

**Program and Budget Committee
Twenty-Seventh Session
Geneva, September 11 to 15, 2017**

August 7, 2017

**PROPOSED AMENDMENTS TO WIPO'S FINANCIAL REGULATIONS AND RULES (FRR)
WRITTEN COMMENTS SUBMITTED BY MEMBER STATES**

This document contains the written comments submitted by Member States on the proposed amendments to the Financial Regulations and Rules of WIPO, following consideration by the Program and Budget Committee (PBC) of document WO/PBC/26/5, which was submitted to the PBC at its twenty-sixth session (July 10 to 14, 2017).

These comments will be considered within the context of discussions on document WO/PBC/27/11, which will be presented to the twenty-seventh session of the PBC.

WIPO – Program and Budget Committee

**Twenty-sixth session
Geneva, July 10-14, 2017**

ITEM 7 – COMMENTS OF THE DELEGATION OF FRANCE

Chair,

We wish to express our appreciation to the Secretariat for the amendments to the Financial Regulations and Rules which the Secretariat submitted to us during the twenty-sixth session of the PBC.

We support the amendments concerning the award of contracts and the preparation of regular reports for the purpose of informing Member States of the proper management and implementation of the program and budget of the Organization by the Secretariat.

We also support the other amendments proposed by the Secretariat in document WO/PBC/26/5 as submitted, in particular those at Rules 101.3(e) and (n). In our view, these amendments seek simplification and compliance with the presentation of financial statements, as the Secretariat states. They also seek, as France hopes, to buttress the unity of the Organization.

Chair,

France supports all proposals within the PBC to amend the Financial Regulations and Rules which will result in the simplified presentation of the budget and financial statements, while also making the presentation consistent with the actual budget implementation per program and ensuring that it affords a bird's eye view of the Organization.

Accordingly, France does not view with favor the amendments proposed by the delegations of certain other Member States, whose effect would be to maintain or strengthen the presentation of the budget and financial statements "separately for each Union". On the contrary, France would prefer that the clarifications proposed by the Secretariat in respect of rules 101.3(e) and (n) be implemented in all the articles and rules of the Financial Regulations and Rules in which the "separately for each Union" approach is inconsistent with the actual operations of the Organization. Examples are Article 2.3 and Rule 102.2(ii).

We would be grateful to the Secretariat for acknowledging receipt of these comments.

Excerpts from the Financial Regulations and Rules of WIPO, showing comments submitted by the Delegation of the United States of America

FINANCIAL REGULATIONS AND RULES OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

CHAPTER 1: GENERAL PROVISIONS

[...]

Definitions

Rule 101.3

For the purpose of these Rules:

[...]

(e) "Appropriations" shall mean the ~~budgetary~~ expenditure authorizations in accordance with the Program and Budget approved by the General Assembly, and by the Unions, each as far as it is concerned for the financial period against which expenditures may be incurred for purposes specified by the General Assembly, and by the Unions, each as far as it is concerned.

~~for the financial period against which expenditures may be incurred for purposes specified by the General Assembly;~~

[...]

(n) "Reserve funds" shall mean funds established by the Assemblies of the Member States and of the Unions, each as far as it is concerned, in which surplus income from fees that exceed the amounts required to finance the program and budget appropriations should be deposited. Reserve funds shall be used in a manner decided by the Assemblies of the Member States and of the Unions, each as far as it is concerned, ~~are the net assets of the Organization, and include accumulated surpluses not specific to a Union, special projects reserve, revaluation reserve, and working capital funds not specific to a Union;~~

Comment [F1]: U.S.: Rule 101.3(e) should reflect that approval is by the GA AND by the Unions.

Comment [F2]: U.S.: The EXISTING DEFINITION of reserve funds should be retained in Rule 101.3(n).

[...]

CHAPTER 2: THE PROGRAM AND BUDGET

[...]

Presentation, content and methodology

[...]

Rule 102.2

The proposed program and budget shall contain:

(i) A statement of financial and human resources requirements by proposed program and by nature of expenditure in a consolidated form for the Organization, as well as separately for each Union; for purposes of comparison, the ~~direct and indirect expenditures and any cumulative surpluses~~ for the previous financial period, the adopted initial budget and the proposed revised budget for the current financial period shall be indicated alongside the resource requirements estimates for the forthcoming financial period;

Comment [F3]: U.S.: The U.S. requests that 102.2(i) provides a clear distinction between direct and indirect expenses of each union. We understand that this is already happening, but would like it explicit in 102.2 (i).

(ii) A statement of estimated income including income from contributions, fees for services rendered under the PCT, Madrid, Hague and Lisbon systems and the projected reserve/working capital fund target (RWCF target) and the projected working capital fund for each Union; and income classified as miscellaneous in accordance with Regulation 3.13;

(iii) A statement of estimated demand for services under the PCT, Madrid, Hague and Lisbon systems, respectively;

~~(iii)~~(iv) A statement of the estimated income classified as miscellaneous in accordance with regulation 3.13; and

~~(iv)~~(v) A detailed organigram of the International Bureau including names of Directors and Program Managers.

[...]

CHAPTER 4: CUSTODY OF FUNDS

A. INTERNAL ACCOUNTS

[...]

Surpluses and deficits; Reserve Funds

Regulation 4.6

In accordance with WIPO's policy on reserves, ~~the use, other than for the covering of any deficits, of any of the reserve funds is a matter for the decision of the General Assembly of WIPO or the Assembly of the Union concerned, as the case may be. -shall be approved in accordance with WIPO's policy on reserves is a matter for the decision of the General Assembly of WIPO or the Assembly of the Union concerned, as the case may be.~~

Regulation 4.7

If, after the closure of the financial period, any Union shows a surplus of income, such surplus shall be accounted for under the reserve funds, unless otherwise decided by the General Assembly or the Assembly of the Union concerned. Reserve funds of the PCT, Madrid, Hague and Lisbon Union shall be indicated together with any working capital funds in the program and budget (including proposed and revised) and have a Working Capital Fund Target (RWCF), each as far as it is concerned.

[...]

Regulation 4.8bis

Advances made from the reserve funds to cover the deficit of another Union shall be reimbursed to the reserve funds as soon as and to the extent that income is available for that purpose.

Comment [F4]: U.S.: We would like to see a continued reflection of the fact that the reserves policy is subject to the legal authority of each of the Unions. As such, we would like to retain that element of the original formulation of Reg 4.6.

Comment [F5]: U.S.: This is modeled on Regulation 4.4.