

**NOTE BY THE TECHNICAL SECRETARIAT****PROPOSED AMENDMENTS TO THE  
OPCW FINANCIAL REGULATIONS AND RULES****INTRODUCTION**

1. The present document introduces the proposed amendments to the Financial Regulations and Rules of the Organisation for the Prohibition of Chemicals Weapons (OPCW) that will be submitted to the Executive Council (hereinafter “the Council”) at its Eighty-Sixth Session for its approval and recommendation to the Conference of the States Parties (hereinafter “the Conference”) at its Twenty-Second Session.

**BACKGROUND**

2. The Conference at its Nineteenth Session authorised the Technical Secretariat (hereinafter “the Secretariat”) to implement a new enterprise resource planning (ERP) system.
3. At its Thirty-Sixth Session, the Advisory Body on Administrative and Financial Matters (ABAF) expressed support for the implementation of a fully integrated ERP system and stressed the importance of streamlining current business processes ahead of planned implementation in order to minimise customisation requirements. The ABAF further noted that, in the process of changing business workflows, some amendments to the Financial Regulations and Rules might be necessary. In addition, the ABAF requested that a holistic approach be taken and that all proposed changes be submitted in a single “package”.
4. Acknowledging this recommendation, in December 2016 the Secretariat launched the process to amend the Financial Regulations and Rules in light of the changes brought about to business processes following the implementation of ERP. Further amendments were made to reflect administrative changes, as the review presented the opportunity to introduce improvements to the way the Organisation currently functions, thereby adding greater support to the streamlining of business processes and efficiencies delivered through the implementation of ERP.

**AREAS OF AMENDMENTS**

5. Taking into consideration and with reference to the practices of other comparative international organisations, the following principal rationales underpin the proposed amendments:



- (a) Firstly, the amendments will provide the OPCW with the necessary ability to align its business processes and internal controls to fit into the standard functionality of the chosen ERP solution, while maintaining adequate financial rules and procedures to ensure effective financial administration and use of resources.
  - (b) Secondly, the proposed amendments will allow for improved and automated business processes embedded within the ERP, increasing efficiency and allowing for higher return on investment and increased cost benefits, as well as risk mitigation through the use of embedded system controls.
  - (c) Thirdly and lastly, the amendments aim to modernise the Financial Regulations and Rules to reflect current industry standards and best practices, specifically those for international organisations, and thereby streamline the underlying administrative processes to enable greater efficiency of the business process improvements delivered by ERP.
6. The proposed amendments include, but are not limited to:
- (a) aligning definitions and terminology used within the Financial Regulations and Rules with those of the ERP solution;
  - (b) embedding approvals in the ERP solution electronic workflow;
  - (c) eliminating paper-based approval processes;
  - (d) transferring requirements and details of workflow definitions and processing to administrative directives to support the electronic workflow processing in the ERP;
  - (e) editorial amendments with regard to gender pronouns, merging of definitions, cross-referencing, and consistent use of terminology; and
  - (f) moving threshold details to administrative directives for threshold management.

## **PROCESS**

7. The Secretariat conducted an extensive internal review of administrative business requirements, together with the Financial Regulations and Rules, and administrative directives.
8. The process included a review of the Financial Regulations and Rules of other international organisations, such as the United Nations Office for Project Services, International Civil Aviation Organization, International Atomic Energy Agency, and World Intellectual Property Organization. In addition, the International Public Sector Accounting Standards and the United Nations Procurement Manual informed the process.
9. During the review process, the Secretariat identified areas of improvement in the Financial Regulations and Rules which it considers necessary to reduce the

administrative burden placed on the future users of ERP, thereby maximising the benefits of the ERP solution. These improvements have been included in the proposed amendments.

10. The Secretariat submitted a package of all proposed changes, which included all justifications, motivations, and supporting references, to the ABAF prior to its Forty-Third Session.
11. At its Forty-Third Session, the ABAF considered the proposed amendments and noted that the Secretariat had taken the opportunity to include amendments not directly necessary for the implementation of the ERP solution, and suggested that the Secretariat provide the amendments resulting from the internal administrative review in a separate table.
12. Following the suggestion of ABAF, the proposed amendments comprise two parts; the first part being those amendments necessary for the successful implementation of ERP and editorial amendments (Annex 1), and the second part being those amendments resulting from internal administrative review (Annex 2).

Annexes:

- Annex 1: Proposed Amendments to the Financial Regulations and Rules of the OPCW Necessary for the Implementation of the ERP Solution, and Editorial Amendments
- Annex 2: Proposed Amendments to the Financial Regulations and Rules of the OPCW Resulting from Internal Administrative Review

Annex 1

**PROPOSED AMENDMENTS TO THE FINANCIAL REGULATIONS AND RULES OF THE OPCW  
NECESSARY FOR THE IMPLEMENTATION OF THE ERP SOLUTION, AND EDITORIAL AMENDMENTS**

| Current Text  | Proposed New Text   | Justification and Attribution  | Administrative Directive Reference |
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| <p><b>Rule 1.1.02</b><br/><b>Authority of the Principal Financial Officer</b></p> <p>The Director-General shall designate a staff member as the Principal Financial Officer of the OPCW. In accordance with Financial Regulation 14.2, the Director-General may delegate to the Principal Financial Officer such authority as he considers necessary for the efficient and effective implementation of the Financial Regulations, Rules and Directives. The Director-General shall duly notify the Executive Council of the designated Principal Financial Officer.</p> | <p><b>Rule 1.1.02</b><br/><b>Authority of the Principal Financial Officer</b></p> <p>The Director-General shall designate a staff member as the Principal Financial Officer of the OPCW. In accordance with Financial Regulation 14.2, the Director-General may delegate to the Principal Financial Officer such authority as he <b>or she</b> considers necessary for the efficient and effective implementation of the Financial Regulations, Rules and <b>administrative</b> Directives. The Director-General shall duly notify the Executive Council of the designated Principal Financial Officer.</p> | <p>Editorial</p> <p>The rule has been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p> <p>Added the word “Administrative” to provide clarity and consistency in the terminology used throughout the Financial Regulations and Rules.</p> |                                    |
| <p><b>Article 2 DEFINITIONS</b><br/><b>Regulation 2.2</b></p>   | <p><b>Article 2 DEFINITIONS</b><br/><b>Regulation 2.2</b></p> <p><b>Accrual basis shall mean the basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements</b></p>  | <p>ERP</p> <p>This amendment was proposed to increase clarity for users of the Financial Regulations and Rules, and to ensure compliance with the requirements of the IPSAS as implemented in the new ERP solution.</p> <p>The definition for accrual</p>                                    |                                    |

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|              | <p><b>recognised under accrual accounting are assets, liabilities, net assets/equity, revenue and expenses.</b></p> <p><b>Approving Officer</b> shall mean a staff member of the budget and finance function (but not the Principal Financial Officer or the Treasury Officer) designated by the Director-General as being responsible for <del>examining proposed obligations before these are established in the accounting records to ensure the following: that obligations have been authorised by the appropriate Certifying Officer; that ensuring that required vouchers and other documents</del> passed by Certifying Officers for payment are properly supported by evidence that goods or services have been received in accordance with the contractual agreement establishing the obligation; <del>that the documents comprise duly-certified original vouchers; that</del> payment has not previously been made; and that the supporting documents do not have irregularities that might indicate that the payment is not properly due. The Approving Officer can never be a Certifying Officer.</p> | <p>basis/accrual accounting can be found in the IPSAS.</p> <p>ERP &amp; editorial</p> <p>The definition of Approving Officer has been moved here, as two sections have been merged into one table (Rule 2.2.02 Glossary of definitions).</p> <p>The definition of Approving Officer has been amended in light of the decentralised approval paths proposed in the implementation of new ERP solution, where the Approving Officer is proposed as the budget holder. The system will do the budget checking, so it will no longer need to be carried out manually. The new ERP solution will apply three-way matching before anything can be paid. Note that the existing rule was put into place for manual control, not for an automated integrated system. Text here has been removed and added to the relevant administrative</p> | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/8/Rev.5</b>:</p> <p>In relation to Regulation 2.2 of the Financial Regulations and Rules, the Approving Officer shall mean a staff member of the budget and finance function (but not the Principal Financial Officer or the Treasury Officer) designated by the Director-General as being responsible for examining proposed obligations before these are established in the accounting records to ensure that obligations have been authorised by the appropriate Certifying Officer.</p> |

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| <p><b>Budgetary Accounting</b> shall mean the recording and reporting of financial information on a modified cash basis, the same basis as that followed for appropriations for the regular budget or for other funds governed by other agreements, in a manner that is consistent with the Financial Regulations and Rules, with Financial Directives, and with any other instructions as may be issued by or on behalf of the Director-General for their administration.</p> | <p><b>Budgetary Accounting</b> shall mean the recording and reporting of financial information on a modified cash basis, the same basis as that followed for appropriations for the regular budget or for other funds governed by other agreements, in a manner that is consistent with the Financial Regulations and Rules, with <del>Financial</del> <b>administrative d</b>irectives, and with any other instructions as may be issued by or on behalf of the Director-General for their administration.</p> <p><b>Cash Deficit shall mean the excess of cash disbursements over cash receipts for a given financial period.</b></p> <p><b>Certifying Officer shall mean a staff member designated by the Director-General in accordance with Financial Regulation 14.2 as being responsible for the delivery of one or more specific programme or subprogramme activities as are required under the Convention, and</b></p> | <p>directive in order to account for any possible future developments in light of ERP implementation.</p> <p>Editorial<br/>Replaced 'Financial' with 'Administrative' to provide clarity and consistency throughout the Financial Regulations and Rules.</p> <p>Editorial<br/>This definition is added in light of the revision in Article 6.2. See language change in Article 6.2.</p> <p>Editorial<br/>Merged definitions into one table (Rule 2.2.02; Glossary of definitions).<br/>Footnote 3, attached to the definition of Certifying Officer, has been removed:<br/>Explanatory note:</p> |                                    |

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| <p>as set out in the approved programme and budget. The Certifying Officer shall be responsible for examining all obligations proposed by requestors to ensure that appropriate funds are available and have been allotted, and that the proposed expenditure is consistent with the purpose for which the relevant appropriation was intended.<sup>f3</sup></p> <p><b>Commitment</b> shall mean entering into a contractual agreement involving a liability against the resources of future years, for which expenditure authority has not yet been given by the Conference of the States Parties.</p> | <p>as set out in the approved programme and budget. The Certifying Officer shall be responsible for examining all obligations proposed by requestors to ensure that appropriate funds are available and have been allotted, and that the proposed expenditure is consistent with the purpose for which the relevant appropriation was intended.<sup>f3</sup></p> <p><b>Commitment</b> shall mean entering into a contractual agreement involving a liability against the resources of future years, for which expenditure authority has not yet been given by the Conference of the States Parties.</p> <p><b>Imprest Fund</b> shall mean a fund or account established in a fixed amount and maintained at the level by periodic replenishments (normally monthly) of the sums disbursed (i.e. petty cash).</p> <p><b>Officials</b> shall mean the Director-General and all members of the staff of the Technical Secretariat of the OPCW.</p> <p><b>Principal Financial Officer</b> shall mean a staff member designated by the</p> | <p>Under this definition, the “Certifying Officer” is also the “Programme Manager.”</p> <p>ERP<br/>Commitments can also include current year resources as provided by the new ERP solution.</p> <p>Editorial<br/>Merged definitions into one table (Rule 2.2.02 Glossary of definitions).<br/>Included ‘petty cash’ wording to improve the clarity of the definition.</p> <p>Editorial:<br/>Merged definitions into one table (Rule 2.2.02 Glossary of definitions).</p> <p>Editorial:<br/>Merged definitions into one</p> |                                    |

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|              | <p><b>Director-General as being responsible for the oversight of the OPCW's financial resources, including the implementation of the OPCW's Financial Regulations and Rules and administrative directives, and the promulgation of such additional guidance as may be necessary on financial management matters. This staff member shall perform functions in accordance with the Financial Rules, in particular Rules 1.1.02 and 11.1.01.</b></p> <p><b>Segregation of Duties shall mean the principle of internal control according to which no personnel should be given responsibility for more than one related function, unless adequate compensating controls have been approved by the Principal Financial Officer.</b></p> | <p>table (Rule 2.2.02 Glossary of definitions).</p> <p>ERP<br/>Segregation of duties is critical internal control for any ERP implementation and forms part of the basis of the configuration of roles and responsibilities.<br/>This definition has been added in order to strengthen internal controls, and is based upon the definition for the segregation of duties from UNOPS. The term "Comptroller" has been replaced with "Principal Financial Officer" as this refers to the OPCW.<br/>"Adequate" refers to the assessment of the</p> |                                    |



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| <p><b>Rule 2.2.01</b><br/><b>Interpretations of the Financial Rules</b></p> <p>In case of a doubt as to the interpretation of any of the Financial Rules, the Director-General shall provisionally rule thereon and shall notify the Executive Council of the interpretation applied. The Executive Council may amend the Financial Rule in order to clarify or revise the Director-General's interpretation.</p> | <p><b>Treasury Officer</b> shall mean a staff member of the budget and finance function designated by the Principal Financial Officer as being responsible for the proper management and custody of the OPCW's cash assets, including investments. The Treasury Officer can never be the Principal Financial Officer.</p> <p><b>Rule 2.2.01</b><br/><b>Interpretations of the Financial Rules</b></p> <p><del>In case of a doubt as to the interpretation of any of the Financial Rules, the Director-General shall provisionally rule thereon and shall notify the Executive Council of the interpretation applied. The Executive Council may amend the Financial Rule in order to clarify or revise the Director-General's interpretation.</del></p> | <p>proportionate balance between the risk and the mitigation measure taken.</p> <p>Editorial<br/>Merged definitions into one table (Rule 2.2.02 Glossary of definitions).</p> |                                    |
| <p><b>Rule 2.2.01</b><br/><b>Interpretations of the Financial Rules</b></p> <p>In case of a doubt as to the interpretation of any of the Financial Rules, the Director-General shall provisionally rule thereon and shall notify the Executive Council of the interpretation applied. The Executive Council may amend the Financial Rule in order to clarify or revise the Director-General's interpretation.</p> | <p><b>Rule 2.2.01</b><br/><b>Interpretations of the Financial Rules</b></p> <p><del>In case of a doubt as to the interpretation of any of the Financial Rules, the Director-General shall provisionally rule thereon and shall notify the Executive Council of the interpretation applied. The Executive Council may amend the Financial Rule in order to clarify or revise the Director-General's interpretation.</del></p>   | <p>Editorial<br/>For clarity, this provision has been removed and placed under Article 16 (General Provisions) and was added as Rule 16.3.01.</p> <p>Editorial</p>            |                                    |

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| <p><b>Rule 2.2.02</b><br/><b>Glossary of definitions</b></p> <p>Additional definitions relevant to the understanding of these Financial Rules are set out below.</p> <p>Approving Officer shall mean a staff member of the budget and finance function (but not the Principal Financial Officer or the Treasury Officer) designated by the Director-General as being responsible for examining proposed obligations before these are established in the accounting records to ensure the following: that obligations have been authorised by the appropriate Certifying Officer; that vouchers and other documents passed by Certifying Officers for payment are properly supported by evidence that goods or services have been received in accordance with the contractual agreement establishing the obligation;</p> | <p><b>Rule 2.2.02</b><br/><b>Glossary of definitions</b></p> <p><del>Additional definitions relevant to the understanding of these Financial Rules are set out below.</del></p> <p><del>Approving Officer shall mean a staff member of the budget and finance function (but not the Principal Financial Officer or the Treasury Officer) designated by the Director-General as being responsible for examining proposed obligations before these are established in the accounting records to ensure the following: that obligations have been authorised by the appropriate Certifying Officer; that vouchers and other documents passed by Certifying Officers for payment are properly supported by evidence that goods or services have been received in accordance with the contractual agreement establishing the obligation;</del></p> | <p>Editorial</p> <p>This section has been removed and merged with the preceding section, as there is no discernible difference between “Definitions” in the section above and “Glossary of Definitions”, thus the distinction may lead to confusion as to function or priority of definitions.</p> <p>Editorial</p> <p>As there is no significant or material difference between the two “Definitions” categories, they have been merged to avoid any confusion created by their distinct categories. In addition to there being no clear difference between the two categories, there are few, if any, examples of such a distinction in the financial regulations and rules of other international organisations.</p> |                                    |

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| <p>that the documents comprise duly certified original vouchers; that payment has not previously been made, and that the supporting documents do not have irregularities which might indicate that the payment is not properly due. The Approving Officer can never be a Certifying Officer.</p> <p>Certifying Officer shall mean a staff member designated by the Director-General in accordance with Financial Regulation 14.2 as being responsible for the delivery of one or more specific programme or subprogramme activities as are required under the Convention, and as set out in the approved programme and budget. The Certifying Officer shall be responsible for examining all obligations proposed by requestors to ensure that appropriate funds are available and have been allotted, and that the proposed expenditure is consistent with the purpose for which the relevant appropriation was intended.[3]</p> <p>Principal Financial Officer shall mean a staff member designated by the Director-General as being responsible for the oversight of the OPCW's financial resources, including the implementation of the OPCW's</p> | <p><del>that the documents comprise duly certified original vouchers; that payment has not previously been made, and that the supporting documents do not have irregularities which might indicate that the payment is not properly due. The Approving Officer can never be a Certifying Officer.</del></p> <p><del>Certifying Officer shall mean a staff member designated by the Director-General in accordance with Financial Regulation 14.2 as being responsible for the delivery of one or more specific programme or subprogramme activities as are required under the Convention, and as set out in the approved programme and budget. The Certifying Officer shall be responsible for examining all obligations proposed by requestors to ensure that appropriate funds are available and have been allotted, and that the proposed expenditure is consistent with the purpose for which the relevant appropriation was intended.[3]</del></p> <p><del>Principal Financial Officer shall mean a staff member designated by the Director-General as being responsible for the oversight of the OPCW's financial resources, including the implementation of the OPCW's</del></p> |                               |                                    |

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| <p>Financial Regulations and Rules and Directives and the promulgation of such additional guidance as may be necessary on financial management matters. This staff member shall perform functions in accordance with the Financial Rules and in particular Rules 1.1.02 and 11.1.01.</p> <p>Treasury Officer shall mean a staff member of the budget and finance function designated by the Principal Financial Officer as being responsible for the proper management and custody of the OPCW's cash assets, including investments. The Treasury Officer can never be the Principal Financial Officer.</p> <p>Imprest Fund shall mean a fund or account established in a fixed amount and maintained at the level by periodic replenishments (normally monthly) of the sums disbursed.</p> <p>Officials shall mean the Director-General and all members of the staff of the Technical Secretariat of the OPCW.</p> <p><b>Regulation 3.3</b></p> <p>Pursuant to paragraph 7 of Article VIII (A) of the Convention the budget shall comprise two separate chapters, one relating to administrative and other costs, and one relating to verification costs. Each chapter shall be divided into</p> | <p><del>Financial Regulations and Rules and Directives and the promulgation of such additional guidance as may be necessary on financial management matters. This staff member shall perform functions in accordance with the Financial Rules and in particular Rules 1.1.02 and 11.1.01.</del></p> <p><del>Treasury Officer shall mean a staff member of the budget and finance function designated by the Principal Financial Officer as being responsible for the proper management and custody of the OPCW's cash assets, including investments. The Treasury Officer can never be the Principal Financial Officer.</del></p> <p><del>Imprest Fund shall mean a fund or account established in a fixed amount and maintained at the level by periodic replenishments (normally monthly) of the sums disbursed.</del></p> <p><del>Officials shall mean the Director-General and all members of the staff of the Technical Secretariat of the OPCW.</del></p> <p><b>Regulation 3.3</b></p> <p>Pursuant to paragraph 7 of Article VIII (A) of the Convention the budget shall comprise two separate <b>budget</b> chapters, one relating to administrative and other costs, and one relating to verification costs. Each chapter shall be divided into</p> | <p>ERP</p> <p>The level of detail included in the regulation is viewed as being too prescriptive as to process and therefore does not allow the</p> | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/19/Rev.1</b>:</p> |

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| <p>programmes, and, as appropriate, each programme shall be divided into subprogrammes. The budget shall include any information annexes and explanatory statements requested by, or on behalf of, the Conference of the States Parties or the Executive Council. It shall also include such further information as the Director-General may deem necessary and useful. As a minimum, the budget shall contain:</p> <p>(a) an overview and introduction, describing:</p> <ul style="list-style-type: none"> <li>- the objectives identified for the work to be financed by the budget;</li> <li>- the basic assumptions having budgetary implications;</li> <li>- the detailed assumptions having budgetary implications; and</li> <li>- overall budgetary growth proposed (real and nominal) together with a brief explanatory statement;</li> </ul> <p>(b) a breakdown of each budget chapter by programme, providing for each programme:</p> <ul style="list-style-type: none"> <li>- an overview statement;</li> <li>- a statement of responsibilities;</li> <li>- a statement of objectives;</li> <li>- the proposed activities to be performed, listed in order of priority and</li> </ul> | <p>programmes, and, as appropriate, each programme shall be divided into subprogrammes. The budget shall include any information annexes and explanatory statements requested by, or on behalf of, the Conference of the States Parties or the Executive Council. It shall also include such further information as the Director-General may deem necessary and useful, <b>as set out in the relevant administrative directive.</b></p> <p><del>As a minimum, the budget shall contain:</del></p> <p><del>(a) an overview and introduction, describing:</del></p> <ul style="list-style-type: none"> <li><del>- the objectives identified for the work to be financed by the budget;</del></li> <li><del>- the basic assumptions having budgetary implications;</del></li> <li><del>- the detailed assumptions having budgetary implications; and</del></li> <li><del>- overall budgetary growth proposed (real and nominal) together with a brief explanatory statement;</del></li> </ul> <p><del>(b) a breakdown of each budget chapter by programme, providing for each programme:</del></p> <ul style="list-style-type: none"> <li><del>- an overview statement;</del></li> <li><del>- a statement of responsibilities;</del></li> <li><del>- a statement of objectives;</del></li> <li><del>- the proposed activities to be performed, listed in order of priority and divided by</del></li> </ul> | <p>Organisation to adapt to changing circumstances such as the implementation of results-based management in the new ERP solution.</p> <p>The proposed changes are in line with best practices of other international organisations, such as ICAO Financial Regulations and Rules (para. 13, Rule 111.2). In addition, the IAEA's Financial Regulations and Rules do not include this level of detail for budget documentation.</p> | <p>In relation to Regulation 3.3 of the Financial Regulations and Rules, as a minimum, the budget shall contain:</p> <p>(a) an overview and introduction, describing:</p> <ul style="list-style-type: none"> <li>- the objectives identified for the work to be financed by the budget;</li> <li>- the basic assumptions having budgetary implications;</li> <li>- the detailed assumptions having budgetary implications; and</li> <li>- overall budgetary growth proposed (real and nominal) together with a brief explanatory statement;</li> </ul> <p>(b) a breakdown of each budget chapter by programme, providing for each programme:</p> <ul style="list-style-type: none"> <li>- an overview statement;</li> <li>- a statement of responsibilities;</li> <li>- a statement of objectives;</li> <li>- the proposed activities to be performed, listed in order of priority and divided by subprogramme, where appropriate, with a brief description;</li> </ul> |

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| <p>divided by subprogramme, where appropriate, with a brief description;</p> <ul style="list-style-type: none"> <li>- the appropriations required, by subprogramme and by main object of expenditure; and</li> <li>- comparison between the budgets of the current and previous financial periods;</li> </ul> <p>(c) supporting tables, as appropriate, for the budget as a whole and for each chapter, programme and subprogramme, showing:</p> <ul style="list-style-type: none"> <li>- organisation charts;</li> <li>- post requirements;</li> <li>- resource requirements;</li> <li>- resource requirements by main object of expenditure; and</li> <li>- budgetary growth proposed (real and nominal); and</li> </ul> <p>(d) as separately identified and suitably detailed items, programme and budget proposals for verification in accordance with the following provisions of the Annex on Implementation and Verification to the Convention:</p> <ul style="list-style-type: none"> <li>- paragraph 13 of Part VII;</li> <li>- paragraph 13 of Part VIII; and</li> <li>- paragraph 10 of Part IX.</li> </ul> | <p>subprogramme, where appropriate, with a brief description;</p> <ul style="list-style-type: none"> <li>- the appropriations required, by subprogramme and by main object of expenditure; and</li> <li>- comparison between the budgets of the current and previous financial periods;</li> </ul> <p>(e) supporting tables, as appropriate, for the budget as a whole and for each chapter, programme and subprogramme, showing:</p> <ul style="list-style-type: none"> <li>- organisation charts;</li> <li>- post requirements;</li> <li>- resource requirements;</li> <li>- resource requirements by main object of expenditure; and</li> <li>- budgetary growth proposed (real and nominal); and</li> </ul> <p>(d) as separately identified and suitably detailed items, programme and budget proposals for verification in accordance with the following provisions of the Annex on Implementation and Verification to the Convention:</p> <ul style="list-style-type: none"> <li>- paragraph 13 of Part VII;</li> <li>- paragraph 13 of Part VIII; and</li> <li>- paragraph 10 of Part IX.</li> </ul> |                               | <ul style="list-style-type: none"> <li>- the appropriations required, by subprogramme and by main object of expenditure; and</li> <li>- comparison between the budgets of the current and previous financial periods;</li> <li>(c) supporting tables, as appropriate, for the budget as a whole and for each chapter, programme and subprogramme, showing: <ul style="list-style-type: none"> <li>- organisation charts;</li> <li>- post requirements;</li> <li>- resource requirements;</li> <li>- resource requirements by main object of expenditure; and</li> </ul> </li> <li>- budgetary growth proposed (real and nominal); and</li> <li>(d) as separately identified and suitably detailed items, programme and budget proposals for verification in accordance with the following provisions of the Annex on Implementation and Verification to the Convention: <ul style="list-style-type: none"> <li>- paragraph 13 of Part VII;</li> <li>- paragraph 13 of Part VIII; and</li> </ul> </li> <li>- paragraph 10 of Part IX.</li> </ul> |

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| <p><b>Rule 3.3.01</b><br/><b>Tasks of the Certifying Officer</b></p> <p>(a) Certifying Officers shall prepare the respective draft budget proposals, that is, the programme content and resource allocation, for the following financial period at such times and in such detail as the Director-General may prescribe in a Financial Directive and in accordance with the Financial Regulations and Rules. The budget proposals shall be detailed by chapter, subprogramme, and by object of expenditure within each programme and subprogramme.</p> <p>(b) Detailed guidelines for preparing budget estimates shall be issued to the Division Directors by the Director of the Administration Division, in consultation with the Director-General. The proposals of the Division Directors shall be submitted simultaneously to the Director of the Administration Division and to the Head of the Budget, Planning and Control Branch for consolidation.</p> | <p><b>Rule 3.3.01</b><br/><b>Tasks of the Certifying Officer</b></p> <p>(a) Certifying Officers shall prepare the respective draft budget proposals, that is, the programme content and resource allocation, for the following financial period at such times and in such detail as the Director-General may prescribe in a <del>Financial</del> <b>administrative</b> Directive and in accordance with the Financial Regulations and Rules. <del>The budget proposals shall be detailed by chapter, programme and subprogramme, and by object of expenditure within each programme and subprogramme.</del></p> <p>(b) <del>Detailed guidelines for preparing budget estimates shall be issued to the Division Directors by the Director of the Administration Division, in consultation with the Director-General. The proposals of the Division Directors shall be submitted simultaneously to the Director of the Administration Division and to the Head of the Budget, Planning and Control and Finance Branch for consolidation.</del></p> | <p>ERP &amp; editorial<br/>In line with amendments to Regulation 3.3 and the implementation of results-based management in the new ERP solution.<br/>The Financial Regulations and Rules should be a higher level and the specific operational parameters set at the process level contained in the relevant administrative directive.<br/>The procedural controls have been moved to the relevant administrative directive.<br/>Editorial<br/>This sentence has been deleted, as it is already included in AD/FIN/19/Rev.1.<br/>This level of detail is not included in the financial regulations and rules of other international organisations.</p> | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/Fin/19/Rev.1</b>:<br/>In relation to Rule 3.3.01 of the Financial Regulations and Rules, the proposals of the Division Directors shall be submitted simultaneously to the Director of the Administration Division and to the Head of the Budget, Planning and Control and Finance Branch for consolidation.</p> |

| Current Text  | Proposed New Text   | Justification and Attribution   | Administrative Directive Reference |
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| <p><b>Rule 4.1.02</b><br/><b>Basis of obligations</b></p> <p>(a) Obligations for goods and services shall be based on a contractual agreement entered into under the responsibility of the Director-General on behalf of the OPCW. All such obligations shall be supported by appropriate obligating documents. The obligation shall be carried as an unliquidated obligation during the period set forth in Regulation 4.3, unless liquidated prior thereto.</p> <p>(b) All commitments, obligations and expenditures require at least two authorising signatures, in either conventional or electronic form. All commitments, obligations and expenditures must first be signed (certified) by a duly designated Certifying Officer. Following certification, duly designated Approving Officers (Financial Rule 10.1.04) must then sign to approve the establishment of obligations, the recording of expenditures in the accounts, and the processing of payments. Expenditures recorded against an established, certified obligation do not require additional</p> | <p><b>Rule 4.1.02</b><br/><b>Basis of obligations</b></p> <p>(a) Obligations for goods and services shall be based on a contractual agreement entered into under the responsibility of the Director-General on behalf of the OPCW <b>or his or her designated delegated authority</b>. All such obligations shall be supported by appropriate obligating documents <b>and, if applicable, a copy or proof of delegation of authority</b>. The obligation shall be carried as an unliquidated obligation during the period set forth in Regulation 4.3, unless liquidated prior thereto.</p> <p>(b) All commitments, obligations and expenditures require at least two authorising signatures, in either conventional or electronic form. All commitments, obligations and expenditures must first be <del>signed</del> (certified) by a duly designated Certifying Officer. <del>Following certification, duly designated Approving Officers (Financial Rule 10.1.04) must then sign to approve the establishment of obligations, the recording of expenditures in the accounts, and the processing of payments.</del> Expenditures recorded against an established, certified obligation do not require additional</p> | <p>ERP &amp; editorial<br/>Section (a) has been amended to provide for the provision of the delegated authority for contract signing, if such a situation arises.<br/>The amendments have also been made to accommodate the changes to Approving Officer in light of the new ERP terminology and to accommodate ERP implementation.</p> <p>ERP<br/>Approval will be conducted electronically in the ERP solution.<br/>Section (b) has been amended to take into account the role of the Approving Officer, as per the proposed amendments in Regulation 2.2 (previously Rule 2.2.02).</p> |                                    |



| Current Text   | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference |
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| <p>certification, provided that they do not exceed the amount obligated by more than EUR 2,500. The aggregate amount exceeded on a pre-encumbrance and obligation may not be more than EUR 2,500.</p>  | <p>certification, provided that they do not exceed the amount obligated by more than EUR 2,500. The aggregate amount exceeded on a pre-encumbrance and obligation may not be more than EUR 2,500.</p>  |  |                                    |
| <p><b>Rule 4.4.01</b><br/><b>Obligations which cannot be liquidated</b></p> <p>In those cases where the obligation cannot be liquidated within the time period set forth in Financial Regulation 4.3, the procedure under Financial Regulation 4.4 shall be followed. This procedure requires the examination of each such obligation in accordance with Financial Rule 10.3.06 before it is cancelled or re-obligated against appropriations of the current financial period.</p> | <p><b>Rule 4.4.01</b><br/><b>Obligations which cannot be liquidated</b></p> <p>In those cases where the obligation cannot be liquidated within the time period set forth in Financial Regulation 4.3, the procedure under Financial Regulation 4.4 shall be followed. This procedure requires the examination of each such obligation in accordance with Financial Rule 10.3.06 before it is cancelled or re-obligated against appropriations of the current financial period.</p> | <p>Editorial<br/>This is a typographical change, amended for stylistic consistency.</p>  |                                    |
| <p><b>Rule 5.4.01</b><br/><b>Contributions under Articles IV and V of the Convention</b></p> <p>(b)(v) In the exceptional circumstance that no agreement is reached during the 90-day period following receipt of the invoice, the Director-General shall, in his monthly report to the Executive Council on OPCW income and expenditures, include a report on unresolved differences concerning Article IV and V invoices, listing the</p>  | <p><b>Rule 5.4.01</b><br/><b>Contributions under Articles IV and V of the Convention</b></p> <p>(b)(v) In the exceptional circumstance that no agreement is reached during the 90-day period following receipt of the invoice, the Director-General shall, in his <b>or her</b> monthly report to the Executive Council on OPCW income and expenditures, include a report on unresolved differences concerning Article IV and V invoices, listing the</p>                          | <p>Editorial<br/>The rule has also been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p> |                                    |

| Current Text   | Proposed New Text   | Justification and Attribution  | Administrative Directive Reference                             |
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| <p>amounts involved and explaining the nature and duration of the dispute.</p> <p><b>Regulation 6.2</b></p> <p>At the end of each financial period the provisional cash balance for the financial period shall be determined by establishing the balance between the following credits and charges to the Regular Budget Fund:</p> <p>(a) credits:</p> <ul style="list-style-type: none"> <li>- contributions actually received for the financial period from States Parties; and</li> <li>- miscellaneous income received for the financial period;</li> </ul> <p>The provisional cash balance shall be retained in the Regular Budget Fund for the next twelve months.</p> <p><b>Regulation 6.3</b></p> <p>Cash surplus:</p> <p>(a) at the end of the twelve-month period referred to in Regulation 6.2 the cash surplus for the financial period shall be determined by crediting to the provisional cash balance:</p> <ul style="list-style-type: none"> <li>- any arrears of prior years' contributions received during that period;</li> <li>- any savings from the provisions made</li> </ul> | <p>amounts involved and explaining the nature and duration of the dispute.</p> <p><b>Regulation 6.2</b></p> <p>At the end of each financial period the provisional cash <del>balance</del><b>surplus or deficit</b> for the financial period shall be determined by establishing the balance between the following credits and charges to the Regular Budget Fund:</p> <p>(a) credits:</p> <ul style="list-style-type: none"> <li>- contributions actually received for the financial period from States Parties; and</li> <li>- miscellaneous income received for the financial period;</li> </ul> <p>The provisional <b>cash surplus or deficit</b> <del>cash balance</del> shall be retained in the Regular Budget Fund for the next twelve months.</p> <p><b>Regulation 6.3</b></p> <p><b>Cash-Final cash surplus or deficit:</b></p> <p>(a) at the end of the twelve-month period referred to in Regulation 6.2 the <b>final cash surplus or deficit</b> for the financial period shall be determined by crediting to the provisional cash <del>balance</del><b>surplus or deficit:</b></p> <ul style="list-style-type: none"> <li>- any arrears of prior years' contributions received during that period;</li> <li>- any savings from the provisions made</li> </ul> | <p>Editorial</p> <p>This section has been amended to specify the actions to be taken in the case of a cash surplus or deficit.</p> <p>Regulation 2.2 contains an additional definition for 'cash deficit'.</p> | <p>This regulation is clarified in <b>AD/FIN/12/Rev.1.</b></p> |
| <p>(a) at the end of the twelve-month period referred to in Regulation 6.2 the cash surplus for the financial period shall be determined by crediting to the provisional cash balance:</p> <ul style="list-style-type: none"> <li>- any arrears of prior years' contributions received during that period;</li> <li>- any savings from the provisions made</li> </ul>  | <p><b>Regulation 6.3</b></p> <p><b>Cash-Final cash surplus or deficit:</b></p> <p>(a) at the end of the twelve-month period referred to in Regulation 6.2 the <b>final cash surplus or deficit</b> for the financial period shall be determined by crediting to the provisional cash <del>balance</del><b>surplus or deficit:</b></p> <ul style="list-style-type: none"> <li>- any arrears of prior years' contributions received during that period;</li> <li>- any savings from the provisions made</li> </ul>  | <p>Editorial</p> <p>The phrase "or deficit" has been added to clarify the treatment of cash, and to provide the ability to use the cash surplus in the event of a negative cash flow situation.</p>            |  |



| Current Text  | Proposed New Text   | Justification and Attribution   | Administrative Directive Reference |
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| <p>administration; the exercise of economy; the efficient use of resources; and the proper custody of the OPCW's physical assets;</p> <p>(e) cause all disbursements to be made on the basis of supporting vouchers and other documents that ensure that the services or goods have been received and that payment has not previously been made;</p>  | <p>administration; the exercise of economy; the efficient use of resources; <b>segregation of duties; the system for delegation of authority;</b> and the proper custody of the OPCW's physical assets;</p> <p>(e) cause all disbursements to be made on the basis of supporting <del>vouchers and other documents</del><b>documentation</b> that ensure that the services or goods have been received and that payment has not previously been made;</p>   | <p>the necessary changes regarding designation of authority and segregation of duties, as detailed above, in light of the implementation of the new ERP solution.</p> <p>ERP<br/>The phrase concerning "vouchers" has been amended, to reflect the terminology of the new ERP solution.</p> |                                    |
| <p><b>Regulation 10.1.01</b></p> <p>The basis for payment of salaries and related entitlements to staff members shall be the letters of appointment and the salary scales and other entitlements as set out in the Staff Regulations, Rules and Directives. For payments to individuals other than staff members, such as consultants, lecturer meetings, inspector trainees and holders of fellowships, the payment of entitlements shall be based on the terms of the contractual agreement or other equivalent document setting out the emoluments applicable.</p> | <p><b>Regulation 10.1.01</b></p> <p>The basis for payment of salaries and related entitlements to staff members shall be the letters of appointment and the salary scales and other entitlements as set out in the Staff Regulations, Rules and <b>administrative d</b>irectives. For payments to individuals other than staff members, <del>such as consultants, lecturers at OPCW meetings, inspector trainees and holders of fellowships,</del> the payment of entitlements shall be based on the terms of the contractual agreement or other equivalent document setting out the emoluments applicable.</p> | <p>Editorial<br/>This regulation has been amended in order to make the non-staff member payments more inclusive than the prescriptive list provided, and to ensure consistent wording throughout.</p>   |                                    |

| Current Text  | Proposed New Text   | Justification and Attribution   | Administrative Directive Reference  |
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| <p><b>Rule 10.1.03</b><br/><b>Basis for payment for goods and services</b></p> <p>Subject to the provisions of Financial Rules 10.1.09 and 10.1.11 on advance and progress payments, payment for goods and services shall be made in accordance with the terms of the relevant contractual agreement.</p>   | <p><b>Rule 10.1.03</b><br/><b>Basis for payment for goods and services</b></p> <p>Subject to the provisions of Financial Rules <del>10.1.09</del><b>10.1.08</b> and <del>10.1.11</del><b>10.1.10</b> on advance and progress payments, payment for goods and services shall be made in accordance with the terms of the relevant contractual agreement.</p>   | <p>Editorial</p> <p>The internal citations in this rule have been revised to reflect the updated numbering given the proposed amendments to the Financial Regulations and Rules.</p>  |   |
| <p><b>Rule 10.1.04</b><br/><b>Approving Officer</b></p> <p>(a) The Director-General shall designate the Approving Officers and their alternates in a Financial Directive. To ensure segregation of duties, the Principal Financial Officer and the Treasury Officer shall not act as an Approving Officer.</p> <p>(c) Approving Officers must maintain detailed records of the obligations they approve, and must be prepared to submit any supporting documents, explanations and justifications that might be</p> | <p><b>Rule 10.1.04</b><br/><b>Approving Officer</b></p> <p>(a) The Director-General shall designate the Approving Officers and their alternates, <del>in a Financial Directive. To ensure segregation of duties, the Principal Financial Officer and the Treasury Officer shall not act as an Approving Officer.</del><br/><b>segregation of duties in accordance with the relevant administrative directive.</b></p> <p>(c) Approving Officers must maintain detailed records of the <del>transactions</del><b>obligations</b> they approve, and must be prepared to submit any supporting documents, explanations and</p> | <p>ERP</p> <p>This section has also been amended to accommodate the necessary changes regarding designation of authority and segregation of duties, as detailed above, in light of the implementation of the new ERP solution. The text in question has been removed and placed in the relevant administrative directive.</p> <p>ERP Section (c) has been amended in accordance with the definition in Regulation 2.2 and to be consistent with</p> | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be included in <b>AD/FIN/3/Rev.3</b>:</p> <p>In relation to Rule 10.1.04 of the Financial Regulations and Rules, to ensure segregation of duties, the Principal Financial Officer and the Treasury Officer shall not act as an Approving Officer.</p> |

| Current Text   | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference                              |
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| requested by the Director-General.   | justifications that might be requested by the Director-General.  | the terminology used in the ERP solution.  |   |
| <p><b>Rule 10.1.05</b><br/><b>Approval of obligations</b></p> <p>An Approving Officer shall be responsible for examining proposed obligations to ensure that the appropriate Certifying Officer has authorised the obligation because, as a general principle, no obligation shall be established without prior certification by a Certifying Officer.</p> | <p><b>Rule 10.1.05</b><br/><b>Approval of obligations</b></p> <p>An Approving Officer shall be responsible for examining proposed obligations to ensure that the appropriate Certifying Officer has authorised the obligation because, as a general principle, no obligation shall be established without prior certification by a Certifying Officer.</p> | <p>ERP</p> <p>Rule removed.</p> <p>ERP</p> <p>This rule is not necessary in light of the ERP system and in accordance with the changes proposed in Rule 2.2.02 Glossary of Definitions. The ERP system has electronic controls for such functions, and as such manual controls will be replaced by automated systems, which will prevent overspending.</p> |   |
| <p><b>Rule 10.1.06</b><br/><b>Approval of payments</b></p>   | <p><b>Rule 10.1.06</b><br/><b>Approval of payments</b></p>   | <p>Editorial</p> <p>The title of this rule has been revised to reflect the updated numbering given to the proposed amendments to the Financial Regulations and Rules.</p>  |   |
| <p>An Approving Officer shall be responsible for ensuring that vouchers and other documents passed by Certifying Officers for payment are properly supported by evidence that goods or services have been received in accordance with the contractual agreement establishing the obligation;</p>   | <p>An Approving Officer shall be responsible for ensuring that <del>vouchers and other documents</del><b>all transactions</b> passed by Certifying Officers for payment are properly supported by evidence that goods or services have been received in accordance with the contractual agreement establishing the</p>                                     | <p>ERP</p> <p>This rule has been amended to include standard terminology, in order to reflect transactional processing in the ERP system.</p>  | <p>This rule is further clarified in <b>AD/FIN/7/Rev.1.</b></p> |

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| <p>that the documentation comprises duly certified original vouchers; that payment has not previously been made; and that the supporting documents do not have irregularities which might indicate that the payment is not properly due.</p>  | <p>obligation; that the documentation comprises duly certified original vouchers; that payment has not previously been made; and that the supporting documents do not have irregularities which might indicate that the payment is not properly due.</p>  |   |                                    |
| <p><b>Rule 10.1.08</b><br/><b>Discounts</b></p>   | <p><del>Rule 10.1.08</del><br/><b>Rule 10.1.07</b><br/><b>Discounts</b></p>   | <p>Editorial<br/>Renumber of Rules.</p>   |                                    |
| <p><b>Rule 10.1.11</b><br/><b>Receipt of income</b></p> <p>Only the Principal Financial Officer, the Treasury Officer, and other officials designated by the Director-General shall be authorised to receive monies and to issue official receipts on behalf of the OPCW if so required by a State Party, donor or other contributor. Each receipt of money shall be recorded in the OPCW's accounting records by means of a receipt voucher as of the day of receipt and not later than the next business day.</p> | <p><del>Rule 10.1.11</del><br/><b>Rule 10.1.10</b><br/><b>Receipt of income</b></p> <p><del>Only the Principal Financial Officer, the Treasury Officer, and other officials designated by the Director-General, shall be authorised to receive monies and to issue official receipts on behalf of the OPCW if so required by a State Party, donor or other contributor. Each receipt of money shall be recorded in the OPCW's accounting records by means of a receipt voucher as of the day of receipt and not later than the next business day.</del></p> | <p>Editorial<br/>Renumber of Rules.</p> <p>ERP<br/>This rule has been amended to adjust the terminology to reflect transactional processing in the ERP system and the implementation of segregation of duties through ERP Roles and Responsibilities.</p> |                                    |
| <p><b>Rule 10.1.12</b><br/><b>Notification of income receipt</b></p>  | <p><del>Rule 10.1.12</del><br/><b>Rule 10.1.11</b><br/><b>Notification of income receipt</b></p>  | <p>Editorial<br/>Renumber of Rules.</p>   |                                    |
| <p><b>Rule 10.1.13</b><br/><b>Deposit of monies</b></p>   | <p><del>Rule 10.1.13</del><br/><b>Rule 10.1.12</b><br/><b>Deposit of monies</b></p>   | <p>Editorial<br/>Renumber of Rules.</p>   |                                    |
| <p><b>Rule 10.1.14</b><br/><b>Currency conversion</b></p>   | <p><del>Rule 10.1.14</del><br/><b>Rule 10.1.13</b><br/><b>Currency conversion</b></p>   | <p>Editorial<br/>Renumber of Rules.</p>   |                                    |
| <p><b>Rule 10.1.15</b><br/><b>Payments</b></p>  | <p><del>Rule 10.1.15</del><br/><b>Rule 10.1.14</b><br/><b>Payments</b></p>  | <p>Editorial<br/>Renumber of Rules.</p>   |                                    |

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| <p>The Principal Financial Officer, the Treasury Officer and other officials as designated by the Director-General are authorised to make payments which have been approved by an Approving Officer. Payments shall normally be made by written bank instruction, except for cash payments made from imprest funds. A payment shall be recorded on the accounts as of the date when the payment is processed. For the purpose of this Rule, written bank instructions shall include the following: cheques, transfer orders, payment orders, letters of credit, payment orders, and cables and other electronically transmitted instructions that are duly authenticated with the pertinent confidential code and of which a hard copy is retained.</p> | <p>The Principal Financial Officer, the Treasury Officer and other officials as designated by the Director-General are authorised to make payments which have been approved by an Approving Officer. Payments shall normally be made by <del>written bank instruction</del><b>electronic funds transfer</b>, except for cash payments made from imprest funds <b>or other cash payments exceptionally authorised by the Principal Financial Officer</b>. A payment shall be recorded on the accounts as of the date when the payment is processed. <del>For the purpose of this Rule, written bank instructions shall include the following: cheques, transfer orders, letters of credit, payment orders, and cables and other electronically transmitted instructions that are duly authenticated with the pertinent confidential code and of which a hard copy is retained.</del></p> | <p>ERP<br/>The implementation of the ERP system will replace these manual processes with automated electronic processes.<br/>Segregation of duties will be regulated through the implementation of roles and responsibilities in the ERP solution.<br/>Lastly, this rule has been updated in order to reflect modern banking practices.</p> |  |
| <p><b>Rule 10.1.16</b><br/><b>Bank signatories</b></p> <p>Written bank instructions shall be signed by two staff members designated by the Director-General pursuant to Rule 10.1.15. When satisfied that adequate safeguards are provided, the Director-General may authorise the signature of cheques by one signatory only or may authorise the use of facsimile or stamp</p>  | <p><del>Rule 10.1.16</del><b>Rule 10.1.15</b><br/><b>Bank signatories</b></p> <p><del>Written bank instructions shall be signed by two staff members designated by the Director-General pursuant to Rule 10.1.15. When satisfied that adequate safeguards are provided, the Director-General may authorise the signature of cheques by one signatory only or may authorise the use of facsimile or stamp</del></p>  | <p>Editorial<br/>Renumber of Rules.</p>   |  |
| <p>Written bank instructions shall be signed by two staff members designated by the Director-General pursuant to Rule 10.1.15. When satisfied that adequate safeguards are provided, the Director-General may authorise the signature of cheques by one signatory only or may authorise the use of facsimile or stamp</p>   |   | <p>ERP<br/>Segregation of duties will be regulated through the implementation of roles and responsibilities in the ERP solution.<br/>In addition this rule has been updated in order to</p>   | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/02/Rev.15</b> (N.B. The internal citations in this rule have been revised to reflect the updated</p> |



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| <p>signatures. Cables and other electronically transmitted instructions may be despatched only by staff members authorised by the Principal Financial Officer. To provide adequate internal control, Approving Officers shall not be authorised to issue written bank instructions.</p> | <p><del>signatures. Cables and other electronically transmitted instructions may be despatched only by staff members authorised by the Principal Financial Officer. To provide adequate internal control, Approving Officers shall not be authorised to issue written bank instructions.</del> <b>Bank signatory authority shall be assigned by the Director-General on a personal basis and cannot be delegated. Bank signatories cannot exercise the approving functions assigned in accordance with Rule 10.1.04. Two signatories are required to authorise any disbursement of funds.</b></p> | <p>reflect the implementation of the ERP system, which will replace these manual processes with automated electronic processes. Lastly this rule has been updated in order to reflect modern banking practices, and to minimise the prescriptive nature of the Financial Regulations and Rules.</p> | <p>numbering given the proposed amendments to the Financial Regulations and Rules.);<br/>In relation to <b>Rule 10.1.15</b> <del>10.1.16</del> of the Financial Regulations and Rules, written bank instructions shall be signed by two staff members designated by the Director-General pursuant to <b>Rule 10.1.14</b> <del>10.1.15</del> of the Financial Regulations and Rules. When satisfied that adequate safeguards are provided, the Director-General may authorise the signature of cheques by one signatory only or may authorise the use of facsimile or stamp signatures. Cables and other electronically transmitted instructions may be despatched only by staff members authorised by the Principal Financial Officer. To provide adequate internal control, Approving Officers shall not be authorised to issue written bank instructions.</p> |

| Current Text   | Proposed New Text   | Justification and Attribution   | Administrative Directive Reference  |
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| <p><b>Rule 10.1.17</b><br/>Accounting records</p> <p><b>Rule 10.2.02</b><br/><b>Responsibility for the non-expendable-property records</b></p> <p>Responsibility for the non-expendable-property records shall rest with the Principal Financial Officer, who shall designate the staff member(s) responsible for maintaining the property records, the staff member(s) accountable for the property records, and the staff member(s) accountable for the property.</p> <p>Non-expendable property shall be assigned to the receiving programme, and the Division Director concerned shall be responsible and accountable for the property. Where non-expendable property items are transferred from one programme to another programme, the property records shall be adjusted accordingly.</p> | <p><del>Rule 10.1.17</del><br/>Accounting records</p> <p><b>Rule 10.2.02</b><br/><b>Responsibility for the non-expendable-property records</b></p> <p>Responsibility for the non-expendable-property records shall rest with the Principal Financial Officer, who shall designate the staff member(s) responsible for maintaining the property records, the staff member(s) accountable for the property records, and the staff member(s) accountable for the property.</p> <p>Non-expendable property shall be assigned to the receiving programme, <b>and responsible and accountable custodians for the property.</b> <del>and the Division Director concerned shall be responsible and accountable for the property.</del> Where non-expendable property items are transferred from one programme to another programme, the property records shall be adjusted accordingly.</p> | <p>Editorial<br/>Renumber of Rules.</p>   | <p>Administrative Directive 06</p>  |
| <p><b>Rule 10.2.05</b><br/><b>Receipt of supplies and equipment</b></p> <p>All supplies, equipment or other property received by the OPCW shall be inspected to ensure that their condition is satisfactory and in accordance with the terms of the related contractual agreement. A receiving report shall be</p>   | <p><b>Rule 10.2.05</b><br/><b>Receipt of supplies and equipment</b></p> <p>All supplies, equipment or other property received by the OPCW shall be inspected to ensure that their condition is satisfactory and in accordance with the terms of the related contractual agreement. <del>A receiving report</del> <b>An</b></p>  | <p>Editorial<br/>Custodianship shall be defined in the Administrative Directive AD/FIN/06.<br/>This is in order to assign responsibility to the appropriate staff member who is accountable for the non-expendable property.<br/>ERP<br/>The ERP solution will assign an asset to a responsible person as part of the asset allocation/issue process.</p> | <p>The following definition will be inserted in to <b>AD/FIN/06</b>:<br/>Custodian shall mean the OPCW official to whom an asset has been issued by an Asset Holding Unit, and who has signed the Handover Form. The custodian shall be responsible for the storage, proper care, security and for reporting loss of or damage to an asset.</p> |
| <p><b>Rule 10.2.05</b><br/><b>Receipt of supplies and equipment</b></p> <p>All supplies, equipment or other property received by the OPCW shall be inspected to ensure that their condition is satisfactory and in accordance with the terms of the related contractual agreement. A receiving report shall be</p>   | <p><b>Rule 10.2.05</b><br/><b>Receipt of supplies and equipment</b></p> <p>All supplies, equipment or other property received by the OPCW shall be inspected to ensure that their condition is satisfactory and in accordance with the terms of the related contractual agreement. <del>A receiving report</del> <b>An</b></p>  | <p>ERP<br/>This rule has been amended in order to align with ERP system terminology.</p>  | <p>This is clarified further in <b>AD/FIN/01/Rev.3*</b>.</p>  |

| Current Text  | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference  |
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| <p>issued for all items received and shall be entered into the appropriate property records.</p> <p><b>Rule 10.2.06</b></p> <p><b>Supporting documentation</b></p> <p>All transactions related to supplies, equipment or other property shall be recorded, and these records shall be supported by appropriate vouchers or evidence of receipt and issue, except for such items where the maintenance of detailed records is deemed by the Principal Financial Officer to be uneconomical or impractical.</p> | <p><b>official receipt</b> shall be issued <b>registered</b> for all items received and shall be entered into the appropriate property records.</p> <p><b>Rule 10.2.06</b></p> <p><b>Supporting documentation</b></p> <p>All transactions related to supplies, equipment or other property shall be recorded, and these records shall be supported by appropriate vouchers or evidence of receipt and issue, <del>only</del> <b>authorised, handover form</b>, except <b>when it is defined to be uneconomical or impractical, in accordance with the relevant administrative directive.</b> <del>for such items where the maintenance of detailed records is deemed by the Principal Financial Officer to be uneconomical or impractical.</del></p> | <p>ERP</p> <p>This has been amended to reflect the standard practice of supply chain Management and to reflect the terminology used in the ERP solution.</p> | <p>The following provision, removed from this section of the Financial Regulations and Rules, will be included in <b>AD/FIN/06/Rev.3</b>:<br/>In relation to Rule 10.2.06 of the Financial Regulations and Rules, all transactions related to supplies, equipment or other property shall be recorded, and these records shall be supported by appropriate vouchers or evidence of receipt and issue for such items where the maintenance of detailed records is deemed by the Principal Financial Officer to be uneconomical or impractical.</p> |
| <p><b>Rule 10.2.07</b></p> <p><b>Property Survey Board</b></p> <p>The Director-General may establish a Property Survey Board to provide advice on the management of the OPCW's non-expendable property. The</p>   | <p><b>Rule 10.2.07</b></p> <p><b>Property Survey Board</b></p> <p>The Director-General may establish a Property Survey Board to provide advice on the management of the OPCW's non-expendable property. The composition</p>  | <p>Editorial</p> <p>This rule has been revised for clarification and in order to ensure consistent</p>   |   |

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| <p>composition of the Board and its terms of reference shall be determined by the Director-General and announced in a Financial Directive.</p> <p><b>Rule 10.2.09</b></p> <p><b>Removal of assets from the non-expendable property records</b></p> | <p>of the Board and its terms of reference shall be determined by the Director-General and announced in a <del>Financial Directive</del>.</p> <p><b>Rule 10.2.09</b></p> <p><b>Removal Differentiation of assets from in the non-expendable property records</b></p>   | <p>wording.</p> <p>Editorial</p> <p>The title of this rule has been amended to reflect its amended content, as below.</p>   | <p>The following provision, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/06/Rev.3</b>:</p> <p>In relation to Rule 10.2.08 of the Financial Regulations and Rules, removal of such items from the records shall require the prior authorisation of the Principal Financial Officer.</p> |
| <p>Property which has been lost, sold or disposed of shall be removed from the records of non-expendable property. Removal of such items from the records shall require the prior authorisation of the Principal Financial Officer.</p>            | <p>Property which has been lost, sold or disposed of shall be <b>differentiated from other property removed from the</b> records of non-expendable property. <del>Removal of such items from the records shall require the prior authorisation of the Principal Financial Officer, as set out in the relevant administrative</del> <b>directive.</b></p> | <p>ERP</p> <p>This rule has been amended to provide that records shall <i>not</i> be removed, as a modern ERP solution does not allow for the deletion of records which preserves the integrity of the data, which ensures that the OPCW will not lose historical data. Furthermore, assets should be defined as retired or non-active. Some of this content will be amended and provided in the relevant administrative directive.</p> | <p>The following provision, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/06/Rev.3</b>:</p> <p>In relation to Rule 10.2.08 of the Financial Regulations and Rules, removal of such items from the records shall require the prior authorisation of the Principal Financial Officer.</p> |
| <p><b>Rule 10.2.10</b></p> <p><b>Sales on a cash basis</b></p>   | <p><b>Rule 10.2.10</b></p> <p><b>Sales on a cash-monetary basis</b></p>  | <p>Editorial</p> <p>The title of this rule has been amended to reflect its amended content, as below.</p>   | <p>This rule is clarified in <b>AD/FIN/06/Rev.3</b>.</p>   |
| <p>Sales of OPCW property shall be on a basis of cash payments on or before delivery, except as provided for in Rules 10.2.08(c) and 10.2.08(d).</p>   | <p>Sales of OPCW property shall be on a basis of <del>cash-monetary</del> payments on or before delivery, except where provided for in <b>the relevant administrative</b></p>  | <p>ERP</p> <p>This provision has been amended to take into account other monetary</p>   | <p>This rule is clarified in <b>AD/FIN/06/Rev.3</b>.</p>   |

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| <p><b>Regulation 10.3</b></p> <p>No obligations shall be incurred until allotments or other appropriate authorisations have been made in writing by the Director-General.</p>   | <p><del>directive. Rules 10.2.08(e) and 10.2.08(d).</del></p> <p><b>Regulation 10.3</b></p> <p>No obligations shall be incurred until allotments or other appropriate authorisations have been made <del>in writing</del> by the Director-General.</p>   | <p>payments e.g. cash, bank transfer, in order to reflect modern practices and the terminology and systems necessary for the implementation of the new ERP system.</p>  |  |
| <p><b>Rule 10.3.03</b></p> <p><b>Proposals to incur obligations</b></p> <p>(a) Certifying Officers shall ensure that proposals to incur obligations against allotments under their responsibility are fully documented. The proposals shall indicate the purpose of the proposed expenditure and the specific allotment to be charged.</p> <p>(b) Designated Certifying Officers are responsible for managing the utilisation of resources, including posts, in accordance with the purposes for which those resources were approved, the</p> | <p><b>Rule 10.3.03</b></p> <p><b>Proposals to incur obligations</b></p> <p>(a) Certifying Officers shall ensure that proposals to incur obligations against allotments under their responsibility are fully documented. The proposals shall indicate the purpose of the proposed expenditure and the specific allotment to be charged.</p> <p>(b) <del>Designated Certifying Officers are responsible for managing the utilisation of resources, including posts, in accordance with the purposes for which those resources were approved, the</del></p> | <p>ERP</p> <p>This regulation has been amended to reflect the changes resulting from ERP implementation. Under the new ERP solution, electronic approvals shall be adequate and prerequisite method of approvals.</p> | <p>This regulation is clarified in <b>AD/FTN/03/Rev.3.</b></p> |
| <p>(a) Certifying Officers shall ensure that proposals to incur obligations against allotments under their responsibility are fully documented. The proposals shall indicate the purpose of the proposed expenditure and the specific allotment to be charged.</p> <p>(b) Designated Certifying Officers are responsible for managing the utilisation of resources, including posts, in accordance with the purposes for which those resources were approved, the</p>   | <p>(a) Certifying Officers shall ensure that proposals to incur obligations against allotments under their responsibility are fully documented. The proposals shall indicate the purpose of the proposed expenditure and the specific allotment to be charged.</p> <p>(b) <del>Designated Certifying Officers are responsible for managing the utilisation of resources, including posts, in accordance with the purposes for which those resources were approved, the</del></p>   | <p>Editorial</p> <p>The content of section b) is reflected in its entirety in Rule 10.3.04 c). As such it has been removed to avoid</p>   |  |

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| <p>principles of efficiency and effectiveness, and the Financial Regulations and Rules of the OPCW. Certifying Officers must maintain detailed records of all obligations and expenditures against the funding objects for which they have been delegated responsibility. They must be prepared to submit any supporting documents, explanations, and justifications requested by the Director-General.</p> <p><b>Rule 10.3.04</b><br/><b>Certifying Officers</b></p> <p>(a) The Director-General shall designate in a Financial Directive the individual Certifying Officers and their alternates, notwithstanding that the Principal Financial Officer shall have authority to act as Certifying Officer for obligations under all allotments. Certifying Officers shall be responsible for examining the proposed obligations to ensure that funds are available and have been allotted, and that the proposed expenditure is in accordance with the purpose for which the relevant appropriation was intended. The authority granted and responsibility assigned to Certifying Officers is a personal one and can be delegated only to the alternates as designated by the Director-General in the Financial Directive.</p> | <p>principles of efficiency and effectiveness, and the Financial Regulations and Rules of the OPCW. Certifying Officers must maintain detailed records of all obligations and expenditures against the funding objects for which they have been delegated responsibility. They must be prepared to submit any supporting documents, explanations, and justifications requested by the Director-General.</p> <p><b>Rule 10.3.04</b><br/><b>Certifying Officers</b></p> <p>(a) The Director-General shall designate in a <del>an</del> <b>administrative</b> Financial Directive the individual Certifying Officers and their alternates, notwithstanding that the Principal Financial Officer shall have authority to act as Certifying Officer for obligations under all allotments. Certifying Officers shall be responsible for examining the proposed obligations to ensure that funds are available and have been allotted, and that the proposed expenditure is in accordance with the purpose for which the relevant appropriation was intended. The authority granted and responsibility assigned to Certifying Officers is a personal one and can be delegated only to the alternates as designated by the Director-General in the</p> | <p>duplication and enhance clarity.</p>  |   |
| <p>(a) The Director-General shall designate in a Financial Directive the individual Certifying Officers and their alternates, notwithstanding that the Principal Financial Officer shall have authority to act as Certifying Officer for obligations under all allotments. Certifying Officers shall be responsible for examining the proposed obligations to ensure that funds are available and have been allotted, and that the proposed expenditure is in accordance with the purpose for which the relevant appropriation was intended. The authority granted and responsibility assigned to Certifying Officers is a personal one and can be delegated only to the alternates as designated by the Director-General in the Financial Directive.</p>   | <p>(a) The Director-General shall designate in a <del>an</del> <b>administrative</b> Financial Directive the individual Certifying Officers and their alternates, notwithstanding that the Principal Financial Officer shall have authority to act as Certifying Officer for obligations under all allotments. Certifying Officers shall be responsible for examining the proposed obligations to ensure that funds are available and have been allotted, and that the proposed expenditure is in accordance with the purpose for which the relevant appropriation was intended. The authority granted and responsibility assigned to Certifying Officers is a personal one and can be delegated only to the alternates as designated by the Director-General in the</p>   | <p>Editorial<br/>This rule has been revised for clarification and in order to ensure consistent wording.</p> | <p>This rule is clarified in AD/FIN/2/Rev.15; AD/FIN/17/Rev.4; and AD/FIN/19/Rev.1.</p> |

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| <p>(c) Certifying Officers are responsible for ensuring that the proposed utilisation of resources, including posts, is in accordance with the purposes for which those resources were approved and with the Financial Regulations and Rules of the OPCW. Certifying Officers must maintain detailed records of all obligations against the funding objects for which they have been delegated certifying responsibility. They must be prepared to submit any supporting documents, explanations and justifications requested by the Director-General.</p> | <p><del>a</del><b>Administrative</b> <del>Financial</del> <del>d</del>Directive.<br/>(c) Certifying Officers are responsible for <del>ensuring that the</del> <b>managing</b> <del>the proposed</del> utilisation of resources, including posts, is in accordance with the purposes for which those resources were approved and with the Financial Regulations and Rules of the OPCW. Certifying Officers must maintain detailed records of all obligations against the funding objects for which they have been delegated certifying responsibility. They must be prepared to submit any supporting documents, explanations and justifications requested by the Director-General.</p> |  |                                    |
| <p><b>Rule 10.3.05</b><br/><b>Increase and decrease in obligations</b><br/>Increases in obligations incurred or proposed shall be subject to the same procedures that apply to the incurring of original obligations. Certifying Officers shall have the responsibility for notifying the Approving Officer when an obligation is increased, decreased (other than by payment) or cancelled, so that the accounting records may be adjusted accordingly.</p>   | <p><b>Rule 10.3.05</b><br/><b>Increase and decrease in obligations</b><br/>Increases in obligations incurred or proposed shall be subject to the same procedures that apply to the incurring of original obligations. Certifying Officers shall <del>have the responsibility</del> <b>ensure for</b> <del>notifying the Approving Officer when</del> <b>an obligation is increased, decreased</b> <del>(other than by payment) or cancelled, so</del> that the <del>financial</del> <b>accounting</b> records <del>are</del> <b>may be</b> adjusted accordingly.</p>   | <p>Editorial<br/>This has been amended in accordance with the amendment to Regulation 2.2.</p> |                                    |

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| <p><b>Rule 10.3.06</b><br/><b>Review of outstanding obligations</b></p> <p>Certifying Officers shall be responsible for reviewing periodically the outstanding obligations retained against appropriations of the previous financial period in accordance with Regulation 4.3. Obligations reflected in the accounts which are no longer valid shall be cancelled from the accounts forthwith, and the resulting credit surrendered. If the obligation is determined to be valid, it shall be reobligated against the appropriations of the current financial period.</p> | <p><b>Rule 10.3.06</b><br/><b>Review of outstanding obligations</b></p> <p>Certifying Officers shall be responsible for reviewing periodically the outstanding obligations retained against appropriations of the previous financial period in accordance with Regulation 4.3. Obligations reflected in the accounts which are no longer valid shall be cancelled from the accounts forthwith, and the resulting credit surrendered. If the obligation is determined to be valid, it shall be re-obligated against the appropriations of the current financial period.</p> | <p>Editorial<br/>This rule has been amended to reflect a typographical change.</p>   |                                    |
| <p><b>Regulation 10.4</b></p> <p>The Director-General may make such <i>ex gratia</i> payments as he deems to be necessary in the interest of the OPCW, up to such limits as may be determined by the Executive Council and as may be approved by the Conference of the States Parties. The Director-General shall, in the OPCW's audited financial statements, submit a statement of such payments to the Executive Council and the Conference of the States Parties.</p>   | <p><b>Regulation 10.4</b></p> <p>The Director-General may make such <i>ex gratia</i> payments as he <b>or she</b> deems to be necessary in the interest of the OPCW, up to such limits as may be determined by the Executive Council and as may be approved by the Conference of the States Parties. The Director-General shall, in the OPCW's audited financial statements, submit a statement of such payments to the Executive Council and the Conference of the States Parties.</p>  | <p>Editorial<br/>The rule has also been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p> |                                    |
| <p><b>Regulation 10.5</b></p> <p>The Director-General shall, after full investigation, and subject to the recommendations of the Executive</p>  | <p><b>Regulation 10.5</b></p> <p>The Director-General <b>or other delegated authority in accordance with the relevant administrative</b></p>   | <p>ERP &amp; editorial<br/>This rule contains amendments made to allow</p>   |                                    |



| Current Text  | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference |
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| <p>Council and approval of the Conference of the States Parties, write off losses of cash, stores, and other assets. Notwithstanding the above, the Director-General shall, after full investigation and acting on his own authority and without prior consideration by the Executive Council and the Conference of the States Parties, authorise the write-off of losses of funds, stores, equipment, and other assets (other than arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention) to an amount not exceeding EUR 500 per item and not exceeding a total amount of EUR 10,000 in a given financial period. For arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention, the Director-General shall, after a full investigation and for the purposes of IPSAS-compliant reporting, write down the amounts that are outstanding. This write-down in no way constitutes a legal discharge of the arrears to the OPCW. Only the Conference of the States Parties, on the recommendation of the Executive Council, will have the authority to legally discharge Member States from the arrears of assessed contributions and from verification costs</p> | <p><b>directive</b> shall, after full investigation, and subject to the recommendations of the Executive Council and approval of the Conference of the States Parties, write off losses of cash, stores, and other assets. Notwithstanding the above, the Director-General <b>or other delegated authority in accordance with the relevant administrative directive</b> shall, after full investigation and acting on his <b>or her</b> own authority and without prior consideration by the Executive Council and the Conference of the States Parties, authorise the write-off of losses of funds, stores, equipment, and other assets (other than arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention) to an amount not exceeding EUR 500 per item and not exceeding a total amount of EUR 10,000 in a given financial period. For arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention, the Director-General <b>or other delegated authority in accordance with the relevant administrative directive</b> shall, after a full investigation and for the purposes of IPSAS-compliant reporting, write down the amounts that are outstanding. This write-down in no way constitutes a</p> | <p>for the terminology and systems concerning delegation of authority created by the new ERP solution. The rule has also been revised so as to make the content gender neutral throughout the Financial Regulations and Rules. This rule has been revised for clarification and in order to ensure consistent wording.</p> |                                    |

| Current Text   | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference  |
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| <p>that are outstanding.<br/>A statement of all write-offs and write-downs during each financial period shall be submitted to the External Auditor as part of the financial statements prepared under Regulation 11.1.</p>   | <p>legal discharge of the arrears to the OPCW. Only the Conference of the States Parties, on the recommendation of the Executive Council, will have the authority to legally discharge Member States from the arrears of assessed contributions and from verification costs that are outstanding.<br/>A statement of all write-offs and write-downs during each financial period shall be submitted to the External Auditor as part of the financial statements prepared under Regulation 11.1.</p>  |  |   |
| <p><b>Rule 10.5.01</b><br/><b>Writing-off of losses of cash, stores and assets</b></p> <p>Any loss of cash, stores and other assets must be reported by the Principal Financial Officer to the Director-General and, subsequently, to the External Auditor. No amount due to the OPCW may be waived without the prior written authorisation of the Director-General. The investigation referred to in Regulation 10.5 shall, in each case, fix the responsibility, if any, attaching to any staff member of the OPCW for the loss. Such staff member may be reimbursed by the Director-General to reimburse the loss, either partially or in full.</p> | <p><b>Rule 10.5.01</b><br/><b>Writing-off of losses of cash, stores and assets</b></p> <p>Any loss of cash, stores and other assets must be reported by the Principal Financial Officer to the Director-General and, subsequently, to the External Auditor. No amount due to the OPCW may be waived without the prior written authorisation of the Director-General <b>or other delegated authority as set out in the relevant administrative directive.</b> The investigation referred to in Regulation 10.5 shall, in each case, fix the responsibility, if any, attaching to any staff member of the OPCW for the loss. Such staff member may be requested by the Director-General, <b>or other delegated authority as set out in</b></p> | <p>ERP &amp; editorial<br/>This rule contains amendments made to allow for the terminology and systems concerning delegation of authority created by the new ERP solution.<br/>This rule has been revised for clarification and in order to ensure consistent wording.</p> | <p>This rule is clarified in <b>AD/FIN/13/Rev.1</b> and <b>AD/FIN/06/Rev.3.</b></p> |

| Current Text   | Proposed New Text   | Justification and Attribution  | Administrative Directive Reference  |
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| <p><b>Regulation 10.6</b></p> <p>General principles: Procurement functions include all actions necessary for the acquisition, by purchase, rental or lease, of property, including products and real property, and of services, including works. The following general principles shall be given due consideration when exercising the procurement functions of the OPCW:</p> <p>(a) best value for money;</p> <p>(b) fairness, integrity, and transparency;</p> <p>(c) effective international competition; and</p> <p>(d) the interests of the OPCW.</p> | <p><b>the relevant administrative directive, to reimburse the loss, either partially or in full.</b></p> <p><b>Regulation 10.6</b></p> <p>General principles: Procurement functions include all actions necessary for the acquisition, by purchase, rental or lease, of property, including products and real property, and of services, including works. The following general principles shall be given due consideration when exercising the procurement functions of the OPCW:</p> <p>(a) best value for money;</p> <p><b>(b) sustainability;</b></p> <p>(<del>b</del>c) fairness, integrity, and transparency;</p> <p>(<del>d</del>e) effective international competition; and</p> <p>(<del>e</del>f) the interests of the OPCW.</p> | <p>Editorial</p> <p>This regulation has been amended to promote sustainable procurement as a social responsibility of United Nations entities and international organisations, specifically in relation to the United Nation's Sustainable Development Goals (Transforming our world: the 2030 Agenda for Sustainable Development, 2015).</p> <p>Sustainability is an existing policy of the United Nations, and is something the OPCW inherits and cascades from the PROC network of high-level procurement practices. This is taken from the United Nations Sustainable Development Goals manual. Although it is referenced already in an administrative directive, this is just one sentence for a specific procedure. Having it as a</p> | <p>Definitions of these terms already are redrafted in <b>AD/FIN/01/Rev.3*</b>.</p> |

| Current Text  | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference                        |
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| <p><b>Rule 10.6.01</b></p> <p><b>Contractual agreements, authorised officials, and directives</b></p> <p>(a) Contractual agreements for the purchase, rental, or sale of goods or services, including professional services in the form of consultancies, but excluding staff contracts, shall be entered into on behalf of the OPCW only by officials duly authorised by the Director-General, as laid down in a Financial Directive. Purchasing, renting, or selling activities shall include, in addition to entering into contractual agreements, the calling for tenders, quotations, or proposals and the negotiation with potential suppliers or purchasers on the basis of detailed specifications.</p> <p>(b) The Director-General shall establish</p> | <p><b>Rule 10.6.01</b></p> <p><b>Contractual agreements, authorised officials, and directives</b></p> <p>(a) Contractual agreements for the purchase, rental, or sale of goods or services, including professional services in the form of consultancies, but excluding staff contracts, shall be <b>approved and</b> entered into on behalf of the OPCW only by officials duly authorised by the Director-General, as laid down in an <del>Financial</del> <b>administrative d</b>Directive. Purchasing, renting, or selling activities shall include, in addition to entering into contractual agreements, the calling for tenders, quotations, or proposals and the negotiation with potential suppliers or purchasers on the basis of detailed specifications.</p> <p>(b) The Director-General shall establish</p> | <p>principle in the Financial Regulations and Rules will mean that it is something that always has to be considered and factored in each judgment made concerning procurement. The procedure is set out in the revised version of the administrative directive – s. 21(3).</p> |   |
| <p>(b) The Director-General shall establish</p>   | <p>(b) The Director-General shall establish</p>  | <p>ERP &amp; editorial<br/>The terminology has been amended to reflect the implementation of the ERP project and the electronic processes contained and controlled therein.<br/>This rule has been revised for clarification and in order to ensure consistent wording.</p>    | <p>This rule is clarified in <b>AD/FTN/01/Rev.3*</b>.</p> |

| Current Text  | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference                  |
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| <p>a Financial Directive outlining the internal procurement procedures to be followed to ensure adherence to these Financial Rules. The Financial Directive shall include procedures for the selection of professional services as described in this Rule.</p> <p>(c) The Director-General shall establish a Committee on Contracts to render written advice on procurement actions, leading to the award or amendment of procurement contracts, which for the purposes of these Regulations and Rules includes the agreements or other written instruments, such as purchase orders and contracts. The Director-General shall establish the composition and the terms of reference of such a committee, which shall include the types and monetary values of the proposed procurement actions which are subject to review.</p> | <p><del>a an</del> <del>an</del> <del>administrative</del> <del>Directive</del> outlining the internal procurement procedures <b>including for different threshold levels</b> to be followed to ensure adherence to these Financial Rules. The <b>administrative</b> <del>Directive</del> shall include procedures for the selection of professional services as described in this Rule.</p> <p>(c) The Director-General shall establish a Committee on Contracts to render <del>written</del> <b>recorded</b> advice on procurement actions, leading to the award or amendment of procurement contracts, which for the purposes of these Regulations and Rules includes the agreements or other written instruments, such as purchase orders and contracts. The Director-General shall establish the composition and the terms of reference of such a committee, which shall include the types and monetary values of the proposed procurement actions which are subject to review.</p> |  |   |
| <p><b>Rule 10.6.02</b><br/><b>Requests for procurement</b></p> <p>Requests for procurement shall be made in writing and shall include full particulars and detailed specifications relating to the request. Such requests</p>   | <p><b>Rule 10.6.02</b><br/><b>Requests for procurement</b><br/><b>Purchase Requisition</b></p> <p><del>Requests for procurement shall be made in writing and</del> <b>Purchase requisitions</b> shall include full particulars and detailed specifications relating to the request.</p>  | ERP & editorial<br>The terminology has been amended to reflect the implementation of the ERP | This rule is clarified in <b>AD/FIN/01/Rev.3*</b> . |

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| <p>shall be authorised by the Certifying Officer concerned or a duly authorised delegated official and submitted to Rule 10.6.01 subject to availability of funds in accordance with Rule 10.3.04.</p>  | <p>Such <del>requests</del> <b>requests</b> shall be authorised by the Certifying Officer concerned or a duly authorised delegated official and submitted to officials authorised pursuant to Rule 10.6.01 subject to availability of funds in accordance with Rule 10.3.04.</p>   | <p>project and the electronic processes contained and controlled therein. This rule has been revised for clarification and in order to ensure consistent wording.</p>  |                                    |
| <p><b>Rule 10.6.05</b><br/><b>Opening of tenders</b></p> <p>The Director-General in a Financial Directive shall establish a tender-opening procedure. The Directive shall also define the composition and terms of reference of the tender-opening panel.</p>   | <p><b>Rule 10.6.05</b><br/><b>Opening of tenders</b></p> <p>A tender-opening procedure shall be established by the Director-General in <del>a Financial Directive</del> <b>an administrative Directive</b>. The Directive shall also define the composition and terms of reference of the tender-opening panel.</p>  | <p>Editorial<br/>This rule has been revised in order to ensure consistent wording.</p>   |                                    |
| <p><b>Rule 10.6.08</b><br/><b>Written findings</b></p> <p>Each determination or decision required of an authorised officer by the provisions of these Rules shall be supported by the written findings of such officer. These written findings shall be placed in the appropriate case file maintained by the responsible office, and shall accompany the related obligating documents submitted for approval and recording in the accounts. The information to be kept on record</p> | <p><del>Rule 10.6.08</del> <b>Rule 10.6.07</b><br/><b>Documented findings</b></p> <p>Each determination or decision required of an authorised officer by the provisions of these Rules shall be supported by the <b>documented</b> <del>written</del> findings of such officer. <del>in electronic or hardcopy</del> These <del>written</del> findings shall be placed in the appropriate case file maintained by the responsible office, and shall accompany the related obligating documents submitted for approval and recording in the accounts.</p> | <p>Editorial<br/>Renumber of Rules.<br/>ERP<br/>Substantive change to the terminology to reflect ERP processes.<br/>ERP &amp; Editorial<br/>The terminology has been amended to reflect the implementation of the ERP project, and to ensure consistent wording.<br/>This rule has been revised for clarification and in order to ensure consistent wording.</p> |                                    |

| Current Text  | Proposed New Text   | Justification and Attribution   | Administrative Directive Reference  |
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| documenting each tender or proposal and its outcome shall be established in a Financial Directive.  | The information to be kept on record documenting each tender or proposal and its outcome shall be established in a <del>Financial administrative</del> Directive.   |   |   |
| <b>Rule 10.6.09</b><br><b>Interested parties</b><br>A Financial Directive shall include details on the information to be provided to interested parties upon request after the award of a contractual agreement.  | <del>Rule 10.6.09</del> <b>Rule 10.6.08</b><br><b>Interested parties</b><br><del>A Financial administrative</del> Directive shall include details on the information to be provided to interested parties upon request after the award of a contractual agreement.  | Editorial<br>Renumber of Rules.<br>Editorial<br>The terminology has been amended to ensure consistent wording.  |   |
| <b>Rule 11.1.03</b><br><b>Basis of Accounting</b><br>The financial accounting records of the OPCW shall be maintained and financial statements prepared on an accrual basis, in accordance with the International Public Sector Accounting Standards. The basis of budgetary accounts shall be on a modified cash basis.  | <b>Rule 11.1.03</b><br><b>Basis of Accounting</b><br>The financial accounting records of the OPCW shall be maintained and financial statements prepared on an accrual basis, in accordance with the International Public Sector Accounting Standards. The basis of budgetary <b>accountings</b> shall be on a modified cash basis.  | Editorial<br>This rule has been amended to differentiate between accrual and modified cash basis accounting.  |   |
| <b>Rule 11.1.05</b><br><b>Retention and destruction of records</b><br>The Principal Financial Officer shall ensure that accounting and other financial and property records and all supporting documents are retained for five years or other period(s) as may be agreed with the External Auditor, after which, on the authority of the Director-General, such records and documents may be destroyed. The retention periods shall be spelled out in a Financial | <b>Rule 11.1.05</b><br><b>Retention and destruction of records</b><br>The Principal Financial Officer shall ensure that accounting and other financial and property records and all supporting documents are retained for a <b>period of five years unless otherwise set out in the relevant administrative directive</b> <del>for five years or other period(s) as may be agreed with the External Auditor</del> , after which, on the authority of the Director-General, such records and | ERP & editorial<br>The terminology has been amended to reflect the implementation of the ERP project, and to ensure consistent wording. The text will be included in the relevant administrative directive. | The following provision, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/17/Rev.4</b> :<br><br>In relation to Rule 11.1.05 of the Financial Regulations and Rules, the period after which, on the authority of |

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| Directive.   | documents may be destroyed. The retention periods shall be spelled out in a Financial Directive.   |   | the Director-General, the relevant records and documents may be destroyed, is five years. |
| <p><b>Rule 12.3.02</b></p> <p><b>Protection of sources</b></p> <p>The Director-General shall issue a Financial Directive establishing procedures to protect the identity of, and prevent reprisals against, any staff member making a complaint or disclosing information to, or cooperating in any audit, investigation or inspection by, the internal-oversight mechanism. The Financial Directive shall also provide for procedures to protect individual rights, the anonymity of staff members, due process for all parties concerned, and fairness during any investigations. It shall provide further that falsely accused staff members are fully cleared and that disciplinary or other proceedings are initiated without undue delay in cases where the Director-General considers it justified.</p> | <p><b>Rule 12.3.02</b></p> <p><b>Protection of sources</b></p> <p>The Director-General shall issue a <del>an</del> <b>administrative Financial Directive</b> establishing procedures to protect the identity of, and to prevent reprisals against, any staff member making a complaint or disclosing information to, or cooperating in any audit, investigation or inspection by, the internal-oversight mechanism. The <del>Financial</del> <b>administrative Directive</b> shall also provide for procedures to protect individual rights, the anonymity of staff members, due process for all parties concerned, and fairness during any investigations. It shall provide further that falsely accused staff members are fully cleared and that disciplinary or other proceedings are initiated without undue delay in cases where the Director-General considers it justified.</p> | Editorial<br>The terminology has been amended to ensure consistent wording. |   |
| <p><b>Rule 12.3.03</b></p> <p><b>Protection from disclosure to third parties</b></p> <p>The internal-oversight mechanism shall submit to the Director-General</p>  | <p><b>Rule 12.3.03</b></p> <p><b>Protection from disclosure to third parties</b></p> <p>The internal-oversight mechanism shall submit to the Director-General</p>  |   |   |
| The internal-oversight mechanism shall submit to the Director-General  | The internal-oversight mechanism shall submit to the Director-General  | Editorial<br>The terminology has been                                       |   |



| Current Text   | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference |
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| <p>procedures which complement those prepared under Rule 12.3.02. The mechanism shall be responsible for safeguarding suggestions and reports it receives from unauthorised disclosure to third parties.</p> <p>It will also ensure that the identity of the staff members and others who have submitted reports to the mechanism is not disclosed, as provided for in the Financial Directive under Rule 12.3.02.</p>   | <p>procedures which complement those prepared under Rule 12.3.02. The mechanism shall be responsible for safeguarding suggestions and reports it receives from unauthorised disclosure to third parties.</p> <p>It will also ensure that the identity of the staff members and others who have submitted reports to the mechanism is not disclosed, as provided for in the <del>Financial</del><b>administrative</b> directive under Rule 12.3.02.</p>   | <p>amended to ensure consistent wording.</p>   |                                    |
| <p><b>Regulation 13.2</b></p> <p>If the External Auditor ceases to hold office as Auditor-General in his own country, his appointment as External Auditor of the OPCW shall terminate forthwith and he shall be succeeded as External Auditor by the person who succeeds him as Auditor-General in his home country. The External Auditor may not otherwise be removed during the tenure of his appointment, except by the Conference of the States Parties.</p> | <p><b>Regulation 13.2</b></p> <p>If the External Auditor ceases to hold office as Auditor-General in his <b>or her</b> own country, his <b>or her</b> appointment as External Auditor of the OPCW shall terminate forthwith and he <b>or she</b> shall be succeeded as External Auditor by the person who succeeds him as Auditor-General in his <b>or her</b> home country. The External Auditor may not otherwise be removed during the tenure of his <b>or her</b> appointment, except by the Conference of the States Parties.</p> | <p>Editorial</p> <p>The rule has been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p> |                                    |
| <p><b>Regulation 13.7</b></p> <p>The Director-General shall provide the External Auditor with the facilities he may require to perform audits.</p>   | <p><b>Regulation 13.7</b></p> <p>The Director-General shall provide the External Auditor with the facilities he <b>or she</b> may require to perform audits.</p>   | <p>Editorial</p> <p>The rule has been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p> |                                    |

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| <p><b>Regulation 13.9</b></p> <p>The External Auditor shall issue a report and opinion on his audits of the OPCW's financial statements, which shall include such information as he deems necessary in regard to matters referred to in Regulation 13.4 and in the additional terms of reference set forth in the Annex to these Regulations.</p>  | <p><b>Regulation 13.9</b></p> <p>The External Auditor shall issue a report and opinion on his audits of the OPCW's financial statements, which shall include such information as he <b>or she</b> deems necessary in regard to matters referred to in Regulation 13.4 and in the additional terms of reference set forth in the Annex to these Regulations.</p>  | <p>Editorial</p> <p>The rule has been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p> |                                    |
| <p><b>Regulation 13.10</b></p> <p>The External Auditor shall transmit his report and opinion and the audited financial statements, in accordance with any directions given by the Conference of the States Parties, to the Executive Council. The Executive Council shall examine the audited financial statements and the External Auditor's report and opinion, and shall forward them to the Conference of the States Parties with such comments as it deems appropriate. The External Auditor's report and opinion and the audited financial statements shall be submitted to the Executive Council preferably not later than 31 May following the end of the financial period to which they relate.</p> | <p><b>Regulation 13.10</b></p> <p>The External Auditor shall transmit his <b>or her</b> report and opinion and the audited financial statements, in accordance with any directions given by the Conference of the States Parties, to the Executive Council. The Executive Council shall examine the audited financial statements and the External Auditor's report and opinion, and shall forward them to the Conference of the States Parties with such comments as it deems appropriate. The External Auditor's report and opinion and the audited financial statements shall be submitted to the Executive Council preferably not later than 31 May following the end of the financial period to which they relate.</p> | <p>Editorial</p> <p>The rule has been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p> |                                    |
| <p><b>Regulation 13.11</b></p> <p>The External Auditor or his representative shall be present when the</p>   | <p><b>Regulation 13.11</b></p> <p>The External Auditor or his <b>or her</b> representative shall be present when the</p>   | <p>Editorial</p> <p>The rule has been revised so</p>   |                                    |

| Current Text  | Proposed New Text  | Justification and Attribution   | Administrative Directive Reference |
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| <p>External Auditor's report and opinion is first considered by the Executive Council. In addition, the External Auditor or his representative may present his report and opinion to the Conference of the States Parties if he considers this necessary, or may be present during subsequent consideration of the External Auditor's report and opinion by the Executive Council or the Conference of the States Parties, if so requested by the Council or by the Conference of the States Parties.</p> <p><b>Regulation 14.2</b></p> <p>The Director-General may delegate to other staff members of the OPCW such authority as he considers necessary for the efficient and effective implementation of these Regulations and any Rules and Directives issued hereunder. Such delegations shall be communicated and documented in Financial Directives issued under the Financial Rules.</p> <p><b>Rule 14.2.01</b></p> <p><b>Delegation of authority</b></p> <p>The Director-General may delegate his authority to implement the Financial Regulations, Rules and Directives, subject to any limitations set forth elsewhere in these Rules. Such</p> | <p>External Auditor's report and opinion is first considered by the Executive Council. In addition, the External Auditor or his <b>or her</b> representative may present his <b>or her</b> report and opinion to the Conference of the States Parties if he <b>or she</b> considers this necessary, or may be present during subsequent consideration of the External Auditor's report and opinion by the Executive Council or the Conference of the States Parties, if so requested by the Council or by the Conference of the States Parties.</p> <p><b>Regulation 14.2</b></p> <p>The Director-General may delegate to other staff members of the OPCW such authority as he <b>or she</b> considers necessary for the efficient and effective implementation of these Regulations and any Rules and Directives issued hereunder. Such delegations shall be communicated and documented in <b>the relevant financial-administrative</b> Directives issued under the Financial Rules.</p> <p><b>Rule 14.2.01</b></p> <p><b>Delegation of authority</b></p> <p>The Director-General may delegate his <b>or her</b> authority to implement the Financial Regulations, Rules and Directives, subject to any limitations set forth elsewhere in these Rules. Such</p> | <p>as to make the content gender neutral throughout the Financial Regulations and Rules.</p>  |                                    |
| <p>The Director-General may delegate to other staff members of the OPCW such authority as he considers necessary for the efficient and effective implementation of these Regulations and any Rules and Directives issued hereunder. Such delegations shall be communicated and documented in Financial Directives issued under the Financial Rules.</p> <p><b>Rule 14.2.01</b></p> <p><b>Delegation of authority</b></p> <p>The Director-General may delegate his authority to implement the Financial Regulations, Rules and Directives, subject to any limitations set forth elsewhere in these Rules. Such</p>   | <p>The Director-General may delegate to other staff members of the OPCW such authority as he <b>or she</b> considers necessary for the efficient and effective implementation of these Regulations and any Rules and Directives issued hereunder. Such delegations shall be communicated and documented in <b>the relevant financial-administrative</b> Directives issued under the Financial Rules.</p> <p><b>Rule 14.2.01</b></p> <p><b>Delegation of authority</b></p> <p>The Director-General may delegate his <b>or her</b> authority to implement the Financial Regulations, Rules and Directives, subject to any limitations set forth elsewhere in these Rules. Such</p>   | <p>Editorial</p> <p>The terminology has been amended to ensure consistent wording.</p> <p>The rule has also been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p> |                                    |
| <p>The Director-General may delegate his authority to implement the Financial Regulations, Rules and Directives, subject to any limitations set forth elsewhere in these Rules. Such</p>  | <p>The Director-General may delegate his <b>or her</b> authority to implement the Financial Regulations, Rules and Directives, subject to any limitations set forth elsewhere in these Rules. Such</p>   | <p>ERP &amp; Editorial</p> <p>The terminology has been amended to reflect the implementation of the ERP project.</p>  |                                    |

| Current Text   | Proposed New Text  | Justification and Attribution   | Administrative Directive Reference |
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| <p>delegations of authority shall be made in writing. Staff members to whom the Director-General has delegated authority for the implementation of the Financial Regulations, Rules and Directives are responsible for the correct and proper exercise of such authority. Any staff member who takes any action contrary to the Financial Regulations or Rules and Directives issued in connection therewith may be subject to disciplinary proceedings in accordance with the Staff Regulations and Rules. Delegations of authority to other staff members does not relieve the Director-General from his overall responsibility.</p> | <p>delegations of authority shall be made <del>in writing</del> <b>formally documented</b>. Staff members to whom the Director-General has delegated authority for the implementation of the Financial Regulations, Rules and Directives are responsible for the correct and proper exercise of such authority. Any staff member who takes any action contrary to the Financial Regulations or Rules and Directives issued in connection therewith may be subject to disciplinary proceedings in accordance with the Staff Regulations and Rules. Delegations of authority to other staff members <del>does do</del> not relieve the Director-General from his <b>or her</b> overall responsibility.</p> | <p>The rule has also been revised so as to make the content gender neutral throughout the Financial Regulations and Rules. The delegation of authority should be recorded in a proper document, typically a memo, and that this should be specified in the Financial Regulations and Rules.</p> |                                    |
| <p><b>Regulation 16.3</b></p> <p>The Director-General shall issue such Financial Directives as he considers necessary to assist in the interpretation and application of the Financial Regulations and Rules.</p>  | <p><b>Regulation 16.3</b></p> <p>The Director-General shall issue such <del>Financial</del> <b>administrative</b> Directives as <del>he</del> <b>she</b> considers necessary to assist in the interpretation and application of the Financial Regulations and Rules.</p>   | <p>Editorial</p> <p>The terminology has been amended to ensure consistent wording.</p> <p>The rule has also been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p>   |                                    |

| Current Text   | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference |
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| <p style="text-align: center;"><b>ANNEX</b><br/><b>ADDITIONAL TERMS OF REFERENCE GOVERNING EXTERNAL AUDIT</b></p> <p>1. The External Auditor shall examine and check the OPCW's books of accounts and records, including the books and records of all trust and special funds, as he deems necessary to enable him to report whether:</p> <p>2. The External Auditor shall be the sole judge of whether to accept, in whole or in part, the Director-General's certifications and representations and may make such detailed examination and verification as he chooses of all financial records, including those relating to supplies and equipment.</p> <p>3. The External Auditor and his staff shall have free access at all convenient times to all books, records and other documentation which are necessary for the performance of an audit. The External Auditor and his staff shall respect the confidential nature of any classified information provided and shall not make use of it except in direct connection with the performance of audits. The External Auditor may draw to the attention of the Conference of the States Parties any denial of information</p> | <p style="text-align: center;"><b>ANNEX</b><br/><b>ADDITIONAL TERMS OF REFERENCE GOVERNING EXTERNAL AUDIT</b></p> <p>1. The External Auditor shall examine and check the OPCW's books of accounts and records, including the books and records of all trust and special funds, as he <b>or she</b> deems necessary to enable him <b>or her</b> to report whether:</p> <p>2. The External Auditor shall be the sole judge of whether to accept, in whole or in part, the Director-General's certifications and representations and may make such detailed examination and verification as he <b>or she</b> chooses of all financial records, including those relating to supplies and equipment.</p> <p>3. The External Auditor and his <b>or her</b> staff shall have free access at all convenient times to all books, records and other documentation which are necessary for the performance of an audit. The External Auditor and his <b>or her</b> staff shall respect the confidential nature of any classified information provided and shall not make use of it except in direct connection with the performance of audits. The External Auditor may draw to the attention of the Conference of the States Parties any</p> | <p>Editorial</p> <p>The rule has been revised so as to make the content gender neutral throughout the Financial Regulations and Rules.</p> |                                    |

| Current Text  | Proposed New Text   | Justification and Attribution | Administrative Directive Reference |
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| <p>classified as confidential which was required for an audit. Without prejudice to his duty to report to the Conference of the States Parties, the External Auditor and his staff shall comply with the OPCW Policy on Confidentiality.</p> <p>6. (a) a description of the nature and scope of his examination and any restrictions on it;</p> <p>7. The External Auditor may make such observations on the findings resulting from his audit and such comments on the Director-General's financial report as he deems appropriate to the Conference of the States Parties, its subsidiary organs or the Director-General.</p> <p>8. Whenever the scope of the External Auditor's audit is restricted or he is unable to obtain sufficient evidence, he shall note the matter in his opinion and report, making clear in the report the reasons for his comments, and the effect of any restrictions or lack of evidence on the financial position and the financial transactions recorded.</p> <p>9. The External Auditor shall not</p> | <p>denial of information classified as confidential which was required for an audit. Without prejudice to his <b>or her</b> duty to report to the Conference of the States Parties, the External Auditor and his <b>or her</b> staff shall comply with the OPCW Policy on Confidentiality.</p> <p>6. (a) a description of the nature and scope of his <b>or her</b> examination and any restrictions on it;</p> <p>7. The External Auditor may make such observations on the findings resulting from his <b>or her</b> audit and such comments on the Director-General's financial report as he <b>or she</b> deems appropriate to the Conference of the States Parties, its subsidiary organs or the Director-General.</p> <p>8. Whenever the scope of the External Auditor's audit is restricted or he <b>or she</b> is unable to obtain sufficient evidence, he <b>or she</b> shall note the matter in his <b>or her</b> opinion and report, making clear in the report the reasons for his <b>or her</b> comments, and the effect of any restrictions or lack of evidence on the financial position and the financial transactions recorded.</p> <p>9. The External Auditor shall not</p> |                               |                                    |

| Current Text   | Proposed New Text  | Justification and Attribution | Administrative Directive Reference |
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| <p>include any criticism in his opinion and report unless he has first afforded the Director-General adequate opportunity to explain the matter in question.</p> <p>10. The External Auditor is not required to mention any matter referred to in the foregoing provisions which, in his opinion, is neither material to the financial position presented by the annual financial statements nor significant to the financial affairs of the OPCW.</p> | <p>include any criticism in his <b>or her</b> opinion and report unless he <b>or she</b> has first afforded the Director-General adequate opportunity to explain the matter in question.</p> <p>10. The External Auditor is not required to mention any matter referred to in the foregoing provisions which, in his <b>or her</b> opinion, is neither material to the financial position presented by the annual financial statements nor significant to the financial affairs of the OPCW.</p> |                               |                                    |

Annex 2

**PROPOSED AMENDMENTS TO THE FINANCIAL REGULATIONS AND RULES OF THE OPCW  
RESULTING FROM INTERNAL ADMINISTRATIVE REVIEW**

| Current Text   | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference  |
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| <p><b>Rule 3.2.01</b><br/><b>Preparation of the draft budget</b><br/>The draft budget, both for expenditures and income, shall be prepared on a gross basis.</p>   | <p><b>Rule 3.2.01</b><br/><b>Preparation of the draft budget</b><br/>The draft budget, both for expenditures and income, shall be prepared on a gross basis: <del>as set out in the relevant administrative directive.</del></p>   | <p>This rule has been changed to reflect current practice.</p>                         | <p>This rule is clarified in <b>AD/FIN/19/Rev.1.</b></p>  |
| <p><b>Rule 4.1.02</b><br/><b>Basis of obligations</b><br/>(b) All commitments, obligations and expenditures require at least two authorising signatures, in either conventional or electronic form. All commitments, obligations and expenditures must first be signed (certified) by a duly designated Certifying Officer. Following certification, duly designated Approving Officers (Financial Rule 10.1.04) must then sign to approve the establishment of obligations, the recording of expenditures in the accounts, and the processing of payments. Expenditures recorded against an established, certified obligation do not require additional</p> | <p><b>Rule 4.1.02</b><br/><b>Basis of obligations</b><br/>(b) All commitments, obligations and expenditures require at least two authorising signatures, in either conventional or electronic form. All commitments, obligations and expenditures must first be signed (certified) by a duly designated Certifying Officer. Following certification, duly designated Approving Officers (Financial Rule 10.1.04) must then sign to approve the establishment of obligations, the recording of expenditures in the accounts, and the processing of payments. Expenditures recorded against an established, certified obligation do not require additional</p> | <p>The thresholds are operational parameters and will be accommodated in AD/FIN/3.</p> | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/3/Rev.3.:</b><br/>In relation to Rule 4.1.02(b) of the Financial Regulations and Rules, expenditures recorded against an established, certified obligation do not require additional certification, provided that they do not exceed the amount obligated by more than <b>EUR 2,5005,000</b>. The aggregate</p> |



| Current Text  | Proposed New Text  | Justification and Attribution  | Administrative Directive Reference  |
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| <p>certification, provided that they do not exceed the amount obligated by more than EUR 2,500. The aggregate amount exceeded on a pre-encumbrance and obligation may not be more than EUR 2,500.</p>   | <p>certification, provided that they do not exceed the amount obligated by more than EUR 2,500. <del>The aggregate amount exceeded on a pre-encumbrance and obligation may not be more than EUR 2,500.</del> <b>as set out in the relevant administrative directive.</b></p>   |  | <p>amount exceeded on a pre-encumbrance and obligation may not be more than EUR <b>2,5005,000</b>.</p>  |
| <p><b>Rule 4.5.01</b><br/><b>Transfers of funds</b></p> <p>(b) Requests for transfers of appropriated funds between approved budget programmes and/or between budget subprogrammes in accordance with Financial Regulations 4.5 and 4.6, but within the scope of objectives approved for the year in the annual programme and budget, shall be submitted by the designated Certifying Officer, through the Principal Financial Officer, to the Director-General for decision. These requests shall contain a description of the activity giving rise to the funding-transfer requirement, a justification for its urgency and estimated cost, and alternative sources of funding.</p> | <p><b>Rule 4.5.01</b><br/><b>Transfers of funds</b></p> <p>(b) Requests for transfers of appropriated funds between approved budget programmes and/or between budget subprogrammes in accordance with Financial Regulations 4.5 and 4.6, but within the scope of objectives approved for the year in the annual programme and budget, shall be submitted by the designated Certifying Officer, through the Principal Financial Officer, to the Director-General for decision. <del>These requests shall contain a description of the activity giving rise to the funding-transfer requirement, a justification for its urgency and estimated cost, and alternative sources of funding.</del></p> | <p>These details have been moved to AD/FIN/8/Rev.5 to provide the Organisation with the ability to re-allocate funds according to operational demands.</p> | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/8/Rev.5</b>:<br/>In relation to Rule 4.5.01 (b) of the Financial Regulations and Rules, the requests in question shall contain a description of the activity giving rise to the funding-transfer requirement, a justification for its urgency and estimated cost, and alternative sources of funding.</p> |
| <p><b>Regulation 6.3</b></p> <p>Cash surplus:</p>   | <p><b>Regulation 6.3</b></p> <p>Cash surplus:<br/><b>(b) Charging to the provisional surplus or deficit:</b></p>   | <p>A new sentence has been added to paragraph (c) to align with best practices of</p>  |   |

| Current Text  | Proposed New Text  | Justification and Attribution   | Administrative Directive Reference |
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| <p>(b) after the final audit by the External Auditor of the accounts for the twelve-month period referred to in Regulation 6.2 has been completed, the cash surplus shall be allocated among States Parties in accordance with the scale of assessments for the financial period to which the surplus relates; and</p> <p>(c) the individual allocations to those States Parties which have paid their assessed contributions in full for the financial period to which the surplus relates shall be applied to liquidate, in the following manner:</p> | <p>- <b>The cash deficit, if any, of the financial year for which the cash surplus or deficit is determined.</b></p> <p>(c<b>b</b>) after the final audit by the External Auditor of the accounts for the twelve-month period referred to in Regulation 6.2 has been completed, the cash surplus shall be allocated among States Parties in accordance with the scale of assessments for the financial period to which the surplus relates. <b>The allocation of a final cash deficit will be deferred until a final cash surplus is established in subsequent financial periods. The Conference of the States Parties may defer the allocation of the cash surplus if the surplus is required to finance a temporary cash shortage of the Regular Budget Fund; and</b></p> <p>(d<b>e</b>) the individual allocations to those States Parties which have paid their assessed contributions in full for the financial period to which the surplus relates shall be applied to liquidate, in the following manner:</p> | <p>other international organisations (e.g. IAEA Financial Regulations and Rules, section 7.03) to clarify the treatment of cash surpluses.</p> <p>The function of this amendment is, in part, so it can be less restrictive. This is to avoid inefficiency in having an extended process to enable rollover net deficits to years of net surplus in order to net surpluses and deficits. This gives FIN and BUD the ability to respond to changing circumstances and financial situations, without having to seek approval each year.</p> <p>This has been amended to clarify the rules around the distribution of cash surplus</p> |                                    |

| Current Text   | Proposed New Text   | Justification and Attribution  | Administrative Directive Reference   |
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| <p>- any outstanding advances to the Working Capital Fund;</p> <p>- any arrears of assessed contributions;</p> <p>- any arrears of contributions subject to the provisions of Articles IV and V of the Convention, provided the amounts concerned are not contested; and</p> <p>- assessed contributions for the current and following financial period.</p> | <p>- any outstanding advances to the Working Capital Fund;</p> <p>- any arrears of assessed contributions;</p> <p>- any arrears of contributions subject to the provisions of Articles IV and V of the Convention, provided the amounts concerned are not contested; and</p> <p>- assessed contributions for the current and following financial period.</p> <p><b>The allocations to the remaining Member States shall be so applied after their arrears of assessed contributions for the financial year to which the surplus relates have been liquidated in full.</b></p> |  |  |
| <p><b>Rule 7.1.04</b></p> <p><b>Adjustments to special funds and trust funds</b></p> <p>Adjustments which arise subsequent to the closing of special or trust funds shall be charged or credited to miscellaneous income of the appropriate account.</p>   | <p><b>Rule 7.1.04</b></p> <p><b>Adjustments to special funds and trust funds</b></p> <p>Adjustments which arise subsequent to the closing of special or trust funds shall be charged or credited <b>in accordance with the relevant administrative directive to miscellaneous income of the appropriate account.</b></p>  | <p>The text in this section has been moved to the Administrative Directive on Voluntary Contributions to Trust Funds, providing the Organisation with the ability to manage remaining balances in trust funds.</p> | <p>This rule is clarified in Administrative Directive <b>FIN/17/Rev.4.</b></p> |

| Current Text  | Proposed New Text   | Justification and Attribution  | Administrative Directive Reference                               |
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| <p><b>Rule 7.2.01</b><br/><b>Voluntary contributions involving financial liability</b></p> <p>Voluntary contributions which directly or indirectly involve a current or future financial liability for the OPCW shall be accepted by the Director-General only with the prior approval of the States Parties on the basis of a recommendation from the Executive Council. In submitting such cases for the approval of the Conference of the States Parties, the financial liability shall be indicated separately and suitably detailed.</p> | <p><b>Rule 7.2.01</b><br/><b>Voluntary contributions involving financial liability</b></p> <p>Voluntary contributions which directly or indirectly involve a current or future financial liability for the OPCW in <b>excess of the amount of the voluntary contribution</b> shall be accepted by the Director-General only with the prior approval of the Conference of the States Parties on the basis of a recommendation from the Executive Council. In submitting such cases for the approval of the Conference of the States Parties, the financial liability shall be indicated separately and suitably detailed. <b>No financial commitment shall be entered into by the OPCW in relation to the activities funded by a voluntary contribution until a signed contribution agreement has been established with the donor, in accordance with the relevant administrative directive.</b></p> | <p>This text has been amended to restrict the amount to which the Organisation commits itself i.e. obligations may only be raised once the OPCW has the right to the income/revenue. This amendment is due to the fact that the organisation enters into liability on an extra budgetary basis on the assumption of future voluntary contributions, which is a risk. So, the amendment is to indicate that this should be a rare occurrence and should need approval. This is with the caveat that States Parties will have to approve, so it will be highly restricted. Sometimes larger projects are not possible without entering in-to liabilities that can be met only with future contributions.</p> | <p>This rule is further clarified in <b>AD/FIN/17/Rev.4.</b></p> |

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| <p><b>Rule 9.1.02</b><br/><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>Rule 9.1.02</b><br/><b>Limit on investments with one institution</b></p> <p>The Director-General shall ensure that <b>OPCW total cash assets are invested in accordance with the investment policy as set out in the relevant administrative directive. 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.</b></p> | <p>The text in this section has been completely removed and placed in the relevant administrative directive. This amendment is to allow the Organisation sufficient ability to adjust and to take advantage of changing financial market conditions. Benchmarking against the practice of other organisations is not applicable here due to the fact that each international organisation has its own investment strategy, and their own committee. The Organisation is currently exceeding these limits and thresholds provided in the existing text, for example, due to the negative interest rates. It is an operational reality that should be reflected in the Financial Regulations and Rules. There are still sufficient</p> | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be included in <b>AD/FIN/5/Rev.4</b> and <b>AD/FIN/14/Rev.1:</b></p> <p>In relation to Rule 9.1.02 of the Financial Regulations and Rules, 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> |

| Current Text  | Proposed New Text   | Justification and Attribution  | Administrative Directive Reference   |
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| <p><b>Rule 10.1.07</b><br/>Certification of supporting documents</p> <p>For payments which are directly related to, and not in excess of, a recorded obligation whose establishment has previously been certified by a Certifying Officer, certification of the invoice shall not be required. For payments of EUR 2,500 and below, where no funds were reserved in advance by the recording of Rule 10.3.02, the supporting documentation indicating that a payment is due must be certified by a Certifying Officer before the payment may be approved.</p> | <p><del>Rule 10.1.07</del><b>Rule 10.1.06</b><br/>Certification of supporting documents</p>   | <p>safeguards and controls, as the Organisation has a committee on this issue, chaired by the Deputy Director-General, so any potential risk has been adequately adjudged.</p> <p>Editorial<br/>The title of this rule has been revised to reflect the updated numbering given the proposed amendments to the Financial Regulations and Rules.</p> |  |
| <p>For payments which are directly related to, and not in excess of, a recorded obligation whose establishment has previously been certified by a Certifying Officer, certification of the invoice shall not be required. For payments of EUR 2,500 and below, where no funds were reserved in advance by the recording of Rule 10.3.02, the supporting documentation indicating that a payment is due must be certified by a Certifying Officer before the payment may be approved.</p>  | <p>For payments which are directly related to, and not in excess of, a recorded obligation whose establishment has previously been certified by a Certifying Officer, certification of the invoice shall not be required. For payments of EUR 2,500 and below of low value procurements as defined set out in the relevant administrative directive, where no funds were reserved in advance by the recording of an obligation under the authority of Rule 10.3.02, the supporting documentation indicating that a payment is due must be certified by a Certifying Officer before the payment may be approved.</p> | <p>This rule has been amended to allow the Organisation the ability to take advantage of changing financial market conditions.</p>   | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/01/Rev.3*</b> and <b>AD/FIN/03/Rev.3:</b></p> <p>In relation to Rule <del>10.1.07</del><b>10.1.06</b> of the Financial Regulations and Rules, for payments of EUR <del>2,500</del><b>5,000</b> and below, where no funds were reserved in advance by the recording of an obligation under the authority of Rule 10.3.02, the</p> |

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| <p><b>Rule 10.1.09</b><br/><b>Advance payments</b></p> <p>(a) When standard commercial practices or the interest of the OPCW so requires, contractual agreements may exceptionally be issued to provide for payment or deposits in advance of the receipt of goods or the performance of services or the submission of shipping documents.</p> <p>(c) All advance payments shall be authorised by the Principal Financial Officer or by other officials designated by the Principal Financial Officer and shall be accompanied by appropriate safeguards. In addition, the Principal Financial Officer may authorise such other advances as may be approved by the Director-General.</p> | <p><del><b>Rule 10.1.09</b></del><b>Rule 10.1.08</b><br/><b>Advance payments</b></p> <p>(a) When standard commercial practices or the interest of the OPCW so requires, contractual agreements may <del>exceptionally</del> be issued to provide for payment or deposits in advance of the receipt of goods or the performance of services or the submission of shipping documents, <b>subject to the procedure as set out in the relevant administrative directive.</b></p> <p>(c) All advance payments shall be authorised by the <del>Principal Financial Officer or by other officials designated by the Principal Financial Officer</del> <b>designated officer in accordance with the relevant administrative directive</b> and shall be accompanied by appropriate safeguards. <del>In addition, the Principal Financial Officer may authorise such other advances as may be approved by the Director-General.</del></p> | <p>Editorial</p> <p>Renumbering of Rules.</p> <p>Sections (a) and (c) have been amended in accordance with current business practices and operational requirements. The text in this section has been amended and will be reflected in AD/FIN/07 Payments; AD/FIN/01 Procurement.</p> <p>This amendment in (a) removing the word “exceptionally” has been made to reflect that fact that it is in fact commonplace for vendors to require advance payment, especially for larger projects or for construction. It is an operational reality that should be reflected in the Financial Regulations and Rules. This was suggested</p> | <p>supporting documentation indicating that a payment is due must be certified by a Certifying Officer before the payment may be approved.</p> <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/07/Rev.1;</b><br/><b>AD/FIN/01/Rev.3*:</b></p> <p>In relation to Rule <del>10.1.09</del><b>10.1.08</b> of the Financial Regulations and Rules, the Principal Financial Officer may authorise such other advances as may be approved by the Director-General.</p> |

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| <p><b>Rule 10.1.1.10</b><br/><b>Imprest funds</b></p> <p>On behalf of the Director-General, the Principal Financial Officer may establish imprest funds when, in the opinion of the Principal Financial</p> | <p><del><b>Rule 10.1.1.10</b></del><b>Rule 10.1.09</b><br/><b>Imprest funds</b></p> <p>On behalf of the Director-General, the Principal Financial Officer may establish imprest funds when, in the opinion of the Principal Financial</p> | <p>and agreed to be deleted as it is common practice to make advance payments on utilities contracts such as energy and telecom at the OPCW and other international organisations, and can be qualified as industry standard: it is simply not possible to negotiate a post-delivery payment schedule with utilities companies. This does not however forego on the requirement to have sufficient safeguards and approvals, but rather refers to the frequency of advance payments occurring. The thresholds will be removed and replaced in the administrative directive, to ensure effective control mechanisms.</p> <p>Editorial<br/>Renumbering of Rules.</p> <p>This rule has been amended to allow the Organisation the ability to take advantage of changing financial</p> |   |
| <p><b>Rule 10.1.1.10</b><br/><b>Imprest funds</b></p> <p>On behalf of the Director-General, the Principal Financial Officer may establish imprest funds when, in the opinion of the Principal Financial</p> | <p><del><b>Rule 10.1.1.10</b></del><b>Rule 10.1.09</b><br/><b>Imprest funds</b></p> <p>On behalf of the Director-General, the Principal Financial Officer may establish imprest funds when, in the opinion of the Principal Financial</p> | <p>and agreed to be deleted as it is common practice to make advance payments on utilities contracts such as energy and telecom at the OPCW and other international organisations, and can be qualified as industry standard: it is simply not possible to negotiate a post-delivery payment schedule with utilities companies. This does not however forego on the requirement to have sufficient safeguards and approvals, but rather refers to the frequency of advance payments occurring. The thresholds will be removed and replaced in the administrative directive, to ensure effective control mechanisms.</p> <p>Editorial<br/>Renumbering of Rules.</p> <p>This rule has been amended to allow the Organisation the ability to take advantage of changing financial</p> | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in</p> |



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| <p>Officer, it would improve the efficiency of the OPCW's operations to do so, for example when the OPCW cannot make timely payment by following standard procedures. Such funds may be used only for the purposes specified, and payment made from them shall not exceed the limits authorised. The levels of the imprest funds should be established in line with operational requirements. The Principal Financial Officer shall establish procedures for the operation of imprest funds. The procedure shall be spelled out in a Financial Directive.</p> | <p>Officer, it would improve the efficiency of the OPCW's operations to do so, <del>for example when the OPCW cannot make timely payment by following standard procedures. Such funds may be used only for the purposes specified, and payment made from them shall not exceed the limits authorised. The levels of the imprest funds should be established in line with operational requirements. The Principal Financial Officer shall establish procedures for the operation of imprest funds. The procedure shall be spelled out in a Financial Directive.</del> <b>in accordance with the relevant administrative directive.</b></p> | <p>market conditions.</p>   | <p><b>AD/FIN/15/Rev.4:</b><br/>In relation to Rule 10.1.10 <b>10.1.09</b> of the Financial Regulations and Rules, when the OPCW cannot make timely payment by following standard procedures. Such funds may be used only for the purposes specified, and payment made from them shall not exceed the limits authorised. The levels of the imprest funds should be established in accordance with operational requirements. The Principal Financial Officer shall establish procedures for the operation of imprest funds.</p> |
| <p><b>Rule 10.2.01</b><br/><b>Accounting for non-expendable property</b></p> <p>The Principal Financial Officer shall ensure that complete and accurate records are maintained for all OPCW non-expendable property with a purchase or acquisition value of EUR 1,000 or more per unit and with a serviceable life of more than one year. Subject to these conditions, non-</p>   | <p><b>Rule 10.2.01</b><br/><b>Accounting for non-expendable property</b></p> <p>The Principal Financial Officer shall ensure that complete and accurate records are maintained for all OPCW non-expendable property with a purchase or acquisition value of <del>EUR 1,000 or more per unit</del> <b>out in the relevant administrative directive</b> and with a serviceable life of more than one</p>  | <p>This rule has been amended so that the thresholds are placed in the relevant administrative directive. This amendment allows the Organisation the ability to take advantage of changing financial market conditions.</p> | <p>The following provisions, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/06/Rev.3:</b><br/>In relation to Rule 10.2.01 of the Financial Regulations and Rules, the Principal Financial</p>   |

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| <p>expendable property includes inspection and laboratory equipment, information systems equipment, furniture, motor vehicles, and other tangible assets as may be purchased by the OPCW. The records shall document the value of equipment and other property purchased, and the projected serviceable life span of each asset. Attractive non-expendable items with a value below EUR 1,000 per unit shall also be subject to similar control. Financial accounting for non-expendable property will be in accordance with Financial Regulation 11.1 and Financial Rule 11.1.03.</p> | <p>year. Subject to these conditions, non-expendable property includes inspection and laboratory equipment, information systems equipment, furniture, motor vehicles, and other tangible assets as may be purchased by the OPCW. The records shall document the value of equipment and other property purchased, and the projected serviceable life span of each asset. Attractive non-expendable items with a value below EUR 1,000 per unit shall also be subject to similar control, as set out in the relevant administrative directive. Financial accounting for non-expendable property will be in accordance with Financial Regulation 11.1 and Financial Rule 11.1.03.</p> |                               | <p>Officer shall ensure that complete and accurate records are maintained for all OPCW non-expendable property with a purchase or acquisition value of EUR 1,000 or more per unit and with a serviceable life of more than one year. Subject to these conditions, non-expendable property includes inspection and laboratory equipment, information systems equipment, furniture, motor vehicles, and other tangible assets as may be purchased by the OPCW. The records shall document the value of equipment and other property purchased, and the projected serviceable life span of each asset. Attractive non-expendable items with a value below EUR 1,000 per unit shall also be subject to similar control.</p> |

| Current Text   | Proposed New Text   | Justification and Attribution  | Administrative Directive Reference  |
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| <p><b>Rule 10.2.08</b><br/><b>Sale or disposal of non-expendable property</b></p> <p>The Principal Financial Officer may arrange for the sale of non-expendable property declared surplus or unserviceable. Such sales shall normally be by competitive bidding. However, competitive bidding is not necessary when:</p> <p>(a) the estimated sales value is, in the opinion of the Principal Financial Officer, less than EUR 2,500;</p> <p>(b) the best interest of the OPCW will be served by sale at fixed unit prices recommended by the Principal Financial Officer and approved by the Director-General;</p> <p>(c) the exchange of property in partial or full payment for replacement equipment will, in the opinion of the Director-General, be in the interest of the OPCW; and</p> <p>(d) the destruction of the surplus or of unserviceable items will be more economical or is required by law or by the nature of the property.</p> | <p><b>Rule 10.2.08</b><br/><b>Sale or disposal of non-expendable property</b></p> <p>The Principal Financial Officer may arrange for the sale of non-expendable property declared surplus or unserviceable. Such sales shall normally be by competitive bidding. <del>However, competitive bidding is not necessary, unless otherwise determined in accordance with as set out in the relevant administrative directive.</del></p> <p>when:</p> <p>(a) the estimated sales value is, in the opinion of the Principal Financial Officer, less than EUR 2,500;</p> <p>(b) the best interest of the OPCW will be served by sale at fixed unit prices recommended by the Principal Financial Officer and approved by the Director-General;</p> <p>(c) the exchange of property in partial or full payment for replacement equipment will, in the opinion of the Director-General, be in the interest of the OPCW; and</p> <p>(d) the destruction of the surplus or of unserviceable items will be more economical or is required by law or by the nature of the property.</p> | <p>This rule has been amended to allow the Organisation the ability to take advantage of changing financial market conditions. The removed text will be included in the relevant administrative directive.</p> | <p>The following provision, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/06/Rev.3</b>:</p> <p>In relation to Rule 10.2.08 of the Financial Regulations and Rules, competitive bidding is not necessary when:</p> <p>(a) the estimated sales value is, in the opinion of the Principal Financial Officer, less than EUR 2,500;</p> <p>(b) the best interest of the OPCW will be served by sale at fixed unit prices or donation recommended by the Principal Financial Officer and approved by the Director-General;</p> <p>(c) the exchange of property in partial or full payment for replacement equipment is in the interest of the OPCW will, in the opinion of the Director-General, be in the</p> |

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| <p><b>Rule 10.3.02</b><br/><b>Expenditure items requiring obligation documents</b></p> <p>Certifying Officers shall ensure that funds are reserved in the appropriate allotment account through the recording of an obligation before a commitment is entered into from any contract, agreement, or undertaking of any nature and which exceeds EUR 2,500.</p> <p>Obligations for salaries, common staff costs, temporary assistance, overtime, and travel shall require reservation of funds in the appropriate allotment accounts before a commitment is entered into, irrespective of the amount involved.</p> | <p><b>Rule 10.3.02</b><br/><b>Expenditure items requiring obligation documents</b></p> <p>Certifying Officers shall ensure that funds are reserved in the appropriate allotment account through the recording of an obligation before a commitment is entered into from any contract, agreement, or undertaking of any nature and which exceeds <del>EUR 2,500</del> <b>the threshold in accordance withset in the relevant administrative directive.</b></p> <p>Obligations for salaries, common staff costs, temporary assistance, overtime, and travel shall require reservation of funds in the appropriate allotment accounts before a commitment is entered into, irrespective of the amount involved.</p> |                               | <p>interest of the OPCW; or (d) the destruction of the surplus or of unserviceable items will be more economical or is required by law or by the nature of the property.</p>  |
| <p>Certifying Officers shall ensure that funds are reserved in the appropriate allotment account through the recording of an obligation before a commitment is entered into from any contract, agreement, or undertaking of any nature and which exceeds EUR 2,500.</p> <p>Obligations for salaries, common staff costs, temporary assistance, overtime, and travel shall require reservation of funds in the appropriate allotment accounts before a commitment is entered into, irrespective of the amount involved.</p>  | <p>This rule has been amended to allow the Organisation the ability to take advantage of changing financial market conditions. The removed text will be amended and included in the relevant administrative directive.</p>   |                               | <p>The following provision, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/3/Rev.3:</b></p> <p>In relation to Rule 10.3.02 of the Financial Regulations and Rules, Certifying Officers shall ensure that funds are reserved in the appropriate allotment account through the recording of an obligation before a commitment is entered into from any contract, agreement, or undertaking of any nature and which exceeds EUR <b>2,5005,000</b>.</p> |

| Current Text   | Proposed New Text   | Justification and Attribution  | Administrative Directive Reference   |
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| <p><b>Rule 10.4.01</b><br/><b>Ex gratia payments</b></p> <p>The Director-General may make ex gratia payments up to such limits as determined by the Executive Council from time to time in cases when, although in the opinion of the Legal Adviser there is no legal liability on the OPCW, the moral obligation is such as to make payment desirable in the interest of the OPCW. The personal approval of the Director-General is required for ex gratia payments when:</p> <p>(a) the amount exceeds EUR 5,000; or</p> | <p><b>Rule 10.4.01</b><br/><b>Ex gratia payments</b></p> <p>The Director-General may make ex gratia payments up to such limits as determined by the Executive Council from time to time in cases when, although in the opinion of the Legal Adviser there is no legal liability on the OPCW, the moral obligation is such as to make payment desirable in the interest of the OPCW. The personal approval of the Director-General is required for ex gratia payments when:</p> <p>(a) the amount exceeds <del>EUR 5,000</del><b>the amount set out in the relevant administrative directive; or</b></p> | <p>This rule has been amended to allow the Organisation the ability to take advantage of changing financial market conditions. IAEA, for example, does not include thresholds in their Financial Regulations and Rules, instead opting to keep the thresholds in administrative issuances as secondary sources. The text removed here will be included in the relevant administrative directive.</p> | <p>The following provision, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/07/Rev.1</b>:</p> <p>In relation to Rule 10.4.01 of Financial Regulations and Rules, the threshold after which the personal approval of the Director-General is required for ex gratia payments is EUR 5,000.</p> |
| <p><b>Regulation 10.5</b></p> <p>The Director-General shall, after full investigation, and subject to the recommendations of the Executive Council and approval of the Conference of the States Parties, write off losses of cash, stores, and other assets. Notwithstanding the above, the Director-General shall, after full investigation and acting on his own authority and without prior consideration by the Executive Council and the Conference of the States Parties,</p>  | <p><b>Regulation 10.5</b></p> <p>The Director-General shall, after full investigation, and subject to the recommendations of the Executive Council and approval of the Conference of the States Parties, write off losses of cash, stores, and other assets. Notwithstanding the above, the Director-General shall, after full investigation and acting on his own authority and without prior consideration by the Executive Council and the Conference of the States Parties, authorise the write-off of losses</p>   | <p>This rule has been amended to allow the Organisation the ability to take advantage of changing financial market conditions. The thresholds removed here will be included in the relevant administrative directive.</p>  | <p>The following provision, removed from this section of the Financial Regulations and Rules, will be included in <b>AD/FIN/13/Rev.1</b> and <b>AD/FIN/06/Rev.3</b>:</p> <p>Notwithstanding Regulation 10.5 of the Financial Regulations and Rules, the Director-General shall, after full investigation and acting</p>                        |

| Current Text  | Proposed New Text  | Justification and Attribution | Administrative Directive Reference  |
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| <p>authorise the write-off of losses of funds, stores, equipment, and other assets (other than arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention) to an amount not exceeding EUR 500 per item and not exceeding a total amount of EUR 10,000 in a given financial period. For arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention, the Director-General shall, after a full investigation and for the purposes of IPSAS-compliant reporting, write down the amounts that are outstanding. This write-down in no way constitutes a legal discharge of the arrears to the OPCW. Only the Conference of the States Parties, on the recommendation of the Executive Council, will have the authority to legally discharge Member States from the arrears of assessed contributions and from verification costs that are outstanding.</p> <p>A statement of all write-offs and write-downs during each financial period shall be submitted to the External Auditor as part of the financial statements prepared under Regulation 11.J.</p> | <p>of funds, stores, equipment, and other assets (other than arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention). <b>The amount up to which the Director-General may authorise such write-offs shall be set out not exceeding EUR 500 per item and not exceeding a total amount of EUR 10,000 in the relevant in an administrative directive. to an amount not exceeding EUR 500 per item and not exceeding a total amount of EUR 10,000 in a given financial period.</b></p> <p>For arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention, the Director-General shall, after a full investigation and for the purposes of IPSAS-compliant reporting, write down the amounts that are outstanding. This write-down in no way constitutes a legal discharge of the arrears to the OPCW. Only the Conference of the States Parties, on the recommendation of the Executive Council, will have the authority to legally discharge Member States from the arrears of assessed contributions and from verification costs</p> |                               | <p>on their own authority and without prior consideration by the Executive Council and the Conference of the States Parties, authorise the write-off of losses of funds, stores, equipment, and other assets (other than arrears of assessed contributions and the payment of verification costs under Articles IV and V of the Convention) to an amount not exceeding EUR 500 per item and not exceeding a total amount of EUR 10,000 in a given financial period.</p> |

| Current Text   | Proposed New Text   | Justification and Attribution  | Administrative Directive Reference   |
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|  | <p>that are outstanding.<br/>A statement of all write-offs and write-downs during each financial period shall be submitted to the External Auditor as part of the financial statements prepared under Regulation 11.1.</p>  |  |  |
| <p><b>Rule 10.6.03</b><br/><b>Calls for tenders, quotations, or proposals</b></p> <p>(a) Except as provided in Rule 10.6.04, contractual agreements for the purchase or rental of goods or services shall be let after calling for tenders, quotations, or proposals.</p> <p>(b) Tenders shall be required for procurement requests of over EUR 35,000 and shall be invited by advertising through publication or distribution of formal invitations to tender on as wide an international basis as possible, taking into account the existence of possible sources of procurement.</p> <p>(c) All calls for tenders, quotations, and proposals issued for inspection equipment will carry the stipulation that procurement of items of equipment will be subject to the commercial availability</p> | <p><b>Rule 10.6.03</b><br/><b>Calls for tenders, quotations, or proposals</b></p> <p>(a) Except as provided in Rule 10.6.04, contractual agreements for the purchase or rental of goods or services shall be let after calling for tenders, quotations, or proposals: <b>as set out in the relevant administrative directive.</b></p> <p><del>(b) Tenders shall be required for procurement requests of over EUR 35,000 and shall be invited by advertising through publication or distribution of formal invitations to tender on as wide an international basis as possible, taking into account the existence of possible sources of procurement.</del></p> <p>(b) All calls for tenders, quotations, and proposals issued for inspection equipment will carry the stipulation that procurement of items of equipment will be subject to the commercial availability</p> | <p>The text containing the thresholds has been removed and will be included in the relevant administrative directive, as the content is procedural and as such it is felt that it should not be prescribed in the Financial Regulations and Rules.</p> <p>All revisions to the thresholds concerning Procurement have been determined based on an evaluation of Procurement spending practises of United Nations organisations and other international organisations, and a thorough assessment of the</p> | <p>The following provision, removed from this section of the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/01/Rev.3*</b>:<br/>(<del>ab</del>) Tenders shall be required for <b>purchase requisitions</b> procurement requests of <del>for</del> over EUR <b>35,000</b><del>100,000</del> <b>high value procurement</b>, and shall be invited by advertising through publication or distribution of formal invitations to tender on as wide an international basis as possible, taking into account the existence of possible sources of procurement.<br/>(<del>bc</del>) Invitations to tender shall provide all information</p> |

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| <p>of all such items to States Parties.</p> <p>(d) Invitations to tender shall provide all information necessary for a potential supplier to prepare a tender for the goods or services to be provided. Criteria that will be used to determine the award (such as cost, technical acceptability, and time for completion) and the relative importance of such criteria shall be specifically described in the invitation.</p> <p>(e) Where the nature of the work involved precludes invitations to tender and where proposals are called, a comparative analysis of such proposals shall be kept on record.</p> <p>(f) Quotations shall be required for procurement requests of EUR 2,500 to EUR 35,000 and shall be invited by the distribution of at least three requests to quote. Supporting documentation shall be kept on record.</p> <p>(g) A list of authorised suppliers may be kept in accordance with Financial Directives to be issued by the Director-General. Inclusion in this list shall not be construed as a prerequisite for submitting a valid tender where no pre-qualification criteria have been established. Such a list shall periodically</p> | <p>of all such items to States Parties.</p> <p><del>(d) Invitations to tender shall provide all information necessary for a potential supplier to prepare a tender for the goods or services to be provided. Criteria that will be used to determine the award (such as cost, technical acceptability, and time for completion) and the relative importance of such criteria shall be specifically described in the invitation.</del></p> <p><del>(e) Where the nature of the work involved precludes invitations to tender and where proposals are called, a comparative analysis of such proposals shall be kept on record.</del></p> <p><del>(f) Quotations shall be required for procurement requests of EUR 2,500 to EUR 35,000 and shall be invited by the distribution of at least three requests to quote. Supporting documentation shall be kept on record.</del></p> <p><del>(g) A list of authorised suppliers may be kept in accordance with Financial Directives to be issued by the Director-General. Inclusion in this list shall not be construed as a prerequisite for submitting a valid tender where no pre-qualification criteria have been established. Such a list shall periodically</del></p> | <p>procurement practices of the OPCW.</p> | <p>necessary for a potential supplier to prepare a tender for the goods or services to be provided. Criteria that will be used to determine the award (such as cost, technical acceptability, and time for completion) and the relative importance of such criteria shall be specifically described in the invitation.</p> <p><b>(ce)</b> Where the nature of the work involved precludes invitations to tender and where proposals are called, a comparative analysis of such proposals shall be kept on record.</p> <p><b>(df)</b> Quotations shall be required for <del>procurement requests-purchase</del> <b>requirements</b> of EUR <del>2,500</del> <b>5000</b> to EUR <del>35,000</del> <b>100,000</b> and shall be invited by the distribution of at least three requests to quote. Supporting documentation shall be kept on record.</p> <p><b>(ge)</b> A list of authorised suppliers may be kept in</p> |



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| <p>be made available to States Parties.</p> <p>(h) For more complex projects, including orders for custom-designed technology, pre-qualification criteria shall be established to ensure that only those suppliers assessed as capable of performing the work incur the cost of submitting a tender. Such pre-qualification criteria shall be made public well in advance of any project.</p> <p>(i) The Director-General shall, in accordance with the Financial Regulations and Rules, seek to provide a full and fair competitive opportunity to all potential suppliers, whilst also ensuring a transparent and competitive procurement procedure.</p> | <p><del>be made available to States Parties:</del></p> <p>(ch) For more complex projects, including orders for custom-designed technology, pre-qualification criteria shall be established to ensure that only those suppliers assessed as capable of performing the work incur the cost of submitting a tender. Such pre-qualification criteria shall be made public well in advance of any project.</p> <p>(di) The Director-General shall, in accordance with the Financial Regulations and Rules, seek to provide a full and fair competitive opportunity to all potential suppliers, whilst also ensuring a transparent and competitive procurement procedure <del>as set out in the relevant administrative directive.</del></p> |   | <p>accordance with <del>Administrative d</del>Directives to be issued by the Director-General. Inclusion in this list shall not be construed as a prerequisite for submitting a valid tender where no pre-qualification criteria have been established. Such a list shall periodically be made available to States Parties.</p> |
| <p><b>Rule 10.6.04</b></p> <p><b>Exceptions to calling for tenders, quotations, or proposals</b></p> <p>Contractual agreements may be awarded without calling for tenders, quotations, or proposals, provided that such agreements are in compliance with Rule 10.6.03(c) and when:</p> <p>(a) the proposed contractual agreement involves commitments of under EUR 2,500;</p>   | <p><b>Rule 10.6.04</b></p> <p><b>Exceptions to calling for tenders, quotations, or proposals</b></p> <p>Contractual agreements may be awarded without calling for tenders, quotations, or proposals, provided that such agreements are in compliance with Rule 10.6.03 (b)(e) and when:</p> <p>(a) the proposed contractual agreement involves commitments of <b>the low value procurement as set out in the relevant</b></p>  | <p>This rule has been amended to reflect current procurement standards, specifically in relation to the United Nations Procurement Manual (Rev. 7/Ch.9.18 – Annex 12).</p> <p>The content including thresholds has been moved</p> | <p>The following provision, removed from this section of the FRR, will be redrafted in <b>AD/FIN/1/Rev.3*</b> (N.B. The internal citations in this content have been revised to reflect the updated numbering given the proposed amendments to the</p>  |

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| <p>(b) the proposed contractual agreement involves a sole available supplier of a particular good or service;</p> <p>(c) the prices or rates are fixed pursuant to national legislation or by regulatory bodies;</p> <p>(d) the goods or services are available only from a particular supplier for reasons of standardisation and because of the need for compatibility with existing goods or services; or</p> <p>(e) in extreme cases, the exigencies of the OPCW do not permit the delay attendant upon calling for tenders, quotations or proposals.</p> <p>(f) the goods or services are on the list of authorised suppliers or are standardised equipment for inspection that is subject to familiarisation by the States Parties.</p> | <p><del>administrative directive under</del> EUR 2,500;</p> <p>(b) the proposed contractual agreement involves a sole available supplier of a particular good or service;</p> <p>(c) the prices or rates are fixed pursuant to national legislation or by regulatory bodies;</p> <p>(d) the goods or services are available only from a particular supplier for reasons of standardisation and because of the need for compatibility with existing goods or services; or</p> <p>(e) in extreme cases, the exigencies of the OPCW do not permit the delay attendant upon calling for tenders, quotations or proposals.</p> <p>(f) the goods or services are on the list of authorised suppliers or are standardised equipment for inspection that is subject to familiarisation by the States Parties;</p> <p><b>(g) a tender exercise was concluded for identical goods or services in the past twelve months, the results of</b></p> | <p>to the relevant administrative directive, to allow them to be updated to reflect necessary requirements, and as the content is procedural it is felt by the business users that it should not be prescribed in the Financial Regulations and Rules.</p> <p>The possibility to waive the obligation to ensure a particular bidding process has been revised with additional eligibility provision. This is in accordance with United Nations standards, specifically in relation to the United Nations Procurement Manual (Rev. 7, Chapter 9.18). Based on their practical experience of the application of this provision, PROC have provided that it is not possible to have objective criteria for such things due to the context dependent nature of such things e.g. on</p> | <p>Financial Regulations and Rules.);</p> <p>In relation to Rule 10.6.04 (a) of the Financial Regulations and Rules, the threshold under which contractual agreements may be awarded without calling for tenders, quotations, or proposals, provided that such agreements are in compliance with Rule 10.6.03 (b)(e), is EUR <del>2,500</del><b>5000</b>.</p> |

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| <p><b>Rule 10.6.06</b><br/>Award of contractual agreements</p> <p>Following receipt and opening of tenders, quotations, or proposals, they</p> | <p>which should not be used more than three times in this period;</p> <p>(h) the procurement can be realised in collaboration with another organisation in the United Nations system or its affiliated entities;</p> <p>(i) the Principal Financial Officer, in consultation with technical experts from within the Secretariat staff, determines that competitive bidding or calling for proposals will not allow for the establishment of objective criteria for technical evaluation, in which case appropriate reasons shall be recorded;</p> <p>(j) the purchase or lease of real property when market conditions or geographical conditions do not allow for effective competition;</p> <p>(k) the solicitation method has not produced sufficient market responses within a reasonable period.</p> <p><del>Rule 10.6.06</del><br/><del>Award of contractual agreements</del></p> <p>Following receipt and opening of tenders, quotations, or proposals, they</p> | <p>missions, where pricing and time constraints vary. This amendment would allow the OPCW to find the best quality and qualified services in each given situation. This is in line with the Procurement principle of basing decisions and practices on what is in the best interests of the OPCW. In addition to the above amendments, the internal citations in this content have been revised to reflect the updated numbering given the proposed amendments to the Financial Regulations and Rules.</p> <p>Rule removed.</p> <p>Based on their practical experience of the</p> |  |
| <p>Following receipt and opening of tenders, quotations, or proposals, they</p>  | <p><del>Following receipt and opening of tenders, quotations, or proposals, they</del></p>  | <p>Based on their practical experience of the</p>   | <p>The following provision, removed from this section of</p> |

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| <p>shall be evaluated both technically and commercially. In the case of a pass-or-fail evaluation, the lowest technically acceptable tender, quotation, or proposal shall be considered for award. In the case of a qualifying evaluation, the tender, quotation, or proposal providing the best value for money shall be considered for award, taking into account other criteria, such as suppliers' financial soundness, and the capacity of the supplier to deliver the goods, perform the services within the time required, and provide the necessary maintenance. When the lowest technically acceptable tender, quotation, or proposal is not selected for award of contractual agreement, a written record giving reasons for this shall be prepared. A comparative analysis of the technical and commercial evaluation shall also be kept on record.</p> <p>(b) Suppliers shall not be permitted to alter their tenders or quotations after the deadline for receipt.</p> <p>(c) When tenders, quotations or proposals relate to a group of items, the contractual agreement may be awarded</p> | <p><del>shall be evaluated both technically and commercially. In the case of a pass-or-fail evaluation, the lowest technically acceptable tender, quotation, or proposal shall be considered for award. In the case of a qualifying evaluation, the tender, quotation, or proposal providing the best value for money shall be considered for award, taking into account other criteria, such as suppliers' financial soundness, and the capacity of the supplier to deliver the goods, perform the services within the time required, and provide the necessary maintenance. When the lowest technically acceptable tender, quotation, or proposal is not selected for award of contractual agreement, a written record giving reasons for this shall be prepared. A comparative analysis of the technical and commercial evaluation shall also be kept on record.</del></p> <p><del>(b) Suppliers shall not be permitted to alter their tenders or quotations after the deadline for receipt.</del></p> <p><del>(c) When tenders, quotations or proposals relate to a group of items, the contractual agreement may be awarded</del></p> | <p>application of this provision, PROC find these particular provisions far too constrictive as it sets out in great detail the specific stages and elements of a procedure. In fact, under the new revised Financial Regulations and Rules, there will be greater controls and processes specified in the administrative directive, but such constraints should not be present in the Financial Regulations and Rules. The majority of United Nations organisations, for example, at policy level do not have such a level of detail. Such processes are specified in Administrative Issuances, Manuals etc.</p> <p>The text containing the thresholds has been removed and will be included in the relevant administrative directive, as the content is procedural, and as such it is felt by the</p> | <p>the Financial Regulations and Rules, will be redrafted in <b>AD/FIN/01/Rev.3*</b>:<br/>Award of contractual agreements<br/>Following receipt and opening of tenders, quotations, or proposals, they shall be evaluated both technically and commercially. In the case of a pass-or-fail evaluation, the lowest technically acceptable tender, quotation, or proposal shall be considered for award. In the case of a qualifying evaluation, the tender, quotation, or proposal providing the best value for money shall be considered for award, taking into account other criteria, such as suppliers' financial soundness, and the capacity of the supplier to deliver the goods, perform the services within the time required, and provide the necessary maintenance. When the lowest technically acceptable</p> |

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| <p>to the supplier who has submitted the lowest aggregate tender, quotation or proposal.</p> <p>(d) Contractual agreements shall be awarded to the supplier who has submitted the tender, quotation, or proposal providing the best value for money, provided that the other necessary criteria are met. Where the interests of the OPCW so require, all offers may be rejected. In that event, the responsible official authorised under Rule 10.6.01 shall determine whether new competitive tenders, quotations, or proposals shall be invited. In the latter event, the reasons for this shall be recorded in writing and shall be available to interested States Parties upon request. Upon request, unsuccessful bidders/offerors shall be provided with the reasons of rejection of their offer.</p> <p>(e) All contractual agreement awards shall be made available to States Parties on request</p> | <p><del>to the supplier who has submitted the lowest aggregate tender, quotation or proposal.</del></p> <p><del>(d) Contractual agreements shall be awarded to the supplier who has submitted the tender, quotation, or proposal providing the best value for money, provided that the other necessary criteria are met. Where the interests of the OPCW so require, all offers may be rejected. In that event, the responsible official authorised under Rule 10.6.01 shall determine whether new competitive tenders, quotations, or proposals shall be invited. In the latter event, the reasons for this shall be recorded in writing and shall be available to interested States Parties upon request. Upon request, unsuccessful bidders/offerors shall be provided with the reasons of rejection of their offer.</del></p> <p><del>(e) All contractual agreement awards shall be made available to States Parties on request.</del></p> | <p>business users that it should not be prescribed in the Financial Regulations and Rules.</p> | <p>tender, quotation, or proposal is not selected for award of contractual agreement, a written record giving reasons for this shall be prepared. A comparative analysis of the technical and commercial evaluation shall also be kept on record.</p> <p>(b) Suppliers shall not be permitted to alter their tenders or quotations after the deadline for receipt.</p> <p>(c) When tenders, quotations or proposals relate to a group of items, the contractual agreement may be awarded to the supplier who has submitted the lowest aggregate tender, quotation or proposal.</p> <p>(d) Contractual agreements shall be awarded to the supplier who has submitted the tender, quotation, or proposal providing the best value for money, provided</p> |

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| <p><b>Rule 10.6.07</b><br/> <b>Purchases to be made in writing</b><br/>           (a) Contractual agreements for goods and services shall be established, as appropriate, for every purchase from a</p> | <p><del>Rule 10.6.07</del><b>Rule 10.6.06</b><br/> <b>Purchases to be made in writing</b><br/>           (a) Contractual agreements for goods and services shall be established, as appropriate, for every purchase from a</p> | <p>Editorial<br/>           Renumbering of Rules.<br/>           The text containing the thresholds has been removed and will be</p> | <p>that the other necessary criteria are met. Where the interests of the OPCW so require, all offers may be rejected. In that event, the responsible official authorised under Rule 10.6.01 shall determine whether new competitive tenders, quotations, or proposals shall be invited. In the latter event, the reasons for this shall be recorded in writing and shall be available to interested States Parties upon request. Upon request, unsuccessful bidders/offerors shall be provided with the reasons of rejection of their offer.</p> <p>(e) All contractual agreement awards shall be made available to States Parties on request.</p> |
| <p><b>Rule 10.6.07</b><br/> <b>Purchases to be made in writing</b><br/>           (a) Contractual agreements for goods and services shall be established, as appropriate, for every purchase from a</p> | <p><del>Rule 10.6.07</del><b>Rule 10.6.06</b><br/> <b>Purchases to be made in writing</b><br/>           (a) Contractual agreements for goods and services shall be established, as appropriate, for every purchase from a</p> | <p>The following provision, removed from this section of the Financial Regulations and</p>   | <p>The following provision, removed from this section of the Financial Regulations and</p>   |

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| <p>supplier in the aggregate amount of EUR 1,000 or more. Contractual agreements shall be in writing.</p> <p>(b) Contractual agreements shall specify:</p> <p>(i) in the case of supplies or equipment, the exact description of the goods, the quantity required, the price of each article, the conditions of delivery and the terms of payment;</p> <p>(ii) in the case of services, the nature of the services, the period covered, the conditions of fulfilment, the cost and the terms of payment.</p> <p>(c) The Director of Administration may waive the requirements of any part of this Financial Rule in certain cases, such as requests for partial deliveries of supplies for the maintenance of buildings, where one blanket purchase order might be issued covering a variety of items. In the event of such a waiver, a written record shall be established to ensure that:</p> <p>(i) the supplier and purchaser are in agreement as to what is being purchased;</p> <p>(ii) an itemised record of sale and receipt is prepared at the time of</p> | <p>supplier in the aggregate amount of <del>EUR 1,000 or set in the relevant administrative directive.</del> Contractual agreements shall be in writing.</p> <p><del>(b) Contractual agreements shall specify:</del></p> <p><del>(i) in the case of supplies or equipment, the exact description of the goods, the quantity required, the price of each article, the conditions of delivery and the terms of payment;</del></p> <p><del>(ii) in the case of services, the nature of the services, the period covered, the conditions of fulfilment, the cost and the terms of payment.</del></p> <p><del>(c)(b)</del> The Director of Administration may waive the requirements of any part of this Financial Rule in certain cases, such as requests for partial deliveries of supplies for the maintenance of buildings, where one blanket purchase order might be issued covering a variety of items. <del>In the event of such a waiver, a written record shall be established to ensure that:</del></p> <p><del>(i) the supplier and purchaser are in agreement as to what is being purchased;</del></p> <p><del>(ii) an itemised record of sale and receipt is prepared at the time of</del></p> | <p>included in the relevant administrative directive, as the content is procedural, and as such it is felt by the business users that it should not be prescribed in the Financial Regulations and Rules.</p> | <p>Rules, will be redrafted in <b>AD/FIN/1/Rev.3*</b>:</p> <p>In relation to Rule <del>10.6.07</del><b>10.6.06</b> of the Financial Regulations and Rules, contractual agreements shall specify:</p> <p>(i) in the case of supplies or equipment, the exact description of the goods, the quantity required, the price of each article, the conditions of delivery and the terms of payment;</p> <p>(ii) in the case of services, the nature of the services, the period covered, the conditions of fulfilment, the cost and the terms of payment.</p> <p>In the event of a waiver as set out Rule 10.6.07(c), a written record shall be established to ensure that:</p> <p>(i) the supplier and purchaser are in agreement as to what is being purchased;</p> <p>(ii) an itemised record of sale</p> |

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| <p>delivery; and<br/>(iii) payment is based on the itemised record of sale and receipt referred to in (ii) above.</p> | <p><del>delivery; and<br/>(iii) payment is based on the itemised record of sale and receipt referred to in (ii) above.</del></p> |                                      | <p>and receipt is prepared at the time of delivery; and<br/>(iii) payment is based on the itemised record of sale and receipt referred to in (ii) above.</p> |

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