

IHB File N° S1/F/11000

<p style="text-align: center;">FINANCE COMMITTEE CIRCULAR LETTER 4/2003 1 July 2003</p>
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IHO WORKING CAPITAL

Reference: FCCL 5/2000 of 21 December 2000.

Dear Sir,

Decision No. 11 of the 2nd Extraordinary I. H. Conference established a Group of Experts to review and report on the appropriateness of the level of the working capital mandated in Article 18 of the IHO Financial Regulations. The report, provided to Member States under cover of the above-referenced FCCL, which is available on the IHO Web site, recommended revisions to Articles 13(a), 18 and 19 of the Financial Regulations. Members of the Finance Committee agreed on the proposed recommendation to revise Articles 18 and 19, but expressed reservations as to the revision of Article 13. The proposal, as modified by the Finance Committee, was not subsequently sent to Member States for approval.

The Directing Committee considers that this issue is still valid and requests Member States to vote on the revision of Articles 18 and 19 of the Financial Regulations, as proposed by the established Group of Experts and accepted by Members of the Finance Committee. If these changes are adopted, it will be necessary to amend Resolution R 1.1 as given in the attached Annex.

The need to revise Article 13(a) will be reconsidered by the Directing Committee. Meanwhile, Member States are kindly requested to return the attached Voting Paper, duly completed, to the Bureau **by 30 September 2003**.

On behalf of the Directing Committee

Yours sincerely,

(original signed)

Vice Admiral Alexandros MARATOS
President

Encl: Annex A

IHO WORKING CAPITAL

Proposed Amendments to Articles 18 and 19 of the IHO Financial Regulations and Resolution R 1.1

VOTING PAPER

[to be returned to the IHB by 30 September 2003

E-mail: info@ihb.mc - Fax: +377 93 10 81 40]

Member State:

Taking into account the Report of the Group of Experts which was established in accordance with Decision No. 11 of the 2nd EIHC, do you agree that Articles 18 and 19 of the Financial Regulations and Resolution R 1.1 should be amended as follows:

- 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 etc etc....."
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. "

[] YES [] NO

Comments:

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Name / Signature Date: