

IHB File N° FO/1013

**FINANCE COMMITTEE  
CIRCULAR LETTER 6/2003  
10 December 2003**

**IHO WORKING CAPITAL  
AMENDED VERSION OF ARTICLE 18 AND 19 OF THE IHO FINANCIAL  
REGULATIONS AND RESOLUTION R1.1**

Reference: - FCCL 4/2003 dated 1 July 2003  
- Decision N° 11 of the 2<sup>nd</sup> EIHC

Dear Hydrographer,

In the FCCL referenced above, the Directing Committee asked Member States to vote on the revision of Articles 18 and 19 of the Financial Regulations concerning the level of the working capital. The revised version is based on the recommendations of the Group of Experts established by Decision N° 11 of the 2<sup>nd</sup> Extraordinary International Hydrographic Conference. Two thirds majority of the Member States is needed for the recommendations to be accepted, according to paragraph (f) of Article V of the Convention.

The Directing Committee would like to inform Member States that the required 46 positive votes, representing the requested two thirds majority, was obtained and would like to thank the following Member States which have responded positively: Algeria, Argentina, Australia, Bahrain, Bangladesh, Brazil, Canada, Chile, Colombia, Croatia, Cuba, Cyprus, Denmark, Ecuador, Estonia, Finland, France, Greece, Iceland, India, Iran, Italy, Japan, Korea (Rep of), Malaysia, Mexico, Monaco, Morocco, Netherlands, Norway, Pakistan, Peru, Poland, Russia, Serbia and Montenegro, South Africa, Spain, Sweden, Thailand, Tunisia, Turkey, Ukraine, United Kingdom, USA (NOS), Uruguay and Venezuela.

Since the changes to Articles 18 and 19 of the Financial Regulations have been accepted, Resolution R 1.1 will be amended as it was specified in the voting paper of the FCCL referenced above.

Member States are requested to amend Articles 18 and 19 of the Financial Regulations and Resolution R 1.1 as indicated in the attached Annex. The Bureau will insert these changes in the appropriate documents on the IHO web site.

On behalf of the Directing Committee  
Yours sincerely,  
*(original signed)*  
Vice Admiral Alexandros MARATOS  
President

Encl: Annex A

**Amended version of Article 18 and 19 of the IHO Financial Regulations and Resolution R1.1**

- a. *Article 18 : "To ensure the financial stability of the Bureau and to avoid any treasury difficulties, the Bureau shall have at its disposal an operating cash reserve the amount of which shall correspond, at 31 December each year, to not less than three-twelfths of the total annual operating budget of the Organization."*
- b. *Article 19: "As a safeguard against unexpected events, the Bureau shall also have at its disposal an emergency reserve fund, the amount of which shall be not less than one-twelfth of the total annual operating budget of the Organization. This fund is exclusively designed to enable the Organization to meet extraordinary expenditure. It shall only be used in exceptional circumstances."*
- c. *Resolution R 1.1 : "It is resolved that in complying with Article 18 of the Financial Regulations the term "operating cash reserve" shall be understood to include only those amounts of money which are available to the IHB for current operating expenses, and shall specifically exclude all money which is part of the Staff Retirement Fund and all money held in special funds against specific future requirements, e.g. for I.H. Conferences, re-location of IHB Directors, renovation and re-equipment of IHB. The term shall also exclude any cash arising from contributions paid in advance. "*