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**Financial Rules
for the Conferences of States Parties and the Secretariat**

Definitions

For the purpose of these Financial Rules:

- (a) “CSP” means the Conference of States Parties pursuant to Article 17 of the Arms Trade Treaty;
- (b) “Secretariat” means the Secretariat of the Arms Trade Treaty;
- (c) “Treaty” means the Arms Trade Treaty;
- (d) “President” means the President of the Conference of States Parties to the Arms Trade Treaty;
- (e) “Committee” means the Management Committee.

Application

Rule 1

In accordance with Article 17.3 of the Treaty, these financial rules shall govern the financial administration of the CSP, any subsidiary bodies it may establish, and the Secretariat.

Decision making

Rule 2

Unless otherwise stated in these rules, all decisions on matters with financial implications shall be taken in accordance with Rule 35 of the Rules of Procedure.

Financial Period

Rule 3

The financial period shall be a calendar year, and the annual budget shall include a twelve month outlook for the subsequent calendar year.

Management Committee

Rule 4

1. The Secretariat shall prepare and, following review by the Committee, submit the budget estimates, as well as providing the actual income figures for each financial period to all States Parties at least 90 days before the opening of the meeting of the Conference of States Parties at which the budget is to be adopted.
2. If the President deems a decision to be taken by the CSP would have significant financial implications, the President will request that a report be prepared by the Secretariat, which must be reviewed independently by the Committee and submitted to the CSP at least 24 hours prior to the taking of any decision.
3. The CSP shall, prior to the commencement of the financial period that the budget covers, consider the budget estimates provided pursuant to Rule 4.2 and any recommendations of the Committee and adopt an operational budget for the following financial period.

Contributions for the CSP and any subsidiary bodies it may establish

Rule 5

1. All States Parties, irrespective of attendance, shall be assessed a contribution towards each CSP, or any subsidiary bodies it may establish, including towards the cost of preparing and holding the CSP, or subsidiary body meeting as applicable. These contributions will be calculated on the basis of the UN scale of assessment, adjusted to take into account the difference between the UN membership and the number of States Parties and States referred to in Rule 5.2. The adjustment shall ensure that no one state's contribution exceeds 22 per cent of the total. The adjustment shall also ensure that no state contributes less than US\$100¹; this amount shall be subject to review by the CSP every three years.
2. All signatory States and other observer States in attendance at each CSP, or at any subsidiary bodies it may establish, shall be levied an attendance fee towards the cost of preparing and holding the CSP, or subsidiary body meeting as applicable. This attendance fee will be calculated on the basis the UN scale of assessment, adjusted to take into account the difference between the UN membership and the number of States Parties and other States referred to in this rule. The adjustment shall ensure that no one state's contribution exceeds 22 per cent of the total. The adjustment shall also ensure that no state contributes less than US\$100²; this amount shall be subject to review by the CSP every three years.
 - a. Invoices issued for the estimated CSP costs shall be calculated on the assumption that all signatory States, and other observer States which attended the CSP in the preceding year shall attend the following CSP. All States Parties shall be invoiced irrespective of attendance, in accordance with Rule 5.1.

¹ To cover the administrative cost of levying and collecting contributions

² To cover the administrative cost of levying and collecting contributions

- b. The Secretariat shall produce final costings on the basis of the actual CSP costs and actual number of states which participated within 3 months of the CSP being held. Consequent adjustments shall be made at the end of each calendar year, with any debits or credits due to states to be taken into account in the contributions to be made for the following calendar year.
3. The costs of preparing and holding a CSP, or a meeting of any subsidiary body it may establish, as referred to in Rule 5.1 shall comprise:
 - a. The costs for the meeting venue; documentation; including translation; in-session interpretation; conference equipment and supplies; and IT support as necessary.
4. The costs for the Secretariat's activities related to the organisation of the CSP, or any subsidiary bodies it may establish, shall be set by the Management Committee as 30 per cent of the Secretariat's core costs.
 - a. The Management Committee shall verify, and keep under review, the proportion of the Secretariat's costs to be charged pursuant to Rule 5.4 above, and reflected in the budget estimates prepared by the Secretariat pursuant to Rule 4.2.
5. A separate sponsorship programme to support the participation of delegates from developing countries to attend the CSP or other meetings under the Treaty shall be financed by contributions made on a voluntary basis.
6. The Secretariat shall advise the President, who shall inform States Parties on the status of contributions received towards the cost of preparing and holding the CSP ninety days ahead of the scheduled opening of the CSP.

Contributions for the Secretariat

Rule 6

1. Each calendar year, States Parties shall be charged an assessed contribution for the Secretariat's costs in undertaking its core tasks which include those contained in Article 18.3 of the Treaty. This assessed contribution shall not be used for work related to the organization of CSPs or any subsidiary bodies, which is provided for under Rule 5.4.
2. Assessed contributions made pursuant to Rule 6.1 will be calculated on the basis of the UN scale of assessment, adjusted to take into account the difference between the UN membership and the number of States Parties. The adjustment shall ensure that no one state's contribution exceeds 22 per cent of the total. The adjustment shall also ensure that no state contributes less than US\$100³; this amount shall be subject to review by the CSP every three years.
3. The costs for the core tasks of the Secretariat referred to in Rule 6.1 shall comprise: staff salaries, equipment, office overheads, financial administration, human resources

³ To cover the administrative cost of levying and collecting contributions

administration, insurance, communications and IT, and any other items essential for the functioning of the Secretariat as decided by the CSP.

4. Other duties to be undertaken by the Secretariat at the direction of the CSP shall be financed by contributions made on a voluntary basis.

Funds

Rule 7

1. There shall be a general fund for the purpose of accounting for expenditures of all assessed contributions.
2. Trust funds and special accounts funded wholly by voluntary contributions may be established and closed by the CSP.

Payment of contributions

Rule 8

1. In respect of contributions made pursuant to Rule 5 and/or Rule 6:
 - a. Contributions for each calendar year are due and payable in full within 90 days of the receipt of the invoice from the Secretariat. States should be notified of the amount of their contributions for a given year by 15 October of the previous year;
 - b. Each State shall, as far in advance as possible of the date due for the contribution, inform the Secretariat of the projected timing of that contribution; and in the case of any voluntary contribution, of the amount it intends to contribute;
 - c. If contributions of any State have not been received by 1 March of the relevant year the Secretariat shall advise the President, who shall write to those States to impress upon them the importance of paying their respective arrears. The President's consultations with such States shall be reported to the CSP at its next meeting;
 - d. Any State Party whose contributions are in arrears for two or more years that has not entered into arrangements with the Secretariat in relation to the discharge of its financial obligations shall have its voting rights suspended, not be eligible to nominate a representative as an office-holder, nor become a member of any committee or subsidiary body of the CSP. The CSP may, nevertheless, permit such a member to vote or nominate a representative as an office-holder if it is satisfied that the failure to pay is due to conditions beyond the control of the State Party.
2. Contributions made pursuant to Rule 6 from States that become States Parties to the Treaty after the beginning of a financial period shall be made *pro rata temporis* for the

balance of that financial period. Consequent adjustments shall be made at the end of each financial period for other States Parties.

3. The Secretariat shall acknowledge promptly the receipt of all pledges and contributions, and shall inform the States Parties by publishing up-to-date information on the status of pledges and payments of contributions.
4. The uncommitted balance of appropriations from previous financial periods shall be rolled-over to the next financial period, thereby reducing the States' contributions for the next financial period.

Amendments

Rule 9

Any amendment to the present rules shall be adopted by the CSP in accordance with Rule 35 of the Rules of Procedure.

Audit Requirements

Rule 10

1. The CSP shall appoint an internationally recognized independent auditor with experience in the audit of international organizations. The independent auditor shall be appointed for a period of four years coinciding with a given financial period and, subsequent to satisfactory performance, may be reappointed by the CSP for one additional term of four years.
2. The audit shall be conducted in conformity with generally accepted common auditing standards and in accordance with any relevant instructions from the CSP.
3. The Auditor shall issue a report on the audit of the Secretariat's annual financial report and the underlying records relating to the operation of the Secretariat and the activities of the CSP and subsidiary bodies.
4. The Auditor shall, as appropriate, make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Secretariat.
5. The Committee shall, after the adoption of the audit report, oversee the implementation of the audit observations and recommendations; and to the extent possible seek to ensure the correctness of the financial decisions and activities, prior to the succeeding reporting year.