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INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

Geneva

CONSULTATIVE COMMITTEE

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FINANCIAL SITUATION IN RELATION TO THE RESERVE FUND

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1. The purpose of this document is to present proposals concerning the amount of the reserve fund exceeding 15 percent of the total income for the 2014-2015 Biennium.

2. Regulation 4.6 of the "Financial Regulations and Rules" (document UPOV/INF/4/4) states that:

"The use, other than for the covering of any deficits, of the reserve fund is a matter for the decision of the Council. If after the closure of the financial period, the amount of the reserve fund exceeds 15 percent of the total income for the financial period, the amount in excess shall be reimbursed to the members of UPOV, unless otherwise decided by the Council. Any member of UPOV may request that the reimbursement attributed to it be deposited in a special account or trust fund specified by it."

3. The zero budgetary result foreseen in the approved 2014-2015 Program and Budget (document C/47/4 Rev.) was achieved: the total income (before the International Public Sector Accounting Standards (IPSAS) adjustments) amounted to 6.8 million Swiss francs, and the total budgetary expenditure amounted to 6.8 million Swiss francs, resulting in a budgetary result of 562 Swiss francs for the 2014-2015 Biennium. However, a subsequent IPSAS adjustment of 29,795 Swiss francs, resulted in the Reserve Fund exceeding 15 percent of the total income for the 2014-2015 Biennium by 31,860 Swiss francs, as summarized below:

	Swiss francs	
Income 2014-2015	6,793,043	
Reserve ceiling as 15% of income	1,018,956	
Reserve fund as at 31.12.2013	1,204,283	(see document C/50/4, Statement I)
Transfer to Special Project Fund	-183,824	(see document C/50/4, Statement III)
Program and Budget result 2014-2015	562	(see document C/50/4, Summary and Analysis of Budgetary Result, paragraph 1)
IPSAS adjustment	29,795	(see document C/50/4, Statement V)
Reserve fund as at 31.12.2015	1,050,816	
Reserve Fund in excess of 15% of income	31,860	

4. As explained in paragraph 3, the increase in the level of the Reserve Fund has arisen from an IPSAS adjustment, rather than a budgetary surplus. IPSAS adjustments are unpredictable and could, for example, be substantially negative at the end of the next financial period. On that basis, and taking into account the relatively small amount in excess of 15 percent of the total income for the 2014-2015 Biennium, the Consultative Committee may wish to consider proposing to the Council to retain the amount exceeding 15 percent of the total income for the 2014-2015 Biennium in the Reserve Fund.

5. The Consultative Committee is invited to propose to the Council to retain the amount exceeding 15 percent of the total income for the 2014-2015 Biennium in the Reserve Fund.

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