



**INTERNATIONAL
ATOMIC ENERGY AGENCY**

Distr.
GENERAL

INFCIRC/8/Add.1
24 March 1960

Original: ENGLISH

THE FINANCIAL REGULATIONS OF THE AGENCY

Amendment of Articles V, VI and VII

On 13 January 1960 the Board of Governors made certain changes in Articles V, VI and VII of the Financial Regulations. The Articles thus amended are reproduced in this document for the information of all Members of the Agency.

FINANCIAL REGULATIONS

ARTICLE V

AUTHORITY FOR INCURRING EXPENDITURES

Appropriations

Regulation 5.01

The appropriations approved by the General Conference shall constitute an authorization to the Director General to incur obligations and make payments, on behalf of the Agency, for the purposes for which the appropriations were voted and up to the amounts so voted.

Regulation 5.02

Appropriations shall be available for obligation during the financial year for which they were voted.

Regulation 5.03

Appropriations shall remain available for twelve months or, if they are required for obligations under research contracts, twenty-four months following the end of the financial year for which they were voted to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in such financial year and to liquidate any other outstanding legal obligations of such year.

Regulation 5.04

At the end of the twelve and twenty-four month periods provided in Regulation 5.03, the then remaining balance of any appropriations retained pursuant to Regulation 5.03 shall be credited to the provisional cash surplus, as defined in Regulation 7.01, of the preceding financial year. Any obligations remaining as valid claims shall be charged against the current appropriations.

Regulation 5.05

No transfer between appropriation sections shall be made without authorization by the Board of Governors.

Other expenses not covered by appropriations

Regulation 5.06

Other expenses, provided for in Regulation 3.06(b), (c) and (d), may be incurred by the Director General on behalf of the Agency to the extent authorized by the Board of Governors, which shall at all times have regard to the funds available for the purposes concerned and in case of expenses pursuant to Regulation 3.06(b) and (d), to the limits approved by the General Conference.

ARTICLE VI

MONEY PROVISION

Money provision for appropriations

Regulation 6.01

The appropriations, subject to the adjustments effected in accordance with the provisions of Regulation 6.02, shall be financed by contributions from all Member States, in accordance with a scale to be fixed by the General Conference. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund.

Regulation 6.02

In the assessment of the contributions of Member States, adjustments shall be made to the amount of the appropriations approved by the General Conference for the following financial year in respect of:

- (a) Supplementary appropriations for which contributions have not previously been assessed on Member States;
- (b) Revenue under Regulation 3.07(a) which has not already been taken into account in the assessments of contributions and any necessary adjustments in respect of revenue which has already been taken into account in the assessments of contributions;
- (c) Contributions resulting from the assessment of new Member States under Regulation 6.08; and
- (d) Individual credits to Member States arising from the allocation of cash surpluses under Regulation 7.02.

Regulation 6.03

After the General Conference has approved the budget and determined the amount of the Working Capital Fund, the Director General shall:

- (a) Transmit the relevant documents to Member States;
- (b) Inform Member States of their commitments in respect of annual contributions and of advances to the Working Capital Fund; and
- (c) Request them to remit their contributions and advances.

Regulation 6.04

Annual contributions and advances to the Working Capital Fund shall be considered as due and payable in full within thirty days of the receipt of the communication of the Director General referred to in Regulation 6.03, or as of the first day of the financial year to which they relate, whichever is the later. As of 1 January of the following financial year, the unpaid balance of such contributions or advances shall be considered to be one year in arrears.

Regulation 6.05

Annual contributions and advances to the Working Capital Fund of the Agency shall be assessed and paid in US dollars, provided that payment of the whole or part of these

contributions and advances may be made in such other currency or currencies and up to such amounts as the Director General, in consultation with the Board of Governors, shall have determined.

Regulation 6.06

Payments made by a Member State shall be applied first to discharge that Member's assessment with respect to the Working Capital Fund and then to discharge that Member's assessment with respect to the annual contributions payable by it in the order in which the latter assessments were made.

Regulation 6.07

The Director General shall submit to each regular session of the General Conference through the Board of Governors a report on the collection of contributions and of advances to the Working Capital Fund.

Regulation 6.08

A new Member State shall be required to make a contribution for the year in which it becomes a Member and to pay an advance to the Working Capital Fund both as determined by the General Conference.

Money provision for other purposes

Regulation 6.09

Expenses which are not to be met from appropriations shall be financed through charges made in accordance with Regulations 4.02 and 4.03 and transfers from the General Fund under those Regulations.

Regulation 6.10

The Agency's borrowing powers shall be exercised by the Board of Governors in accordance with rules and limitations approved by the General Conference, provided, however, that the exercise of such authority shall impose no individual or joint liability upon Member States.

Regulation 6.11

Subject to rules approved by the General Conference, the Board of Governors may accept voluntary contributions made to the Agency which shall be paid into a General Fund in accordance with Regulation 4.04. With the general approval of the General Conference the Board may utilize all or any part of the General Fund to finance expenses under Regulations 3.06(b), (c) and (d).

Regulation 6.12

Such part of the moneys in the General Fund at the end of a financial period as is estimated to be required to complete operations approved by the Board of Governors before the end of that period shall be carried forward and remain available to meet the costs of those projects in the following financial period.

Regulation 6.13

Any further balance remaining in the General Fund at the end of a financial period shall be carried forward and may, with the approval of the General Conference, be transferred to a reserve which shall include any sums specifically set aside within the General Fund under a decision of the Board of Governors, as approved by the General Conference, and which may be used:

- (a) Temporarily to finance, pending the receipt of voluntary contributions pledged by Member States or other anticipated revenues, activities within the approved operational budget; and
- (b) Should adequate funds not otherwise be available, to finance, with the prior approval of the Board of Governors and within such limits as may be established by the General Conference, the approved operational budget.

ARTICLE VII

FUNDS

Administrative and Working Capital Funds

Regulation 7.01

There shall be established an Administrative Fund for the purpose of meeting the expenses of the Agency from authorized appropriations. The contributions paid by Member States under Regulation 6.01, revenue under Regulation 3.07(a) and any advances made from the Working Capital Fund to finance administrative expenses shall be credited to the Administrative Fund. Any balance remaining from sums so credited in respect of a financial year, after deducting therefrom:

- (a) Disbursements made;
- (b) Provisions for unliquidated obligations applicable to such financial year; and
- (c) Any reimbursement to the Working Capital Fund,

shall be retained in the Administrative Fund as a provisional surplus for twelve months.

Regulation 7.02

At the end of the twelve-month period provided for in Regulation 7.01, there shall be added to the provisional surplus of the preceding financial year:

- (a) Any arrears of prior years' contributions received during the twelve-month period; and
- (b) As provided in Regulation 5.04, the savings on the unliquidated obligations of the preceding financial year.

Then, after the audit of the accounts for the twelve-month period provided for in Regulation 7.01 has been completed, the cash surplus shall be allocated among Member States in accordance with the scale of contributions for the period to which the surplus relates. The individual allocations to those Member States whose contributions for that period have been paid in full shall be applied to liquidate:

- (a) First, any debt due to the Working Capital Fund;
- (b) Secondly, any arrears of contributions; and

(c) Thirdly, contributions due for the financial period then commencing.

The allocations to the remaining Member States shall be so applied after their contributions for the period to which the surplus relates have been paid in full.

Regulation 7.03

There shall be established a Working Capital Fund in an amount and for purposes to be determined from time to time by the Board of Governors, with the approval of the General Conference. The source of moneys of the Working Capital Fund shall be advances from Member States, and these advances shall be in accordance with the scale of contributions approved for the apportionment of the administrative expenses of the Agency. Each advance shall be carried to the credit of the Member State which has made such advance.

Regulation 7.04

Advances made from the Working Capital Fund to finance budgetary appropriations during a financial year shall be reimbursed to the Fund as soon as and to the extent that moneys in the Administrative Fund are available for that purpose.

Regulation 7.05

Except when advances made from the Working Capital Fund for unforeseen and extraordinary expenses or other authorized purposes are recoverable from some other source, the recovery of such advances shall be provided for by the submission of supplementary budget estimates.

Regulation 7.06

Income derived from investment of the Working Capital Fund shall be credited to revenue under Regulation 3.07(a).

Operating Fund

Regulation 7.07

There shall also be established an Operating Fund having two parts for the purpose of meeting the expenses of the Agency under Regulation 3.06(b) on the one hand and 3.06(c) and (d) on the other hand. The revenues arising under Regulation 3.07(b) and (c) shall be credited respectively to the two parts of this Fund.

Regulation 7.08

The accounting procedures to be followed in the administration and accounting of the Operating Fund shall be governed by rules to be established by the Director General with the approval of the Board of Governors. In particular, the rules governing the accounting procedures for Part I of the Operating Fund, as defined in Regulation 7.07, shall be based on sound commercial practices.

Other Funds

Regulation 7.09

There shall also be established a General Fund which may be used as provided in Regulation 6.11 and into which shall be placed any voluntary contributions made to the

Agency, and to which the Board of Governors shall transfer from time to time any excess of revenue from the Operating Fund. The revenues arising under Regulation 3.07(d) shall also be placed in this Fund.

Regulation 7.10

Trust Funds, Reserve and Special Accounts may be established by the Board of Governors and shall be reported to the General Conference.

Regulation 7.11

The purpose and limits of each Trust Fund, Reserve and Special Account shall be clearly defined by the appropriate authority. Unless otherwise provided by the General Conference, such Funds and Accounts shall be administered in accordance with these Regulations.

Regulation 7.12

The monetary value of voluntary contributions in kind shall be determined by the Board of Governors.