

RESOLUTION No. 52/AGN/RES/7

SUBJECT:

THE ORGANIZATION'S FINANCIAL
POLICY

- MODIFICATION OF THE GENERAL
REGULATIONS AND OF THE
FINANCIAL REGULATIONS

TO BE CLASSIFIED AS FOLLOWS:

1 copy in the CHRONOLOGICAL SERIES:
Year 1983

1 copy in the SUBJECT SERIES

Heading: Basic texts and internal
administration of the ICPO-Interpol

Sub-heading: Constitution and General
Regulations - Modifications -
Interpretation

1 copy in the SUBJECT SERIES

Heading: Basic texts and internal
administration of the ICPO-Interpol

Sub-heading: Financial matters and
the Financial Regulations

TEXT OF THE RESOLUTION

HAVING CONSIDERED Report No. 3, submitted by the Executive Committee and the Secretary General, entitled "The Organization's Financial Policy",

The ICPO-Interpol General Assembly, meeting in Cannes from 18th to 25th October 1983 at its 52nd session:

ADOPTS the modifications to the General Regulations and the Financial Regulations which appear in the appendix to the present Resolution;

DECIDES that the said modifications shall come into force on 1st January 1984;

CANCELS - as an exceptional measure - debts owed by Members in respect of contributions outstanding for the years prior to 1981; debts relating to 1981 and 1982 may be settled at the average rate of the Swiss franc for the year for which the contribution was due;

DECIDES that the sum held on 31st December 1983 in the Safety and Reserve Fund as defined in the former version of Article 31 of the Financial Regulations, shall be used as follows:

- 1) To set up a Working Capital Fund of 5,300,000 Swiss francs, in accordance with Article 31 (1) and (2) of the Financial Regulations (new version);
- 2) To set up a Reserve Fund of 2,650,000 Swiss francs, in accordance with Article 31 (4) and (5) of the Financial Regulations (new version);
- 3) To set up a Capital Investment Fund, in accordance with Article 31 (8) and (9) of the Financial Regulations (new version), to be used as follows:

- a) To finance the whole building project (extension of the Headquarters), by allocating a sum not to exceed 15,940,000 Swiss francs;
- b) To finance equipment for the new building, in accordance with item (B) of Resolution AGN/48/RES/3;
- c) To finance the acquisition and installation at the General Secretariat of an automatic message switching system, by allocation of a sum not to exceed 3,300,000 Swiss francs; adoption of this project shall require the prior approval of the Executive Committee;

AUTHORIZES closure, on 31st December 1983, of the extraordinary budget opened by Resolution AGN/48/RES/3, by transfer of the balance to the Capital Investment Fund;

DECIDES THAT the remainder of the Safety and Reserve Fund shall be credited to Members' contributions;

ASKS the Executive Committee:

- 1) To submit a draft resolution on how any such balance should be shared among Members to the General Assembly at its 53rd session, after consulting the experts appointed by the Working Party set up by Resolution AGN/51/RES/8;
- 2) To have a study made on possible new criteria for sharing the cost of the Organization's activities among Members;

RESCINDS the authorization given to the Secretary General in Resolution AGN/48/RES/2 and AGN/51/RES/2 to obtain a loan from the Organization's bank;

ASKS the Secretary General to submit to the General Assembly, at its 53rd session, cost estimates for the equipment needed for the new building;

ASKS the Secretary General to submit to the General Assembly each year the following information in addition to that normally given in the financial reports:

- 1) A statement of disbursements for the three previous financial years;
- 2) A statement of disbursements for the first half of the current financial year;
- 3) The assumptions made by the Secretary General when preparing the budget and regarding:
 - a) The rate of inflation in France for salaries and other expenses,
 - b) Currency movements of the Swiss franc in relation to the French franc;
- 4) A document on the Organization's staff (strength, salaries, allowances, other benefits, etc.);

APPROVES the decisions taken by the Executive Committee with a view to the eventual adoption of a system of programme budgeting;

ASKS the Secretary General to submit to the Executive Committee during the first half of 1984 for approval, a draft set of budgetary directives following a structure of programmes, and to apply these directives to the 1985 budget.

1. Article 53 of the General Regulations shall read as follows:

If a Member fails to fulfil its financial obligations towards the Organization for three full years or more, the Executive Committee shall suspend that Member's right to vote at General Assembly sessions and other meetings of the Organization, and may refuse any other benefits the Member may claim, until all obligations have been settled. However, the Executive Committee shall not take such measures if it considers them unfair or not in the best interests of the Organization.

The Member concerned may appeal against such a decision to the General Assembly.

The Executive Committee shall cancel any measure taken in application of the first paragraph of this Article when it considers that that measure is no longer fair or is no longer in the best interests of the Organization.

2. When an Article in the Financial Regulations comprises more than one paragraph, those paragraphs shall be numbered.
3. Article 7 (2) and the last sentence of Article 8 of the Financial Regulations are rescinded.
4. Article 10 (1) of the Financial Regulations shall read as follows:

The Secretary General shall prepare the draft budget in accordance with the budget directives approved by the Executive Committee and shall submit it to the Executive Committee for examination.
5. In the second sentence of Article 11 (1) of the Financial Regulations, the phrase "Subject to the provisions of Article 12,..." shall be replaced by the phrase "Subject to the provisions of Article 31 (4)....".
6. The second and third paragraphs of Article 12 of the Financial Regulations are rescinded. The present Article 13 of the Financial Regulations becomes the second paragraph of Article 12.
7. Article 13 of the Financial Regulations shall read as follows:

Any surplus balance deriving from the budget and not transferred to the Capital Investment Fund by the General Assembly shall be credited to Members' outstanding or future contributions in proportion to the contribution each Member paid to the budget during the financial year in which the surplus occurred.

8. Articles 15 to 18 of the Financial Regulations are rescinded.

9. Article 20 of the Financial Regulations shall read as follows:

Members' contributions are due as from 1st January of the corresponding financial year; they shall be paid as soon as possible and no later than 31st December of that financial year. Any payments made by Members, or sums credited to them, in connection with contributions shall be set against their longest outstanding debts.

10. Article 31 of the Financial Regulations shall read as follows:

- 1) A Working Capital Fund shall be set up to guard against any shortfall in receipts or liquid assets and may be drawn on by the Secretary General to cover expenditure provided for in the budget.
- 2) The level of the Working Capital Fund for the financial year following the current financial year shall be set at approximately half the actual expenditure under the budget during the previous financial year.
- 3) Any sum drawn from the Working Capital Fund shall be reimbursed as soon as receipts or liquid assets allow.
- 4) A Reserve Fund shall be set up for use in exceptional circumstances to cover expenditure exceeding the estimates in the budget; it may be drawn on by the Secretary General with the prior consent of the Executive Committee or, in urgent cases, with the consent of the Organization's President.
- 5) The level of the Reserve Fund for the financial year following the current financial year shall be set at approximately one quarter of the actual expenditure under the budget during the previous financial year.
- 6) When the sums in the Working Capital Fund or the Reserve Fund prove lower than those stipulated in paragraphs (2) and (5) above, these sums must be adjusted by appropriate allocations in the budget for the financial year in which the Fund concerned needs to be replenished.
- 7) When the sums in the Working Capital Fund or the Reserve Fund prove higher than those stipulated in paragraphs (2) and (5) above, these sums must be adjusted; the surplus shall be used in the same way as any surplus balance at the end of the financial year to which the Fund concerned was allocated.
- 8) A Capital Investment Fund shall be set up to finance substantial acquisitions of capital goods and equipment, depreciation of which is calculated over more than five years. Such acquisitions shall be previously specified by the General Assembly.
- 9) The General Assembly shall decide on the sum to be held in the Capital Investment Fund; it may make an allocation to the Fund in the budget or transfer to it any surplus balance, for the purposes specified in paragraph (8) above.

10) If an acquisition provided for in accordance with paragraph (8) above is not actually made, or if, once it has been made, there remains a surplus balance, the General Assembly shall decide on the use to be made of the unspent allocation.

11) When calculating the levels of the Working Capital and Reserve Funds, no account shall be taken of sums allocated to the Capital Investment Fund.

11. Article 32 of the Financial Regulations shall read as follows:

The Secretary General shall give an account of the state of the Working Capital Fund, the Reserve Fund and the Capital Investment Fund to the Executive Committee and to the General Assembly.

12. Article 33 of the Financial Regulations shall read as follows:

1) Provided the Executive Committee gives its approval, the Secretary General shall be free to choose the banks or institutions in which the funds of the Organization shall be kept. In accordance with the guidelines drawn up by the Executive Committee, he may invest the sums in excess of the Organization's liquidity requirements for a short or medium term.

2) In such operations an attempt shall be made to obtain as great a measure of security as possible rather than a high rate of interest.

13. Wherever the expression "ordinary budget" appears in the Financial Regulations, it shall be replaced by the word "budget".

