



EN

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Item No. 12 on the Agenda: Draft amendments to the UNIDROIT Regulations on financial matters

(joint proposal by Austria, Germany, Spain, Switzerland and the United States of America)

<i>Summary</i>	<i>Proposals for amendment to draft article 26(1) and (4), as they appear in UNIDROIT - 2012 A.G. (71) 9</i>
<i>Action to be taken</i>	<i>To consider the amendments to the Regulations proposed by Austria, Germany, Spain, Switzerland and the United States of America</i>
<i>Related documents</i>	<i>UNIDROIT 2010 - F.C. (67) 4; UNIDROIT 2010 - F.C. (67) 5; UNIDROIT 2011 - F.C. (71) 4</i>

1. When the Finance Committee, at its 72nd session (Rome, 27 September 2012), considered the proposed amendments to the chapter of the UNIDROIT Regulations dealing with financial matters, which had been originally proposed by Germany in 2010 and subsequently revised by an informal working group set up by the Finance Committee, it was noted that there remained some difference of opinion as to the use and meaning of the word "consensus" in draft article 26(4). The Finance Committee, therefore, agreed that it "would be best to add a footnote both to the proposal in respect of Article 26(4) and to that referring to the addition of a new Article 26(5), stating that these issues were related and still under discussion" thus leaving for the General Assembly "to take a final decision" (see UNIDROIT 2012 – AG/Comm. Finances (72) 10, para. 10).

2. With a view to solving those differences of opinion, the Governments of Germany and the United States propose the following amendments to Article 26 of the UNIDROIT Regulations, as it appears in document UNIDROIT 2012 - A.G. (71) 9:

- (a) In Article 26(1), insert at the end of the paragraph the sentence: "*The Finance Committee shall formulate its opinion on the draft budget by consensus.*";
- (b) In Article 26(4), delete the words "by consensus";
- (c) Delete the proposed new Article 26(5) (see text in UNIDROIT 2012 – A.G. (71) 9, Annex, footnote 1 at page 5).

3. These amendments are intended, at the one hand, to avoid misunderstandings regarding the decision-making process of the General Assembly in financial matters, for which the UNIDROIT Statute, in Article 16(3), prescribes a qualified majority, while affirming, on the other hand, the informal and consensus-based practice of the Finance Committee, in its function as a technical advisory body of the General Assembly, to formulate its opinions on the draft budget by consensus, rather than through a formal voting process.