



## DECISION

### AMENDMENTS TO THE FINANCIAL REGULATIONS AND RULES OF THE OPCW

#### The Conference of the States Parties,

**Recalling** that the Conference of the States Parties (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, Twenty-Second, Twenty-Fifth, and Twenty-Seventh 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; C-22/DEC.12, dated 30 November 2017; C-25/DEC.6, dated 30 November 2020; and C-27/DEC.10, dated 28 November 2022);

**Recalling also** that the Executive Council (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, Eighty-Sixth, Ninety-Fourth, 101st, and 107th Sessions (EC-61/DEC.7, dated 1 July 2010; EC-86/DEC.7, dated 11 October 2017; EC-94/DEC.1, dated 8 July 2020; EC-101/DEC.1, dated 4 October 2022; and EC-107/DEC.4, dated 8 October 2024);

**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 entitled “Proposed Amendments to the Financial Regulations and Rules of the OPCW” (S/2320/2024, dated 16 September 2024);

**Understanding** that, following the approval of the proposed amendments to the relevant Financial Rules by the Council and approval of the proposed amendments to the relevant Financial Regulations by the Conference, these amendments would take effect from 1 January 2025;



**Noting** that the Advisory Body on Administrative and Financial Matters (ABAF), in the report of its Fifty-Seventh Session (ABAF-57/1, dated 25 July 2024), reviewed and endorsed the proposed amendments to the Financial Regulations and Rules; and

**Noting also** the decision of the Council at its 107th Session (EC-107/DEC.4) approving the amendments to the Financial Rules annexed thereto and recommending to the Conference at its Twenty-Ninth Session that it amend the Financial Regulations annexed thereto, which are also annexed to the present document;

**Hereby:**

**Approves** the amendments to the OPCW Financial Regulations annexed hereto.

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

## Annex

## AMENDMENTS TO THE FINANCIAL REGULATIONS AND RULES OF THE OPCW

## (REGULATIONS 2.3, 6.4, 6.7, 7.1, 8.1, 8.3, AND 9.5 AND RULES 8.2.01, 9.1.02, AND 9.3.01)

Current Text	Proposed New Text	Justification and Attribution
<p>None</p> <p><b>ARTICLE 2</b> <b>DEFINITIONS</b></p>	<p><b>ARTICLE 2</b> <b>DEFINITIONS</b></p> <p><b>Regulation 2.3</b></p> <p><u>Provident Fund shall mean the Provident Fund of the OPCW established in 1998 as an instrument of social security for eligible staff members of the OPCW, which continues to operate in accordance with the Staff Regulations and Interim Staff Rules of the Technical Secretariat, and which is governed by the Charter and Administrative Rules of the Provident Fund.</u></p>	<p>Inclusion of a definition of “Provident Fund” to clarify its meaning where reference is made to it elsewhere in the FRRs.</p>
<p><b>ARTICLE 6</b> <b>FUNDS</b></p> <p><b>Regulation 6.4</b></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 year, 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</p>	<p><b>ARTICLE 6</b> <b>FUNDS</b></p> <p><b>Regulation 6.4</b></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 year, 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</p>	<p>Amendment aimed at enabling the WCF to grow over time through the application of interest earned on the balance of the WCF itself, enabling the purchasing power of the fund to be maintained.</p> <p>It should be noted that the upper limit set in accordance with Financial Regulation 6.4 is the equivalent of two months of</p>

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<p>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>States Parties for the apportionment of the OPCW's approved budget <u>and by interest earned on the balance of the Working Capital Fund.</u> Advances shall be carried to the credit of the States Parties which make them.</p>	<p>General Fund operations and that, at the moment, the WCF can cover less than six weeks of General Fund operations.</p>
<p><b>Regulation 6.7</b></p> <p>Income derived from Working Capital Fund investments shall be credited to miscellaneous income.</p>	<p><b>Regulation 6.7</b></p> <p>Income derived from Working Capital Fund investments shall be credited to <del>miscellaneous income</del> <u>the Working Capital Fund.</u></p>	<p>Amendment made to clarify that income earned on the balance of the WCF will be applied to the WCF in line with the amendment made to Regulation 6.4</p>
<p><b>ARTICLE 7</b></p> <p><b>OTHER INCOME</b></p> <p><b>Regulation 7.1</b></p>	<p><b>ARTICLE 7</b></p> <p><b>OTHER INCOME</b></p> <p><b>Regulation 7.1</b></p>	
<p>All other income shall be classified as miscellaneous income and credited to the Regular Budget Fund, except:</p> <p>(a) contributions to the budget under Regulation 5.1;</p> <p>(b) advances to the Working Capital Fund under Regulation 6.4;</p> <p>(c) direct refunds of expenditures made during the financial year;</p> <p>(d) advances, deposits or voluntary contributions to trust funds or special funds established by the Conference of the States Parties under Regulation 6.8; and</p> <p>(e) contributions to the Voluntary Fund for Assistance.</p>	<p>All other income shall be classified as miscellaneous income and credited to the Regular Budget Fund, except:</p> <p>(a) contributions to the budget under Regulation 5.1;</p> <p>(b) advances to the Working Capital Fund under Regulation 6.4;</p> <p>(c) direct refunds of expenditures made during the financial year;</p> <p>(d) advances, deposits or voluntary contributions to trust funds or special funds established by the Conference of the States Parties under Regulation 6.8; <del>and</del></p> <p>(e) contributions to the Voluntary Fund for Assistance; <u>and</u></p> <p>(f) <u>interest earned on the balance of the Working Capital Fund.</u></p>	<p>Amendment to clarify that interest earned on the balance of the WCF shall not form part of the "miscellaneous income" of the Regular Budget Fund, in line with the amendments to Regulations 6.4 and 6.7.</p>

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<p><b>ARTICLE 8 CUSTODY OF FUNDS</b></p> <p><b>Regulation 8.1</b></p> <p>The Director-General shall designate the banks or other financial institutions in which the OPCW's funds shall be kept.</p>	<p><b>ARTICLE 8 CUSTODY OF FUNDS</b></p> <p><b>Regulation 8.1</b></p> <p>The Director-General shall designate the banks or other financial institutions in which the OPCW's <del>fund</del> <u>financial resources</u> shall be kept.</p>	<p>Terminological amendment to enhance clarity and consistency.</p>
<p><b>Rule 8.2.01</b></p> <p><b>Selection of banks or other financial institutions in which OPCW's funds shall be kept</b></p> <p>The Principal Financial Officer shall advise the Director-General on the selection of banks or other financial institutions in which the OPCW's funds shall be kept. The Principal Financial Officer shall introduce appropriate procedures to ensure that the status of designated banks or other financial institutions is regularly reviewed.</p>	<p><b>Rule 8.2.01</b></p> <p><b>Selection of banks or other financial institutions in which OPCW's funds shall be kept</b></p> <p>The Principal Financial Officer shall advise the Director-General on the selection of banks or other financial institutions in which the OPCW's <del>fund</del> <u>financial resources</u> shall be kept. The Principal Financial Officer shall introduce appropriate procedures to ensure that the status of designated banks or other financial institutions is regularly reviewed.</p>	<p>Terminological amendment to enhance clarity and consistency.</p>
<p>None</p>	<p><b><u>Regulation 8.3</u></b></p> <p><u>Regulations 8.1 and 8.2 and the Rules established thereunder shall apply, mutatis mutandis, in respect of the resources of the Provident Fund, as applicable in accordance with the Charter and Administrative Rules of the Provident Fund and the investment policy for the Provident Fund.</u></p>	<p>Inclusion of a new regulation to explicitly indicate that the previous two regulations also apply to the Provident Fund.</p>

Current Text	Proposed New Text	Justification and Attribution
<p><b>ARTICLE 9 INVESTMENTS</b></p> <p><b>Rule 9.1.02</b></p> <p><b>Limit on investments with one institution</b></p> <p>The Director-General shall ensure that no more than 25% of the OPCW's total cash assets are normally invested in one institution, subject to a maximum of EUR 12 million. The Director-General shall report any exceptions to this Rule to the Executive Council.</p>	<p><b>ARTICLE 9 INVESTMENTS</b></p> <p><b>Rule 9.1.02</b></p> <p><b>Limit on investments with one institution</b></p> <p>The Director-General shall ensure that no more than 25% of the OPCW's total cash assets are normally invested in one institution, <del>subject to a maximum of EUR 12 million</del>. The Director-General shall report any exceptions to this Rule to the Executive Council.</p>	
<p><b>Rule 9.3.01</b></p> <p><b>Income from investments</b></p> <p>(a) Income derived from investments of the Regular Budget Fund and of the Working Capital Fund shall be taken into account as miscellaneous income. Income from investments of trust funds and special funds shall include amounts from investments and other income attributable to such funds and shall be credited to the trust funds or special funds concerned.</p>	<p><b>Rule 9.3.01</b></p> <p><b>Income from investments</b></p> <p>(a) Income derived from investments of the Regular Budget Fund <del>and of the Working Capital Fund</del> shall be taken into account as miscellaneous income. Income from investments of <u>the Working Capital Fund</u>, trust funds and special funds shall include amounts from investments and other income attributable to such funds and shall be credited to the <u>Working Capital Fund</u>, trust funds or special funds concerned.</p>	<p>Amendment to remove the fixed monetary threshold specified, which limits the amount of funds that can be placed with a single financial institution to a maximum of EUR 12 million. This is an outmoded limit that the Organisation can no longer meet, given the number of financial institutions that are currently available to it and the total value of financial resources that are and will be in its custody, especially after transfer of the Provident Fund to in-house management.</p> <p>Amendments made to clarify that the income generated from investments of the WCF will be applied to the WCF itself in line with the amendment to Regulations 6.4, 6.7, and 7.1.</p>

Current Text	Proposed New Text	Justification and Attribution
<p>(b) Any investment losses must be reported at once by the Principal Financial Officer to the Director-General. The Director-General shall prepare a detailed report concerning these losses and any required follow-up action. This report shall be provided immediately to the External Auditor, as well as reported to Member States through existing reporting mechanisms.</p> <p>(c) Investment losses shall be borne by the fund, trust fund, or reserve or special account from which the principal amounts were obtained.</p>	<p>(b) Any investment losses must be reported at once by the Principal Financial Officer to the Director-General. The Director-General shall prepare a detailed report concerning these losses and any required follow-up action. This report shall be provided immediately to the External Auditor, as well as reported to Member States through existing reporting mechanisms.</p> <p>(c) Investment losses shall be borne by the fund, trust fund, <del>or</del> reserve or special <del>account</del> fund, or the Working Capital Fund from which the principal amounts were obtained.</p>	
None	<p><b><u>Regulation 9.5</u></b>  <u>Regulations 9.1 to 9.4 and the Rules established thereunder shall apply, mutatis mutandis, to short-term investments of resources of the Provident Fund that may be made by the Director-General in accordance with the Charter and Administrative Rules of the Provident Fund and the investment policy for the Provident Fund.</u></p>	Inclusion of a new regulation to explicitly indicate that the previous four regulations also apply to the Provident Fund.

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