

Financial Regulations of the Meeting of the Parties

(rev3¹)

REGULATION 1 - APPLICATION

1.1 These Regulations shall govern the financial administration of the Meeting of the Parties.

REGULATION 2 - FINANCIAL YEAR

2.1 The financial year shall be the period from the 1 January to 31 December, both dates inclusive.

REGULATION 3 – BUDGET

3.1 The Executive Secretary shall prepare draft budgets in accordance with Article 5(4) of the Agreement comprising estimates of receipts and proposed expenditures by the Meeting of the Parties and any subsidiary bodies established pursuant to Article 7 of the Agreement for the ensuing two financial years. The draft budget and annual contributions shall be assessed in euro.

3.2 The draft budget shall, in the relevant financial year, make provisions for the costs associated with holding:

a) any Ordinary or Extraordinary Meeting of the Parties, and any meeting of a subsidiary body, that will be held by the Secretariat in La Réunion, in the absence of an invitation from a Contracting Party or another host as otherwise agreed by the Meeting of the Parties according to Rule 1(2) of the Rules of Procedure; and

b) every second Ordinary Meeting of the Parties held in Mauritius pursuant to Rule 1(2) of the Rules of Procedure.

3.3 The estimates and forecast shall be divided into items, and if necessary into sub-items, and shall be accompanied by information requested by the Meeting of the Parties or which the Executive Secretary may deem useful and necessary.

3.4 The draft budget should include provision to allocate funds towards financial assistance for the purposes outlined in article 13.4 of the Agreement which pertains to support for developing States bordering the Area, in particular the least developed among them and small island developing States and, where appropriate, territories and possessions, in accordance with decisions reached by the Meeting of the Parties. The draft budget should clearly delineate support for participation at the Meeting of the Parties, participation at meetings of subsidiary bodies and support for other activities specified in Article 13.4 of the Agreement.

3.5 The appointed Executive Secretary shall submit the draft budget to Official Contacts at least 60 days prior to the ordinary Meeting of the Parties.

3.6 Until such time as the Meeting of the Parties establishes a Standing Committee on Administration and Finance, the functions of the Standing Committee on Administration and Finance, outlined in these Regulations shall be carried out by the Meeting of the Parties.

3.7 The Standing Committee on Administration and Finance shall normally be held once a year during the ordinary Meeting of the Parties, unless the Meeting of the Parties decides otherwise. The Standing Committee on Administration and Finance shall examine the draft budgets and the

¹ the SIOFA financial regulations has been revised in 2022 as rev3 (and supersede 2020 rev2).

Financial Report described in Regulation 9.1. The Standing Committee on Administration and Finance shall report thereon to the Meeting of the Parties, including recommendations. After consideration of the Standing Committee on Administration and Finance's report and after any necessary adjustments or revisions have been made, the Meeting of the Parties shall adopt the budget for the ensuing financial year.

- 3.8 If the Meeting of the Parties is unable to adopt a budget, the level of contributions to the administrative budget of the Meeting of the Parties shall be determined in accordance with the budget for the preceding year for the purposes of meeting administrative expenses for the following year until such time as a new budget can be adopted by consensus.

REGULATION 4 - APPROPRIATIONS

- 4.1 The appropriations adopted by the Meeting of the Parties in the budget shall constitute an authorisation to the Executive Secretary to incur obligations and make payments for the purposes up to the amounts outlined in the budget.
- 4.2 Appropriations shall remain available for 12 months following the end of the financial year to which they relate to the extent that they are required to discharge obligations incurred during that financial year. At the end of the 12-month period, any unliquidated prior year obligations shall be cancelled, or, where the obligations remain a valid charge, transferred as obligations against current appropriations.
- 4.3 The Executive Secretary may authorise the transfer of up to 10 per cent of appropriations between sub-items of an item. The Chairperson may authorise the Executive Secretary to make transfers between sub-items of an item above this limit. The Chairperson may authorise the Executive Secretary to make transfers of up to 10 percent of appropriations between items. The Meeting of the Parties may authorise the transfer of appropriations between items above this limit. All transfers will be reported by the Executive Secretary in the Financial Report.
- 4.4 The Executive Secretary may also enter into obligations for future financial periods when such obligations are for program activities which have been approved by the Meeting of the Parties and will continue beyond the end of the current financial year.

REGULATION 5 - ANNUAL CONTRIBUTIONS

- 5.1 During a three-year period following the adoption of these financial regulations, the contributions of Contracting Parties and participating fishing entities shall be decided annually by the Meeting of the Parties taking due consideration to the developing States bordering the Area, in particular the least developed among them and small island developing States and, where appropriate, territories and possessions.
- 5.2 At the conclusion of the three-year period specified in the Regulation 5.1, each Contracting Party and participating fishing entity shall contribute to the annual budget of the Meeting of the Parties. Pursuant to Article 5.4 of the Agreement, contributions shall be made in accordance with the following formula:
- a) a basis representing 10 per cent of the total budget equally divided among all the Contracting Parties and participating fishing entities;
 - b) National wealth component of 30 per cent:

- Half of which shall be divided among the Contracting Parties and participating fishing entities according to their respective Gross National Income (as defined by the World Bank or, in the specific case of participating fishing entities, an equivalent institution);
 - half divided among Contracting Parties and participating fishing entities according to their Gross National Income per capita (as defined by the World bank or, in the specific case of participating fishing entities, an equivalent institution); and
- c) 60 per cent of the total budget shall be allocated among the Contracting Parties and participating fishing entities in proportion to their average catch in the three calendar years beginning four years before the calendar year during which the budget is adopted.
- Half of which shall be based on the catch of high-value species (orange roughy, alfonsino, toothfish and all species of deep-sea sharks; and
 - half of which shall be based on the catch of all other, low-value species.

Paragraph 5(c) shall be reviewed at the 7th ordinary Meeting of the Parties.

- 5.3 The Executive Secretary shall notify each Contracting Party and participating fishing entity of its annual contribution as prescribed in the budget no later than 7 working days following the formal adoption of the budget.
- 5.4 Annual contributions are due 90 days after the receipt of information from the Executive Secretary referred to in Regulation 5.3 and no later than 30 November of each year. The Meeting of the Parties has the authority to permit extensions for a further 90 days for individual Contracting Parties or participating fishing entities that are unable to comply with this Regulation. After that date, any unpaid balance shall be considered to be in arrears. The Meeting of the Parties may determine that a developing Contracting Party or participating fishing entity that is in arrears may not receive financial assistance to travel to Meetings of the Parties pursuant to article 13.4 of the Agreement.
- 5.5 A new Contracting Party or a new participating fishing entity that becomes a Party or a participating fishing entity during the first six months of the financial year shall be liable to pay, within 90 days, the full amount of the annual contribution which would have been payable had it been a Contracting Party or a participating fishing entity when assessments were made. A new Contracting Party or a new participating fishing entity that becomes a Party or a participating fishing entity during the last six months of the financial year shall be liable to pay, within 90 days, half of the amount of the annual contribution which would have been payable had it been a Contracting Party or a participating fishing entity when assessments were made.
- 5.6 The Executive Secretary shall submit to each ordinary Meeting of the Parties a report on the collection of annual contributions received and any other income received. The Executive Secretary shall include this information in the Financial Report provided to Official Contacts pursuant to Regulation 9.2.

REGULATION 6 - VOLUNTARY CONTRIBUTIONS

- 6.1 A Contracting Party or participating fishing entity may make a voluntary contribution for a specific purpose separate from its assessed annual contribution. Voluntary contributions offered

by organisations or individuals may be accepted by the Meeting of the Parties and shall be designated for a specific purpose.

REGULATION 7 - FUNDS

- 7.1 There shall be established proper books of account for the purpose of accounting for the receipts and expenditures of the Meeting of the Parties, including a General Account, into which annual membership contributions will be paid and any such other account as the Meeting of the Parties may decide to establish.
- 7.2 The Meeting of the Parties will approve the quantum of funds to be allocated for the purposes outlined in Article 13.4 of the Agreement consistent with the annual budget and programme activities as agreed by the Meeting of the Parties.
- 7.3 The receipts credited to the General Account shall include:
- a) annual contributions paid under Regulation 5.2;
 - b) excess of receipts over expenditures at the end of the financial year;
 - c) the balance of any unexpended appropriations at the end of the 12-month period specified in Regulation 4.2;
 - d) refunds, from any source, of prior year's expenditures of the Agreement;
 - e) voluntary contributions received from Contracting Parties and participating fishing entities, observers and any other entities, with the condition that no offset can be granted for the payment of such contributions; and
 - f) any other incomes accruing to the Meeting of the Parties other than those credited to other accounts established by the Meeting of the Parties.
- 7.4 Monies available in the General Account, or any other account established by the Meeting of the Parties, may be used to the extent necessary to finance appropriations pending receipt of annual payments by Parties to the Agreement.
- 7.5 The Meeting of the Parties shall, on the basis of advice from the Standing Committee on Administration and Finance, if any, prescribe conditions under which the Chairperson may authorise expenditure from the General Account or any other account established by the Meeting of the Parties to meet unforeseen and extraordinary expenses.
- 7.6 The Standing Committee on Administration and Finance and the Meeting of the Parties shall review the amount available in the General Account and any other account established pursuant to Regulation 7.1 during each ordinary meeting. Insofar as possible, the Meeting of the Parties shall anticipate expenditures during the succeeding three years and shall attempt to maintain the General Account and any other account established pursuant to Regulation 7.1 at a level sufficient to finance operations during the first three months of the financial year plus an amount up to a maximum of 10 % of the annual budget for the current financial year for use in an emergency.

- 7.7 The Meeting of the Parties may agree to carry over residual funds for the matters outlined in Regulation 7.4.
- 7.8 Residual funds available in the Scientific Research Activities account at the end of each financial year are to be carried over to the next financial year for the purposes of future scientific research activities.
- 7.9 Any fund dedicated to the purposes outlined in Article 13.4 of the Agreement shall be administered in accordance with guidelines agreed by the Meeting of the Parties and annexed to these Regulations.

REGULATION 8 - BOOKS OF ACCOUNT

- 8.1 The Executive Secretary shall ensure that appropriate records and accounts are kept of the financial transactions and affairs of the Meeting of the Parties. He/she shall also ensure that all payments out of the General Account (or any other account established under Regulation 7) are correctly made and properly authorised, and that adequate control is maintained over the assets of, or in custody of, the Meeting of the Parties and over incurring of liabilities by the Meeting of the Parties.
- 8.2 The Executive Secretary shall maintain such accounting records as are necessary for each financial year, including:
- a) revenue and expenditures;
 - b) the status of appropriations, including:
 - i) the original budget appropriations;
 - ii) transfers between appropriation categories;
 - iii) amounts charged against appropriation categories;
 - d) the status of the General Account and other accounts established under regulation 7;
 - e) funds held in currencies other than euro; and
 - f) the status of investments, and any other financial assets or liabilities of the Meeting of the Parties, including losses or assets proposed.
- 8.3 The Executive Secretary may, after full investigation, authorise the writing off of losses of cash, stores, and other assets, provided that a statement of all such amounts written off shall be submitted to the Meeting of the Parties and the auditors with the annual financial statement.

REGULATION 9 - FINANCIAL REPORTING

- 9.1 The Executive Secretary shall prepare an annual Financial Report providing an overview of the budget position, annual financial statements for the financial year to which they relate for all accounts and for any funds held in reserve in accordance with the requirements of Regulation 8.

- 9.2 The Financial Report shall be submitted by the Executive Secretary to the external auditor no later than 60 days following the end of the financial year to enable the preparation of the Auditor's Report described in Regulation 11.8.
- 9.3. The Executive Secretary will provide the Financial Report and external Auditor's Report to Official Contacts not later than 1 June in the next financial year.
- 9.4 The Standing Committee on Administration and Finance will consider the Financial Report and Auditor's Report at its next meeting held during the ordinary Meeting of the Parties.

REGULATION 10 - CUSTODY AND INVESTMENT OF FUNDS

- 10.1 The Executive Secretary shall designate the financial institution/s in which the funds of the Meeting of the Parties shall be kept and shall report the identity of that financial institution/s in the next Financial Report.
- 10.2 The Meeting of the Parties may authorise the Executive Secretary on a case by case basis to make short-term investments of monies not needed for the immediate requirements of the Meeting of the Parties. Such investments shall be restricted to securities and other investments issued under Government guarantee. The details of investments transactions and revenue derived shall be reported in the annual financial statement.
- 10.3 With regard to monies held in trust or special funds for which use is not required for at least 12 months, longer-term investments may be authorised by the Meeting of the Parties on a case by case basis provided that such action is consistent with the terms and conditions under which the monies were lodged with the Meeting of the Parties.

REGULATION 11 - EXTERNAL AUDIT

- 11.1 The Meeting of the Parties shall, through an appropriate procurement process and in consultation with the Executive Secretary, select and engage an independent external auditor for a three year term with the option of renewal for a further three years. The costs of this service are to be included in the annual budget.
- 11.2 The Executive Secretary will provide to the auditor and his or her staff unrestricted access at all convenient times to all books of account and records which are, in the opinion of the auditor, necessary for the performance of the audit. The auditor and/or his or her staff may make copies of, and take extracts from, such accounts and records. Information classified in the records of the Executive Secretary as confidential, and which is required for the purposes of the audit, shall be made available upon request to the Executive Secretary, provided the auditor agrees to respect the confidentiality of the information.
- 11.3 Having regard to the budgetary provisions for the audit, the auditor shall perform such an audit as he or she deems necessary to certify:
 - a) that the financial statements accord with the books and records of the Meeting of the Parties;
 - b) that the financial transactions reflected in the statements have taken place in accordance with the relevant SIOFA rules and regulations, the budgetary provisions, and other applicable directives; and

- c) that the monies on deposit and on hand have been verified by a statement from relevant financial institutions.
- 11.4 Subject to the directions of the Meeting of the Parties, the auditor shall judge the acceptance in whole or part of the Financial Report provided by the Executive Secretary and may proceed to such detailed examination and verifications as he or she chooses of all financial records, including those related to supplies and equipment if considered necessary.
- 11.5 The auditor may affirm by test the reliability of the control maintained over assets as described in Regulation 8.1 and may make such reports with respect thereto as he or she may deem necessary.
- 11.6 The auditor shall have no power to remove items in the accounts, but shall draw to the attention of the Chairperson of the Standing Committee on Administration and Finance and the Executive Secretary any transaction which he or she considers may not be in compliance with these regulations or is otherwise improper. The Chairperson of the Standing Committee on Administration and Finance shall inform the Meeting of the Parties of these concerns.
- 11.7 The auditor shall conduct an examination of the financial statement in conformity with generally accepted auditing standards and shall report on all relevant matters including:
- a) whether, in his or her opinion, the financial statements in the Financial Report are based on proper accounts and records;
 - b) whether the financial statements in the Financial Report accord with the accounts and records;
 - c) whether, in his or her opinion, the income, expenditure and investment of moneys, the acquisition and disposal of assets and the management of liabilities by the Meeting of the Parties during the year has been in accordance with these Regulations; and
 - d) observations with respect to the efficiency and economy of the financial procedures and conduct of business, the accounting system, internal financial controls and the administration and management of the Meeting of the Parties.
- 11.8 The auditor shall provide the Audit Report to the Executive Secretary and the Chairperson of the Standing Committee on Administration and Finance not later than 90 days after having received the year's Financial Report from the Executive Secretary.
- 11.9 The Chairperson of the Standing Committee on Administration and Finance shall forward to the Meeting of the Parties any comments the Standing Committee on Administration and Finance may have made on the Audit Report.
- 11.10 Following consideration of the Financial Report, the Audit Report, and any comments from the Standing Committee on Administration and Finance, the Meeting of the Parties shall take such action as it may consider appropriate.

REGULATION 12 - DELEGATION OF AUTHORITY

- 12.1 With the written agreement and in the limits fixed by the Chairperson of the Meeting of the Parties, the Executive Secretary may delegate to other employees of the Secretariat such of his

or her powers as he or she considers necessary for the effective implementation of these Regulations.

REGULATION 13 - INTERPRETATION

13.1 The Chairperson of the Meeting of the Parties shall rule, in cases of doubt, as to the interpretation and application of any of these Regulations. Such rulings shall be forwarded to the Standing Committee on Administration and Finance and Official Contacts.

REGULATION 14 - AMENDMENT

14.1 These Financial Regulations may be amended by the Meeting of the Parties in accordance with Article 8 of the Agreement.

Annex 1: Guidelines for administration of funds allocated under Article 13.4 of the Agreement

General rules

1. The Secretariat will administer the funds allocated in the SIOFA budget for the purposes outlined in Article 13.4 of the Agreement in accordance with these guidelines and, if necessary, under the guidance of the MoP Chairperson.
2. Financial assistance disbursed for the purpose of Article 13.4 of the Agreement may not exceed the quantum of funds allocated in the SIOFA budget for that purpose, subject to the flexibility allowed by Financial Regulation 4.3.

Eligibility and selection of applications

3. Only developing CCPs² and developing non-CCPs³ bordering the Area are eligible for financial assistance to participate in the Meetings of the Parties and of its subsidiary bodies⁴.
4. Developing non-CCPs bordering the Area are eligible for financial assistance provided they intend to express their intention to submit an application for cooperating non-Contracting Party Status in the coming year.
5. Developing CPs or PFEs that are in arrears with their annual contributions to SIOFA will not ordinarily be eligible for financial assistance if the amount of their arrears equals or exceeds the amount of the annual contributions due for the two preceding years, unless otherwise decided by the Meeting of the Parties.
6. CCPs that have not submitted their national report (paragraph 9, CMM 2022/02, Data Standards) or their Compliance Report (paragraph 12, CMM 2020/11, Compliance Monitoring Scheme) will not be eligible for financial assistance to attend the Meeting of the Parties as well as the meetings of the Scientific Committee and its Working Groups and of the Compliance Committee, respectively.
7. Eligible CCPs and non-CCPs that have access to other sources of funding, such as the Assistance Fund established under Part VII of the UNFSA, are encouraged to make use of these sources.
8. The Secretariat will use the grid in Table 1 to evaluate applicants' eligibility for financial assistance.

	Eligibility criteria	Yes	No	Comment
1	Is the applicant			
	a A developing CCP to SIOFA?			
	b A developing non-CCP bordering the Area?			
2	If the applicant is a CCP, has it submitted			
	a A national report (paragraph 9, CMM 2022/02)?			
	b A compliance report (paragraph 12, CMM 2021/11)?			
3	If the applicant is a CP or PFE, is it either up to date with its contributions, or, if there are arrears, they do not equal or exceed the amount of the annual contributions due for the two preceding years?			

² Contracting Parties, Participating Fishing Entities, and Cooperating non-Contracting Parties to SIOFA

³ Including Least Developed Countries

⁴ Currently: the Scientific Committee and its Working Groups, and the Compliance Committee. The Standing Committee on Implementation and Finance has been established but not convened.

4	If the applicant is a non-CCP developing State bordering the Area, has it confirmed its intention to				
	a	Participate in the meeting as an Observer?			
	b	Submit an application to become a CNCP?			

* Subject to paragraphs 3 to 7 above, any 'no' response will result in the ineligibility of the application

Selection of applicants for financial assistance

9. Where it is not possible to accommodate all the applications for financial assistance received from eligible CCPs and non-CCPs due to budget restrictions, priority will be given to the least developed among them⁵ and small-island developing States bordering the area.

	Selection criteria	Yes/No	Points	Score
1	Is the applicant			
	a A CP or PFE to SIOFA?		4	
	b A CNCP to SIOFA?		3	
	c A developing country signatory to the Agreement?		2	
	d A non-CCP developing State bordering the Area that is not a signatory to the Agreement?		1	
2	Is the applicant			
	a A least developed CCP or non-CCP bordering the Area?		2	
	b A small-island developing CCP or non-CCP bordering the Area?		2	
			Total score:	

10. Financial assistance will be limited to the participation of one representative per eligible CCP or non-CCP in the Meetings of the Parties or in meetings of its subsidiary bodies, including if meetings are held in conjunction.
11. Financial assistance will have due regard to the principles of economy and efficiency. It will cover the costs of flights (economy class) to the meeting and accommodation (single person occupancy) and will be paid on the basis of actual costs. Daily subsistence allowances (DSA) will be paid on arrival based on generally applicable UN rates⁶. All travel and accommodation arrangements will be made by the Secretariat.
12. The Secretariat will apply the scoring system in Table 2 to prioritise applicants for financial assistance within the allocated If a situation arises in which multiple applicants receive the same score and each request cannot be accommodated within the allocated budget, the Secretariat will consult with the Chairperson to find an appropriate resolution.

Procedure to apply for financial assistance

13. The procedure and timeline in Table 3 will apply to the disbursement of financial assistance.

Step	Action item	Responsibility	Due date
1	Circular to CCPs and letter to developing non-CCPs bordering the Area with call for applications for financial assistance, specifying terms and conditions as well as timeline	Secretariat	No later than 60 days prior to the meeting (CC/MoP or SC)

⁵ Based on the list of Least Developed Countries established by the United Nations Committee for Development

⁶ DSA will be calculated on the basis of nights spent away from the normal duty station or place of residence, based on the itinerary.

2	Submission of application by deadline, including: - Official nomination letter with request of support for identified representative (including contact details) - Confirmation that no funding is available from other sources - In the case of CCPs, confirmation that it is not in arrears - In the case of CCPs, confirmation that national report and compliance report have been submitted - In the case of non-CCPs, confirmation of expressed intention to apply for CNCP status. ⁷	Applicants (CCP or non-CCP)	No later than 50 days prior to the meeting [Note : information papers shall be submitted to the Executive Secretary no less than 14 days before the date fixed for the opening of the meeting (rule 10(6) of the Rules of Procedure).]
3	Review of applications against eligibility criteria and offer to potentially eligible applicants of an additional 3-day period to provide any missing information	Secretariat	Within 2 days of the due date for applications (see step 2) or earlier.
4	Confirmation of financial assistance to successful applicants, and start of travel and/or accommodation arrangements ⁸	Secretariat	3 days after step 3 (no later than 45 days prior to the meeting)

⁷ Support will be withdrawn, and any flights, accommodation or DSA repaid, if the delegates do not attend the meeting as planned and/or if an application for CNCP status is not received as required.

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