



Ninety-Fourth Session

7 – 9 July 2020

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8 July 2020

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DECISION

AMENDMENTS TO THE OPCW FINANCIAL REGULATIONS AND RULES

The Executive Council,

Recalling that the Conference of the States Parties (hereinafter “the Conference”) adopted the OPCW Financial Regulations at its First Session (C-I/DEC.3, dated 14 May 1997) and amended them at its Eighth, Ninth, Eleventh, Fifteenth, Sixteenth, Seventeenth, and Twenty-Second Sessions (C-8/DEC.4, dated 22 October 2003, C-9/DEC.11 and C-9/DEC.12, both dated 2 December 2004, C-11/DEC.6, dated 7 December 2006, C-15/DEC.5, dated 1 December 2010, C-16/DEC.7, dated 30 November 2011, C-17/DEC.6, dated 27 November 2012, and C-22/DEC.12, dated 30 November 2017);

Recalling also that the Executive Council (hereinafter “the Council”), in accordance with Financial Regulation 16.2, approved the Financial Rules of the OPCW at its Forty-Sixth Session (EC-46/DEC.6*, dated 5 July 2006) and amended them at its Sixty-First and Eighty-Sixth Sessions (EC-61/DEC.7, dated 1 July 2010, and EC-86/DEC.7, dated 11 October 2017);

Recalling further Financial Regulation 16.1, which states in part that “[a]ny proposed amendments to these Regulations, whether initiated by a State Party or the Director-General, shall be submitted by the Director-General, through the Executive Council, to the Conference of the States Parties”;

Recalling further Financial Regulation 16.2, which states in part that “[t]he Financial Rules, and any subsequent amendments thereto, shall be submitted to the Executive Council for approval”;

Taking into account the Note by the Technical Secretariat (hereinafter “the Secretariat”) entitled “Proposed Amendments to the OPCW Financial Regulations and Rules” (S/1869/2020/Rev.1, dated 24 June 2020);

Considering that, at its Twenty-Fourth Session, the Conference approved the OPCW’s transition from an annual to a biennial programme and budget cycle (C-24/DEC.11, dated 28 November 2019), and that the first biennial programme and budget covering the period 2022–2023 will be prepared in 2021;



Noting that the Conference, in order to enable this transition to a biennial programme and budget, requested the Director-General to submit in 2020 to the Council, for its consideration and approval, proposed amendments to the Financial Regulations and Rules;

Noting also that the Conference requested the Director-General to submit, through the Council, to the Conference for its consideration and approval at its Twenty-Fifth Session, proposed amendments to the Financial Regulations and Rules;

Understanding that, once the proposed amendments to the relevant Financial Rules have been approved by the Council and the proposed amendments to the relevant Financial Regulations have been approved by the Conference, these amendments would take effect from 1 January 2021;

Further noting that the Advisory Body on Administrative and Financial Matters (ABAF), in the report of its Forty-Seventh Session (ABAF-47/1, dated 2 August 2019), reviewed the proposed amendments to the Financial Regulations and Rules and expressed its support for putting forward to States Parties the concept of biennial budgeting for the Organisation as well as the proposed changes to the Financial Regulations and Rules that would be required to implement this;

Understanding also that the suggestions made by the ABAF were incorporated into the proposed amendments to the Financial Regulations and Rules, as outlined in the aforementioned Note S/1869/2020/Rev.1 by the Secretariat;

Acknowledging that the same level of information and reporting that is currently provided to States Parties under the existing Financial Regulations and Rules would continue with biennial budgeting, and that the assessed contributions of States Parties would continue to be invoiced on an annual basis, and not up front for the two years of the biennium; and

Noting at the same time that, as part of the review of the Financial Regulations and Rules, the Secretariat took the opportunity to make two further changes to definitions in areas not linked to biennial programming and budgeting, by adding the definition of “Advisory Body on Administrative and Financial Matters” and by correcting the definition of “special funds” to bring it in line with Financial Regulation 6.9;

Hereby:

Recommends that the Conference at its Twenty-Fifth Session amend the Financial Regulations of the OPCW annexed hereto; and

Approves the amendments to the Financial Rules annexed hereto, subject to the approval of the amendments to the Financial Regulations of the OPCW, also annexed hereto, by the Conference at its Twenty-Fifth Session.

Annex: Amendments to the Financial Regulations and Rules of the OPCW

Annex

AMENDMENTS TO THE FINANCIAL REGULATIONS AND RULES OF THE OPCW

Current Text	Proposed New Text	Justification and Attribution
ARTICLE 2 DEFINITIONS	ARTICLE 2 DEFINITIONS	
None	<u>Regulation 2.1</u> <u>The Programme for the Activities of the OPCW shall be established for two consecutive calendar years, starting with an even calendar year (the “programme biennium”).</u>	FRR numbering change with the addition of a new regulation. Inclusion of the definition of OPCW “programme biennium” to reflect biennial budgeting.
Regulation 2.1 The OPCW’s financial period for both budgetary and financial accounting shall be the calendar year.	Regulation 2.12 The OPCW’s financial period for both budgetary and financial accounting shall be the one calendar year (the “financial year”).	Amendment to reflect numbering change in FRRs due to inclusion of new Regulation 2.1 (above). Amendment of definition of OPCW “financial period” to clarify that, despite biennial budgeting, the financial year is still one calendar year.
Regulation 2.2 Accrual basis shall mean the basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid).	Regulation 2.23 Accrual basis shall mean the basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid).	Amendment to reflect numbering change in FRRs due to the inclusion of new Regulation 2.1. Amendment of the definition of “accrual basis” to include the reference to “financial years” in the context of biennial budgeting.

Current Text	Proposed New Text	Justification and Attribution
<p>Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets/equity, revenue and expenses.</p> <p>None</p> <p>Appropriations shall mean the aggregate of the expenditure authorisations approved by the Conference of the States Parties for the regular budget of the OPCW for a financial period against which obligations may be incurred for the purposes specified by the Conference of the States Parties.</p>	<p>Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the <u>financial years/periods</u> to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets/equity, revenue and expenses.</p> <p><u>Advisory Body on Administrative and Financial Matters (ABAF)</u> shall mean a body established by the Executive Council to advise it on administrative and financial matters. This body shall consist of experts of recognised standing from States Parties, with functions as specified in Regulation 15.1 of the <u>Financial Regulations and Rules</u>.</p> <p>Appropriations shall mean the aggregate of the expenditure authorisations approved by the Conference of the States Parties for the regular budget of the OPCW for a financial <u>period/year</u> against which obligations may be incurred for the purposes specified by the Conference of the States Parties.</p>	<p>Inclusion of the definition of the “ABAF”, which was not included in the current version of the FRRs.</p> <p>Amendment of the definition of “appropriations” only to include the reference to “financial year” in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Cash Surplus shall mean the excess of cash receipts over cash disbursements for a given financial period.</p> <p>Cash Deficit shall mean the excess of cash disbursements over cash receipts for a given financial period.</p> <p>Contributions shall mean those amounts payable by States Parties under the provisions of Articles IV, V and VIII of the Convention in order to finance the cost of the OPCW’s activities for a given financial period.</p> <p>Contingency Margin shall mean that portion of the budget appropriations for which the Director-General shall not authorise expenditures until and to the extent that it is determined that the income received will be adequate to meet the full needs of the appropriations in a given financial period.</p> <p>None</p>	<p>Cash Surplus shall mean the excess of cash receipts over cash disbursements for a given financial period<u>year</u>.</p> <p>Cash Deficit shall mean the excess of cash disbursements over cash receipts for a given financial period<u>year</u>.</p> <p>Contributions shall mean those amounts payable by States Parties under the provisions of Articles IV, V and VIII of the Convention in order to finance the cost of the OPCW’s activities for a given financial period<u>year</u>.</p> <p>Contingency Margin shall mean that portion of the budget appropriations for which the Director-General shall not authorise expenditures until and to the extent that it is determined that the income received will be adequate to meet the full needs of the appropriations in a given financial period<u>year</u>.</p> <p>Financial Year shall mean the calendar year which is considered as the OPCW’s financial period for both budgetary and financial accounting.</p>	<p>Amendment of the definition of “cash surplus” only to include the reference to “financial year” in the context of biennial budgeting.</p> <p>Amendment of the definition of “cash deficit” only to include the reference to “financial year” in the context of biennial budgeting.</p> <p>Amendment of the definition of “contributions” only to include the reference to “financial year” in the context of biennial budgeting.</p> <p>Amendment of the definition of “contingency margin” only to include the reference to “financial year” in the context of biennial budgeting.</p> <p>Inclusion of the definition of “financial year” consistent with the proposed amendments to Financial Regulation 2.2.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Programme and Budget shall mean that document which sets out the OPCW’s activities, objectives, and aims – together with the resource requirements – for a defined financial period.</p>	<p>Programme and Budget shall mean that document which sets out the OPCW’s activities, objectives, and aims – together with the resource requirements – for a defined financial <u>programme biennium</u>.</p>	<p>Amendment of definition of “programme and budget” to reflect biennial programming and budgeting.</p>
<p>None</p>	<p><u>Programme Biennium shall mean the period of two consecutive financial years, starting with an even calendar year for which the Programme and Budget shall be established.</u></p>	<p>Inclusion of the new definition of “programme biennium” to reflect biennial programming and budgeting.</p>
<p>None</p>	<p><u>Revised Programme and Budget shall mean that document which contains, for the second year of the biennium, any changes to the OPCW’s activities, objectives, and aims—together with the resource requirements (i.e. financial and preliminary estimates)—as initially contained in the approved Programme and Budget.</u></p>	<p>Inclusion of the new definition of “revised programme and budget” to reflect biennial programming and budgeting.</p>
<p>Special Fund shall mean a fund established for a particular project, programme or activity which shall be financed in a manner as recommended by the Executive Council and subsequently approved by the Conference of the States Parties.</p>	<p>Special Fund shall mean a fund established for a particular project, programme or activity which shall be <u>financed in a manner as recommended by the Executive Council and subsequently approved</u> by the Conference of the States Parties <u>in accordance with Regulation 6.9.</u></p>	<p>Correction of the definition of “special fund” to bring it in line with Financial Regulation 6.9.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>ARTICLE 3</p> <p>PROGRAMME AND BUDGET</p> <p>Regulation 3.1</p> <p>The Director-General shall prepare a draft programme and budget (hereinafter “the budget”) for each financial period.</p>	<p>ARTICLE 3</p> <p>PROGRAMME AND BUDGET</p> <p>Regulation 3.1</p> <p>The Director-General shall prepare a draft programme and budget (hereinafter “the budget”) <u>for each financial period for the programme biennium, which is comprised of two consecutive financial years starting with an even calendar year.</u></p>	<p>Amendment to reflect biennial programming and budgeting and amended definitions above.</p>
<p>Regulation 3.2</p> <p>The draft budget shall cover income and expenditure for the financial period to which such income and expenditure relate. The budget shall be presented in Euros.</p>	<p>Regulation 3.2</p> <p>The draft budget shall cover income and expenditure for the financial period<u>year</u> to which such income and expenditure relate. The budget shall be presented in Euros.</p>	<p>Amendment only to include the reference to “financial year” in the context of biennial budgeting.</p>
<p>Rule 3.2.01</p> <p>Preparation of the draft budget</p> <p>The draft budget, both for expenditures and income, shall be prepared through a consultative process with States Parties, as set out in the relevant administrative directive.</p>	<p>Rule 3.2.01</p> <p>Preparation of the draft <u>programme and budget and its revisions</u></p> <p>The draft <u>programme and budget and the revised draft programme and budget for the second year of the biennium</u>, both for expenditures and income, shall be prepared through a consultative process with States Parties, as set out in the relevant administrative directive.</p>	<p>Amendments proposed to the title to better describe the content of the Rule.</p>
<p>The draft budget, both for expenditures and income, shall be prepared through a consultative process with States Parties, as set out in the relevant administrative directive.</p>	<p>The draft <u>programme and budget and the revised draft programme and budget for the second year of the biennium</u>, both for expenditures and income, shall be prepared through a consultative process with States Parties, as set out in the relevant administrative directive.</p>	<p>Amendment to reflect biennial programming and budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
None	<p><u>Regulation 3.3</u></p> <p><u>(a) The Director-General shall prepare and submit to the Executive Council in every second year of a programme biennium the draft programme and budget for the next biennium.</u></p> <p><u>(b) The Director-General shall prepare and submit to the Executive Council in every first year of a programme biennium the draft revised programme and budget for the second year of the biennium.</u></p> <p><u>(c) The Director-General shall also prepare and submit such draft decisions as he or she deems necessary or as the Executive Council or the Conference of the States Parties may require.</u></p>	<p>FRR numbering change with the addition of a new regulation.</p> <p>New provision introduced to reflect biennial programming and budgeting, particularly the approval process of the biennial programme and budget by the Council and the Conference.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Regulation 3.3</p> <p>Pursuant to paragraph 7 of Article VIII (A) of the Convention the budget shall comprise two separate chapters, one relating to administrative and other costs, and one relating to verification costs. Each chapter shall be divided into programmes, and, as appropriate, each programme shall be divided into subprogrammes. The budget shall include any information annexes and explanatory statements requested by, or on behalf of, the Conference of the States Parties or the Executive Council. It shall also include such further information as the Director-General may deem necessary and useful, as set out in the relevant administrative directive.</p>	<p>Regulation 3.34</p> <p>Pursuant to paragraph 7 of Article VIII (A) of the Convention, the budget shall comprise two separate chapters, one relating to administrative and other costs, and one relating to verification costs. Each chapter shall be divided into programmes, and, as appropriate, each programme shall be divided into subprogrammes. The budget shall include any information annexes and explanatory statements requested by, or on behalf of, the Conference of the States Parties or the Executive Council. It shall also include such further information as the Director-General may deem necessary and useful, as set out in the relevant administrative directive.</p>	<p>Amendment to reflect numbering change in FRRs due to the inclusion of new Regulation 3.3 (above).</p> <p>Minor typographical correction entered: comma added after the word “Convention”.</p>
<p>Rule 3.3.01</p> <p>Tasks of the Certifying Officer</p> <p>Certifying Officers shall prepare the respective draft budget proposals, that is, the programme content and resource allocation, for the following financial period at such times and in such detail as the Director-General may prescribe in an administrative directive and in</p>	<p>Rule 3.34.01</p> <p>Tasks of the Certifying Officer</p> <p>Certifying Officers shall prepare the respective draft budget proposals, that is, the programme content and resource allocation, for the following financial periodyear at such times and in such detail as the Director-General may prescribe in an administrative directive</p>	<p>Amendment to reflect numbering change in FRRs due to the inclusion of new Regulation 3.3.</p> <p>Amendment only to include the reference to “financial year” in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>accordance with the Financial Regulations and Rules.</p>	<p>and in accordance with the Financial Regulations and Rules.</p>	
<p>Rule 3.3.02</p> <p>Content and resource allocation</p> <p>After review of the draft budget proposals, the Director-General shall decide on the final programme content and resource allocation of the draft budget to be submitted through the Executive Council to the Conference of the States Parties for approval.</p>	<p>Rule 3.3.02</p> <p>Content and resource allocation</p> <p>After review of the draft <u>programme and budget proposals</u>, the Director-General shall decide on the final programme content and resource allocation of the <u>draft programme and budget and/or the draft revised programme and budget</u> to be submitted through the Executive Council to the Conference of the States Parties for approval.</p>	<p>Amendment to reflect numbering change in FRRs due to the inclusion of new Regulation 3.3.</p> <p>Amendment to reflect biennial programming and budgeting, particularly with regard to the draft documents that are subject to approval by the Council and the Conference.</p>
<p>Regulation 3.4</p> <p>The Director-General shall submit the draft budget for the ensuing financial period to the Executive Council. The submission of the draft budget to the Executive Council shall take place at least eight weeks prior to the date fixed for the meeting of the Executive Council at which the draft budget is to be considered. The draft budget and the comments and recommendations of the Executive Council shall be transmitted to States Parties at least four weeks prior to the opening of the regular session of</p>	<p>Regulation 3.45</p> <p><u>(a) The Executive Council shall consider and submit to the Conference of the States Parties the draft programme and budget of the Organisation for the biennium or the draft revised programme and budget for the second year of the biennium, as applicable.</u></p> <p><u>(b) The Executive Council shall consider and submit to the Conference of the States Parties</u></p>	<p>Amendment to reflect numbering change in FRRs due to the inclusion of new Regulation 3.3.</p> <p>Amendment to reflect biennial programming and budgeting, particularly with regard to the draft documents that are subject to approval by the Council and the Conference.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>the Conference of the States Parties at which the draft budget is to be considered.</p>	<p><u>in every second year of a programme biennium the draft programme and budget containing the OPCW's activities, objectives, and aims— together with the resource requirements—for the next biennium.</u></p> <p><u>(c) The Executive Council shall consider and submit to the Conference of the States Parties in every first year of a programme biennium the draft revised programme and budget which contains, for the second year of the biennium, any proposed changes to the OPCW's activities, objectives, and aims— together with the resource requirements—as initially contained in the approved programme and budget.</u></p> <p><u>(d) The Director-General shall submit the draft budget for the ensuing financial period to the Executive Council. The submission of the draft programme and budget or the</u></p>	

Current Text	Proposed New Text	Justification and Attribution
<p>Regulation 3.5</p> <p>The Director-General may, in exceptional cases, submit supplementary budgetary proposals to the Conference of the States Parties through the Executive Council. Such supplementary budgetary proposals shall be prepared in a format consistent with that used for the</p>	<p><u>draft revised programme and budget, as applicable</u>, to the Executive Council shall take place at least eight weeks prior to the date fixed for the meeting of the Executive Council at which the draft budget is <u>these documents are</u> to be considered. The draft budget <u>These documents</u> and the comments and recommendations of the Executive Council shall be transmitted to States Parties at least four weeks prior to the opening of the regular session of the Conference of the States Parties at which <u>either</u> the draft <u>programme and budget</u> or the draft revised programme and budget is to be considered.</p>	
<p>Regulation 3.5</p> <p>The Director-General may, in exceptional cases, submit supplementary budgetary proposals to the Conference of the States Parties through the Executive Council. Such supplementary budgetary proposals shall be prepared in a format consistent with that used for the</p>	<p>Regulation 3.56</p> <p>The Director-General may, in exceptional cases, submit supplementary budgetary proposals <u>for the current financial year</u> to the Conference of the States Parties through the Executive Council. Such supplementary budgetary proposals shall be prepared in a format</p>	<p>Amendment to reflect numbering change in FRRs due to inclusion of new Regulation 3.3.</p> <p>Amendment introduced only to clarify that supplementary budget proposals pertain to the current financial year and are therefore different from the revisions to the approved programme and budget, which instead relate to the next financial year of the biennium.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>budget. The applicable time limit for the submission of the document may be waived by the Executive Council with respect to the submission of supplementary budgetary proposals.</p> <p>Regulation 3.6</p> <p>The Conference of the States Parties shall:</p> <p>(a) consider and adopt at its regular session the programme and budget of the OPCW, submitted by the Executive Council;</p> <p>(b) decide on the scale of assessments to be paid by States Parties; and</p> <p>(c) vote budget appropriations by chapter and in total for the financial period to which they relate.</p>	<p>consistent with that used for the budget. The applicable time limit for the submission of the document may be waived by the Executive Council with respect to the submission of supplementary budgetary proposals.</p> <p>Regulation 3.6Z</p> <p>The Conference of the States Parties shall:</p> <p>(a) consider and adopt at its regular session the programme and budget of the OPCW <u>or the revised programme and budget of the OPCW, as applicable,</u> submitted by the Executive Council;</p> <p>(b) decide on the scale of assessments to be paid by States Parties; and</p> <p>(c) vote budget appropriations by chapter and in total for the financial <u>period</u>year to which they relate.</p>	<p>Amendment to reflect numbering change in FRRs due to the inclusion of new Regulation 3.3.</p> <p>Amendment to reflect biennial programming and budgeting, particularly with regard to the draft documents that are subject to approval by the Conference.</p> <p>Moreover, reference to “financial year” has been included, consistent with the proposed amendments above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Regulation 3.7</p> <p>The draft budget submitted to the Executive Council and to the Conference of the States Parties under Regulation 3.4 shall be accompanied by corresponding preliminary estimates for the following financial period.</p>	<p>Regulation 3.78</p> <p>The draft <u>programme and budget</u> submitted to the Executive Council and to the Conference of the States Parties under Regulation 3.45 shall be accompanied by corresponding <u>preliminary financial estimates for the following financial period first year of the biennium as well as the preliminary estimates for the second year of the biennium, while the draft revised programme and budget shall be accompanied by changes to the Organisation's programme for the second year of the biennium and corresponding financial estimates.</u></p>	<p>Amendment to reflect numbering change in FRRs due to the inclusion of new Regulation 3.3.</p> <p>Amendment to reflect biennial programming and budgeting, particularly with regard to the draft documents that are subject to approval by the Council and the Conference.</p> <p>Amendment to reflect changes in numbering of FRRs.</p>
<p>Rule 3.7.01</p> <p>Basis for preparing preliminary estimates</p> <p>The preliminary estimates for the following financial period shall be submitted at the same time as the draft budget. These estimates shall include proposed allocations by programme,</p>	<p>Rule 3.78.01</p> <p>Basis for preparing <u>estimates and preliminary estimates</u></p> <p>The <u>preliminary financial estimates for the following financial period first year of the biennium as well as the preliminary financial estimates for the second year of the biennium</u> shall be</p>	<p>Amendment to reflect numbering change in FRRs due to the inclusion of new Regulation 3.3. Addition of “estimates” to the title for consistency with the version submitted to the ABAF, and also because, in light of amended regulation 3.7 above, “estimates” will relate to the first year of the biennium only.</p> <p>Amendment to reflect biennial programming and budgeting, particularly with regard to the draft documents that are subject to approval by the Council and the Conference.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>subprogramme and object of expenditure, to the extent possible.</p>	<p>submitted <u>respectively</u> at the same time as the draft <u>programme and budget and at the same time as the draft revised programme and budget for the second year of the biennium</u>. These estimates shall include proposed allocations by programme, subprogramme and object of expenditure, to the extent possible.</p>	
<p>Regulation 3.8</p> <p>The draft budget and preliminary estimates submitted to the Executive Council under Regulations 3.4 and 3.7 shall be accompanied by a medium-term plan. Such a plan would give an overview of the aims and programme priorities of the next few years, to be adjusted annually as necessary. The medium-term plan should not prejudice coming budgets. It should also be a concise document.</p>	<p>Regulation 3.89</p> <p>The draft budget, <u>financial estimates</u>, and preliminary estimates submitted to the Executive Council under Regulations <u>3.45</u> and <u>3.78</u> shall be accompanied by a medium-term plan. Such a plan would give an overview of the aims and programme priorities of the next few years, to be adjusted annually as necessary. The medium-term plan should not prejudice coming budgets. It should also be a concise document.</p>	<p>Amendment to reflect numbering change in FRRs due to the inclusion of new Regulation 3.3.</p>
		<p>Amendment to reflect biennial programming and budgeting, particularly with regard to the draft documents that are subject to approval by the Council and the Conference.</p> <p>Amendments to reflect changes in numbering of FRRs.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>ARTICLE 4 AUTHORITY TO INCUR EXPENDITURE</p> <p>Regulation 4.2</p> <p>Appropriations shall be available for obligation during the financial period for which they were made, in accordance with the provisions of the budget appropriations resolution.</p>	<p>ARTICLE 4 AUTHORITY TO INCUR EXPENDITURE</p> <p>Regulation 4.2</p> <p>Appropriations shall be available for obligation during the financial period for which they were made <u>approved</u>, in accordance with the provisions of the budget appropriations resolution <u>decision</u>. <u>However, any unobligated balance of the appropriations for the first financial year of the programme biennium shall be carried over and made available for obligation until the end of the second financial year of the programme biennium.</u></p>	
<p>Regulation 4.3</p> <p>Appropriations shall remain available for the twelve months following the end of the financial period to which they relate, to the extent that they are required to liquidate any outstanding legal obligation of that financial period.</p>	<p>Regulation 4.3</p> <p>Appropriations shall remain available for the twelve months following the end of the financial period to which they relate, <u>or in case of carry-over pursuant to Regulation 4.2, following the end of the financial year into which the appropriations were carried over.</u> <u>Obligated balances of appropriations shall remain available</u> to the extent that they are required to liquidate any</p>	<p>Amendment to reflect biennial programming and budgeting, particularly to clarify that unobligated balances of appropriations may be carried forward from the first year of the biennium to the second year. Moreover, reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting, along with a couple of minor editorial changes.</p>
<p>Regulation 4.3</p> <p>Appropriations shall remain available for the twelve months following the end of the financial period to which they relate, to the extent that they are required to liquidate any outstanding legal obligation of that financial period.</p>	<p>Regulation 4.3</p> <p>Appropriations shall remain available for the twelve months following the end of the financial period to which they relate, <u>or in case of carry-over pursuant to Regulation 4.2, following the end of the financial year into which the appropriations were carried over.</u> <u>Obligated balances of appropriations shall remain available</u> to the extent that they are required to liquidate any</p>	<p>Amendment to reflect biennial programming and budgeting, particularly to clarify that unobligated balances of appropriations may be carried forward from the first year of the biennium to the second year. Moreover, reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting, along with a few minor editorial changes.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Regulation 4.4</p> <p>At the end of the twelve-month period referred to in Regulation 4.3, the remaining balance of any appropriations retained shall lapse. Any unliquidated obligations of the financial period in question shall at that time be cancelled, unless the obligation remains a valid charge, in which case the obligation shall be transferred as an obligation against appropriations for the current financial period.</p>	<p>outstanding legal obligation of that financial period<u>year</u>.</p>	
<p>Regulation 4.4</p> <p>At the end of the twelve-month period referred to in Regulation 4.3, the remaining balance of any appropriations retained shall lapse. Any unliquidated obligations of the financial period in question shall at that time be cancelled, unless the obligation remains a valid charge, in which case the obligation shall be transferred as an obligation against appropriations for the current financial period.</p>	<p>Regulation 4.4</p> <p>At the end of the twelve-month <u>periods of availability</u> referred to in Regulation 4.3, the remaining balance of any appropriations retained shall lapse. Any unliquidated obligations of the financial period<u>year</u> in question shall at that time be cancelled, unless the obligation remains a valid charge, in which case the obligation shall be transferred as an obligation against appropriations for the current financial period<u>year</u>.</p>	<p>Amendment to reflect biennial programming and budgeting, particularly the different time periods that are now specified in draft amended Regulation 4.3 above. Moreover, reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>
<p>Rule 4.4.01</p> <p>Obligations which cannot be liquidated</p> <p>In those cases where the obligation cannot be liquidated within the time period set forth in Financial Regulation 4.3, the procedure under Financial Regulation 4.4 shall be followed. This procedure requires the examination of each such obligation in accordance with Financial Rule 10.3.06 before it is cancelled or re-obligated against appropriations of the current financial period.</p>	<p>Rule 4.4.01</p> <p>Obligations which cannot be liquidated</p> <p>In those cases where the obligation cannot be liquidated within the time period set forth in Financial Regulation 4.3, the procedure under Financial Regulation 4.4 shall be followed. This procedure requires the examination of each such obligation in accordance with Financial Rule 10.3.06 before it is cancelled or re-obligated against appropriations of the current financial period<u>year</u>.</p>	
<p>Rule 4.4.01</p> <p>Obligations which cannot be liquidated</p> <p>In those cases where the obligation cannot be liquidated within the time period set forth in Financial Regulation 4.3, the procedure under Financial Regulation 4.4 shall be followed. This procedure requires the examination of each such obligation in accordance with Financial Rule 10.3.06 before it is cancelled or re-obligated against appropriations of the current financial period.</p>	<p>Rule 4.4.01</p> <p>Obligations which cannot be liquidated</p> <p>In those cases where the obligation cannot be liquidated within the time period set forth in Financial Regulation 4.3, the procedure under Financial Regulation 4.4 shall be followed. This procedure requires the examination of each such obligation in accordance with Financial Rule 10.3.06 before it is cancelled or re-obligated against appropriations of the current financial period<u>year</u>.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Rule 4.5.01 Transfers of Funds</p> <p>(a) In the event that transfers of funds in accordance with Regulations 4.5 to 4.7 become necessary, the Certifying Officer proposing the transfers shall provide the required justification and shall make proposals, through the Principal Financial Officer, to the Director-General.</p> <p>(b) Requests for transfers of appropriated funds between approved budget programmes and/or between budget subprogrammes in accordance with Financial Regulations 4.5 and 4.6, but within the scope of objectives approved for the year in the annual programme and budget, shall be submitted by the designated Certifying Officer, through the Principal Financial Officer, to the Director-General for decision.</p>	<p>Rule 4.5.01 Transfers of Funds</p> <p>(a) In the event that transfers of funds in accordance with Regulations 4.5 to 4.7 become necessary, the Certifying Officer proposing the transfers shall provide the required justification and shall make proposals, through the Principal Financial Officer, to the Director-General.</p> <p>(b) Requests for transfers of appropriated funds between approved budget programmes and/or between budget subprogrammes in accordance with Financial Regulations 4.5 and 4.6, but within the scope of objectives approved for the year <u>programme biennium</u> in the annual programme and budget, shall be submitted by the designated Certifying Officer, through the Principal Financial Officer, to the Director-General for decision.</p>	<p>Amendment to reflect biennial programming and budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Regulation 4.7</p> <p>The Director-General shall prudently manage the appropriations voted for a financial period to ensure that expenditures can be met from the funds available for such a period, keeping in view the income received, the availability of cash balances and the application to the approved appropriations of a contingency margin as provided for in the Financial Rules.</p>	<p>Regulation 4.7</p> <p>The Director-General shall prudently manage the appropriations voted for a financial period<u>year</u> to ensure that expenditures can be met from the funds available for such a period<u>that year</u>, keeping in view the income received, the availability of cash balances and the application to the approved appropriations of a contingency margin as provided for in the Financial Rules.</p>	<p>Amendment to reflect biennial programming and budgeting. Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>
<p>Rule 4.7.01</p> <p>Contingency margin</p> <p>The Director-General shall determine the percentage for the contingency margin, having regard to the average collection rate for assessed contributions over the last three years. The Director-General may authorise the allotment and obligation of funds up to the level of the approved budget appropriations less this contingency margin. Further authorisations for allotment and obligation shall only be permitted when and to the extent that adequate contributions have been received. The application of a contingency margin shall ensure that</p>	<p>Rule 4.7.01</p> <p>Contingency margin</p> <p>The Director-General shall determine the percentage for the contingency margin, having regard to the average collection rate for assessed contributions over the last three years. The Director-General may authorise the allotment and obligation of funds up to the level of the approved budget appropriations less this contingency margin. Further authorisations for allotment and obligation shall only be permitted when and to the extent that adequate contributions have been received. The application of a contingency margin shall ensure that</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>expenditure does not exceed the available funds in any given financial period.</p>	<p>expenditure does not exceed the available funds in any given financial period<u>year</u>.</p>	
<p>Regulation 4.11</p> <p>With the prior concurrence of the Conference of the States Parties, the Director-General may, if necessary, enter into commitments for future financial periods, provided that such commitments relate to work authorised in the current budget and concern: (a) administrative requirements of a continuing nature; (b) contracts where longer lead times are required for purchases of goods or services; or (c) purchases for which payment is to be made over several years.</p> <p>The commitments mentioned above shall be annexed to the budget document(s) submitted to the Conference of the States Parties for approval on their first occurrence. In the following periods, they shall be recorded in a table annexed to the budget document(s) submitted to the Conference of the States Parties.</p>	<p>Regulation 4.11</p> <p>With the prior concurrence of the Conference of the States Parties, the Director-General may, if necessary, enter into commitments for future financial periods<u>years</u>, provided that such commitments relate to work authorised in the current budget and concern: (a) administrative requirements of a continuing nature; (b) contracts where longer lead times are required for purchases of goods or services; or (c) purchases for which payment is to be made over several years.</p> <p>The commitments mentioned above shall be annexed to the budget document(s) submitted to the Conference of the States Parties for approval on their first occurrence. In the following periods, they shall be recorded in a table annexed to the budget document(s) submitted to the Conference of the States Parties.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>ARTICLE 5</p> <p>CONTRIBUTIONS AND ADVANCES</p> <p>Regulation 5.2</p> <p>The assessed contributions of States Parties shall be assessed for each financial period, taking into account adjustments for:</p> <p>(a) supplementary appropriations for which States Parties have not previously been assessed;</p> <p>(b) estimated contributions made under the provisions of Articles IV and V of the Convention for the financial period with respect to which the assessment of contributions is being made;</p> <p>(c) estimated miscellaneous income for the financial period with respect to which the assessment of contributions is being made;</p> <p>(d) contributions resulting from the assessment of new States Parties under the provisions of Regulation 5.7; and</p> <p>(e) allocation of the cash surplus in accordance with Regulation 6.3.</p>	<p>ARTICLE 5</p> <p>CONTRIBUTIONS AND ADVANCES</p> <p>Regulation 5.2</p> <p>The assessed contributions of States Parties shall be assessed for each financial period<u>year</u>, taking into account adjustments for:</p> <p>(a) supplementary appropriations for which States Parties have not previously been assessed;</p> <p>(b) estimated contributions made under the provisions of Articles IV and V of the Convention for the financial period<u>year</u> with respect to which the assessment of contributions is being made;</p> <p>(c) estimated miscellaneous income for the financial period<u>year</u> with respect to which the assessment of contributions is being made;</p> <p>(d) contributions resulting from the assessment of new States Parties under the provisions of Regulation 5.7; and</p> <p>(e) allocation of the cash surplus in accordance with Regulation 6.3.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Regulation 5.4</p> <p>Assessed contributions to the budget and advances to the Working Capital Fund shall be due and payable in full within 30 days of the receipt of the communications referred to in Regulation 5.3 above, or on the first day of the financial period to which they relate, whichever is later.</p> <p>Contributions subject to the provisions of Articles IV and V of the Convention shall be due and payable in full within 90 days of receipt of the invoice, subject to the Financial Rules under this Regulation.</p>	<p>Regulation 5.4</p> <p>Assessed contributions to the budget and advances to the Working Capital Fund shall be due and payable in full within 30 days of the receipt of the communications referred to in Regulation 5.3 above, or on the first day of the financial period<u>year</u> to which they relate, whichever is later.</p> <p>Contributions subject to the provisions of Articles IV and V of the Convention shall be due and payable in full within 90 days of receipt of the invoice, subject to the Financial Rules under this Regulation.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>
<p>Regulation 5.7</p> <p>New States Parties shall be required to make an assessed contribution to the budget for the financial period in which they become members, and to provide their proportional share of the total advances to the Working Capital Fund at rates to be determined by the Conference of the States Parties. The assessed contribution of a new State Party for the financial period in which it joins the OPCW shall be based on the</p>	<p>Regulation 5.7</p> <p>New States Parties shall be required to make an assessed contribution to the budget for the financial period<u>year</u> in which they become members, and to provide their proportional share of the total advances to the Working Capital Fund at rates to be determined by the Conference of the States Parties. The assessed contribution of a new State Party for the financial period<u>year</u> in which it joins the OPCW shall be based</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>number of full months remaining in the financial period after the date on which the new State Party has deposited its instrument of ratification of, or accession to, the Convention. A new State Party's assessed contribution to the Working Capital Fund shall be due and payable within 30 days of receiving notice from the Director-General of the assessments made by the Conference of the States Parties.</p>	<p>on the number of full months remaining in the financial period<u>year</u> after the date on which the new State Party has deposited its instrument of ratification of, or accession to, the Convention. A new State Party's assessed contribution to the budget and its advances to the Working Capital Fund shall be due and payable within 30 days of receiving notice from the Director-General of the assessments made by the Conference of the States Parties.</p>	
<p>ARTICLE 6 FUNDS Regulation 6.1</p>	<p>ARTICLE 6 FUNDS Regulation 6.1</p>	
<p>A Regular Budget Fund shall be established for the purpose of accounting for the OPCW's income and expenditure. All contributions received from States Parties under Regulation 5.1, irrespective of whether such contributions are for the current financial period, a future financial period, or are arrears from a previous financial period, shall be credited to the Regular Budget Fund. Miscellaneous income and transfers from the Working</p>	<p>A Regular Budget Fund shall be established for the purpose of accounting for the OPCW's income and expenditure. All contributions received from States Parties under Regulation 5.1, irrespective of whether such contributions are for the current financial period<u>year</u>, a future financial period<u>year</u>, or are arrears from a previous financial period<u>year</u>, shall be credited to the Regular Budget Fund. Miscellaneous income and transfers</p>	<p>Reference to "financial year" has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Capital Fund shall also be credited to the Regular Budget Fund. All of the OPCW's expenditures for appropriations authorised under Regulation 4.1 shall be made from the Regular Budget Fund. Reimbursements to the Working Capital Fund under Regulation 6.6 shall also be made from the Regular Budget Fund.</p> <p>Regulation 6.2</p> <p>At the end of each financial period the provisional cash surplus or deficit for the financial period shall be determined by establishing the balance between the following credits and charges to the Regular Budget Fund:</p> <p>(a) credits:</p> <ul style="list-style-type: none"> - contributions actually received for the financial period from States Parties; and - miscellaneous income received for the financial period; <p>(b) charges:</p> <ul style="list-style-type: none"> - all disbursements against the appropriation for that financial period; 	<p>from the Working Capital Fund shall also be credited to the Regular Budget Fund. All of the OPCW's expenditures for appropriations authorised under Regulation 4.1 shall be made from the Regular Budget Fund. Reimbursements to the Working Capital Fund under Regulation 6.6 shall also be made from the Regular Budget Fund.</p> <p>Regulation 6.2</p> <p>At the end of each financial period<u>year</u> the provisional cash surplus or deficit for the financial period<u>year</u> shall be determined by establishing the balance between the following credits and charges to the Regular Budget Fund:</p> <p>(a) credits:</p> <ul style="list-style-type: none"> - contributions actually received for the financial period<u>year</u> from States Parties; and - miscellaneous income received for<u>during</u> the financial period<u>year</u>; <p>(b) charges:</p> <ul style="list-style-type: none"> - all disbursements against the appropriation for that financial period<u>year</u>; 	<p>Reference to "financial year" has been included, consistent with amendments proposed above in the context of biennial budgeting. Moreover, an amendment to subparagraph (b) is proposed to reflect biennial programming and budgeting, particularly to clarify that unobligated balances of appropriations may be carried forward from the first year of the biennium to the second year.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>- provisions for unliquidated obligations to be charged against the appropriations for that financial period; and</p> <p>- transfers to special funds as authorised by the Conference of the States Parties.</p> <p>The provisional cash surplus or deficit shall be retained in the Regular Budget Fund for the next twelve months.</p>	<p>- provisions for unliquidated obligations to be charged against the appropriations for that financial period<u>year</u>;</p> <p>- transfers to special funds as authorised by the Conference of the States Parties; <u>and</u></p> <p>- <u>provisions for unobligated balances of appropriations carried over from the first financial year to the second financial year of the programme biennium in accordance with Regulation 4.2.</u></p> <p>The provisional cash surplus or deficit shall be retained in the Regular Budget Fund for the next twelve months.</p>	
<p>Regulation 6.3</p> <p>Final cash surplus or deficit:</p> <p>(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:</p>	<p>Regulation 6.3</p> <p>Final cash surplus or deficit:</p> <p>(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<u>year</u> shall be determined by crediting to the provisional cash surplus or deficit:</p>	<p>Amendment to reflect biennial programming and budgeting, particularly to clarify that unobligated balances of appropriations may be carried forward from the first year of the biennium to the second year. Moreover, reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>- any arrears of prior years' contributions received during that period;</p> <p>- any savings from the provisions made for unliquidated obligations pursuant to Regulation 6.2(b); and</p> <p>- any receipts of miscellaneous income relating to prior years.</p> <p>(b) Charging to the provisional surplus or deficit:</p> <p>- The cash deficit, if any, of the financial year for which the cash surplus or deficit is determined.</p> <p>(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</p>	<p>- any arrears of prior years' contributions received during that period;</p> <p>- any savings from the provisions made for unliquidated obligations <u>and any provisions for carried over unobligated balances of appropriations</u>, pursuant to Regulation 6.2(b); and</p> <p>- any receipts of miscellaneous income relating to prior years.</p> <p>(b) Charging to the provisional surplus or deficit:</p> <p>- The cash deficit, if any, of the financial year for which the cash surplus or deficit is determined.</p> <p>(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 <u>period</u> to which the surplus relates. The allocation of</p>	

Current Text	Proposed New Text	Justification and Attribution
<p>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</p> <p>(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:</p> <ul style="list-style-type: none"> - 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. 	<p>a final cash deficit will be deferred until a final cash surplus is established in subsequent financial periods<u>years</u>. 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</p> <p>(d) the individual allocations to those States Parties which have paid their assessed contributions in full for the financial period<u>year</u> to which the surplus relates shall be applied to liquidate, in the following manner<u>order</u>:</p> <ul style="list-style-type: none"> - 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 	

Current Text	Proposed New Text	Justification and Attribution
<p>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.</p>	<p>- assessed contributions for the current and following financial period<u>year</u>. 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.</p>	
<p>Regulation 6.4</p>	<p>Regulation 6.4</p>	
<p>A Working Capital Fund shall be established in an amount and for the purposes to be determined from time to time by the Conference of the States Parties. It should not exceed two-twelfths of the budget provision for that financial period, subject to the provisions of Regulation 6.5. The Working Capital Fund shall be funded by advances from States Parties made in accordance with the scale of assessments as determined by the Conference of the States Parties for the apportionment of the OPCW's approved budget. Advances shall be carried to the credit of the States Parties which make them.</p>	<p>A Working Capital Fund shall be established in an amount and for the purposes to be determined from time to time by the Conference of the States Parties. It should not exceed two-twelfths of the budget provision for that financial period<u>year</u>, subject to the provisions of Regulation 6.5. The Working Capital Fund shall be funded by advances from States Parties made in accordance with the scale of assessments as determined by the Conference of the States Parties for the apportionment of the OPCW's approved budget. Advances shall be carried to the credit of the States Parties which make them.</p>	<p>Reference to "financial year" has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Regulation 6.5</p> <p>On joining the OPCW, every new State Party shall make an advance to the Working Capital Fund in accordance with the scale of assessments applicable to the budget of the year of its ratification or accession. The level of the Working Capital Fund shall be increased by the amounts that new States Parties are required to pay until the Conference of the States Parties establishes a new level for the fund.</p>	<p>Regulation 6.5</p> <p>On joining the OPCW, every new State Party shall make an advance to the Working Capital Fund in accordance with the scale of assessments applicable to the budget of the financial year of its ratification or accession. The level of the Working Capital Fund shall be increased by the amounts that new States Parties are required to pay until the Conference of the States Parties establishes a new level for the fund.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>
<p>Regulation 6.6</p> <p>All transfers of funds made from the Working Capital Fund to finance budgetary appropriations shall be reimbursed as soon as feasible, but in any case within the financial period which follows the period in which they are made.</p>	<p>Regulation 6.6</p> <p>All transfers of funds made from the Working Capital Fund to finance budgetary appropriations shall be reimbursed as soon as feasible, but in any case within the financial period year which follows the period year in which they are made.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>
<p>ARTICLE 7</p> <p>OTHER INCOME</p>	<p>ARTICLE 7</p> <p>OTHER INCOME</p>	
<p>Regulation 7.1</p> <p>(c) direct refunds of expenditures made during the financial period;</p>	<p>Regulation 7.1</p> <p>(c) direct refunds of expenditures made during the financial period year;</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Rule 7.1.03 Refunds of expenditure</p> <p>Refunds of expenditure which had been charged in the same financial period against the budgetary accounts shall be credited against the same accounts, but refunds of expenditure from prior financial periods shall be credited to miscellaneous income.</p> <p>ARTICLE 10 INTERNAL CONTROL</p> <p>Rule 10.3.06 Review of outstanding obligations</p> <p>Certifying Officers shall be responsible for reviewing periodically the outstanding obligations retained against appropriations of the previous financial period in accordance with Regulation 4.3. Obligations reflected in the accounts which are no longer valid shall be cancelled from the accounts forthwith, and the resulting credit surrendered. If the obligation is determined to be valid, it shall be re-obligated against the appropriations of the current financial period.</p>	<p>Rule 7.1.03 Refunds of expenditure</p> <p>Refunds of expenditure which had been charged in the same financial period year against the budgetary accounts shall be credited against the same accounts, but refunds of expenditure from prior financial periodsyears shall be credited to miscellaneous income.</p> <p>ARTICLE 10 INTERNAL CONTROL</p> <p>Rule 10.3.06 Review of outstanding obligations</p> <p>Certifying Officers shall be responsible for reviewing periodically the outstanding obligations retained against appropriations of the previous financial period year in accordance with Regulation 4.3. Obligations reflected in the accounts which are no longer valid shall be cancelled from the accounts forthwith, and the resulting credit surrendered. If the obligation is determined to be valid, it shall be re-obligated against the appropriations of the current financial period year.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>
<p>ARTICLE 10 INTERNAL CONTROL</p> <p>Rule 10.3.06 Review of outstanding obligations</p> <p>Certifying Officers shall be responsible for reviewing periodically the outstanding obligations retained against appropriations of the previous financial period in accordance with Regulation 4.3. Obligations reflected in the accounts which are no longer valid shall be cancelled from the accounts forthwith, and the resulting credit surrendered. If the obligation is determined to be valid, it shall be re-obligated against the appropriations of the current financial period.</p>	<p>ARTICLE 10 INTERNAL CONTROL</p> <p>Rule 10.3.06 Review of outstanding obligations</p> <p>Certifying Officers shall be responsible for reviewing periodically the outstanding obligations retained against appropriations of the previous financial period year in accordance with Regulation 4.3. Obligations reflected in the accounts which are no longer valid shall be cancelled from the accounts forthwith, and the resulting credit surrendered. If the obligation is determined to be valid, it shall be re-obligated against the appropriations of the current financial period year.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

<p>Current Text</p> <p>Regulation 10.5</p>	<p>Proposed New Text</p> <p>Regulation 10.5</p>	<p>Justification and Attribution</p>
<p>The Director-General or other delegated authority in accordance with the relevant administrative directive shall, after full investigation, and subject to the recommendations of the Executive Council and approval of the Conference of the States Parties, write off losses of cash, stores, and other assets. Notwithstanding the above, the Director-General or other delegated authority in accordance with the relevant administrative directive shall, after full investigation and acting on his or her own authority and without prior consideration by the Executive Council and the Conference of the States Parties, authorise the write-off of losses of funds, stores, equipment, and other assets (other than arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention). The amount up to which the Director-General may authorise such write-offs shall be set out in the relevant administrative directive.</p> <p>For arrears of assessed contributions and the payment of verification costs under</p>	<p>The Director-General or other delegated authority in accordance with the relevant administrative directive shall, after full investigation, and subject to the recommendations of the Executive Council and approval of the Conference of the States Parties, write off losses of cash, stores, and other assets. Notwithstanding the above, the Director-General or other delegated authority in accordance with the relevant administrative directive shall, after full investigation and acting on his or her own authority and without prior consideration by the Executive Council and the Conference of the States Parties, authorise the write-off of losses of funds, stores, equipment, and other assets (other than arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention). The amount up to which the Director-General may authorise such write-offs shall be set out in the relevant administrative directive.</p> <p>For arrears of assessed contributions and the payment of verification costs under</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Articles IV and V of the Convention, the Director-General or other delegated authority in accordance with the relevant administrative directive shall, after a full investigation and for the purposes of IPSAS-compliant reporting, write down the amounts that are outstanding.</p> <p>This write-down in no way constitutes a legal discharge of the arrears to the OPCW. Only the Conference of the States Parties, on the recommendation of the Executive Council, will have the authority to legally discharge Member States from the arrears of assessed contributions and from verification costs that are outstanding.</p> <p>A statement of all write-offs and write-downs during each financial period shall be submitted to the External Auditor as part of the financial statements prepared under Regulation 11.1.</p>	<p>Articles IV and V of the Convention, the Director-General or other delegated authority in accordance with the relevant administrative directive shall, after a full investigation and for the purposes of IPSAS-compliant reporting, write down the amounts that are outstanding.</p> <p>This write-down in no way constitutes a legal discharge of the arrears to the OPCW. Only the Conference of the States Parties, on the recommendation of the Executive Council, will have the authority to legally discharge Member States from the arrears of assessed contributions and from verification costs that are outstanding.</p> <p>A statement of all write-offs and write-downs during each financial periodyear shall be submitted to the External Auditor as part of the financial statements prepared under Regulation 11.1.</p>	

Current Text	Proposed New Text	Justification and Attribution
<p>ARTICLE 11 FINANCIAL REPORTING</p> <p>Regulation 11.1</p> <p>The Director-General shall submit annually financial statements prepared in accordance with the International Public Sector Accounting Standards for the financial period to which they relate.</p> <p>The financial statements and the notes to the financial statements, including significant accounting policies, shall include all funds, where such funds include, amongst other things, the Regular Budget Fund, the Working Capital Fund and the Voluntary Fund for Assistance. The account(s) shall provide comparative figures for the financial period prior to that being reported on.</p> <p>In addition, the Director-General shall submit the following information:</p> <p>(a) a statement of the Director-General's responsibilities and approval of the financial statements;</p>	<p>ARTICLE 11 FINANCIAL REPORTING</p> <p>Regulation 11.1</p> <p>The Director-General shall submit annually financial statements prepared in accordance with the International Public Sector Accounting Standards for the financial period<u>year</u> to which they relate.</p> <p>The financial statements and the notes to the financial statements, including significant accounting policies, shall include all funds, where such funds include, amongst other things, the Regular Budget Fund, the Working Capital Fund and the Voluntary Fund for Assistance. The account(s) shall provide comparative figures for the financial period<u>year</u> prior to that being reported on.</p> <p>In addition, the Director-General shall submit the following information:</p> <p>(a) a statement of the Director-General's responsibilities and approval of the financial statements;</p>	<p>Reference to "financial year" has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>(b) a statement for the status of appropriations, including:</p> <ul style="list-style-type: none"> - the original budget appropriations; - the appropriations as modified by any transfers of funds; - credits, if any, other than appropriations approved by the Conference of the States Parties; - the amounts charged against the appropriations and/or other credits; and - an unobligated balance of appropriations; <p>(c) a statement on the investments held at 31 December;</p> <p>(d) such notes, other statements, and schedules, as are required to provide a fair presentation of the financial statements and the results of the OPCW's operations for the financial period; and</p> <p>(e) a statement of all losses.</p>	<p>(b) a statement for the status of appropriations, including:</p> <ul style="list-style-type: none"> - the original budget appropriations; - the appropriations as modified by any transfers of funds; - credits, if any, other than appropriations approved by the Conference of the States Parties; - the amounts charged against the appropriations and/or other credits; and - an unobligated balance of appropriations; <p>(c) a statement on the investments held at 31 December;</p> <p>(d) such notes, other statements, and schedules, as are required to provide a fair presentation of the financial statements and the results of the OPCW's operations for the financial period<u>year</u>; and</p> <p>(e) a statement of all losses.</p>	

Current Text	Proposed New Text	Justification and Attribution
<p>Rule 11.1.02</p> <p>Preparation of financial statements</p> <p>The financial statements for the financial period shall be prepared under the direction of the Principal Financial Officer as at 31 December of the financial period. The financial statements shall, after approval by the Director-General, be submitted to the External Auditor not later than three months following the end of the financial year, together with such statements as may be required.</p>	<p>Rule 11.1.02</p> <p>Preparation of financial statements</p> <p>The financial statements for the financial period year shall be prepared under the direction of the Principal Financial Officer as at 31 December of the financial period year. The financial statements shall, after approval by the Director-General, be submitted to the External Auditor not later than three months following the end of the financial year, together with such statements as may be required.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>
<p>Rule 11.3.04</p> <p>Loss or gain on exchange on the closing of accounts</p> <p>For the purposes of budgetary accounting, on the closing of the accounts for the financial period, the balance in the account for “loss or gain on exchange” shall be debited to the appropriate expenditure account, if there is a net loss; in case of a net gain, the gain shall be credited to miscellaneous income. Financial accounting for losses or gains on foreign exchanges on the closing of accounts shall be undertaken in accordance with Financial Rule 11.1.03.</p>	<p>Rule 11.3.04</p> <p>Loss or gain on exchange on the closing of accounts</p> <p>For the purposes of budgetary accounting, on the closing of the accounts for the financial period year, the balance in the account for “loss or gain on exchange” shall be debited to the appropriate expenditure account, if there is a net loss; in case of a net gain, the gain shall be credited to miscellaneous income. Financial accounting for losses or gains on foreign exchanges on the closing of accounts shall be undertaken in accordance with Financial Rule 11.1.03.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>Regulation 11.4</p> <p>The financial statements shall be submitted by the Director-General to the External Auditor not later than 31 March following the end of the financial period to which they relate.</p> <p>ARTICLE 13</p> <p>EXTERNAL AUDIT</p> <p>Regulation 13.10</p> <p>The External Auditor shall transmit his or her report and opinion and the audited financial statements, in accordance with any directions given by the Conference of the States Parties, to the Executive Council. The Executive Council shall examine the audited financial statements and the External Auditor’s report and opinion, and shall forward them to the Conference of the States Parties with such comments as it deems appropriate. The External Auditor’s report and opinion and the audited financial statements shall be submitted to the Executive Council preferably not later than 31 May following the end of the financial period to which they relate.</p>	<p>Regulation 11.4</p> <p>The financial statements shall be submitted by the Director-General to the External Auditor not later than 31 March following the end of the financial <u>period</u><u>year</u> to which they relate.</p> <p>ARTICLE 13</p> <p>EXTERNAL AUDIT</p> <p>Regulation 13.10</p> <p>The External Auditor shall transmit his or her report and opinion and the audited financial statements, in accordance with any directions given by the Conference of the States Parties, to the Executive Council. The Executive Council shall examine the audited financial statements and the External Auditor’s report and opinion, and shall forward them to the Conference of the States Parties with such comments as it deems appropriate. The External Auditor’s report and opinion and the audited financial statements shall be submitted to the Executive Council preferably not later than 31 May following the end of the financial <u>period</u><u>year</u> to which they relate.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>
<p>ARTICLE 13</p> <p>EXTERNAL AUDIT</p> <p>Regulation 13.10</p> <p>The External Auditor shall transmit his or her report and opinion and the audited financial statements, in accordance with any directions given by the Conference of the States Parties, to the Executive Council. The Executive Council shall examine the audited financial statements and the External Auditor’s report and opinion, and shall forward them to the Conference of the States Parties with such comments as it deems appropriate. The External Auditor’s report and opinion and the audited financial statements shall be submitted to the Executive Council preferably not later than 31 May following the end of the financial period to which they relate.</p>	<p>ARTICLE 13</p> <p>EXTERNAL AUDIT</p> <p>Regulation 13.10</p> <p>The External Auditor shall transmit his or her report and opinion and the audited financial statements, in accordance with any directions given by the Conference of the States Parties, to the Executive Council. The Executive Council shall examine the audited financial statements and the External Auditor’s report and opinion, and shall forward them to the Conference of the States Parties with such comments as it deems appropriate. The External Auditor’s report and opinion and the audited financial statements shall be submitted to the Executive Council preferably not later than 31 May following the end of the financial <u>period</u><u>year</u> to which they relate.</p>	<p>Reference to “financial year” has been included, consistent with amendments proposed above in the context of biennial budgeting.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>ARTICLE 15 ADVISORY BODY ON ADMINISTRATIVE AND FINANCIAL MATTERS</p> <p>Regulation 15.1</p> <p>The Executive Council may establish a body to advise it on administrative and financial matters. This body shall consist of experts of recognised standing from States Parties and shall:</p> <p>(a) examine and report on the draft programme and budget submitted by the Director-General under Regulation 3.4;</p> <p>(b) examine and report on the preliminary estimates submitted by the Director-General under Regulation 3.7;</p> <p>(c) examine and report on any supplementary budget proposals submitted by the Director-General under Regulation 3.5;</p> <p>(d) when feasible, consider and comment on any budgetary transfers submitted by the Director-General under Regulations 4.5 and 4.6;</p>	<p>ARTICLE 15 ADVISORY BODY ON ADMINISTRATIVE AND FINANCIAL MATTERS</p> <p>Regulation 15.1</p> <p>The Executive Council may establish a body to advise it on administrative and financial matters. This body shall consist of experts of recognised standing from States Parties and shall:</p> <p>(a) examine and report on the draft programme and budget <u>for the next biennium and the draft revised programme and budget for the second year of the biennium</u> submitted by the Director-General under Regulation <u>3.45</u>;</p> <p>(b) examine and report on the <u>financial and</u> preliminary estimates submitted by the Director-General under Regulation <u>3.78</u>;</p> <p>(c) examine and report on any supplementary budget proposals submitted by the Director-General under Regulation <u>3.56</u>;</p>	<p>Amendments introduced to reflect biennial programming and budgeting, particularly, the review process by the ABAF of the biennial programme and budget and of the revised programme and budget, and supporting estimates, in view of their approval by the Council and the Conference.</p> <p>Amendments to reflect numbering changes in the FRRs due to the inclusion of new Regulation 3.3.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>(e) if appropriate examine and comment on the status of the OPCW's investments, submitted by the Director-General under Regulation 9.4;</p> <p>(f) where appropriate, examine and comment on the internal-oversight/audit reports;</p> <p>(g) examine and report on the OPCW's audited financial statements, including the External Auditor's report and opinion thereon;</p> <p>(h) examine and report on the financial regulations, rules and amendments thereto, as submitted by the Director-General; and</p> <p>(i) advise and comment on any other administrative and financial matters when appropriate.</p>	<p>(d) when feasible, consider and comment on any budgetary transfers submitted by the Director-General under Regulations 4.5 and 4.6;</p> <p>(e) if appropriate examine and comment on the status of the OPCW's investments, submitted by the Director-General under Regulation 9.4;</p> <p>(f) where appropriate, examine and comment on the internal-oversight/audit reports;</p> <p>(g) examine and report on the OPCW's audited financial statements, including the External Auditor's report and opinion thereon;</p> <p>(h) examine and report on the financial regulations, rules and amendments thereto, as submitted by the Director-General; and</p> <p>(i) advise and comment on any other administrative and financial matters when appropriate.</p>	

Current Text	Proposed New Text	Justification and Attribution
<p>ANNEX ADDITIONAL TERMS OF REFERENCE GOVERNING EXTERNAL AUDIT</p> <p>6. The External Auditor shall report in writing to the Conference of the States Parties on the financial operations of the period. The External Auditor's report should include:</p> <p>(e) [...]transactions accounted for in a previous financial period concerning which further information has been obtained or transactions in a later financial period with respect to which the External Auditor believes the OPCW should be informed.</p>	<p>ANNEX ADDITIONAL TERMS OF REFERENCE GOVERNING EXTERNAL AUDIT</p> <p>6. The External Auditor shall report in writing to the Conference of the States Parties on the financial operations of the periodfinancial year under review. The External Auditor's report should include:</p> <p>(e) [...]transactions accounted for in a previous financial periodyear concerning which further information has been obtained or transactions in a later financial periodyear with respect to which the External Auditor believes the OPCW should be informed.</p>	<p>Reference to "financial year" has been included, consistent with amendments proposed above in the context of biennial budgeting. Additional wording "under review" has also been added for clarity.</p>