

FINANCIAL REGULATIONS

The following regulations shall govern the financial administration of the International Commission for the Conservation of Atlantic Tunas (hereinafter referred to as “the Commission”) established under the International Convention for the Conservation of Atlantic Tunas (hereinafter referred to as “the Convention”).

Regulation 1 - Financial period

The financial period of the Commission shall be the two calendar years following the normal date for the regular meeting of the Commission, unless it otherwise decides.

Regulation 2 - Budget

1. The Executive Secretary shall prepare and submit to the regular meeting of the Commission budget estimates for the ensuing financial period.
2. The budget estimates shall be dispatched by the Executive Secretary to the Commission members not less than sixty days before the date fixed for the opening of the regular meeting of the Commission at which they are to be considered. The budget estimates shall be accompanied by such information and explanatory statements as may be requested by the Commission or deemed necessary by the Executive Secretary.
3. The budget estimates shall cover income and expenditures for the financial period to which they relate and shall be presented in United States dollars.*
4. The budget estimates shall be divided by function into chapters and, when necessary, into sub-chapters.

Regulation 3 - Appropriations

1. The appropriations voted by the Commission for the ensuing financial period shall constitute an authorization to the Executive Secretary to incur obligations and make payments for the purposes for which the appropriations were voted, and up to the amounts so voted.
2. The Executive Secretary may also incur obligations against future periods before appropriations are voted when such obligations are necessary for the continued effective functioning of the Commission, provided such obligations are restricted to administrative requirements of a continuing nature not exceeding the scale of such requirements as authorized in the budget of the current financial period.
3. Appropriations shall be available for obligations during the financial period to which they relate. Unobligated appropriations at the close of the financial period shall be carried over and included in the budget for the next financial period, unless the Commission otherwise decides.
4. Transfers within the same chapter of the budget may be effected by the Executive Secretary, who shall report thereon to the Commission or the Council.
5. In cases where special necessity arises, transfers from one chapter of the budget to another may be effected by the Executive Secretary after having obtained the approval of the Chairman of the Commission and shall be reported to the Commission or the Council.

* At its 12th Regular Meeting (Madrid, November 1991), the Commission decided to change the budget base currency from U.S. dollars to Spanish Pesetas. Since 2002, when the Euro replaced the Peseta, the Commission's budget is based in Euros.

Regulation 4 - Provision of funds

1. The appropriations for a financial period shall be financed by annual contributions made by members of the Commission pursuant to Article X-2 of the Convention and in accordance with the following Basic Principles of the New Calculation Scheme**:
 - (a) Each Contracting Party shall contribute annually to the Budget of the Commission an amount equivalent to US\$ 1,000 for the Commission membership and an amount equivalent to US\$ 1,000 for each panel membership, as provided for in the Convention (Article X, paragraph 2).
 - (b) Contributions for Commission expenses in excess of the amount made under item one shall be determined by a formula which considers both the economic capabilities of the member countries and their tuna harvest and canning production. This formula includes the following criteria:
 - (i) Member countries are classified into four groups: Group A: members defined as developed market economies by the appropriate United Nations economic organizations. Group B: members not included in group A whose GNP per capita exceeds [US\$ 2,000] (adjusted to 1991 dollar values) and whose combined round weight of catch and net weight of canned products of Atlantic tuna and tuna-like fishes exceeds [5,000 t]. Group C: whose GNP per capita exceeds [US\$ 2,000] or whose combined round weight of catch and net weight of canned products of Atlantic tuna and tuna-like fishes exceeds [5,000 t]. Group D: members not included in groups A, B and C.
 - (ii) The total Commission Budget shall be assigned to each of the four groups according to the formula given below. Within each group, the contribution for each Contracting Party shall be calculated by the method defined in Article X, paragraph 2, of the Convention (Each Contracting Party shall contribute annually to the budget of the Commission an amount equal to: (a) US\$ 1,000 (one thousand United States dollars) for Commission membership. (b) US\$ 1,000 (one thousand United States dollars) for each Panel membership. (c) If the proposed budget for joint expenses for any biennium should exceed the whole amount of contributions to be made by the Contracting Parties under (a) and (b) of this paragraph, one-third of the amount of such excess shall be contributed by the Contracting Parties in proportion to their contributions made under (a) and (b) of this paragraph. For the remaining two-thirds the Commission shall determine on the basis of the latest available information: (i) the total of the round weight of catch of Atlantic tuna and tuna-like fishes and the net weight of canned products of such fishes for each Contracting Party; (ii) the total of (i) for all Contracting Parties. Each Contracting Party shall contribute its share of the remaining two-thirds in the same ratio that its total in (i) bears to the total in (ii). That part of the budget referred to in this sub-paragraph shall be set by agreement of all the Contracting Parties present and voting.).
 - Group D:** The percentage of the total budget assigned to this group shall be [0.25] percent per member in the Group.
 - Group C:** The percentage of the total budget assigned to this group shall be [1.0] percent per member in the Group.
 - Group B:** The percentage of the total budget assigned to this group shall be [3.0] percent per member in the Group.
 - Group A:** The percentage of the total budget remaining after the assignment to groups B, C and D.
2. As soon as the Commission has approved the budget for a financial period, the Executive Secretary shall send a copy thereof to all members of the Commission, notifying them of their yearly assessments during the financial period and requesting them to deposit the corresponding amount.
3. Contributions to the budget shall be payable in such currencies as the Commission may decide.
4. New members of the Commission whose membership becomes effective during the first six months of any year shall be liable to pay the full amount of the annual contribution they would have been required to pay if

** As modified by the Madrid Protocol, which entered into force on March 10, 2005.

they had been members of the Commission when assessments were made under Article X-2 of the Convention.

5. New members of the Commission whose membership becomes effective during the last six months of any year shall be liable to pay half the amount of the annual contribution referred to in paragraph 4 above.
6. The appropriations for a financial period may also be financed by voluntary contributions from members of the Commission or from other sources, any other income accruing to the Commission.

Regulation 5 - Funds

For the purposes of accounting for the expenditures of the Commission, there shall be established a General Fund, a Working Capital Fund and such trust funds as the Commission may decide to establish from time to time.

Regulation 6 - General Fund

The following monies shall be credited to the General Fund:

- (a) Annual contributions from members of the Commission.
- (b) Any other income accruing to the Commission, and
- (c) Appropriations from the Working Capital Fund.

Regulation 7 - Working Capital Fund

1. The Commission shall determine the level of the Working Capital Fund and assess the advances from members of the Commission necessary to maintain such Fund.
2. Members of the Commission shall be assessed on the same basis as that provided for in Article X-2 (c) of the Convention.
3. New members of the Commission shall be assessed in an amount determined by the Commission. Unless the Commission decides otherwise, the amount of the new members' assessment shall be considered as an increase in the level of the Working Capital Fund.
4. The Working Capital Fund shall be used to finance operations of the Commission prior to receiving annual contributions, and for such other purposes as the Commission may determine. Withdrawals from the Working Capital Fund designed to finance operations of the Commission prior to receiving annual contributions shall be reimbursed from the General Fund as soon as possible.

Regulation 8 - Trust funds

The Executive Secretary may accept on behalf of the Commission voluntary contributions whether or not in cash from members of the Commission or from other sources, provided that the purposes for which such voluntary contributions have been made are consistent with the policies, aims and activities of the Commission. The Executive Secretary shall establish trust funds to cover such voluntary contributions and shall report thereon to the Commission or the Council.

Regulation 9 - Accounts

1. The Executive Secretary shall maintain such accounts as are necessary and shall prepare interim accounts at the end of the first calendar year of the financial period, and final accounts at the end of the financial period. Both the interim and the final accounts shall be presented in United States dollars*** and shall show:
 - (a) The income and expenditures of all funds.
 - (b) The status of appropriations, including:

*** At its 12th Regular Meeting (Madrid, November 1991), the Commission decided to change the budget base currency from U.S. dollars to Spanish pesetas. Since 2002, when the Euro replaced the peseta, the Commission's budget is based in Euros.

- (i) the original budget appropriations;
 - (ii) the appropriations as modified by transfer;
 - (iii) credits, if any, other than the appropriations voted by the Commission;
 - (iv) the amounts charged against those appropriations and other credits.
 - (c) The assets and liabilities of the Commission.
2. Separate accounts shall be maintained for all trust funds.
 3. The Executive Secretary shall submit to the auditors the accounts for each calendar year not later than ninety days following the end of the calendar year.

Regulation 10 - Custody of funds

The Executive Secretary shall designate the bank or banks in which the funds of the Commission shall be kept and report all such depositories to the Council.

Regulation 11 - Investment of funds

1. The Executive Secretary may make short-term investments of monies not needed for immediate requirements. He may make long-term investments of monies standing to the credit of trust funds in such manner as may be authorized by the Commission or the Council. Interests on the investments of monies standing to the credit of trust funds shall accrue to such trust funds.
2. The Executive Secretary shall report periodically to the Commission or the Council on short-term and long-term investments.

Regulation 12 - External audit

1. The Commission shall appoint an external auditor who may be changed only by the Commission.
2. The auditor shall perform such an audit as he deems necessary to certify:
 - (a) That the financial statements are in accord with the books and records of the Commission.
 - (b) That the financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions, and other applicable directives, and
 - (c) That the monies on deposit and on hand have been verified by certificate received direct from the Commission's depositories or by actual count.
3. Subject to the directions of the Commission, the auditor shall be the sole judge as to the acceptance in whole or in part of the certifications by the Executive Secretary and may proceed to such detailed examination and verifications as he chooses of all financial records, including those relating to supplies and equipment.
4. The auditor and his staff shall have free access at all convenient times to all books of account and records which are, in the opinion of the auditor, necessary for the performance of the audit. Information classified in the records of the Executive Secretary as confidential, and which is required for the purposes of the audit, shall be made available on application to the Executive Secretary.
5. The auditor, in addition to certifying the accounts, may make such observations as he deems necessary with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the financial consequences of administrative practices. In no case, however, shall the auditor include criticism in his audit report without first affording the Executive Secretary an opportunity of explanation to the auditor of the matter under observation. Audit objections to any item in the accounts shall be immediately communicated to the Executive Secretary.
6. The auditor shall prepare a report on the accounts certified, and on any matters on which the Commission by resolution thereon may from time to time give specific instructions.
7. The auditor shall submit his report to the Commission not later than six months following the end of the calendar year to which the accounts relate.