



OPCW

Executive Council

Eighty-Ninth Session
9 – 12 October 2018

EC-89/NAT.5
28 September 2018
Original: ENGLISH

GERMANY

**REQUEST FOR CIRCULATION OF A DOCUMENT
AT THE EIGHTY-NINTH SESSION OF THE EXECUTIVE COUNCIL**

The Permanent Representation of the Federal Republic of Germany to the Organisation for the Prohibition of Chemical Weapons (OPCW) has requested that the Technical Secretariat of the OPCW circulate the attached note verbale as a national document of the Eighty-Ninth Session of the Executive Council.

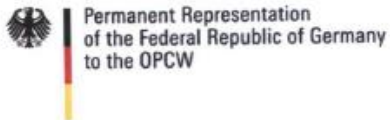
Annex (English only):

Note Verbale from the Permanent Representation of the Federal Republic of Germany to the Technical Secretariat of the Organisation for the Prohibition of Chemical Weapons, Dated 25 September 2018



Annex

**NOTE VERBALE FROM THE PERMANENT REPRESENTATION OF THE
FEDERAL REPUBLIC OF GERMANY TO THE TECHNICAL SECRETARIAT
OF THE ORGANISATION FOR THE PROHIBITION OF CHEMICAL WEAPONS
DATED 25 SEPTEMBER 2018**



File No. CW 370.45/08-20
Verbal Note No. 37/18

Verbal Note

The Permanent Representation of the Federal Republic of Germany to the OPCW presents its compliments to the Technical Secretariat of the Organisation for the Prohibition of Chemical Weapons and has the honour to submit the following documents:

- ~~DEU~~ Draft Decision – Amendment to Financial Regulation 6.3
- Proposed revision to Regulation 6.3

The Permanent Representation of the Federal Republic of Germany to the Organisation for the Prohibition of Chemical Weapons avails itself of this opportunity to renew to the Technical Secretariat of the Organisation for the Prohibition of Chemical Weapons the assurances of its highest consideration.

The Hague, 25 September, 2018



Technical Secretariat of the
Organisation for the Prohibition of
Chemical Weapons (OPCW)
The Hague

Proposed revision to Regulation 6.3**Regulation 6.3**

Final cash surplus or deficit:

- (a) at the end of the twelve-month period referred to in Regulation 6.2 the final cash surplus or deficit for the financial period shall be determined by crediting to the provisional cash surplus or deficit:
- any arrears of prior years' contributions received during that period;
 - any savings from the provisions made for unliquidated obligations pursuant to Regulation 6.2(b); and
 - any receipts of miscellaneous income relating to prior years.
- (b) ~~Charging to the provisional surplus or deficit:~~
~~The cash deficit, if any, of the financial year for which the cash surplus or deficit is determined.~~
- (c) after the final audit by the External Auditor of the accounts for the twelve-month period referred to in Regulation 6.2 has been completed, the cash surplus shall be allocated among States Parties in accordance with the scale of assessments for the financial period to which the surplus relates. ~~The allocation of a final cash deficit will be deferred until a final cash surplus is established in subsequent financial periods. The Conference of the States Parties may defer the allocation of the cash surplus if the surplus is required to finance a temporary cash shortage of the Regular Budget Fund;~~ and
- (d) the individual allocations to those States Parties which have paid their assessed contributions in full for the financial period to which the surplus relates shall be applied to liquidate, in the following manner:
- any outstanding advances to the Working Capital Fund;
 - any arrears of assessed contributions;
 - any arrears of contributions subject to the provisions of Articles IV and V of the Convention, provided the amounts concerned are not contested; and
 - assessed contributions for the current and following financial period.
- The allocations to the remaining Member States shall be so applied after their arrears of assessed contributions for the financial year to which the surplus relates have been liquidated in full.

The liquidation of a cash deficit and the use of a cash surplus shall be determined by the Conference of States Parties.

Draft Decision

Amendment to Financial Regulation 6.3

Recalling the decision of the Conference of the State Parties (hereinafter “the Conference”) at its Twenty-Second Session (C-22./DEC.12, dated 30 November 2017) to adopt the amendments to the Financial Regulations and Rules;

Recalling further the Note Verbale dated 28 February 2018 from the Permanent Representation of the Federal Republic of Germany to the OPCW indicating Germany's view that the current version of Financial Regulation 6.3 will not serve well the interest of the Organisation and its Members and thus proposes to revert back to the previous versions of Regulation 6.3 or to modify the existing version of the Regulation. Germany proposed to mandate the ABAF to further examine the matter and elaborate a recommendation for consideration by the Executive Council in autumn 2018;

Recalling further that the ABAF reviewed Financial Regulation 6.3 at its Forty-Fourth and Forty-Fifth Sessions in response to the Note Verbale and in doing so the ABAF recommended in its report (ABAF 45/1, dated 3 August 2018) the acceptance of the proposed amendments to the Financial Regulation 6.3 for Final Cash Surplus and Deficit subject to review by the Office of the Legal Advisor;

Recalling further that the Office of the Legal Advisor is of the opinion there are no legal impediments to the proposed changes while noting that thus far in the Organisation's history, decisions on the liquidation of deficits have been addressed through a decision of the Conference of the States Parties;

Hereby:

Recommends to the Conference at its Twenty-Third Session to adopt the amendments to the OPCW Financial Regulation 6.3 annexed hereto.

Annex: Amendments to the OPCW Financial Regulation 6.3