

**GENERAL FISHERIES COMMISSION FOR THE MEDITERRANEAN AND BLACK SEA AND  
CONNECTING WATERS**

**COMMISSION GÉNÉRALE DES PÊCHES POUR LA MÉDITERRANÉE ET LA MER NOIR  
ET LES EAUX INTERMÉDIAIRES**

**DRAFT FINANCIAL REGULATIONS – EXPLANATORY NOTES**

The existing GFCM Financial Regulations have been edited to align with the draft Agreement and draft Rules of Procedure, but otherwise generally remain unchanged and consist of the following framework, identical to the existing Financial Regulations:

Regulation I	Applicability
Regulation II	The financial period
Regulation III	The autonomous budget
Regulation IV	Appropriations
Regulation V	Provision of funds
Regulation VI	Funds
Regulation VII	Amendment
ANNEX	Scheme for the calculation of contributions

New Rules have been recommended as follows:

**Regulation III - The autonomous budget**

Paragraph 4(b) is new to the extent it permits funds to be deposited into the special budgets from financial penalties which may be agreed pursuant to Article 22(h) of the Agreement. It is considered that this would not create a new obligation, but would allow Members to agree on whether to adopt such penalties and regulate their disposition.

The requirements in paragraph 8 are new, and provides that no obligations shall be incurred or relevant payments made by the Commission where such obligations have been decided by FAO after the budget has been drawn up. This reflects best practices in the administration of budgets and permits a balanced financial autonomy.

In the interests of increased oversight as encouraged by the CCLM, and in line with FAO practice, a new provision in paragraph 10 requires the Executive Secretary to provide a balance sheet to the Commission at the end of every year, in which the income and expenditures for the ensuing financial year are justified.

**Regulation IV - Appropriations**

An amendment is proposed in Paragraph 2 which requires the Bureau to determine the existence of an emergency which would authorize the Executive Secretary to accept additional contributions from Members. Current regulations do not define “emergency”.

**Regulation VIII - Relationship between these Rules of Procedure and the General Rules, policies or procedures of the FAO**

This is a new Regulation. It provides that changes to the Financial Regulations, procedures or policies of FAO that affect these Regulations must be endorsed by the Commission by simple majority vote before they can be adopted or implemented by GFCM.

However, the Executive Secretary may implement such changes on a provisional basis, with the concurrence of the Bureau, until the next Session at which the change may be considered. In addition, and for purposes of interpretation, where any ambiguity exists between these Financial Regulations and the Financial Regulations of the FAO, the GFCM Financial Regulations will prevail.