within 30 days of the approval of the Commission's final financial statements.

#### ***Rules Pertaining to Regulation 7.4***

##### ***Rule 7.4.01: Advances from the Working Capital Fund***

Advances from the Working Capital Fund, as governed by Fin. Reg. 7.4, shall require a written authorization from the Executive Secretary.

#### **Regulation 7.5**

All transfers made from the Working Capital Fund to finance budgetary appropriations shall be reimbursed as soon as feasible, but in any case within the same financial period.

#### ***Rules Pertaining to Regulation 7.5***

*None*

#### **Regulation 7.6**

Income derived from investments of the Working Capital Fund shall be credited to miscellaneous income.

#### ***Rules Pertaining to Regulation 7.6***

*None*

#### **Regulation 7.7**

Trust funds and special accounts may be established by the Executive Secretary with the prior approval of the Commission.

#### ***Rules Pertaining to Regulation 7.7***

*None*

**Regulation 7.8**

The purpose and limit of each trust fund and special account shall be clearly defined. They shall be administered in accordance with the Financial Regulations.

***Rules Pertaining to Regulation 7.8***

*None*

## **ARTICLE 8: OTHER INCOME**

### **Regulation 8.1**

All other income shall be classified as miscellaneous income, for credit to the General Fund, except:

- (a) Assessed contributions to the Budget;
- (b) Voluntary contributions;
- (c) Direct refunds of expenditures made during the financial period;
- (d) Advances or deposits to funds.

### ***Rules Pertaining to Regulation 8.1***

#### *Rule 8.1.01: Miscellaneous Income*

The contribution of new States Signatories shall be credited to miscellaneous income.

#### *Rule 8.1.02: Proceeds Income*

Proceeds from the sale of property, as well as from reimbursable loans of staff members or other services rendered shall be credited as miscellaneous income (see also Rules 11.5.17 and 11.5.19 below).

#### *Rule 8.1.03: Refunds of Expenditure*

- (a) Refunds to the General Fund charged in the same financial period against the budgetary accounts may be credited against expenditures, but refunds of the initial expenditure from prior financial periods shall be credited to miscellaneous income, except for tax and/or customs duty reimbursements. Tax and/or customs duty reimbursements related to the General Fund expenses shall be credited to the Capital Investment Fund – Sustainment (CIF-S), regardless of the financial period to which they relate.
- (b) Refunds to the Capital Investment Fund shall be credited against expenditures, regardless of the financial period to which they relate.
- (c) Adjustments which arise subsequent to the closing of an extra-budgetary account, e.g. a trust fund or a special account, shall be classified as miscellaneous income and credited to miscellaneous income.

### **Regulation 8.2**

Voluntary contributions, gifts, services, bequests and subventions, whether in cash or in kind, may be accepted by the Executive Secretary, provided that the purposes for which the contribution is made are consistent with the policies, aims and activities of the Commission and provided that the acceptance of such voluntary contributions, gifts, services, bequests and subventions which directly or indirectly could involve additional financial liability, either currently or in the future, for the Commission shall require the prior consent of the

Commission. The Executive Secretary shall report to the Commission all the voluntary contributions, gifts, services, bequests and subventions, whether in cash or in kind, he/she has accepted.

### ***Rules Pertaining to Regulation 8.2***

#### *Rule 8.2.01: Establishment or Upgrading of IMS Facilities Through National Funding*

IMS facilities listed in the appropriate Treaty Annexes may be established or upgraded with national funding, pursuant to Financial Regulation 8.2, without being subject to Commission reimbursement. Such facilities shall meet the specifications for certification.

#### *Rule 8.2.02: Submission of a Detailed Work Plan*

A State Signatory wishing to install or upgrade IMS facilities with national funding shall inform the Secretariat of its intention and provide a detailed work plan.

#### *Rule 8.2.03: Review of the Detailed Work Plan*

The Secretariat shall review this detailed work plan and its consistency with the Programme and Budget adopted by the Commission. It shall inform the Commission of the intention of the State concerned and of the results of its own review, including a provisional estimate of post-certification costs, for consideration.

#### *Rule 8.2.04: Identification in Programme Budget*

Such IMS facilities activities shall be identified in the relevant Programme and Budget of the year concerned.

#### *Rule 8.2.05: Progress Report*

The State Signatory shall provide the Secretariat with progress reports at six-month intervals, including relevant technical details for each activity.

#### *Rule 8.2.06: Certification and Post-Certification Costs*

Certification and post-certification costs for such facilities shall be included in the Programme and Budget when approved by the Commission.

### **Regulation 8.3**

Monies accepted shall be credited to a Special Account for Voluntary Contributions.

### ***Rules Pertaining to Regulation 8.3***

#### *Rule 8.3.01: Special Account for Voluntary Contributions*

The purpose of the Special Account for Voluntary Contributions shall be to account for voluntary contributions, gifts, bequests and subventions other than funds held as funds-in-



trust that the Executive Secretary may receive in accordance with the consent of the Commission as set out in Financial Regulation 8.2. The Special Account shall be operated in accordance with the provisions of the Financial Regulations and Rules.

*Rule 8.3.02: Voluntary Contributions in Kind*

The Executive Secretary shall disclose in a note to the financial statements the value of all voluntary contributions in kind received. The value of voluntary contributions in kind shall include the costs as recognized under International Public Sector Accounting Standards.

## **ARTICLE 9: CUSTODY OF FUNDS**

### **Regulation 9.1**

The Executive Secretary shall designate the bank or banks in which the funds of the Commission shall be kept.

#### ***Rules Pertaining to Regulation 9.1***

##### *Rule 9.1.01: Designation of Banks*

- (a) The Executive Secretary shall establish such official bank accounts as may be required for the transactions of Commission business and shall designate signatories to operate those accounts. The Executive Secretary or an officer so designated by him/her may, with appropriate notification to the bank, be authorized to amend signatory panels.
- (b) In designating the bank or banks in which the funds of the Commission are kept, the Executive Secretary shall have regard to the security of the Commission's cash assets. In particular, the Executive Secretary shall select only those financial institutions with a high reputation in the financial community. The Director of Administration shall advise the Executive Secretary in this selection process, and shall introduce appropriate financial procedures to ensure that the status of such banks as the Executive Secretary may designate is regularly reviewed.

##### *Rule 9.1.02: Custody of Securities*

- (a) All securities shall be deposited in the custody either of banks or other financial institutions designated by the Executive Secretary for that purpose.
- (b) The withdrawal of securities from the custody of banks or other financial institutions and access to safe deposit vaults shall require the signature of two officials designated by the Executive Secretary for that purpose.

##### *Rule 9.1.03: Receipt of Funds*

- (a) Only officers designated by the Executive Secretary shall be authorized to receive funds and to issue official receipts on behalf of the Commission.
- (b) Each receipt of money shall be officially recorded in the Commission's accounts on the day of receipt.
- (c) On receipt of assessed or voluntary contributions or of advances to the Working Capital Fund an official letter of receipt signed by the Executive Secretary or Director of Administration shall be transmitted to the State Signatory concerned or the contributor.

##### *Rule 9.1.04: Deposit of Monies*

All monies received shall be deposited in an official bank account not later than the next business day following the date of receipt. Cash and securities shall be kept in a safe place.

*Rule 9.1.05: Responsibility of Holders of Cash Advances*

- (a) Officers to whom cash advances are issued under Rule 11.1.17 below shall make use of such advances only for the purpose for which the advances were authorized and shall be held personally responsible and financially liable for proper management and safekeeping of the cash so advanced. They shall render accounts as required by the Executive Secretary, which, unless otherwise provided for, shall be not less frequent than once each month. They shall be in a position at all times to account for the advances. Cash or negotiable instruments shall be kept in safe custody.
- (b) Officers responsible for the operation of Commission bank accounts or for holding Commission cash or negotiable instruments shall not be authorized to exchange one currency for another, except to the minimum extent necessary for the transaction of official business.

*Rule 9.1.06: Authorization of Disbursements*

Direct payment requests to the bank shall be signed by two authorized signatories designated by the Executive Secretary. In order to provide adequate internal controls, an approving officer shall not normally sign direct payment requests unless a division of duties is impractical.

## **ARTICLE 10: INVESTMENT OF FUNDS**

### **Regulation 10.1**

Subject to tight internal control and audit, the Executive Secretary shall make short term investments of monies not needed for immediate requirements and shall include in the annual financial statements of the Commission information on the investments held at the end of the financial period. At the request of the Commission, the Executive Secretary shall provide it with a statement of investments currently held.

#### ***Rules Pertaining to Regulation 10.1***

##### *Rule 10.1.01: Investments*

- (a) The Executive Secretary or a Secretariat officer so designated by him/her may make short term investments of funds available in the General Fund, Working Capital Fund, Capital Investment Fund and other trust funds and special accounts not needed for immediate requirements. Short term investments shall be considered investments made for less than 12 months. All investments shall be made in accordance with the provisions of appropriate regulations, rules, terms or conditions relating to those funds and accounts. In making any investments, the Executive Secretary shall take all necessary steps to ensure that the Secretariat has sufficient liquid funds for its daily operations; that undue risks, including currency risks, are avoided; and that a reasonable rate of return is earned on investments, without jeopardizing the security of the Commission's assets.
- (b) The Executive Secretary shall ensure that no more than 25 per cent of the Commission's total cash assets are invested in one institution, with the exception of investments in the Bank for International Settlements, in which case the Commission may invest up to 50 per cent of the Commission's total cash assets if, and only if, the number of banks meeting the investment policy standards is reduced to six or less, whereby the Secretariat might exceed the 25 per cent ceiling in one or more of the banks. In the event that the exception is exercised, the Executive Secretary shall report promptly to the Commission. When the number of banks meeting the investment policy standards returns to seven or more, the level of investment in the Bank for International Settlements shall be brought down to below 25 per cent as these short term deposits mature.
- (c) The Executive Secretary shall report periodically on all investments to the Commission.

##### *Rule 10.1.02: Investment Ledger*

Investments shall be registered in an investment ledger which shall show the relevant details for each investment, including the face value, cost, date of maturity, place of deposit, proceeds of sale and interest revenue earned.

**Regulation 10.2**

Income derived from investments shall be credited as provided in the rules relating to each fund or account.

***Rules Pertaining to Regulation 10.2***

*None*

## **ARTICLE 11: INTERNAL CONTROL**

### **Regulation 11.1**

The Executive Secretary shall:

- (a) In consultation with the Commission, appoint an internal auditor who shall be independent of the Chief of the Financial Services and who shall report directly to the Executive Secretary, and further consult in the event of termination or summary dismissal of the person so appointed;
- (b) Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of utmost economy;
- (c) Maintain accounting records;
- (d) Maintain separate accounts for all Trust Funds and Special Accounts;
- (e) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payment has not previously been made;
- (f) Designate a strictly limited number of officers who may receive monies, incur obligations and make payments on behalf of the Commission;
- (g) Maintain an internal financial control which shall provide for an effective current examination and/or review of financial transactions in order to ensure:
  - (i) The regularity of the receipt, custody and disposal of all funds and other financial resources of the Commission;
  - (ii) The conformity of obligations and expenditures with the appropriations or other financial provision voted by the Commission or with the purposes and rules relating to Trust Funds and Special Accounts;
  - (iii) The economic use of the resources of the Commission;
- (h) Be responsible for the procurement functions of the Secretariat and shall:
  - (i) Establish the procurement system, processes and procedures of the Secretariat;
  - (ii) Establish a Committee on Contracts;
  - (iii) Designate the officials responsible for performing procurement functions.

### ***Rules Pertaining to Regulation 11.1***

#### ***Rule 11.1.01: Internal Audit***

Independent internal audits shall be planned, conducted and reported on in conformity with generally accepted internal auditing standards. The purpose of such audits shall be to review, evaluate and report on the soundness, adequacy and application of systems, procedures and related internal controls. The establishment of the framework of these audits and the processes they involve shall be a collaborative effort with the elements of the Secretariat dealing with evaluation. The audits shall address the following:

- (a) *Compliance*: a review of financial transactions to determine whether they are in compliance with decisions of the Commission, Financial and Staff Regulations and Rules and Administrative Directives;
- (b) *Economy and efficiency*: an appraisal of the operational efficiency and economy with which financial, physical and human resources are utilized;
- (c) *Effectiveness*: a review of programmes and activities to compare programme delivery with the commitments set out in the programme narratives in the approved Programme Budget.

*Rule 11.1.02: Administrative Directives*

The Director of Administration, acting under delegated authority from the Executive Secretary, may issue, in the form of Administrative Directives, such procedural guidance or instruction as he/she deems necessary for the proper application of the Financial Regulations and Rules, and to ensure efficient, effective and economic financial administration of the Secretariat operations.

*Rule 11.1.03: Basis of Accounting*

The accounts of the Secretariat shall be maintained and financial statements shall be drawn therefrom in accordance with International Public Sector Accounting Standards.

*Rule 11.1.04: Accounting Records*

The Chief, Financial Services, shall ensure that appropriate accounting records are maintained showing all payments made and funds received, and that adequate evidence supporting payment or receipt is obtained for all transactions. The annual financial statements shall be prepared by the Financial Services Section as of the end of each financial period. After approval by the Executive Secretary, the annual financial statements shall be submitted to the External Auditor not later than three months following the end of the financial period, together with such statements as may be required.

*Rule 11.1.05: Accounting for Proceeds from Sales*

The proceeds from the sale of property shall normally be credited as miscellaneous income to the Regular Budget, trust fund or special account respectively concerned. However, an exception shall be permitted where these proceeds are applied directly against the purchase price of replacement equipment or supplies, and provided that any balance shall be credited as miscellaneous income to the Regular Budget Fund.

*Rule 11.1.06: Accounting for Property and Equipment*

The Director of Administration shall ensure that complete and accurate records are maintained for all property and equipment owned or otherwise controlled by the Secretariat with an acquisition value of US\$1000 or more per unit. Subject to these conditions, property and equipment shall include inspection and laboratory equipment, information systems equipment, furniture, motor vehicles and other tangible assets as may be acquired by the Secretariat. For all acquired property and equipment, the records shall include their costs as

recognized under International Public Sector Accounting Standards. Attractive property or equipment with a value below US\$1000 shall also be subject to similar control when directed by the Director of Administration.

*Rule 11.1.07: Responsibility for Property and Equipment Records*

The responsibility for property and equipment shall rest with the Director of Administration, who shall designate the following: the staff member(s) responsible for maintaining the appropriate records; the staff member(s) accountable for the records; and the staff member(s) accountable for the property and equipment. Property and equipment shall be assigned to the receiving programme, and the Allotment Manager concerned shall be responsible and accountable for the property and equipment. Where property or equipment is transferred from one programme to another programme, the records shall be adjusted accordingly.

*Rule 11.1.08: Inventories*

The Director of Administration shall establish appropriate accounting and physical controls to ensure the proper custody and management of each type of inventory, including spares, cables, training materials and other supplies. This responsibility may be delegated to the Chief, General Services.

*Rule 11.1.09: Supporting Documentation*

All transactions related to property, equipment, inventories or services shall be recorded. These records shall be supported by the appropriate vouchers or evidence of receipt and issue, except for such items where the maintenance of detailed records is deemed uneconomical or impractical by the Director of Administration or his/her designated representative.

*Rule 11.1.10: Retention and Destruction of Records*

The accounting and other financial and property records and all supporting documents shall be retained for five years or such other period(s) as may be agreed with the External Auditor, after which, on the authority of the Executive Secretary, such records and documents may be destroyed.

*Rule 11.1.11: Payment: Basis for Payment of Salaries and Related Entitlements*

The basis for payment of salaries and related entitlements to staff members shall be the letters of appointment and the salary scales and other entitlements as set out in the Staff Regulations and Rules. For other persons, such as consultants, lecturers at Secretariat meetings, trainees, etc., the payment of entitlements shall be based on the terms of the contract or other equivalent document setting out the emoluments applicable.

*Rule 11.1.12: Payments: Basis for Payments Related to Official Travel*

Payments related to official travel by staff members and their dependants, and other individuals shall be based on the Travel Rules. The Travel Rules shall be approved by the Commission.



*Rule 11.1.13: Payment: Basis for Payment of Goods and Services*

Subject to the provisions of Rules 11.1.17 and 11.1.18 below on advance and progress payments, payment for goods and services shall be made in accordance with the terms of the relevant contract, purchase order or other document containing the financial undertaking.

*Rule 11.1.14: Payment: Certifying Officer*

A Certifying Officer shall certify that the goods have been received or shipped and that the services have been rendered, in accordance with the documents establishing the obligation.

*Rule 11.1.15: Payment: Approving Officer*

An Approving Officer shall authorize payment on behalf of the Secretariat. Payments shall only be authorized on the basis of original supporting vouchers or electronic invoices with adequate internal controls and/or other documents which ensure that:

- Payment has not previously been made; and
- Payment is properly due.

Additionally, payment of entitlements related to official travel and payment of goods and services shall only be authorized where:

- The obligation has been approved pursuant to the present Rules;
- The obligation has been incurred by a Procuring Entity as referred to in Rule 11.5.01 below; and
- The relevant Certifying Officer has made the certification required pursuant to Rule 11.1.14 above.

The Executive Secretary may approve exceptions to the last three requirements set forth above.

*Rule 11.1.16: Discounts*

The Certifying Officer and the Approving Officer shall pay proper attention to invoices offering a discount for early payment.

*Rule 11.1.17: Advance External Payments and Internal Advances*

Advanced payments are permitted where they are specifically provided for in a purchase order or contract. Other circumstances in which advances may be permitted shall be for payment of the following: entitlements of staff members as set forth in the Staff Regulations and Rules; expenditures related to official travel; expenditures related to meetings, including training courses, held by the Secretariat; and imprest funds. In these other circumstances, advance payments shall be authorized by the Chief, Financial Services, or by other officials designated by him/her, and shall be accompanied by appropriate safeguards. Exceptionally, advance payments may also be made when required by normal commercial practice or in the interests of the Commission. The Director of Administration shall approve the exceptional advances.

Whenever an exceptional advance payment is approved by the Director of Administration, the reasons for the advance shall be documented in detail in the accounting records.

*Rule 11.1.18: Progress Payments*

In addition to payments authorized under Rule 11.1.17 above, where progress payments are specifically provided for in a purchase order or contract, as may be required by normal commercial practice and in the interests of the Commission, the Director of Administration shall approve exceptional progress payments. Such approval and the reasons therefor, shall be recorded in the accounting records.

*Rule 11.1.19: Imprest Accounts*

On behalf of the Executive Secretary, the Chief, Financial Services, may establish imprest accounts when, in the opinion of the Chief, Financial Services, it would improve the efficiency of the Secretariat's operations; for example, when the Secretariat cannot make timely payment by following standard procedures. Such accounts may be used only for the purposes specified, and payment made from them shall not exceed the limits authorized. The levels of the imprest accounts shall be established in line with operational requirements. Imprest funds shall be replenished on the basis of fully documented receipts for payments made from such funds. Imprest funds may also be replenished pending submission of such receipts. The procedures for the operation of imprest accounts and the limits shall be set out in an Administrative Directive.

*Rule 11.1.20: Payment: Treasury*

The Treasurer and other officers as designated by the Executive Secretary shall be authorized to make payments that have been approved by an Approving Officer. Payments shall normally be made by electronic or written bank instructions, except for cash payments made from imprest funds. A payment shall be recorded on the accounts as of the date when the payment is processed. For the purpose of this rule, electronic and written bank instructions shall normally include the following: transfer orders, letters of credit, payment orders, and other authenticated electronic instructions. Payment by cheque shall be made on an exceptional basis.

*Rule 11.1.21: Bank Signatories*

- (a) Electronic payments shall normally be made through authenticated electronic instructions by staff members of the Division of Administration authorized by the Executive Secretary.
- (b) Written bank instructions shall be signed by two staff members of the Division of Administration designated by the Executive Secretary pursuant to Rule 11.1.20 above.
- (c) To provide adequate internal control, Approving Officers shall not be authorized to issue bank instructions.

*Rule 11.1.22: Receipt of Property, Equipment, Inventory or Services*

All property, equipment, inventory or services received by the Secretariat shall be inspected to ensure that their condition is satisfactory and in accordance with the terms of the related purchase order or contract. A report on quality and service shall be issued by the Chief, Procurement Services, or by the Chief, General Services, as appropriate, for all items received and shall be entered into the appropriate records.

## **Regulation 11.2**

No obligations shall be incurred until allotments or other appropriate authorizations have been made in writing under the authority of the Executive Secretary.

### ***Rules Pertaining to Regulation 11.2***

#### *Rule 11.2.01: Appropriations Made Available by Authorization from the Director of Administration*

- (a) The Director of Administration shall be responsible to the Executive Secretary for ensuring that the expenditures of the Secretariat remain within the appropriations approved by the Commission.
- (b) The authorization of the Director of Administration may take the form of:
  - (i) An allotment of funds or other authorization to commit funds covering a specific period and/or a specific purpose; and/or
  - (ii) An authorization for the employment of staff or of consultants and such other persons referred to in Rule 11.1.11 above.

#### *Rule 11.2.02: Commitments Against Appropriations of Future Years*

- (a) The Executive Secretary may approve commitments against appropriations of future years, when they are necessary and in the interests of the Commission. Such commitments against appropriations of future years shall, unless otherwise decided by the Commission, be restricted to maintenance and leasing contracts of a continuing nature and to Capital Investment Fund contracts. Commitments of Capital Investment Fund contracts against the future years' appropriations may be authorized by the Executive Secretary only once the Commission has approved such appropriations.
- (b) The Chief, Financial Services, shall maintain a record of all contractual commitments against appropriations of future years. Yearly tranches of such commitments shall be obligated against relevant appropriations for the respective year as these are approved by the Commission.

#### *Rule 11.2.03: Issuance of Allotments*

Under the authority of the Executive Secretary, the Chief, Financial Services, shall issue allotments to Allotment Managers in accordance with the appropriate Budget Appropriation Resolution and other relevant resolutions or decisions of the Commission. An allotment constitutes the authority for the Allotment Manager to request the incurring of obligations up

to the amount and for the purpose stated in the allotment advice and in accordance with the applicable directives and procedures. When issuing allotments, the Chief, Financial Services, shall comply with Rule 5.6.02 above relating to the contingency margin.

*Rule 11.2.04: Responsibility for Allotments*

The Allotment Managers to whom allotments are issued shall be personally responsible to the Executive Secretary for the correct use of such allotments.

*Rule 11.2.05: Requests to Incur Obligations*

Allotment Managers shall ensure that requests to incur obligations against allotments under their personal responsibility are fully documented. Each request shall indicate the specific amount involved in the allotment to be charged and shall include a statement by the Allotment Manager that the proposed obligation is reasonable and in accord with the purposes for which the funds were allotted to the Allotment Manager.

*Rule 11.2.06: Obligations: Certifying Officers*

Certifying Officers shall be responsible for examining the proposed obligations to ensure that they:

- Are in accordance with the Financial Regulations and Rules and any instruction issued by or on behalf of the Executive Secretary;
- Can be met from the available balance of the respective allotment; and
- Are reasonable and in accordance with the purposes of the allotment.

Certifying Officers shall coordinate with Financial Services when necessary to ensure that funds are available in the allotment account. Certification by a Certifying Officer shall not relieve the Allotment Manager of the responsibility for ensuring that the proposed obligation is in accord with the proposed programme.

*Rule 11.2.07: Increase and Decrease in Obligations*

Increase in obligations incurred or proposed shall be subject to the same procedures that apply to the incurring of original obligations. The Executive Secretary may establish financial limits for increases above which new authorization is required. When an obligation is increased, decreased (other than by payment) or cancelled, the Allotment Manager and the Chief, Financial Services, shall be immediately informed by the Procuring Entity.

*Rule 11.2.08: Review of Outstanding Obligations*

Unliquidated obligations shall be reviewed periodically by the Allotment Managers concerned, who shall make recommendations to the Chief, Financial Services, whether an obligation shall be cancelled or retained. The Chief, Financial Services, in coordination with Certifying Officers, shall be responsible for reviewing periodically the outstanding obligations retained against appropriations of the previous financial period in accordance with Financial Regulation 5.3. Obligations that are no longer valid shall be cancelled forthwith,

and the resulting credit surrendered. If the obligation is determined to be valid, it shall be reobligated against the appropriations of the next financial period.

### Regulation 11.3

The Executive Secretary may make such ex gratia payments as he/she deems to be necessary in the interest of the Commission up to such limits that might be set by the Commission, provided that a statement of such payments shall be submitted to the Commission with the final financial statements.

#### ***Rules Pertaining to Regulation 11.3***

##### *Rule 11.3.01: Ex Gratia Payments*

The Executive Secretary may make ex gratia payments in cases when, although in the opinion of the Legal Services Section there is no legal liability on the Secretariat, the moral obligation is such as to make a payment desirable in the interest of the Commission. Such payments shall be in the interest of the Commission and subject to the financial limits set by the Commission under Financial Regulation 11.3.

### Regulation 11.4

The Executive Secretary may, after full investigation, authorize the writing off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the External Auditor with the final financial statements, and report to the Commission thereon.

#### ***Rules Pertaining to Regulation 11.4***

##### *Rule 11.4.01: Writing Off of Losses of Cash, Property, Equipment and Inventory*

Any loss of cash, negotiable instruments, and/or other assets shall be reported by the Chief, Financial Services, through the Director of Administration to the Executive Secretary and, subsequently, to the External Auditor. No amount due to the Secretariat may be waived without the prior written authorization of the Executive Secretary. The Executive Secretary may, after a full investigation, authorize the writing off of losses of cash, property, equipment and inventory and the book value of other assets. The investigation shall, in each case, fix the responsibility, if any, attaching to any staff member of the Secretariat for the loss. Such staff member may be required by the Executive Secretary to reimburse the loss, either partially or in full.

### Regulation 11.5

International tenders for equipment, supplies and other requirements shall be invited by advertisement, except when departure from that rule is authorized by the Commission or, exceptionally, in the case of de minimis purchases, or where there is a sole supplier.

Where applicable and beneficial to the Commission, the Secretariat shall cooperate with other organizations affiliated to the United Nations.

## ***Rules Pertaining to Regulation 11.5***

### ***Rule 11.5.00: General Procurement Principles***

Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works. The following general principles shall be given due consideration when exercising the procurement functions of the Secretariat:

- (a) Best value for money;
- (b) Fairness, integrity and transparency;
- (c) Effective international competition;
- (d) The interest of the Commission.

### ***Rule 11.5.01: Contracts and Purchases: Authorized Officers***

- (a) Only staff members and personnel duly authorized and designated as a Procuring Entity by the Executive Secretary shall, on behalf of the Secretariat, enter into contracts for the purchase, rental or sale of goods, constructions and/or services, including professional services in the form of consultants, but excluding fixed-term and temporary staff services.
- (b) The Director of Administration, acting under delegated authority from the Executive Secretary, shall establish an Administrative Directive outlining the internal procurement procedures to be followed to ensure adherence to these Financial Rules.

### ***Rule 11.5.02: Definitions of Solicitation Documents***

- (a) *Invitation to Bid (ITB)*: A formal Solicitation Document which shall be used for the procurement of goods with standard and clear specifications and a total estimated value in excess of US\$70 000. In these cases, the contract shall be awarded under Financial Rule 11.5.07(a)(i) to the qualified bidder whose bid substantially conforms to the requirements set forth in the Solicitation Documents and is evaluated to be the one with the lowest cost to the Commission.
- (b) *Request for Proposals (RFP)*: A Solicitation Document issued by a Procuring Entity in order to obtain proposals to satisfy a requirement which cannot be described in a complete or definitive manner. An RFP shall lead to the selection under Financial Rule 11.5.07(a)(ii) of the proposal that offers the best value in accordance with the evaluation criteria. Where appropriate, the RFP shall indicate that negotiation may be undertaken in respect of one or more proposals.
- (c) *Request for Quotation (RFQ)*: An informal Solicitation Document, normally used for low value procurement requirements, in which Procuring Entities request prices and commercial terms from suppliers for goods, works or services that meet standard specifications and are readily available on the market.

The methods of solicitation referred to in (a)-(c) above may be used for the procurement of goods, works and/or services, in accordance with procedures established by the Director of Administration.

*Rule 11.5.03: Requests for Procurement*

Requests for procurement shall be made in standardized form and shall include full particulars and detailed specifications relating to the request. Such requests shall be authorized by the Allotment Managers concerned and submitted to the Procuring Entity authorized pursuant to Rule 11.5.01 above, subject to the availability of funds in accordance with Rule 11.2.06 above.

*Rule 11.5.04: Committee on Contracts*

- (a) The Committee on Contracts reviews and recommends to the Executive Secretary to approve, defer or reject proposals for contract awards or for exceptions to competitive procedures, to ensure compliance with these Financial Regulations and Rules and the Administrative Directive on procurement.
- (b) The Executive Secretary shall define the terms of reference for the Committee, including the type and monetary values of proposed procurement actions subject to review.

*Rule 11.5.05: Calling for Bids, Proposals or Quotations*

- (a) Consistent with the principles set out in Regulations 11.1 and 11.5 and except as otherwise provided in Rule 11.5.06 below, procurement contracts shall be awarded on the basis of effective competition. To this end the competitive process shall, as necessary, include:
  - (i) Acquisition planning to develop an overall procurement strategy and procurement methodologies;
  - (ii) Market research to identify potential suppliers;
  - (iii) Consideration of prudent commercial practices;
  - (iv) Formal methods of solicitation, utilizing Invitations to Bid or Requests for Proposals on the basis of advertisement or direct solicitation of invited suppliers, or informal methods of solicitation, such as requests for quotations.
- (b) A solicitation may be conducted by means of secure electronic data interchange.
- (c) In accordance with Rule 11.1.02, an Administrative Directive shall be issued concerning procedural guidance and instructions for procurement, including the types of procurement activity and the monetary values for which each method of solicitation is to be used.

*Rule 11.5.06: Exceptions to Competitive Procedures*

Contracts may be awarded without calling for competitive procedures when:

- (a) There is no competitive marketplace for the requirement, such as where a monopoly exists, where suppliers or prices are fixed by legislation or government designation or regulation, or where the requirement can only be practicably met by a proprietary product or service;
- (b) The prices or rates are fixed, or other restrictions, such as location of sites within an environmentally protected area, in a national defence protected compound or reserve or in an area to which access is otherwise controlled or regulated, exist pursuant to national legislation or laid down by regulatory bodies. In such cases, evidence to that effect shall be provided by the State Signatory concerned;
- (c) The goods and services are available only from a particular supplier for reasons of standardization and because of the need for compatibility with existing goods or services;
- (d) The proposed contract involves an IMS station located on the premises of an existing site which has been under the supervision and operating control of a local institution;
- (e) In special circumstances, when, as determined by the Director of Administration, the exigencies of the Commission do not permit the delay attendant upon calling for tenders or proposals;
- (f) The Director of Administration, in consultation with technical experts on the Secretariat staff, determines that competitive bidding or calling for proposals will not give satisfactory technical results, in which case appropriate reasons shall be recorded in writing;
- (g) The proposed procurement contract is the result of cooperation with other organizations of the United Nations System (including piggy-backing on another organization's contract or using the results of another organization's procurement process to establish a contract for the Secretariat);
- (h) When offers for identical products and services have been obtained competitively within a reasonable period, usually one year, and the prices and conditions offered remain competitive;
- (i) When a formal solicitation has not produced satisfactory results within a reasonable period;
- (j) When the proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition.

All exceptions above US\$150 000 shall be fully justified and shall be examined by the Committee on Contracts for the purpose of making recommendations to the Executive Secretary, except for cases referred to in subparagraphs (b) and (d) above. In cases which fall under subparagraphs (b) and (d) above, evidence to that effect shall be provided by the State Signatory concerned. In these cases, the requesting officer shall record the reasons for invoking subparagraph (b) or (d) and attach the text submitted by the State Signatory concerned, and shall convey this information to the Committee on Contracts, which shall register it for the record.



The Executive Secretary shall report to the Commission all contracts over US\$150 000 which were awarded after one of the exceptions in (a)-(j) listed above had been invoked.

Designations of a company or an institution for sole sourcing by a State Signatory shall be submitted in writing in order to be considered by the PTS. The PTS shall report on such designations and the sole source contracts in the Programme and Budget Performance Report.

*Rule 11.5.07: Awarding of Contracts*

- (a) Following receipt and opening, bids, proposals or quotations shall be evaluated.
  - (i) When informal quotations and formal invitations to bid have been issued, the procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the Solicitation Documents and is evaluated to be the one with the lowest cost to the Commission.
  - (ii) When a Request for Proposals has been issued, the procurement contract shall generally be awarded to the qualified bidder whose proposal, all factors considered, is the most responsive to the requirements set forth in the Solicitation Documents.

The evaluation shall take into account technical and operational considerations and price and life cycle costs as well as the supplier's financial soundness and the capacity of the supplier to deliver the goods or to perform the services within the time required. A comparative analysis of the evaluation shall be kept on record.

- (b) In the interest of the Commission, all bids or proposals for a particular procurement action may be rejected, with the reasons for rejection being recorded in writing. The Chief of Procurement shall then determine whether to undertake a new solicitation, to directly negotiate a procurement contract pursuant to Rule 11.5.06 or to terminate or suspend the procurement action.
- (c) Written justification explaining the basis for the award of the contract shall be prepared by the Procurement Section.

*Rule 11.5.08: Form and Contents of Contracts*

- (a) Written procurement contracts shall be used to formalize every procurement action with a monetary value exceeding specific thresholds established by the Executive Secretary. Such arrangements shall, as appropriate, specify in detail:
  - (i) The nature of the products or services being procured;
  - (ii) The quantity being procured;
  - (iii) The contract or unit price;
  - (iv) The period covered;
  - (v) Conditions to be fulfilled, including the Commission's General Conditions of Contract and implications of non-delivery;
  - (vi) Terms of delivery and payment;

- (vii) Name and address of supplier.
- (b) The requirement for written procurement contracts shall not be interpreted to restrict the use of any electronic means of data interchange. All thresholds shall be detailed in the Administrative Directive on procurement and shall be periodically notified to the Commission.
- (c) Information on contract awards shall be made available to States Signatories upon request.
- (d) If the contract involves commitments against appropriations for future years pursuant to Rule 11.2.02 above, it shall contain a clause permitting the Commission to terminate the contract if the necessary funds are not available. Exceptions shall be subject to approval by the Executive Secretary and be kept on record.

*Rule 11.5.09: Written Findings*

Each determination or decision required of an authorized Procuring Entity by the provisions of these Rules shall be supported by the written findings of such an officer. These written findings shall be placed in the appropriate case file maintained by the responsible office and shall accompany the related obligating documents submitted for approval and recording in the accounts. The information to be kept on record documenting each bid or proposal and its outcome shall be established in an Administrative Directive or other procedural guidance or instructions of the Secretariat.

*Rule 11.5.10: Interested Parties*

An Administrative Directive shall include details on the information to be provided to interested parties upon request after the award of a contract.

*Rule 11.5.11: Property, Equipment and Inventory Records*

- (a) Complete and accurate records shall be maintained for property, equipment and inventory purchased, received, issued, sold or otherwise disposed of, and remaining on hand. Such records shall show separately property, equipment and inventory belonging to the Secretariat and/or entrusted to the charge of the Secretariat.
- (b) The Director of Administration shall determine the articles for which the records shall be maintained and shall establish the nature and extent of the records in compliance with the purpose of these Rules. Where property is of a kind used and/or administered by only one Division, the responsibility for the maintenance of such records may be delegated to the Allotment Manager of that Division.
- (c) Responsibility for the maintenance of property records shall rest with the Director of Administration, who shall arrange to designate the officer(s) responsible for the maintenance of property records, the officer(s) accountable for the property records and the officer(s) accountable for the property.

*Rule 11.5.12: Physical Verification*

Physical verification shall be undertaken for property, equipment and inventories owned or otherwise controlled by the Secretariat and for which records are maintained at such intervals as deemed necessary to ensure adequate control, but at least once a year. The responsibility for ensuring conduct of such physical verification and selection of items to be verified shall be that of the Director of Administration and such other officers authorized under Rule 11.5.01.

Where property, equipment and inventories are of a kind used and/or administered by only one Division, responsibility for making arrangements for the conduct of physical verification may be delegated to the Allotment Manager of that Division.

*Rule 11.5.13: Property Issued to Individuals*

The issue to individuals of equipment or other property for their use (e.g., dictating equipment, laptop computers, personal computers, etc.) shall be recorded in the property records as "issued on loan". The records shall be supported by a receipt from the individual concerned and, for other than occasional issues of short duration, such receipts shall be renewed every three months. In case the individual is separated from service, the property shall be returned to stock and the loan record cancelled.

*Rule 11.5.14: Requisitions*

Central property, equipment and inventory shall be issued, and central services provided, only against requisitions or orders signed by officers designated for that purpose.

*Rule 11.5.15: Property, Equipment and Inventory Survey Panel*

- (a) There shall be established a Property, Equipment and Inventory Survey Panel to render written advice to the Executive Secretary and the Director of Administration on the management of the Commission's property, equipment and inventories. The composition of the Panel and its terms of reference shall be determined by the Executive Secretary and announced in an Administrative Directive.
- (b) Shortages and overages of and damages to property, equipment or inventory which come to light as the result of physical verification or other means shall be notified immediately by the responsible officer to the Director of Administration through the Secretary of the Panel.
- (c) Property which becomes surplus to operating requirements or unserviceable through obsolescence or normal wear and tear shall be reported by the responsible officer to the Secretary of the Panel.
- (d) The Panel shall investigate and report to the Executive Secretary on:
  - (i) The causes of any shortages and overages of and damages to property, equipment or inventory and the action to be taken thereon;

- (ii) The disposal of property, equipment or inventory which has become surplus to the operating requirements of the Commission or unserviceable through obsolescence or normal wear and tear.
- (e) The recommendations of the Panel shall, in each instance, indicate the degree of responsibility, if any, attaching to any officer of the Secretariat for shortages, overages or damages.
- (f) The recommendations of the Panel shall be submitted for approval to the Director of Administration who, if not in agreement, shall record his/her views in writing and may request the Panel to reconsider its recommendations.

*Rule 11.5.16: Sale or Disposal of Property, Equipment and Inventory*

Any item of property, equipment or inventory which has reached its assigned lifespan or which has been written off and which, in accordance with procedures established by the Director of Administration, is determined to be surplus to the Secretariat's requirement may be sold.

The Chief, General Services, shall establish procedures for and may arrange for the sale of property, equipment or inventory declared surplus. These sales shall be done normally by a competitive bidding process. However, competitive bidding shall not be necessary when:

- (a) The estimated sales value is, in the opinion of the Property, Equipment and Inventory Survey Panel, less than US\$1000;
- (b) The best interest of the Secretariat will be served by sale at fixed unit prices recommended by the Property, Equipment and Inventory Survey Panel and approved by the Executive Secretary;
- (c) The exchange of property in partial or full payment for replacement equipment will, in the opinion of the Executive Secretary, be in the interest of the Secretariat;
- (d) The destruction of the surplus or of unserviceable items will be more economical or is required by law or by the nature of the property; such sale or disposal shall be recorded, with the relevant reasons therefor.

The Chief, General Services, shall recommend to the Property, Equipment and Inventory Survey Panel the method of disposal after obtaining the appropriate technical advice.

*Rule 11.5.17: Removal of Assets from the Property, Equipment and Inventory Records*

Assets on the property, equipment and inventory records which have been sold, disposed of or lost shall be removed from the relevant records. Removal of such items from the records shall require the prior authorization of the Chief, Financial Services, and a notation of the fact shall be made in the records.

*Rule 11.5.18: Sales on a Cash Basis*

- (a) Sales of Commission property shall be on the basis of cash payments on or before delivery, except as provided for in Rule 11.5.16(c) and (d) above.

- (b) Exceptions to this Rule may be authorized by the Director of Administration when this is in the interest of the Commission. A record shall be maintained of such exceptions.

*Rule 11.5.19: Accounting for Proceeds from Sales*

The proceeds from the sale of property shall be credited as miscellaneous income to the Regular Budget, trust fund or special account except where:

- (a) The Property, Equipment and Inventory Survey Panel has, under Rule 11.5.16(c) above, recommended the application of these proceeds directly against the purchase price of replacement equipment or supplies; any balance shall be credited as miscellaneous income to the Regular Budget, trust fund or special account;
- (b) The trade-in of property is not considered to be a sale, and the allowance shall be applied against the cost of replacement property; or
- (c) Standard practice is to secure and use certain material or equipment in connection with a contract and to salvage and sell such material or equipment at a later stage; the Director of Administration may authorize the crediting of the proceeds to the account or accounts from which they are procured.

*Rule 11.5.20: Losses of Property, Equipment and Inventory*

- (a) Property, equipment and inventory which have been lost shall be removed from the records. Removal of such property, equipment and inventory from the records shall require consideration by the Property, Equipment and Inventory Survey Panel and approval by the Director of Administration. The Allotment Manager shall make a proposal to that effect to the Panel after a full investigation has been carried out.
- (b) The Director of Administration shall determine whether a staff member or other person is responsible for the loss. If the Director of Administration determines that the staff member or other person shall be required to compensate the Secretariat for the loss, the matter shall be referred to the Executive Secretary for decision.
- (c) A statement of all such losses shall be prepared by the Chief, Financial Services, for submission to the External Auditor with the financial statements.

## **ARTICLE 12: FINANCIAL STATEMENTS**

### **Regulation 12.1**

The Executive Secretary shall submit annual financial statements prepared in accordance with International Public Sector Accounting Standards, showing for the financial period to which they relate, as a minimum:

- (a) The income and expenditure of all Funds;
- (b) The status of appropriations, including:
  - (i) The original Budget appropriations;
  - (ii) The appropriations as modified by any transfers;
  - (iii) Credits, if any, other than the appropriations voted by the Commission;
  - (iv) The amounts charged against those appropriations and/or other credits;
  - (v) The amount of any overspending or surplus for each appropriation;
- (c) The assets and liabilities of the Commission.

The financial statements shall provide sufficient information, if necessary by way of notes to the financial statements, to present fairly the financial position and results of operations of the Commission. The Executive Secretary shall also give such other information as may be appropriate to indicate the current financial position of the Commission.

### ***Rules Pertaining to Regulation 12.1***

#### *Rule 12.1.01: Responsibility for Maintaining the Financial Statements*

The Chief, Financial Services, in discharging his/her responsibilities for the implementation of the policies with respect to the financial operations of the Commission, shall:

- (a) Prescribe and maintain the financial records;
- (b) Review for the Executive Secretary's approval all financial systems and the major financial procedures of the Commission;
- (c) Ensure that these systems and procedures are properly implemented and carried out.

#### *Rule 12.1.02: Principal Financial Statements*

The principal financial statements shall consist of, inter alia:

- (a) Programme and Budget statement showing:
  - (i) Original appropriations;
  - (ii) Appropriations after modification by any transfers between sections;
  - (iii) Credits, if any, other than appropriations made available by the Commission;
  - (iv) Original allotments;
  - (v) Allotments after modification by any transfer;

- (vi) Obligations outstanding;
- (vii) Expenditures (including disbursements and unliquidated obligations);
- (viii) Unencumbered balances of allotments and appropriations;
- (b) General ledger statement, showing for the General Fund all cash at banks, investments, receivables and other assets, payables and other liabilities;
- (c) Separate statement for the Working Capital Fund and its sub-accounts, if any, for the Capital Investment Fund and its sub-accounts, and for any special accounts which may be established;
- (d) Such records as will provide for a statement of assets and liabilities for the General Fund, the Working Capital Fund, the Capital Investment Fund and any other trust fund or special account at 31 December of each calendar year, and in the case of special periods, at such dates as the Commission may prescribe.

*Rule 12.1.03: Subsidiary Accounts*

The Director of Administration may require the maintenance of subsidiary accounting records, including property accountability records, subject to such controlling accounts as deemed necessary.

*Rule 12.1.04: Preparation of Financial Statements*

The financial statements for the financial period shall be prepared under the authority of the Chief, Financial Services, as at 31 December of the year and shall be submitted by the Executive Secretary to the External Auditor not later than 31 March following the end of that calendar year. The financial statements shall be prepared in accordance with International Public Sector Accounting Standards. The financial statements shall be accompanied by such additional information required by the Commission. The audited financial statements shall be submitted to the Advisory Group upon completion of the external audit. The final statements shall include for each Fund or group of Funds:

- (a) A statement of income and expenditure;
- (b) A statement of assets and liabilities; and
- (c) Notes to (a) and (b) above.

The annual financial statements shall be accompanied by such additional information in the form of schedules or tables which the Commission may request or which may be required to present the financial position of each fund and the income and expenditure of each fund. Contributions in kind and their value shall be disclosed together with the financial statements. The method of valuation shall also be shown.

*Rule 12.1.05: Regular Budget Statement*

With respect to the General Fund, the annual financial statements shall include in addition a statement of appropriations showing:

- (a) The original appropriations and supplementary appropriations, if any;
- (b) The appropriations after modification by any transfers;

- (c) Credits, if any, other than appropriations approved by the Commission;
- (d) The expenditures charged against those appropriations and/or other credits; and
- (e) The unused balances of appropriations and of other credits.

Financial statements shall also be prepared at such other intervals as may be prescribed by the Executive Secretary or requested by the Commission. Copies of all such financial statements shall be transmitted to the Advisory Group. Financial statements for special periods or parts of the Budget shall be prepared and submitted consistent with the stipulations of these Rules, and particularly in a manner consistent with Rule 12.1.02(a) above and at such dates as referred to in Rule 12.1.02(d) above.

*Rule 12.1.06: Budgetary Charges*

- (a) A budget allotment account shall be charged with actual disbursements and obligations entered into against contracts for supplies or services. Obligations shall be liquidated and converted to actual disbursements on fulfilment of the contract for supplies and services.
- (b) At the end of the financial period, the current unliquidated obligations, as well as those required to be reviewed periodically by Certifying Officers under Rule 11.2.08 above for the previous financial period, shall be reviewed by the appropriate Certifying Officer, in consultation with the Chief, Financial Services, and either cancelled or reobligated in the ensuing financial period.

*Rule 12.1.07: Accrual Basis Accounting*

Financial transactions shall be recorded in the financial statements on an accrual basis, except as may be otherwise required by the terms of any trust fund or special account or as authorized by the Director of Administration.

*Rule 12.1.08: Reconciliation of Bank Accounts*

All bank accounts shall be reconciled monthly with the statements submitted by the banks to the extent possible by officials having no actual part in the receipt or disbursement of funds.

*Rule 12.1.09: Other Statements*

There shall be provided to the External Auditor:

- (a) A summary statement of property, equipment and inventories for which records are kept;
- (b) Details of losses of cash, stores and other assets written off;
- (c) Such other statements as the External Auditor may require.



## **Regulation 12.2**

The annual financial statements of the Commission shall be presented in United States dollars. Accounting records may, however, be kept in such currency or currencies as the Executive Secretary may deem necessary.

### ***Rules Pertaining to Regulation 12.2***

#### *Rule 12.2.01: Currency of Financial Statements*

The financial statements of the Commission shall be maintained in United States dollars. Unless otherwise authorized, where actual cash is held in a currency other than the currency in which the financial statements are kept, the amount shall be recorded both in local currency and the equivalent United States dollar amount converted at the rate of exchange established under Rule 12.2.02(b) below.

#### *Rule 12.2.02: Exchange of Currencies*

- (a) Except in case of investment transactions or for other purposes authorized by the Executive Secretary or another designated officer, staff members responsible for the operation of the Secretariat's bank accounts or for holding the Secretariat's cash or negotiable instruments shall not be authorized to exchange one currency for another, except to the minimum extent necessary for the transaction of official business.
- (b) The Chief, Financial Services, shall maintain a record of the operational rates of exchange between the United States dollar and other currencies as issued by the United Nations which shall be used for the recording of all Commission transactions.
- (c) Where there is a conversion of currencies, the actual amounts obtained shall be taken into account; any difference between that amount and the amount which would have been obtained at the official rate of exchange will be accounted for as a loss or gain on exchange.
- (d) On the closing of the accounts for the financial year, the balance in the account for "loss or gain on exchange" shall be debited or credited to miscellaneous income.
- (e) Financial statements for special periods or parts of the Programme and Budget shall be prepared and submitted consistent with these Rules, and particularly in a manner consistent with subparagraph (b) above and at the closing date of the financial statements for the financial period.

#### *Rule 12.2.03: Treatment of Exchange Adjustments*

- (a) Exchange gains and losses pertaining to the liquidation of current financial period obligations shall be recognized by adjusting expenditure for the obligations in question.
- (b) Exchange gains and losses pertaining to the receipt of assessed contributions shall be recognized by adjusting contributions income.

- (c) All other gains and losses on currency exchange shall be recorded as additions to or deductions from miscellaneous income.

### **Regulation 12.3**

- (a) The financial statements shall be submitted by the Executive Secretary to the External Auditor not later than 31 March following the end of the financial period to which they relate;
- (b) The Commission shall consider the financial statements and the External Auditor's report thereon. These documents shall be transmitted to all Member States at least six weeks before the opening of the regular session of the Commission at which they are to be considered.

### ***Rules Pertaining to Regulation 12.3***

#### *Rule 12.3.01: Acceptance of Audited Financial Statements*

The Executive Secretary shall request that the Commission formally accept the audited financial statements.

## **ARTICLE 13: EXTERNAL AUDIT**

### **Regulation 13.1**

An external auditor, who shall be Auditor-General (or an officer holding the equivalent post) of a Member State, shall be appointed in the manner decided by the Commission, for the purpose of auditing the financial statements of the financial period following his/her appointment, except that the first appointment shall also cover the period commencing with the initial (first) year of the activities of the Commission. Unless the Commission decides to the contrary, his/her appointment shall be renewed until the conclusion of the first session of the Conference of States Parties, at which time he or she shall submit a concluding audit.

#### ***Rules Pertaining to Regulation 13.1***

*None*

### **Regulation 13.2**

If the External Auditor ceases to hold office as Auditor-General in his/her own country, his/her tenure of office as External Auditor shall thereupon be terminated and he/she shall be succeeded as External Auditor by his/her successor as Auditor-General. The External Auditor may not otherwise be removed during his/her tenure of office except by the Commission.

#### ***Rules Pertaining to Regulation 13.2***

*None*

### **Regulation 13.3**

The audit shall be conducted in conformity with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency and in accordance with the Additional Terms of Reference set out in the Supplement to these Regulations.

#### ***Rules Pertaining to Regulation 13.3***

*None*

### **Regulation 13.4**

The External Auditor may make observations with respect to the regularity, economy, efficiency and effectiveness of the financial procedures, the accounting system, the internal financial controls and, in general, with respect to the administration and management of the Commission.

#### ***Rules Pertaining to Regulation 13.4***

*None*

### **Regulation 13.5**

The External Auditor shall be completely independent and solely responsible for the conduct of the audit.

#### ***Rules Pertaining to Regulation 13.5***

*None*

### **Regulation 13.6**

The Commission may request the External Auditor to perform certain specific examinations and to issue separate reports on the results. Acting under the authority of the Commission, Working Group A may do likewise.

#### ***Rules Pertaining to Regulation 13.6***

*None*

### **Regulation 13.7**

The Executive Secretary shall provide the External Auditor with the facilities he/she may require in the performance of the audit.

#### ***Rules Pertaining to Regulation 13.7***

*None*

### **Regulation 13.8**

For the purpose of making a local or special examination or of effecting economies of audit cost, the External Auditor may, at no extra cost to the Commission, engage the services of any national Auditor-General (or officer holding the equivalent post) or commercial public auditors of known repute or any other person who, in the opinion of the External Auditor, is technically qualified.

#### ***Rules Pertaining to Regulation 13.8***

*None*

### **Regulation 13.9**

The External Auditor shall issue a Report on the audit of the financial statements and relevant schedules, which shall include such information as he/she deems necessary in regard to matters referred to in Fin. Reg. 11.4 and 13.4 and in the Additional Terms of Reference.

#### ***Rules Pertaining to Regulation 13.9***

*None*

**Regulation 13.10**

The External Auditor's reports together with the audited financial statements shall be transmitted through the Advisory Group and Working Group A of the Commission in accordance with directions given by the Commission. The Advisory Group shall examine the audited financial statements and reports of the External Auditor and shall forward them to the Commission with such comments as it deems appropriate.

***Rules Pertaining to Regulation 13.10***

*None*

**Regulation 13.11**

The External Auditor or his/her representative shall be present at any meetings where his/her report is under formal consideration by the Commission.

***Rules Pertaining to Regulation 13.11***

*None*

## **ARTICLE 14: DECISIONS INVOLVING EXPENDITURES**

### **Regulation 14.1**

No draft decision involving financial implications shall be presented to the Commission unless it is accompanied by an estimate of expenditure and a report on the administrative and financial implications, prepared by the Executive Secretary, and a statement from the Advisory Group.

#### ***Rules Pertaining to Regulation 14.1***

*None*

### **Regulation 14.2**

No subsidiary body of the Commission shall make a decision involving a new commitment of funds unless it has before it a report from the Executive Secretary on the administrative and financial implications of the proposal; no expenditure shall be made without a decision by the Commission.

#### ***Rules Pertaining to Regulation 14.2***

*None*

### **Regulation 14.3**

Where, in the opinion of the Executive Secretary, the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the Commission has made the necessary funding decisions.

#### ***Rules Pertaining to Regulation 14.3***

*None*

## **ARTICLE 15: GENERAL PROVISIONS**

### **Regulation 15.1**

The Commission shall establish an Advisory Group which shall consist of experts of recognized standing and experience in financial matters at the international level from Member States.

This Group shall advise the Commission and its subsidiary bodies on financial, budgetary and associated administrative issues. Inter alia, the Advisory Group shall:

- (a) Examine and report to the Commission on the draft Budget submitted by the Executive Secretary and other budget related issues;
- (b) Consider and report to the Commission on the report of the External Auditor;
- (c) Advise the Commission concerning any budgetary matter referred to it, including those tasks spelled out in Fin. Reg. 4.4, 4.6, 5.5, 15.3, 16.1.

Members of the Groups shall be nominated by Member States and appointed by the Commission for a three year renewable term of office. They shall serve in their personal capacity.

The Chairperson of the Advisory Group shall be appointed by the Commission.

The Advisory Group shall establish its own rules of Procedure which shall be consistent with the Rules of Procedure of the Commission.

The Executive Secretary shall provide to the Advisory Group all the information and administrative support it will need for the effective implementation of its mandate.

### ***Rules Pertaining to Regulation 15.1***

#### ***Rule 15.1.01: Advisory Group***

The Executive Secretary shall furnish the Advisory Group with appropriate information in sufficient time for the Group to provide its comments and recommendations to the Commission on the draft Programme Budget and on any other matters that fall within the purview of the Group. The Advisory Group shall undertake its review of the draft Programme Budget in advance of the review by Working Group A, if at all possible. The Executive Secretary shall also seek to provide to the Advisory Group all the information and administrative support that it may require for the effective implementation of its mandate.

### **Regulation 15.2**

These Regulations shall be effective as of the date of their approval by the Commission, and may be amended only by the Commission.

***Rules Pertaining to Regulation 15.2***

*Rule 15.2.01: Effective Date*

These Rules shall be effective as of and from 5 May 2000 and shall supersede all other provisions in force before that date and contrary to these Rules.

**Regulation 15.3**

In case of doubt as to the interpretation and application of any of the foregoing Financial Regulations, the Executive Secretary, after consulting with the Advisory Group, is authorized to rule thereon. Such rulings shall be reported by the Executive Secretary to the Commission.

***Rules Pertaining to Regulation 15.3***

*None*

**Regulation 15.4**

No Financial Regulation of the present Regulations may be suspended except by the decision of the Commission, taken by a two thirds majority of the members present and voting. The duration of such a suspension shall be specified by the Commission.

***Rules Pertaining to Regulation 15.4***

*None*



## **ARTICLE 16: SPECIAL PROVISIONS**

### **Regulation 16.1**

Any Financial Rules and amendments thereto promulgated by the Executive Secretary to carry out the provisions of these Regulations shall be communicated through the Advisory Group to the Commission for approval.

#### ***Rules Pertaining to Regulation 16.1***

*None*

**SUPPLEMENT TO THE FINANCIAL REGULATIONS:  
ADDITIONAL TERMS OF REFERENCE GOVERNING THE AUDIT**

1. The External Auditor shall perform such tests and checks of the financial statements of the Commission, including all trust funds and special accounts, as he/she deems necessary in order to enable him/her to report whether:
  - (a) The financial statements are in accord with the books and records of the Commission;
  - (b) The financial transactions reflected in the statements have been in accordance with the rules and regulations, the Budgetary provisions and other applicable directives;
  - (c) The securities and monies on deposit and on hand have been verified by certificate received direct from the Commission's depositories or by actual count;
  - (d) The internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon;
  - (e) Procedures satisfactory to the External Auditor have been applied to the recording of all assets, liabilities, surpluses and deficits.
2. The External Auditor shall be the sole judge as to the acceptance, in whole or in part, of certifications and representations by the Executive Secretary and may proceed to such detailed examination and verification as he/she chooses of all financial records including those relating to supplies and equipment.
3. The External Auditor and his/her staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor, necessary for the performance of the audit. The External Auditor and his/her staff shall respect the privileged and confidential nature of any information so classified and shall not make use of it except in direct connection with the performance of the audit. The External Auditor may draw the attention of the Commission to any denial of information classified as privileged which in his/her opinion was required for the purpose of the audit.
4. The External Auditor shall have no power to disallow items in the financial statements but shall draw to the attention of the Executive Secretary for appropriate action any transaction concerning which he/she entertains doubt as to legality or propriety. Audit objections to these or any other transactions arising during the examination of the financial statements shall be immediately communicated to the Executive Secretary.
5. The External Auditor shall express and sign an opinion in accordance with the International Standards on Auditing.
6. The External Auditor shall report in writing to the Commission on the financial operations of the period. The report should mention:
  - (a) The type and scope of his/her examination, and any restrictions on it;

- (b) Any matters affecting the completeness or accuracy of the financial statements, including where appropriate:
    - (i) Information necessary to the correct interpretation of the financial statements;
    - (ii) Any amounts which ought to have been received but which have not been brought to account;
    - (iii) Any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
    - (iv) Expenditures not properly substantiated;
    - (v) Where in the presentation of statements, there are deviations of material nature from International Public Sector Accounting Standards applied on a consistent basis;
  - (c) Other matters to be brought to the notice of the Commission including:
    - (i) Cases of fraud or suspected fraud;
    - (ii) Wasteful or improper expenditure of the Commission's money or other assets (notwithstanding that the accounting for the transaction may be correct);
    - (iii) Expenditure likely to commit the Commission to further outlay on a large scale;
    - (iv) Any defect in the general system or detailed regulations governing the control of receipts and disbursements or of supplies and equipment;
    - (v) Expenditure not in accordance with the intention of the Commission after making allowance for duly authorized transfers within the Budget;
    - (vi) Expenditure in excess of appropriations as amended by duly authorized transfers within the Budget;
    - (vii) Expenditure not in conformity with the authority which governs it;
  - (d) The accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records;
  - (e) In addition, appropriate reference to transactions accounted for in a previous financial period concerning which further information has been obtained or transactions in a later financial period concerning which it seems desirable that the Commission should have early knowledge.
7. The External Auditor may make such observations with respect to his/her findings resulting from the audit and such comments on the Executive Secretary's financial report as he/she deems appropriate to the Commission or to the Advisory Group or to the Executive Secretary.
8. The External Auditor may also make observations with respect to the regularity, economy, efficiency and effectiveness of the financial procedures, the accounting system, the internal financial controls and, in general, with respect to the administration and management of the Commission.

9. Whenever the External Auditor's scope of audit is restricted, or whenever he/she is unable to obtain sufficient evidence, he/she shall refer to the matter in his/her opinion and report, making clear in the report the reasons for his/her comments and the effect on the financial position and the financial transactions as recorded.
10. In no case shall the External Auditor include criticism in his/her Report without first affording the Executive Secretary adequate opportunity of explanation on the matter under observation.
11. The External Auditor is not required to mention any matter referred to in the foregoing which, in his/her opinion, is neither material to the view given by the annual financial statements nor significant to the financial affairs of the Commission.

**ANNEX I TO THE FINANCIAL RULES**  
**PURCHASE CYCLE: INTERNAL CONTROL**

**LEGEND**



