

WIPO



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WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

WIPO FINANCIAL REGULATIONS*

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* Applicable as from January 1, 1992, apart from paragraphs 5 and 8 of the Annex applicable as from September 15, 1998.

Regulation 0. Definitions

For the purposes of these Regulations

- (i) "WIPO" means the World Intellectual Property Organization;
- (ii) "Union" means a Union administered by WIPO and having a budget;
- (iii) "International Bureau" means the International Bureau of WIPO;
- (iv) "Coordination Committee" means the Coordination Committee of WIPO;
- (v) "Budget Committee" means the Budget Committee of WIPO;
- (vi) "Director General" means the Director General of WIPO;
- (vii) "staff" means the staff of the International Bureau of WIPO.

Regulation 1. Applicability

These Regulations shall govern the financial administration of WIPO.

Regulation 2. Financial Period

The financial period shall be the biennium, that is, the two-year period beginning with an even-numbered year.

Regulation 3. Preparation of Budget

3.1(a) For each financial period, a draft budget shall be established by the Director General. It will show the estimated income and expenditure in a consolidated form for WIPO, as well as separately for each Union.

(b) These estimates shall be broken down into chapters and headings, and shall be accompanied by explanations.

(c) Estimates of the expenditure common to two or more Unions (hereinafter referred to as "common expenses") shall be made and shall be accompanied by a provisional estimate of the share of each Union in the common expenses. Such shares shall be equitable and adapted to the circumstances in each case. They shall be based on the extent to which each Union is expected to benefit from the common expenses. All estimates of income and expenditure shall be expressed in Swiss francs and shall be accompanied by appropriate explanations. As far as the Film Register Treaty (FRT) Union is concerned, income and expenditure shall also be expressed in Austrian schillings.

3.2 The Director General shall submit to the Budget Committee, for observations and possible recommendations, by the first of May of the year preceding the financial period, the draft budget for that financial period; the report of the Budget Committee shall be sent, along with the observations of the Director General on that report, to all interested States at least three months before the ordinary sessions of the Governing Bodies.

3.3(a) The budget shall be adopted, by the WIPO General Assembly and Conference and the Assemblies of the Unions, each as far as it is concerned, before the beginning of the financial period.

(b) Adoption of the budget shall constitute authorization for the Director General to incur expenses and make payments for the purposes stated in the budget, and up to the amounts so stated.

Regulation 4. Transfers

4.1 The Director General may make transfers from one heading of the budget to another for any given financial period up to a limit of 5% (five per cent) of the total funds credited for that period, when such transfers are necessary to ensure the proper functioning of the services.

4.2 Funds obligated but not expended by the end of the financial period shall remain available throughout the next financial period for the purpose of liquidating the obligations.

Regulation 5. Accounts

5.1 The Director General shall establish draft accounting rules, which shall be submitted to the Coordination Committee for advice.

5.2 These rules shall include provisions fixing the conditions in which the International Bureau shall establish such documents as shall be necessary for an accurate allocation of the common expenses in conformity with the principles laid down in Regulation 3.1.

5.3 The Director General shall be responsible for the organization and proper working of the accounting service.

Regulation 6. Final Accounts, Audit and Management Report

6.1 Within five months after the end of each financial period, the Director General shall establish the final accounts for WIPO and the Unions, and shall submit them to the Auditor.

6.2 The audit shall be conducted in conformity with the usual, generally accepted standards in the matter and in accordance with the Terms of Reference Governing Audit set out in the Annex to these Regulations.

6.3 Within seven months after the end of each financial period, the Director General shall prepare the financial management report for that financial period. That report shall include the statements of account, the balance sheet, and a statement on the contributions of the Member States.

6.4 After audit, the financial management report and the report of the Auditor shall be transmitted to all the interested States.

Regulation 7. Working Capital Funds

The working capital funds shall be used, to the extent possible, to finance expenditure budgeted but not covered by available liquidity.

Regulation 8. Surpluses and Deficits; Reserve Funds

8.1 If, after the approval of the final accounts, the accounts of any of the Unions shows a surplus of income, such surplus shall be paid into the reserve funds, provided that, as concerns the Special Union for the International Registration of Marks (Madrid Union), such surplus, after retention of the authorized amounts for the reserve fund, shall, in conformity with the provisions of the Madrid Agreement Concerning the International Registration of Marks, be distributed among the Member States of the said Union.

8.2 If, after the approval of the final accounts, the accounts of any of the Unions shows a deficit, not coverable out of reserve funds, the General Assembly of WIPO or the Assemblies of the interested Unions, as the case may be, shall decide upon measures to redress the financial situation.

8.3 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.

Regulation 9. Contributions of Member States

9.1 The Director General shall communicate, each year, to the States members of the Contribution-financed Unions the amount of their contributions for the forthcoming year on the basis of the class to which they belong.

9.2 Contributions shall be paid in Swiss francs.

9.3 New Member States shall be required to pay their contributions from the year following that in which they became members.

9.4 Payments made by a Member State shall be credited first to the Working Capital Funds and then to the contributions due in the order of the years for which they are due.

Regulation 10. Internal Financial Administration

10.1 The Director General, with the advice of the Coordination Committee, shall establish the rules concerning financial administration to ensure that the financial administration be effective and economic. They should, in particular:

(a) provide that all payments be made on the basis of supporting vouchers and other documents showing that the services or goods to be paid for have been received, and that payment has not previously been made;

(b) establish the conditions in which a staff member of higher rank will exercise the functions of Controller as described in Regulation 10.2. In the exercise of his functions, the Controller is directly responsible to the Chairman of the WIPO General Assembly;

(c) designate the staff members who may receive monies, incur obligations, and make payments;

(d) maintain an internal financial control which shall provide for an effective permanent supervision and/or control of all financial transactions in order to ensure:

(i) the regularity of the receipt, custody, and disposal of all funds and other financial resources,

(ii) the conformity of all obligations and expenditure with the budget,

(iii) the economic use of the resources,

(iv) the keeping of regular inventories of equipment and other movables.

10.2 Except as permitted by these Regulations, no financial obligation shall be incurred without the approval of the Controller. If the Director General disagrees with the Controller, he may direct the latter to approve the expenditure in question. In such case, the Controller shall attach, to his approval, a report and shall immediately communicate the said report to the Chairman of the WIPO General Assembly. The latter may bring the matter to the attention of the WIPO General Assembly.

10.3 The Director General may, after full investigation, authorize the writing off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Auditor together with the annual accounts.

10.4 Tenders for equipment, supplies and other requirements shall be invited within the limits and under the conditions specified in the Rules.

[Annex follows]

ANNEX TO THE WIPO FINANCIAL REGULATIONS

TERMS OF REFERENCE
GOVERNING AUDIT

1. The Auditor shall perform such audit of the accounts of WIPO and of the Unions administered by WIPO, including all trust funds and special accounts, as he deems necessary in order to assure himself:

(a) that the financial statements are in accord with the books and records of WIPO;

(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;

(c) that the securities and monies on deposit and on hand have been verified by certificate received direct from WIPO's depositaries or by actual count;

(d) that the internal controls are adequate in the light of the extent of reliance placed thereon;

(e) that procedures satisfactory to him have been applied to the recording of all assets, liabilities, surpluses and deficits.

2. The Auditor shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Director General and may proceed to such detailed examination and verification as he chooses of all financial records including those relating to supplies and equipment.

3. The Auditor and his staff have free access at all convenient times to all books, records and other documentation which are, in the opinions of the Auditor, necessary for the performance of the audit. Information classified as privileged and which the Director General (or his designated senior official) agrees is necessary for the purposes of the audit and information classified confidential shall be made available on application. The Auditor and his staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The Auditor may draw the attention of the Governing Bodies concerned of WIPO and all interested Unions to any denial of information classified as privileged which in his opinion was required for the purpose of the audit.

4. The Auditor shall have no power to disallow items in the accounts but shall draw to the attention of the Director General for appropriate action any transaction concerning which he entertains doubt as to legality or propriety. Audit objections to these or any other transactions arising during the examination of the accounts shall be immediately communicated to the Director General.

5. The Auditor shall express and sign an opinion on the financial statements of WIPO.
The opinion shall include the following basic elements:
- (a) the identification of the financial statements audited;
 - (b) a reference to the responsibility of WIPO's management and the responsibility of the Auditor;
 - (c) a reference to the audit standards followed;
 - (d) a description of the work performed;
 - (e) an expression of opinion on the financial statements as to whether:
 - (i) the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period;
 - (ii) the financial statements were prepared in accordance with the stated accounting policies; and
 - (iii) the accounting policies were applied on a basis consistent with that of the preceding financial period.
 - (f) an expression of opinion on the compliance of transactions with the Financial Regulations and legislative authority;
 - (g) the date of the opinion;
 - (h) the Auditor's name and position; and
 - (i) should it be necessary, a reference to the report of the Auditor on the financial statements."
6. The Report of the Auditor on the financial operations of the period should mention:
- (a) the type and scope of his examination;
 - (b) matters affecting the completeness or accuracy of the accounts, including where appropriate:
 - (i) information necessary to the correct interpretation of the accounts;
 - (ii) any amounts which ought to have been received but which have not been brought to account;

- (iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
 - (iv) expenditures not properly substantiated;
 - (v) whether proper books of accounts have been kept. Where, in the presentation of statements, there are deviations of a material nature from the generally accepted accounting principles applied on a consistent basis, these should be disclosed;
- (c) other matters which should be brought to the notice of the Governing Bodies concerned of WIPO and all interested Unions such as:
- (i) cases of fraud or presumptive fraud;
 - (ii) wasteful or improper expenditure of WIPO's money or other assets (notwithstanding that the accounting for the transaction may be correct);
 - (iii) expenditure likely to commit WIPO to further outlay on a large scale;
 - (iv) any defect in the general system or detailed regulations governing the control of receipts and disbursements or of supplies and equipment;
 - (v) expenditure not in accordance with the intention of the Governing Bodies concerned of WIPO and all interested Unions after making allowance for duly authorized transfers within the budget;
 - (vi) expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
 - (vii) expenditure not in conformity with the authority which governs it;
- (d) the accuracy or otherwise of the supplies and equipment records as determined by stock-taking and examination of the records.

In addition, the reports may contain reference to:

- (e) transactions accounted for in a previous year concerning which further information has been obtained or transactions in a later year concerning which it seems desirable that the Governing Bodies concerned of WIPO and all interested Unions should have early knowledge.

7. The Auditor may make such observations with respect to his findings resulting from the audit and such comments on the Director General's financial report as he deems appropriate to the Governing Bodies concerned of WIPO and all interested Unions or the Director General.

8. Whenever the scope of audit of the Auditor is restricted, or whenever the Auditor is unable to obtain sufficient evidence, he shall refer to the matter in his opinion and report, making clear the reasons for his comments and the effect on the financial position and the financial transactions as recorded.

9. In no case shall the Auditor include criticism in his Report without first allowing the Director General an adequate opportunity of explanation on the matter under observation.

[Financial Rules follow]

WIPO FINANCIAL RULES*

Chapter I

ORGANIZATION OF THE FINANCIAL SERVICES

Rule 1. Hierarchy

(a) The Controller is directly responsible to the Chairman of the WIPO General Assembly. If the Controller refuses to sign a paper proposing an expenditure by the Director General, the latter may issue an order, explaining the reasons therefor, that the necessary paper concerning the expenditure be signed by the Controller. In such case, the Controller shall accompany his signature by a report, which he will immediately communicate to the Chairman of the WIPO General Assembly.

(b) If the Controller is prevented from carrying out his tasks because of sickness, leave or other reasons, his tasks shall be performed by a staff member designated for that purpose by the Director General.

Rule 2. Incurring of Obligations

(a) Subject to the provisions of paragraph (b), below, every commitment to incur an obligation requires the signature of the Controller. The Controller examines the question whether the proposed expenditure is in conformity with the budget and the provisions of the treaties and regulations, whether the necessary funds will in fact be available at the time when payment is due, and whether the expenditure is in conformity with the principles of economical use of the resources of the International Bureau. The Controller shall see to it that every commitment to incur an obligation be properly recorded.

(b) As to expenses which recur periodically because the service is performed or the goods are delivered over a certain period of time (for example, salaries of the staff, contracts for the printing of periodicals, insurance contracts, contracts concerning the upkeep of premises), it shall suffice that the commitment to incur expense be approved once by the Controller, namely, before the contract concerning the service or goods is concluded.

(c) As to obligations not exceeding 10,000 francs, the powers of the Controller under paragraph (a), above, may be exercised by a staff member designated to this effect jointly by the Director General and the Controller.

Rule 3. Disbursements

(a) Disbursements shall be effected only upon presentation of the supporting documents signed:

- (i) by the staff member who has received the goods or who has received or supervised the performance of the service, in order to certify that the goods have

* Applicable as from January 1, 1992.

been delivered or the service has been rendered and that the quality and the quantity correspond to the order given and

- (ii) by the Controller or a staff member jointly designated by the Director General and the Controller, in order to certify that the expenditure is in conformity with the commitment to incur the expenditure and that the amount is in conformity with the regulations in force (for example, as far as salaries, subsistence allowances, etc., are concerned, that they are in conformity with the Staff Regulations and Rules).

These signatures will constitute authorization to disburse.

(b) Any postal or bank cheque, as well as any other order for payment issuing from the International Bureau, shall be signed by two staff members designated for that purpose jointly by the Director General and the Controller. The said two staff members can append their signatures only on the basis of an authorization for disbursement (see paragraph (a)).

(c) All available cash belonging to the International Bureau shall be kept in one or more safes. The total of such cash may not exceed 40,000 francs outside the hours during which banks are open.

(d) Two or more staff members designated jointly by the Director General and the Controller are responsible for the cash of the International Bureau. The persons responsible shall be in possession of one set of safe keys. Two other sets of the same keys shall be placed in sealed envelopes signed by the Controller: one of the envelopes shall be in the possession of a staff member designated by the Director General and the other in the possession of the Controller. If the persons responsible for the cash are absent and access to the safe is required, the safe shall be opened in the presence of at least two staff members; an inventory of its contents shall be drawn up, and the remaining cash shall be checked against the balance mentioned in the cash book.

(e) Payments in cash shall be effected only on the basis of an authorization for disbursement (see paragraph (a)).

(f) From time to time, and at irregular intervals, the Controller shall make a random check of the cash in hand. A report shall be drawn up and sent to the Auditor.

Rule 4. Receiving of Monies

(a) Two or more staff members designated jointly by the Director General and the Controller are the only persons entitled to receive, on behalf of the International Bureau, cash payments, for which a receipt shall be established and signed by one of the said staff members.

(b) Cheques issued by persons other than the International Bureau and made out to the order of the International Bureau shall be crossed and registered as soon as received. Thereafter, they shall be endorsed by one of the staff members referred to in paragraph (a), to

be credited to the post office or bank accounts of the International Bureau. No staff member is authorized to cash such cheques.

Rule 5. Tenders

(a) Purchases of supplies, equipment and furniture shall be made on the basis of three tenders, except if the value thereof does not exceed 20,000 francs.

(b) The most advantageous offer must be accepted if the guarantees as to quality and delivery dates are the same. Purchases shall be made in the largest possible number of Member States.

Rule 6. Inventories

(a) Inventories of equipment and furniture shall be kept under the supervision of the Controller. Every item of equipment or furniture whose value or price exceeds 400 francs must appear in this inventory. The Controller shall ensure that the inventory is periodically checked.

(b) Inventories of paper stocks kept outside the premises of the International Bureau shall be under the responsibility of the Controller.

(c) Each staff member shall be responsible for the economical utilization of the office supplies put at his disposal. The Controller shall supervise the economical use of the stocks of such supplies.

Chapter II

ACCOUNTING

Rule 7. Proper and Common Expenses

(a) Any expenditure which is incurred in the exclusive interest of a given Union shall be considered as a "proper expense" of that Union.

(b) Any expenditure which is incurred in the interest of two or more Unions shall be considered as a "common expense."

(c) The books of the International Bureau shall be kept in such a way as to allow a clear distinction between proper and common expenses.

Rule 8. Documents Concerning the
Allocation of Common Expenses

At the close of each financial period, the following documents shall be established as far as the past financial period is concerned:

- (i) A list of the staff members grouped according to the staff units to which they were assigned during the financial period; there shall be as many groups as there are allocation percentages for salaries; notes accompanying this list shall indicate any changes in the assignment of any staff members which may have occurred during the financial period. This list shall be signed by the head of the unit responsible for personnel services.
- (ii) A statement of the number of copies which have been printed of each periodical published by the International Bureau; this statement shall also indicate the number of pages of each issue. It shall be signed by the head of the unit responsible for reproduction services.
- (iii) A statement of the number of copies of any other publication printed by the International Bureau; this statement shall also indicate the number of pages of each publication. It shall be signed by the head of the unit responsible for reproduction services.
- (iv) A statement, for each printed publication, of its total cost as far as the costs of paper, printing and binding are concerned. These statements shall be signed by the Controller.
- (v) A list of the official missions which have been effected for the International Bureau outside Switzerland. Missions shall be grouped according to the percentages of allocation applied; if the cost of a mission exceeds 40,000 francs, a special note shall indicate the reasons for the missions and, if the expenses are allocated among several Unions, the reasons for the percentage applied. This list shall be signed by the head of the unit responsible for travel services.
- (vi) A list of conferences organized by the International Bureau; the conferences shall be grouped according to the percentages of allocation applied; if the cost of a conference exceeds 40,000 francs, a special note shall indicate the reasons for the conference and, if the expenses are allocated among several Unions, the reasons for the percentage applied. This list shall be signed by the Controller.
- (vii) A report, signed by the Controller, showing the proportion of the surfaces used by the various Unions.
- (viii) A list, signed by the Controller, of purchases of furniture or supplies exceeding 2,000 francs each and showing the service for which each purchase was intended.

- (ix) A list of the fees paid to outside persons (with the exception of the fees paid for articles published in the periodicals of the International Bureau and for the translation of such articles), grouped according to the percentages of allocation applied; if the fees for any given work exceed 40,000 francs, a special note shall indicate the reasons for which an outside person has been engaged and, if the expenses are allocated among several Unions, the reasons for the percentage applied. This list shall be signed by the Controller.
- (x) A statement, signed by the head of the unit responsible for financial services, showing the number of accounting operations, broken down according to the various Unions which they concern.
- (xi) A statement, signed by the head of the unit responsible for mail and documents services, concerning the mail and the documents, and indicating, for each Union, the total number of items received and dispatched, as well as the number of pages of each document printed.

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