

**FINANCIAL REGULATIONS
OF THE
INTERNATIONAL HYDROGRAPHIC ORGANIZATION**

FINANCIAL REGULATIONS OF THE IHO

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FINANCIAL REGULATIONS OF THE IHO

ARTICLE 1

The financial administration of the Bureau shall be effected in accordance with the provisions of Articles V, VII, XIV and XVI of the Convention and Articles 11 to 14 of the General Regulations.

ORDINARY BUDGET

ARTICLE 2

- a) The budget shall be established for five years and calculated, as from 1 January 2002, on the basis of the Euro.
- b) The financial year of the Bureau shall coincide with the Gregorian calendar year.

ARTICLE 3

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

ARTICLE 4

The annual contributions of Governments Parties to the Convention shall be payable in Euros, and shall be paid into the Bureau's bank accounts. Such contributions shall be determined by the following rules :

- a) Each Government shall subscribe two shares;
- b) Those Governments which have 100 000 gross tons of shipping or more shall contribute supplementary shares in accordance with the following scale:

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

- c) The value of a share, in Euros, is shown in the annual budget of the IHB, approved by the majority of the Finance Committee, as provided for in Article 8.

ARTICLE 5

In application of the Convention and the General and Financial Regulations, the tonnage figures of the Member Governments shall be obtained by adding to 6/7 of the displacement tonnage of ships of war exceeding 100 tons, the gross tonnage of all other vessels exceeding 100 tons.

ARTICLE 6

- a) A table of national tonnages shall be brought up to date by the Directing Committee before each ordinary Conference. Seven months before the Conference the Bureau shall ask Governments to supply their tonnage figures as of 1 July of the year preceding that of the Conference. Two months before the Conference the Bureau shall distribute to Governments a revised table of tonnages.
- b) This table of national tonnages and that of shares and votes shall be submitted to the Conference for approval, and shall enter into force on 1 January of the year following that of the Conference. Except as provided for in paragraphs (c) and (d) below, these tables shall remain in force until 31 December of the year of the subsequent Conference.
- c) When a Government desires to accede to the Convention, it shall declare the amount of tonnage of its fleets. The Directing Committee shall enter this amount in the table of tonnages as soon as accession becomes effective.
- d) A Government wishing to amend its tonnage figure as it appears in the table of tonnages must give notice of the amended tonnage at least six months before the start of the next financial year.

ARTICLE 7

The Principality of Monaco shall enjoy special treatment. In consideration of the fact that it provides the Bureau with premises free of charge, it shall not pay any contribution but shall retain its right of vote.

ARTICLE 8

- a) The Directing Committee shall draw up the estimated 5-yearly budget and forward it to the Member Governments for examination at least three months in advance of the Finance Committee's session.
- b) Between Conferences, the Directing Committee shall submit to the Finance Committee, in March each year, budget estimates for the following financial year. In considering the budget estimates, the Finance Committee shall make necessary recommendations for adjusting anticipated income and expenditure in order to ensure the financial stability of the Organization. Those recommendations which include an increase in the level of contributions or in the total level of current operating costs higher than approved by the Conference in the 5-yearly budget shall be referred by the Directing Committee to Member Governments for approval by a two-thirds majority. Other recommendations on the annual budget will be submitted by the Directing Committee to Member Governments for their comments and approval by a two-thirds majority of votes received within three months of the dispatch date of the letter seeking comments and approval.
- c) Contribution adjustments shall be made by altering the share value, effective from 1 January of the following year.

ARTICLE 9

The Directing Committee shall carry the budget into effect. Subject to the provisions of Article 11, the Directing Committee shall ensure that expenditure and commitments conform with the budgetary provisions.

ARTICLE 10

Transfers of credit may be permitted in order to modify the amount of the appropriation of various chapters. They must not result in the creation of new chapters.

The Directing Committee may make transfers of credit provided that such transfers do not exceed 10% of the total appropriation of any one of the chapters concerned. Such transfers shall be reported, with the necessary justification, in the financial section of the Annual Report.

Transfers of larger amounts shall require prior authorization by the Finance Committee.

ARTICLE 11

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

TREASURY – OPERATING CASH RESERVE

ARTICLE 12

All Bureau funds shall be under the control of the Directing Committee. No expenditure exceeding 400 Euros may be incurred without prior approval of one of the members of the Directing Committee. Payments exceeding 4,000 Euros require prior approval of the full Committee.

ARTICLE 13

- a) Governments' annual contributions to the ordinary budget, as specified in Article 4, shall be due on 1 January of the corresponding financial year. Payment must be punctual.
- b) Notice of the date of dispatch of the contribution must be promptly given to the Bureau.
- c) Annual contributions or portions thereof not paid before 1 January of the succeeding financial year shall be increased by interest from that date at the rate of one per cent for each month or portion thereof.

ARTICLE 14

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

ARTICLE 15

Outstanding contributions and accrued interest shall be shown in a table annexed to the report on financial administration which is submitted to the Finance Committee by the Directing Committee.

ARTICLE 16

The procedure for suspension of the rights of a Member Government pursuant to the provisions of Article XV of the Convention shall be notified by the Directing Committee to the Government concerned as follows:

- 1) If the contribution amount in arrears accumulates such that the amount is 2 years-6 months or more and the Member State has been advised of the arrears without payment or agreeing to a schedule of payments, the Member State shall be suspended effective 1 January of the year in which the 3rd annual contribution becomes payable, i.e., approximately 2-1/2 years in arrears.
- 2) If the contribution amount in arrears accumulates such that the amount is at least 2-years but less than 2 years-6 months and the Member State has been advised of the arrears without payment or agreeing to a schedule of payments, the Member State shall be suspended effective 1 January when the 3rd annual contribution becomes payable, i.e., 3 to 3-1/2 years in arrears.
- 3) Any Member Government thus deprived of its rights and benefits shall remain obligated to the Organization for the entire amount in arrears plus accrued interest outstanding at the time of suspension.

ARTICLE 17

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

EMERGENCY RESERVE FUND

ARTICLE 18

As a safeguard against unexpected events, the Bureau shall also have at its disposal an emergency reserve fund, the amount of which shall be not less than one-twelfth of the total annual operating budget of the Organization. This fund is exclusively designed to enable the Organization to meet extraordinary expenditure. It shall only be used in exceptional circumstances

CONTROL

ARTICLE 19

Every year the Directing Committee shall submit to the members of the Finance Committee for their comments a report on the financial administration over the past financial year. After the Directing Committee and the Chairman of the Finance Committee have jointly studied all comments received, the Directing Committee will forward to the Member Governments the Final Draft Financial Report, together with any comments by members and by the Chairman of the Finance Committee, for final approval by a two-thirds majority of the votes received within the three months of the dispatch date of the letter seeking approval.

At the same time, the Directing Committee shall give information on the value of the movable and immovable property of the Organization.

ARTICLE 20

An External Auditor shall be appointed by the Finance Committee at the International Hydrographic Conference; his term of appointment shall be for a period of 5 years, subject to annual confirmation decided by the Directing Committee, the Chairman and Vice Chairman of the Finance Committee. The need to change the external auditor will be referred to Member States for decision. The external auditor shall check the cash in banks or on hand and the available or negotiable assets. He shall ensure that the accounts are drawn up according to the accounting rules observed by the profession, that they are in accordance with the directives given by the Conference and that they reflect in a true manner the results of the Organization's activity at the end of the year.

He shall report annually on the accounts submitted by the Finance Committee. A copy of the External Auditor's Annual Report shall be attached to the draft Annual Report by the Directing Committee to the Members of the Finance Committee.

Such auditing may be carried out at any time.

DISSOLUTION**ARTICLE 21**

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