



FINANCIAL REGULATIONS OF THE INTERNATIONAL HYDROGRAPHIC ORGANIZATION (IHO)

Record of changes			
Date	Reference	Effective date	Subject
/	IHC-17 Decision No. 4	8 November 2016	Initial version resulting from the Protocol of Amendments to the IHO Convention dated 14 April 2005
June 2017	A-1 Decision No. 24 e	28 April 2017	Deletion of Article 13(c)

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ORGANIZATION****CONTENTS**

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FINANCIAL REGULATIONS OF THE INTERNATIONAL HYDROGRAPHIC ORGANIZATION

Basic provisions for financial administration

ARTICLE 1

The financial administration of the Organization shall be effected in accordance with the Convention.

Budget

ARTICLE 2

- (a) The budget shall be drawn up on a three-year basis with the estimates for each year shown separately and expressed in Euros.
- (b) The financial year of the Organization shall coincide with the Gregorian calendar year.

ARTICLE 3

Any misrepresentation of income and expenditure shall be prohibited in the presenting of the budget.

ARTICLE 4

The annual contributions of Member States shall be payable in Euros into the Organization's bank accounts. Such contributions shall be determined by the following rules:

- (a) each Member State shall contribute two shares;
- (b) those Member States which have a national flag tonnage of 100 000 tons or more shall contribute supplementary shares in accordance with the following scale:

NATIONAL FLAG TONNAGE	SUPPLEMENTAR Y SHARES	NATIONAL FLAG TONNAGE	SUPPLEMENTAR Y SHARES
100 000 - 249 999	1	7 770 000 - 9 024 999	14
250 000 - 454 999	2	9 025 000 - 10 399 999	15
455 000 - 719 999	3	10 400 000 - 11 899	16
720 000 - 1 049 999	4	11 900 000 - 13 529	17
1 050 000 - 1 449 999	5	13 530 000 - 15 294	18
1 450 000 - 1 924 999	6	15 295 000 - 17 199	19
1 925 000 - 2 479 999	7	17 200 000 - 19 249	20
2 480 000 - 3 119 999	8	19 250 000 - 21 449	21
3 120 000 - 3 849 999	9	21 450 000 - 23 804	22
3 850 000 - 4 674 999	10	23 805 000 - 26 319	23
4 675 000 - 5 599 999	11	26 320 000 - 28 999	24
5 600 000 - 6 629 999	12	29 000 000 and above	25 (max.)
6 630 000 - 7 769 999	13		

and;

- (c) the maximum annual value of a share, in Euros, shall be shown in the three-year budget approved by the Assembly.

ARTICLE 5

In application of the Convention and the General and Financial Regulations, the tonnage figures of the Member States shall be obtained by adding six sevenths of the displacement tonnage of warships exceeding 100 tons to the gross tonnage of all other vessels under their flag exceeding 100 gross tons.

ARTICLE 6

- (a) Seven months before the opening day of each ordinary session of the Assembly, the Secretary- General shall ask Member States to supply their tonnage figures as of 1 July of the year preceding that of the session. Two months before the opening day of the session, the Secretary- General shall notify to Member States a table of current national flag tonnages.
- (b) The table of current national flag tonnages and that of shares and votes shall be submitted to the Assembly for approval, and shall take effect on 1 January of the year following that of the ordinary session of the Assembly. Except as provided for in subparagraph (c) below, these tables shall remain in effect until 31 December of the year of the subsequent ordinary session of the Assembly.
- (c) When a State desires to accede to the Convention, it shall declare its national flag tonnage and the Secretary-General shall enter it in the table of current national flag tonnages as soon as accession becomes effective.

ARTICLE 7

In consideration of the fact that the Government of His Serene Highness the Prince of Monaco provides the Organization with premises free of charge, it shall not pay any contribution but shall have the right to vote.

ARTICLE 8

- (a) Before each ordinary session of the Assembly the Secretary-General shall prepare the financial statements and the estimated 3-year budget and submit them at least two months in advance of their meetings to the Finance Committee and the Council, which will take action in accordance with Articles VII (c) and VI g(vi) of the Convention.
- (b) Between ordinary sessions of the Assembly, the Secretary-General shall submit to the Council, and to the Members of the Finance Committee by correspondence for their information, the budget estimates for the following financial year, based on the 3-year budget approved by the Assembly.

ARTICLE 9

The Secretary-General shall carry the budget into effect and shall ensure that expenditure and commitments conform with the budgetary provisions.

ARTICLE 10

- (a) Allocations may be transferred between different categories of expenditure specified in the budget, referred to as Chapters, but must not result in the creation of new Chapters.
- (b) The Secretary-General may make transfers of allocations provided that such transfers do not exceed ten per cent of the total of any one of the Chapters concerned. Such transfers shall be reported, with the necessary justification, to the Council and the Finance Committee.
- (c) Transfers in excess of the said ten per cent shall require prior authorization by the Council.

ARTICLE 11

After the close of the financial year corresponding to a budget, no further financial obligations under it may be incurred. Outstanding obligations must be met within three months of the close of the financial year.

Treasury – Operating Cash Reserve**ARTICLE 12**

All funds of the Organization shall be under the control of the Secretary-General.

ARTICLE 13

- (a) Member States' annual contributions to the budget, as specified in Article 4, shall be due on 1 January of the corresponding financial year. Payment must be punctual.
- (b) Notice of the date of dispatch of the contribution must be promptly given to the Secretary-General.

ARTICLE 14

A State acceding to the Convention shall pay its full contribution for that year only if its accession takes effect before 1 July. If its accession takes effect on or after that date it shall pay one half of that contribution.

ARTICLE 15

Outstanding contributions and accrued interest shall be shown in tables annexed to the financial statements.

ARTICLE 16

The procedure for suspension of the voting rights and benefits of a Member State pursuant to the provisions of Article XV of the Convention shall be as follows.

- (a) If a Member State is in arrears in its contributions for two years, having been advised of its outstanding arrears, and fails to make payment in full or fails to agree to a schedule of payments, the Member State shall be suspended with effect from the next 1st of January.
- (b) Any Member State thus deprived of its rights and benefits shall remain obligated to the Organization for the entire amount in arrears plus accrued interest outstanding at the time of suspension, in accordance with Article 13(c).
- (c) The Secretary-General shall make appropriate arrangements with the Member State concerned for the recovery of arrears.

ARTICLE 17

To ensure the financial stability of the Organization and to avoid any treasury difficulties, the Secretary-General shall have at its disposal an operating cash reserve the amount of which shall correspond, at 31 December each year, to not less than three-twelfths of the total annual operating budget of the Organization.

**Emergency Reserve
Fund**

ARTICLE 18

The Organization shall have an emergency reserve fund, the amount of which shall be not less than one-twelfth of the total annual operating budget of the Organization. It shall be used by the Secretary-General in exceptional circumstances only.

Auditor

ARTICLE 19

- (a) An external auditor shall be appointed by the Assembly; his/her term of appointment shall be for a period of three years, subject to Article 19(b) below.
- (b) During periods between ordinary sessions of the Assembly the Council shall have the power to discharge the external auditor and appoint a replacement.
- (c) The external auditor shall check the cash in banks or on hand and the available or negotiable assets. He/she shall ensure that the accounts are drawn up according to the accounting rules observed by the profession and with the directives given by the Assembly. Such auditing may be carried out at any time.
- (d) The external auditor shall report annually on the accounts submitted by the Secretary-General. A copy of the external auditor's annual report shall be attached to the annual financial statements forwarded by the Secretary-General to the Council and Finance Committee.

Dissolution**ARTICLE 20**

In the event of dissolution, the balance of the accounts of the Organization shall be divided amongst the Member States which are still Parties to the Convention on the day when the latter ceases to have effect. Any credit balance shall be divided amongst these Member States in proportion to the total number of their shares paid since 1921. Any debit balance shall be divided amongst these Member States in proportion to their last annual contribution.
