The Resolution establishing an Interim Commission for the International Trade Organization placed upon the Interim Commission the responsibility for submitting to the first regular session of the Conference of the Organization documents and recommendations relating, inter alia, to the draft financial and staff regulations for the Organization.

In order to facilitate the work of the Interim Commission, the Executive Secretary has prepared the attached draft financial and staff regulations, based on the regulations approved for the United Nations Secretariat. A comparison between the proposed text and the United Nations regulations is provided and a few explanatory notes are included.
PROVISIONAL FINANCIAL REGULATIONS
OF THE UNITED NATIONS

SCOPE AND APPLICATION

Regulation 1

These regulations are established in accordance with the provisions of Rule 37 of the provisional rules of procedure and shall be cited as the Provisional Financial Regulations. They shall become effective as from the date of their approval by the General Assembly.

Regulation 2

These regulations shall govern the financial administration of the United Nations, including the International Court of Justice.

THE FINANCIAL YEAR

Regulation 3

The financial year shall be the calendar year, 1 January to 31 December.

THE BUDGET

Regulation 4

The Secretary-General shall submit to the regular annual session of the General Assembly estimates for the following financial year. He may also submit such supplementary estimates as may be deemed necessary for the current financial year.

The estimates of the International Court of Justice shall be prepared by the Court, in consultation with the Secretary-General, and shall be

NOTE:

Regulation 3: It is generally accepted that the financial year should coincide with the calendar year. Consideration should be given, however, to the convenience of having this regulation co-ordinated with the date to be set for the Conference's annual session, in order that sufficient time is allowed for the preparation of the budget and for its submission to member Governments.
Regulation 5

The estimates submitted to the Conference shall be divided into parts, sections and chapters, and shall be accompanied by:

(a) A detailed statement of the estimated expenditure provided for under each chapter and each item of a chapter;
(b) A statement of the estimated miscellaneous or other income under appropriate headings;
(c) An explanatory statement with regard to the expenditures proposed in connection with any new activity or any extension of an existing activity;
(d) A statement of the estimated expenditure of the current financial year, and the expenditures of the last completed financial year.

(e) An information annex containing the budgets or proposed budgets of the specialized agencies, or such summaries thereof as the Secretary-General may deem appropriate and useful.

NOTE:

Regulation 5: While there is still no agreement between the United Nations and specialized agencies on the form of their budgets, this regulation is kept in line with the United Nations scheme which appears to be appropriate for the ITO.
Regulation 6
The estimates shall be submitted to all Members of the Organization at least two months prior to the opening of the regular annual session of the Conference.

Regulation 7
The estimates shall be submitted to the Conference and referred to the proper Committee for consideration and report to the Conference.

Regulation 8
The adoption of the budget shall constitute an authorization to the Director-General to incur obligations and make expenditures for the purposes for which appropriations have been voted and up to the amounts so voted.

NOTE:
Regulation 6: It is assumed, throughout this draft, that no financial authority is granted to the Executive Board of the Organization. It is believed, however, that this is not a desirable situation. The Interim Commission may wish to consider recommending to the Conference the granting of some measure of financial authority to the Board. This authority may include, among others, the performance of the following functions: (1) the preparation of a report to the Conference on the budget submitted by the Director-General; (2) the examination of requests for transfer of funds between parts of the budget and granting of authorization to the Director-General to effectuate them; and (3) the examination of requests for use of monies from the Working Capital Fund and granting of authorization to the Director-General for withdrawal of approved amounts from the fund.

The estimates shall be submitted to the Advisory Committee on Administrative and Budgetary Questions (hereinafter referred to as the "Advisory Committee"), at least twelve weeks prior to the opening of the annual session of the General Assembly. They shall be examined by the Advisory Committee, which shall prepare a report thereon. The estimates, together with the Committee's report, shall be transmitted to all Members at least five weeks prior to the opening of the regular annual session of the General Assembly.

Regulation 7
The estimates and the reports of the Advisory Committee hereon shall be submitted to the General Assembly and referred to the Administrative and Budgetary Committee of the General Assembly for consideration and report to the Assembly.

Regulation 8
The adoption of the budget shall constitute an authorization to the Secretary-General to incur obligations and make expenditures for the purposes for which appropriations have been voted and up to the amounts so voted.
Regulation 8 (cont'd)
The appropriations shall be available for obligations in respect of goods supplied and services rendered in the financial year to which the appropriations relate.

The Director-General shall make allotments in writing from the appropriations as voted by the Conference and under such further sub-headings as may appear appropriate and necessary, before obligations are incurred thereunder.

Transfers within Appropriations

Regulation 9

Transfers by the Director-General within the total amount appropriated under the estimates may be made to the extent permitted by the terms of the budget resolution adopted by the Conference.

Availability of Appropriations at the Close of the Financial Year

Regulation 10

Appropriations shall remain available to the extent that they are required to meet the outstanding obligations as at 31 December represented by goods supplied and services rendered up to and including that date.

NOTES:

Regulation 9: Authority for transfer of funds within appropriations by the principal executive officer of the United Nations and Specialized Agencies is generally restricted to a minimum. It is commonly accepted that authority for major transfers should be subject to approval by a policy-making body. In the case of ITO, as suggested in the note on Regulation 6, the Executive Board might be charged with granting authority for transfers. The extent to which the Director-General might be authorized to make minor transfers should be determined in the annual appropriation resolution voted by the Conference, since such authority would be influenced by the total amounts voted, the division of expenditures, and similar factors.

Regulation 10: The proposed regulation, based entirely on the United Nations' text, establishes the accounting system to be used by the Organization. This system, usually called "obligations incurred method", is followed by the United Nations, ICAO, UNESCO and has been proposed for the WHO. Other specialized agencies as a rule follow the "cash method."
Regulation 11
The balance of appropriations shall be surrendered in accordance with the provisions of Regulation 14. Outstanding obligations not represented by goods supplied or services rendered up to and including 31 December shall be a charge to the appropriations of the succeeding year.

PROVISION OF FUNDS
Regulation 12
The appropriations, subject to the adjustments to be effected in accordance with the provisions of Regulation 14, shall be financed by contributions from Members according to the scale of assessments determined by the Conference. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund.

Regulation 13
The Conference shall determine the amount of the Working Capital Fund and any sub-divisions thereof.

Regulation 14
In the assessment of the contributions of Members, there shall be adjustments to the amount of appropriations approved by the Conference for the following financial year in respect of:

NOTES:
Regulation 13: This regulation presupposes the establishment of a Working Capital Fund following the line adopted by the United Nations. The establishment of the Fund is strongly recommended by the experience of specialized agencies and the United Nations.
Regulation 14 (cont'd)
(a) Supplementary appropriations for which contributions have not previously been assessed on the Members;
(b) Estimated miscellaneous income for the financial year to which the appropriations relate;
(c) Miscellaneous income of former years for which credit has not previously been taken into account, and deficiencies in estimated income which was previously taken into account;
(d) Contributions resulting from the admission of new Members under the provisions of Regulation 16;
(e) Any balance of the appropriations of the last completed financial year surrendered under Regulation 11.

Regulation 15
After the Conference has adopted the budget and determined the amount of the Working Capital Fund and its sub-divisions, the Director-General shall:
(a) Transmit all relevant documents to Members;
(b) Inform Members of their commitments in respect of annual contributions and of advances to the Working Capital Fund;
(c) Request them to remit their contributions and any advances to the Working Capital Fund.

Regulation 16 (cont'd)
(a) Supplementary appropriations for which contributions have not previously been assessed on the Members;
(b) Estimated miscellaneous income for the financial year to which the appropriations relate;
(c) Miscellaneous income of former years for which credit has not previously been taken into account, and deficiencies in estimated income which was previously taken into account;
(d) Contributions resulting from the admission of new Members under the provisions of Regulation 16;
(e) Any balance of the appropriations of the last completed financial year surrendered under Regulation 14.

Regulation 15
After the General Assembly has adopted the budget and determined the amount of the Working Capital Fund and its sub-divisions, the Secretary-General shall:
(a) Transmit all relevant documents to Members;
(b) Inform Members of their commitments in respect of annual contributions and of advances to the Working Capital Fund;
(c) Request them to remit their contributions and any advances to the Working Capital Fund.
Regulation 16

New Members shall be required to make a contribution for the year in which they are first admitted and an advance to the Working Capital Fund, at rates to be determined by the Conference.

Regulation 17

Annual contributions and advances to the Working Capital Fund shall be assessed and paid in the currency of the State in which the Organization has its headquarters.

The Director-General may negotiate with member governments the payment of contributions in other currencies, if this action is taken in the interest of the Organization.

Regulation 18

Payments made by a Member shall be applied first as a credit to the Working Capital Fund and then to the contributions due in the order in which the Member was assessed.

CUSTODY OF FUNDS

Regulation 19

The Director-General shall designate the bank or banks in which the funds of the Organization shall be kept.

NOTE:

Regulation 17: The proposed regulation amplifies the corresponding United Nations text to the effect that contributions may be made in other than the currency of the State in which the Organization's headquarters are located, if such action is taken in the interest of the Organization. The wisdom of the addition depends largely upon the location of the headquarters of the organization.
INTERNAL CONTROL
Regulation 20
The Director-General shall:
(a) Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy;
(b) Cause an accurate record to be kept of all capital acquisitions and all supplies purchased and used;
(c) Render to the Auditors with the accounts a statement as at 31 December of the financial year concerned, showing the supplies in hand and the assets and liabilities of the Organization together with a statement of losses of cash, stores and other assets written off under Regulation 23;
(d) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or commodities have been received and that payment has not previously been made;
(e) Designate the officials who may receive monies, incur obligations and make payments on behalf of the Organization;
(f) Maintain an internal financial control which shall provide for an effective current examination or review of financial transactions in order:
/(i) To ensure
INTERNAL CONTROL
Regulation 20
The Secretary-General shall:
(a) Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy;
(b) Cause an accurate record to be kept of all capital acquisitions and all supplies purchased and used;
(c) Render to the Auditors with the accounts a statement as at 31 December of the financial year concerned, showing the supplies in hand and the assets and liabilities of the Organization together with a statement of losses of cash, stores and other assets written off under Regulation 27;
(d) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or commodities have been received and that payment has not previously been made;
(e) Designate the officials who may receive monies, incur obligations and make payments on behalf of the United Nations;
(f) Maintain an internal financial control which shall provide for an effective current examination or review of financial transactions in order:
/(i) To ensure
Regulation 20 (cont'd)

(i) To ensure the regularity of the receipt, disposal and custody of all funds and other financial resources of the Organization;

(ii) To ensure the conformity of all expenditures with the appropriations or other financial provision voted by the Conference;

(iii) To obviate any uneconomic use of the resources of the Organization.

Regulation 21

No contract, agreement or undertaking of any nature, involving a charge against the Organization exceeding $100 (U.S.) shall be entered into, or have any force or effect, unless:

(a) Credits are reserved in the accounts to discharge any obligation which may come in course of payment in the financial year under such contract, agreement or undertaking;

(b) The charge is a proper one against the Organization, and

(c) Proof has been provided that the service is for the benefit of the Organization and the cost thereof is fair and reasonable.

Regulation 20 (cont'd)

(i) To ensure the regularity of the receipt, disposal and custody of all funds and other financial resources of the Organization;

(ii) To ensure the conformity of all expenditures with the appropriations or other financial provision voted by the Conference;

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No contract, agreement or undertaking of any nature, involving a charge against the United Nations exceeding $100 (U.S.) shall be entered into, or have any force or effect, unless:

(a) Credits are reserved in the accounts to discharge any obligation which may come in course of payment in the financial year under such contract, agreement or undertaking;

(b) The charge is a proper one against the United Nations; and

(c) Proof has been provided that the service is for the benefit of the United Nations and the cost thereof is fair and reasonable.

NOTE:

Regulation 21: Mention is made in the proposed regulation of a national currency (U.S.$). The final text on this point will depend upon the decision as to the location of the headquarters of the Organization.

/ The Auditors

/ The Board
Regulation 21 (cont'd)
The Auditors shall draw the attention of the Conference to any case where, in the opinion of the Auditors, any charge has been improperly made or was in any way irregular.

Regulation 22
The Director-General may make such ex-gratia payments as he deems to be necessary in the interests of the Organization, provided that a statement of such payments shall be submitted to the Conference with the annual accounts.

Regulation 23
The Director-General, after full investigation, authorize the writing off of losses of cash, stores and other assets, subject to the requirements of regulation 20 (c).

Regulation 24
Tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Director-General deems that, in the interest of the Organization, a departure from the rule is desirable.

THE ACCOUNTS
Regulation 25
The accounts of the Organization shall be kept in the currency of the State in which the Organization has its headquarters, provided however, that the local accounts of branch offices may be maintained in the currency of the country in which they are situated.

Regulation 22 (cont'd)
The Board of Auditors shall draw the attention of the General Assembly to any case where, in the opinion of the Board, any charge has been improperly made or was in any way irregular.

Regulation 22
The Secretary-General may make such ex-gratia payments as he deems to be necessary in the interests of the United Nations, provided that a statement of such payments shall be submitted to the General Assembly with the annual accounts.

Regulation 23
The Secretary-General may, after full investigation, authorize the writing off of losses of cash, stores and other assets, subject to the requirements of regulation 20 (c).

Regulation 24
Tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interest of the United Nations, a departure from the rule is desirable.

THE ACCOUNTS
Regulation 25
The accounts of the Organization shall be kept in the currency of the State in which the United Nations has its headquarters, provided however, that the local accounts of branch offices may be maintained in the currency of the country in which they are situated.
Regulation 26
There shall be established one cash control record in which shall be recorded all cash receipts accruing to the benefit of the Organization. The cash control record shall be divided into such subsidiary receipts classifications as may be deemed necessary.

Regulation 27
Cash shall be deposited in one or more bank accounts as required; branch accounts, or special funds which involve a separation of cash assets, shall be established as charges to the cash control record under appropriate regulations as to objects, purposes and limitations of such accounts and funds.

Regulation 28
The accounts shall consist of:
(a) Budget accounts showing:
   (i) Original appropriations;
   (ii) Appropriations after modification by any transfer, carried out in accordance with the provisions of regulation 9;
   (iii) Credits, if any, other than appropriations made available by the Conference;
   (iv) Allotments made;
   (v) Obligations incurred;
   (vi) Expenditures.
(b) A cash account showing all cash receipts and actual disbursements made;
(c) Separate accounts for the Working Capital Fund, its sub-fund which may be established;
   /(d) Property records
Regulation 28 (cont’d)
(d) Property records showing:
(i) Capital acquisitions and disposals;
(ii) Equipment and supplies purchased, used and on hand;
(e) Such records as will provide for a statement of assets and liabilities for each fund at 31 December of each financial year.

Regulation 29
The accounts shall be submitted by the Director-General to the Auditors by 31 March following the end of the financial year.

EXTERNAL AUDIT
Regulation 30
The Conference shall, upon the recommendation of the Executive Board, appoint or employ a qualified person, agency, authority, or firm, in no way connected with the Organization, to make, annually, and at such times as may be necessary for special purposes, an independent audit of the funds, assets, and accounts of the Organization.

Regulation 28 (cont’d)
(d) Property records showing:
(i) Capital acquisitions and disposals;
(ii) Equipment and supplies purchased, used and on hand;
(e) Such records as will provide for a statement of assets and liabilities for each fund at 31 December of each financial year.

NOTE:
Regulation 30: The proposed regulation leaves to the Conference the appointment of external auditors. It is deemed undesirable to establish an auditing machinery similar to that of the United Nations since the expenditures involved would be very high. Most of the Specialized Agencies have engaged private firms to perform their external audit. On the other hand, the utilization of the United Nations Board of Auditors for the purpose may be examined at a later stage. The text is intended to allow for the solution which appears best at the time the Organization starts operating on a large scale.
Regulation 30 (cont'd)
constitute the Board of Auditors,
which shall select its own Chairman
and adopt its own rules of
procedure.
(c) The Board, subject to the
budgetary provision made by the
General Assembly for the cost of
audit, and after consultation with
the Advisory Committee on
Administrative and Budgetary
Questions relative to the scope of
the audit, may conduct the audit,
subject to the provisions of this
regulation, in such manner as it
thinks fit and may engage commercial
public auditors of international
repute;
(d) If any member of the Board
ceases to hold the national office
described in the opening paragraph
of this regulation, he shall be
replaced by his successor in the
national office described;
(e) The Board of Auditors shall
submit its report, together with the
certified accounts and such other
statements as it thinks necessary,
to the General Assembly to be
available to the Advisory Committee
on Administrative and Budgetary
Questions not later than 1 June
following the end of the financial
year to which the accounts relate.
The Advisory Committee shall forward
to the General Assembly its
comments, if any, on the audit
report;
(f) The audit shall be carried out
by the Board of Auditors subject to
the requirements of the General
Assembly as established by
resolution thereof.
TRUST AND OTHER SPECIAL FUNDS

Regulation 31
Appropriate separate accounts shall be maintained for trust funds and other special funds for the purpose of accounting for unclaimed monies, monies received and held in suspense, and for projects where the transactions involve a cycle of operations. The purpose and limits of each trust or other special fund established shall be clearly defined by the appropriate authority.

INVESTMENTS
Regulation 32
The Director-General may make short-term investments of monies which are not needed for immediate requirements and shall inform the Executive Board periodically of the investments which he has made.

Regulation 33
Income from investments of the Staff Provident Fund shall be held in the Fund for ultimate credit to the Pension Fund.

/RESOLUTIONS
RESOLUTIONS INVOLVING EXPENDITURES

Regulation 34

No resolution involving expenditure from the Organization funds shall be approved by the conference of the Organization or by the Executive Board unless the conference or the Board has before it a report from the Director-General on the financial implications of the proposals and an estimate of the costs involved in the specific proposal.

Where, in the opinion of the Director-General, the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the Conference has made the necessary appropriations unless the Director-General certifies that provision can be made under the conditions of the resolutions of the Conference relating to unforeseen and extraordinary expenses and the Working Capital Fund.

COUNCIL RESOLUTIONS INVOLVING UNITED NATIONS EXPENDITURES

Regulation 34

No resolution involving expenditure from the United Nations funds shall be approved by a Council unless the Council has before it a report from the Secretary-General on the financial implications of the proposals and an estimate of the costs involved in the specific proposal.

Where, in the opinion of the Secretary-General, the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the General Assembly has made the necessary appropriations unless the Secretary-General certifies that provision can be made under the conditions of the resolutions of the General Assembly relating to unforeseen and extraordinary expenses and the Working Capital Fund.
CHAPTER I

DUTIES AND OBLIGATIONS OF THE SECRETARIAT

Regulation 1

The Director-General and all members of the Staff of the Organization are international civil servants and their responsibilities are not national but exclusively international. By accepting appointment, they pledge themselves to discharge their functions and to regulate their conduct with the interests of the International Trade Organization only in view. In the performance of their duties they shall not seek nor receive instructions from any Government or from any other authority external to the Organization. All members of the staff are subject to the authority of the Director-General, and are responsible to him in the exercise of their functions.

Regulation 2

Upon accepting their appointment, all members of the staff shall subscribe to the following oath or declaration:

"I solemnly swear (undertake, affirm, promise) to exercise in all loyalty, discretion and conscience the functions entrusted to me as a member of the international service of

NOTE:
Regulation 2: The Commission on Administrative and Financial Questions, in its report to the General Assembly of ICAO, suggested that it would be advisable to make it clear "that an individual undertakes to regulate his official conduct with the interest of the Organization alone in view". Although the "oath of acceptance" included in ICAO's staff regulations differs in some respects from the United Nations text, a similar qualification could be introduced in the text proposed above.
Regulation 2 (cont'd)
The International Trade Organization, to discharge those functions and regulate my conduct with the interests of the Organization only in view, and not to seek or accept instructions in regard to the performance of my duties from any government or other authority external to the Organization."

Regulation 3
The oath or declaration shall be made orally by the Director-General at a session of the Conference, and by the other high officers in public before the Director-General or his authorized deputy.

Regulation 4
The immunities and privileges attaching to the International Trade Organization by virtue of Article 90 of the Charter are conferred in the interests of the Organization. These privileges and immunities furnish no excuse to the Staff members who enjoy them for non-performance of their private obligations or failure to observe laws and police regulations. In any case where these privileges and immunities arise, the staff member concerned shall immediately report to the Director-General, with whom alone it rests to decide whether they shall be waived.

Regulation 2 (cont'd)
The United Nations, to discharge those functions and regulate my conduct with the interests of the United Nations only in view, and not to seek or accept instructions in regard to the performance of my duties from any government or other authority external to the Organization."

Regulation 3
The oath or declaration shall be made orally by the Secretary-General and Assistant Secretaries-General at a public meeting of the General Assembly and by the other higher officers in public before the Secretary-General or his authorized deputy.

Regulation 4
The immunities and privileges attaching to the United Nations by virtue of Article 105 of the Charter are conferred in the interests of the Organization. These privileges and immunities furnish no excuse to the staff members who enjoy them for non-performance of their private obligations or failure to observe laws and police regulations. In any case where these privileges and immunities arise, the staff member concerned shall immediately report to the Secretary-General with whom alone it rests to decide whether they shall be waived.

NOTE:
Regulation 4: In principle, staff members of international organizations enjoy the immunities and privileges conferred on the organization. It may be necessary, however, to determine, at a later stage, the personnel to which this provision should apply, since it may be desirable to exclude some categories of staff members, e.g., personnel paid at hourly rates and personnel specifically engaged for short term service.
Regulation 5

Members of the staff shall exercise the utmost discretion in regard to all matters of official business. They shall not communicate to any person any unpublished information known to them by reason of their official position except in the course of their duties or by authorization of the Director-General.

Regulation 6

Members of the staff shall avoid any action, and in particular any kind of public pronouncement or activity which may adversely reflect on their position as international civil servants. They are not expected to give up their national sentiments or their political and religious convictions; but they shall at all times bear in mind the reserve and tact incumbent upon them by reason of their international status.

Regulation 7

No member of the staff, without the prior authorization of the Director-General, shall accept, hold or engage in any office or occupation if such office or occupation is not deemed by the Director-General compatible with the proper discharge of his duties with the International Trade Organization.

Regulation 8

Any member of the staff who becomes a candidate for a public office of a political character shall resign from the Secretariat.

Regulation 9

Any member of the staff who becomes a candidate for a public office of a political character shall resign from the Secretariat.
Regulation 9
No member of the staff shall accept any honour, decoration, favour, gift or fee from any Government or from any other source external to the Organization during the period of his appointment, except for war services, or for services rendered before appointment.

Regulation 10
Men and women are equally eligible for all posts in the Secretariat.

Regulation 11
So far as practicable, appointments to posts in the Secretariat shall be made on a competitive basis.

Regulation 12
Persons appointed to permanent posts in the Secretariat shall serve such probationary period as may be prescribed by the Director-General.

The appointment of any member of the staff for a probationary period or on a short-term contract, which shall include any temporary contract, may be subject to such conditions as the Director-General may deem desirable.

Regulation 13
The Director-General may provide facilities to train members of the staff in subjects relating directly or indirectly to their duties. This training shall apply particularly to

NOTE:
Regulation 13: It is deemed desirable to change the wording of the corresponding United Nations regulation in order that the provision of training to staff members may be left to the discretion of the Director-General.

members

particularly
Regulation 13 (cont'd) members on probation whose earlier educational opportunities have been inadequate or whose language qualifications are deficient.

Regulation 14 With due regard to Article 85 of the Charter and without prejudice to the inflow of fresh talent at the various levels, vacancies shall be filled by promotion of persons already in the service of the International Trade Organization in preference to appointments from outside. This consideration may also be applied, on a reciprocal basis, to staff of the United Nations and the specialized agencies brought into relationship with the Organization.

Regulation 15 The Director-General shall provide machinery through which members of the staff may participate in the discussion of conditions relating to appointment and promotion.

CHAPTER III

SALARIES AND ALLOWANCES

Regulation 16 Pending the adoption of a permanent classification plan, the salaries of the members of the staff other than the Deputy-Directors-General shall be determined by the

NOTES:

Regulation 14: As in the case of regulation 13 above, it is thought desirable to change the wording of the corresponding United Nations regulation in order not to bind the Organization to a procedure which is not yet tested.

Regulation 16: The final part of the corresponding United Nations regulation is taken out in order that a general provision, aiming at the use of United Nations scales of salaries and allowances, be included. The present draft would require reconsideration if the United Nations adopts internal taxation plan and if the Interim Commission were to recommend against the adoption of such a plan by the ITO.

/Director-General, /determined
Regulation 16 (cont'd)
Director-General, who shall follow in principle the scales of salaries and allowances followed by the United Nations.

Regulation 16 (cont'd)
determined by the Secretary-General within a range between the salary adopted by the General Assembly for the post of Director and the best salaries and wages paid for stenographic, clerical and manual work at the seat of the United Nations.

CHAPTER IV
HOURS OF WORK

Regulation 17
The whole time of members of the staff shall be at the disposal of the Director-General. The Director-General shall establish a normal working week.

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The whole time of members of the staff shall be at the disposal of the Secretary-General. The Secretary-General shall establish a normal working week.

CHAPTER V
LEAVE

Regulation 18
Members of the staff shall be allowed sick leave, maternity leave, special leave, annual local leave and home leave, as prescribed by the Director-General.

Regulation 18
Members of the staff shall be allowed sick leave, maternity leave, special leave, annual local leave and home leave, as prescribed by the Secretary-General.

CHAPTER VI
DISCIPLINARY MEASURES

Regulation 19
The Director-General may impose disciplinary measures on members of the staff whose conduct or work is unsatisfactory. He may discharge a member of the staff who persistently fails to give satisfactory service. He may summarily dismiss a member of the staff for serious misconduct.

Regulation 19
The Secretary-General may impose disciplinary measures on members of the staff whose conduct or work is unsatisfactory. He may discharge a member of the staff who persistently fails to give satisfactory service. He may summarily dismiss a member of the staff for serious misconduct.
CHAPTER VII
TERMINATION OF APPOINTMENTS

Regulation 20
The normal age of retirement for members of the staff shall be 60 years. In exceptional circumstances the Director-General may, in the interest of the Organization, extend this age limit to 65 years.

Regulation 21
The Director-General may terminate the appointment of a member of the staff in accordance with the terms of his appointment if made under the provisions of Regulation 12, Section 2 or, if the necessities of the service require, the abolition of the post or a reduction of the staff, or if the services of the individual concerned prove unsatisfactory.

Regulation 22
If the Director-General terminates an appointment under Regulation 21, he shall give at least three months' notice and pay an indemnity equivalent to at least three months' salary. These provisions of notice and indemnity shall not apply to probationers, to persons holding

NOTES:
Regulation 20: The normal age of retirement for members of the staff is closely related to the pension scheme to be adopted. A note on the question of pension scheme is given at the foot of regulation 26.

Regulation 22: In the proposed regulation that part of the United Nations text is excluded in which it is foreseen that the amount of indemnity (upon termination) shall be increased with length of service. It is believed that, since a minimum indemnity is established in the regulation, complementary dispositions may be dealt with by a rule and need not be included in the regulations, at least for the present.

/short-term /9 months
Regulation 22 (cont'd)
short-term contracts or to persons summarily dismissed.

Regulation 23
The Director-General shall establish administrative machinery for inquiry and appeal in disciplinary and termination cases. This machinery shall provide for staff participation.

CHAPTER VIII
TRAVELLING EXPENSES AND ALLOWANCES

Regulation 24
The travel expenses and travel allowances of members of the staff in respect of authorized journeys on the business of the International Trade Organization shall be paid by the Organization subject to such conditions as may be prescribed by the Director-General.

Regulation 25
Subject to such conditions as may be prescribed by the Director-General, the International Trade Organization shall pay the removal costs and the travel expenses and travel allowances of members of the staff, and, in appropriate cases, their wives and dependent children:

(a) upon appointment to the Secretariat and on subsequent change of official station;
(b) at appropriate intervals for a journey to and from the place recognized as the staff member's home at the time of the initial appointment; and

(c) upon termination

Regulation 24 (cont'd)
9 months salary. These provisions of notice and indemnity shall not apply to probationers, to persons holding short-term contracts, or to persons summarily dismissed.

Regulation 23
The Secretary-General shall establish administrative machinery for inquiry and appeal in disciplinary and termination cases. This machinery shall provide for staff participation.

Regulation 24
The travel expenses and travel allowances of members of the staff in respect of authorized journeys on the business of the United Nations shall be paid by the Organization subject to such conditions as may be prescribed by the Secretary-General.

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Subject to such conditions as may be prescribed by the Secretary-General, the United Nations shall pay the removal costs and the travel expenses and travel allowances of members of the staff, and, in appropriate cases, their wives and dependent children:

(a) upon appointment to the Secretariat and on subsequent change of official station;
(b) at appropriate intervals for a journey to and from the place recognized as the staff member's home at the time of the initial appointment; and

(c) upon termination
Regulation 25 (cont'd)  
(c) upon termination of appointment.

CHAPTER IX  
STAFF PROVIDENT FUND

Regulation 26  
Pending the establishment of a permanent staff retirement scheme, a deduction shall be made from the salaries of members of the staff and paid into a staff provident fund to which the Organization shall make an additional contribution.

Note:  
Regulation 26: The proposed text leaves open the question of adoption of a permanent retirement scheme. Agreement is being sought by the United Nations that all specialized agencies or a great majority of them be affiliated with the United Nations pension scheme. This scheme, which is expected to be adopted at the next General Assembly in Paris, contains the following principal points:

<table>
<thead>
<tr>
<th>Retirement age</th>
<th>60 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basis of benefits</td>
<td>Average salary during last ten years</td>
</tr>
<tr>
<td>Maximum of retirement pension</td>
<td>50 per cent of average salary during last ten years.</td>
</tr>
<tr>
<td>Disability pension</td>
<td>Same as retirement pension, with minimum of 33 1/3 per cent.</td>
</tr>
</tbody>
</table>

Withdrawal benefits:  
Within first 5 years of service  
Participant's own contribution plus interest; in cash

After first 5 years of service  
Actuarial equivalent in cash

Widow's pensions:  
In active service  
50 per cent of disability pension

After service retirement  
50 per cent of participant's pension

After disability retirement  
50 per cent of participant's pension

Death benefit payable to any designated beneficiaries  
Participant's own contribution plus interest; payable on death in active service when no widow's pension is payable.

Orphans benefits  
$300 per annum for a half-orphan and $600 per annum for a full orphan

The cost of the scheme expressed as percentage of salary is 21 per cent. The participants would contribute 7 per cent and the Organization 14 per cent of their salaries.

Another scheme has been adopted by the International Bank and the International Monetary Fund showing some differences in the benefits payable and having two main points of disagreement: the retirement age is 65 and the overall cost of the plan is only 18 per cent of the participant's salary of which 12 per cent is borne by the organization.

/CHAPTER X
CHAPTER X

SPECIAL INDEMNITIES

Regulation 27

A member of the staff who is injured as a result of an accident incurred in the course of his duty or who is compelled to discontinue his employment as a result of sickness directly attributable to his work in the service of the Organization shall receive reasonable compensation. Should the staff member die in such circumstances, reasonable compensation shall be paid to his widow or such dependent as the Director-General may determine.
CHAPTER XI

ADMINISTRATIVE TRIBUNAL

Regulation 28

And dispute which cannot be resolved internally arising between the Organization and a member of the staff regarding the fulfilment of the contract of the said member or arising out of disciplinary action shall be referred for final decision to an international Administrative Tribunal which may be designated or, if necessary, established by the Executive Board until definitive arrangements have been made with the United Nations.

NOTE:

Regulation 28: The proposed regulation foresees the establishment of an administrative tribunal, if necessary, or the designation of an existing one, to deal with disputes arising between the Organization and a member of the Staff and which cannot be resolved internally.

It is thought desirable to bring the problem to the attention of the Interim Commission, since this is a point on which no final decision has been reached by the United Nations.

The Preparatory Commission of the United Nations which met in London, recommended the establishment of the Tribunal as a means of allowing staff members to have recourse to a body outside the administrative framework of the United Nations if a decision taken by the Administration appeared to be contrary to the staff rules and regulations. A drafting committee was established and a draft statute for the tribunal was submitted to the second part of the First Session of the General Assembly. At the suggestion of some Delegations, the matter was, however, postponed and has not been dealt with so far.

The ILO has established an administrative tribunal and the Interim Commission of the WHO has suggested the adoption of a provision similar to the text proposed above.

/CHAPTER XII
CHAPTER XII

GENERAL PROVISIONS

Regulation 29
These regulations may be supplemented or amended by the Conference of the Organization without prejudice to the acquired rights of members of the staff.

Regulation 30
The Director-General shall report annually to the International Trade Organization such staff rules and amendments thereto as he may make to implement these regulations, after confirmation by the Executive Board.

Regulation 28
These regulations may be supplemented or amended by the General Assembly without prejudice to the acquired rights of members of the staff.

Regulation 29
The Secretary-General shall report annually to the General Assembly such staff rules and amendments thereto as he may make to implement these regulations.

XII CHILDREN'S ALLOWANCES AND EDUCATION GRANTS

Regulation 30
As from 1 January 1948, full-time members of the staff, with the exception of those specifically excluded by resolution of the General Assembly, shall be entitled to a children's allowance of $200 (U.S.) per annum in respect of each child under the age of sixteen years, or, if the child is in full-time attendance at a school or a university (or similar educational institution) under the age of eighteen or twenty-two years respectively; provided that, if both parents are members of the staff of United Nations, only one allowance will be paid in respect of each of their children; and provided further that, where the Secretary-General deems it advisable, no allowance or an allowance of an amount other than $200 (U.S.) may be paid under special circumstances, as for example, short-term assignments or assignments at duty stations where the levels of United Nations salary scales are fixed at levels varying from the Headquarter's scale.
Regulation 31

The allowance shall continue to be payable in respect of his children to a full-time member of the staff who becomes entitled under the United Nations Joint Staff Pension Fund Regulations to a retirement or a disability benefit and to a widow if in receipt of a widow benefit.

Regulation 32

Upon the death of a person who receives a children's allowance under these regulations, and following the death of the other parent, there shall be paid to the legal guardian of each child an allowance of $400 (U.S.), or such other appropriate amount as may be fixed by the United Nations Staff Pension Committee, having regard to the further proviso to Regulation 30.

Regulation 33

Each full-time member of the staff, with the exception of those specifically excluded by a resolution of the General Assembly, entitled to receive a children's allowance under Regulation 30, who is employed by the United Nations in a country other than his own country as is specified in his letter of appointment shall be entitled to the following education grant:

(a) The sum of $200 (U.S.) per annum for each child, in respect of whom a children's allowance is payable, in full-time attendance at a school or a University in his home country; provided that where a child attended such an educational institution for a period of less than two-thirds of any one scholastic year, the allowance shall be reduced to such proportion of $200 (U.S.) as the period so attended bears to a full scholastic year;
(b) Once in each scholastic year the travelling expenses of the outward and return journey of such a child by a route approved by the Secretary-General;
(c) In the event staff members elect to send their children to special national schools in the area where they are serving, including international schools organized for children of United Nations staff members, rather than to schools in their home countries, the United Nations will pay for each child otherwise eligible for the education grant an allowance equal to the difference between the cost of education at the special school which he attends and the cost at a comparable school attended by children of persons normally resident in the area, provided the allowance shall not exceed $200 (U.S.) per year. This allowance shall be payable only when there is a valid reason for the child not to attend school in the home country, for instance, in the case of children under eleven years of age or when the health of the child is such that return to the home country is not feasible.

If both parents are members of the staff of the United Nations only one grant will be paid in respect of each of their children.
Regulation 34

The Secretary-General may decide in each case whether allowances or grants under Regulations 30 and 33 shall extend to adopted children or step-children.

NOTE:

Regulation 34: United Nations Regulations 30 to 34 above deal in detail with children's allowances and education grants. It appears unnecessary to include such detailed provisions in the text of the ITO staff regulation, since these allowances and grants should be regulated like all other allowances, by subsidiary rules to be prepared and approved at a later stage by the Director-General.