

**PREPARATORY COMMITTEE  
FOR THE  
WORLD TRADE ORGANIZATION**

RESTRICTED  
PC/BFA/1  
7 December 1994

(94-2682)

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SUB-COMMITTEE ON BUDGET, FINANCE  
AND ADMINISTRATION

FINANCIAL RULES AND REGULATIONS FOR WTO

1. Following decisions taken by the Contracting Parties, the accounts of GATT are, as far as appropriate, maintained in accordance with the Financial Regulations and Rules of the United Nations. Article VII:2 of the WTO Agreement stipulated that "the financial regulations shall be based, as far as practicable, on the regulations and practices of GATT 1947".
2. There are two main differences between the UN accounts and the GATT accounts:
  - (i) the GATT accounts are maintained in Swiss francs whereas the UN accounts are maintained in US dollars; and
  - (ii) the GATT accounts are maintained on an annual basis whereas the UN accounts are maintained since the mid-seventies on a biennium basis.
3. The GATT accounts are maintained on a fund basis and include a General Fund and a Working Capital Fund supplemented when appropriate by Trust Funds.
4. When this *ad hoc* arrangement was established, the GATT was not an organization per se but rather the Secretariat of an agreement which was established for a limited period. With the creation of the WTO, specific financial rules and regulations will be established. They will be submitted to the General Council early in 1995. Pending their approval it is proposed that the present *ad hoc* arrangement as summarized in Paragraphs 2 and 3 above be maintained.
5. For information, it will be proposed that the WTO accounts will be established on three accounting principles: going concern, consistency and accrual. The accounts will be held on the following basis:
  - (i) A financial period of one calendar year.
  - (ii) The accounts will be maintained in Swiss francs.
  - (iii) The contributions will be assessed in Swiss francs.
  - (iv) Assets and liabilities in other currencies will be converted to Swiss francs.