Resolution of the Presidents’ Committee on
Graduated Measures for members who fail to pay their annual contribution

(Resolution 7/2013)

CONSIDERING that the Resolution of the Presidents Committee adopted in April 2011 recognized the need to increase the Organization’s resources and investment to support the new Strategic Direction through differential annual contributions.

CONSIDERING that it is critical that all IOSCO members pay their annual contributions on time

CONSIDERING that the measures to encourage the timely payment of annual contributions should be structured in a graduated manner,

Based on the recommendation of the IOSCO Board it is HEREBY RESOLVED that the Presidents Committee endorses the proposed graduated measures for members which fail to pay their annual contribution and amend the corresponding section of the By-Laws as follows:

Proposed procedure for Ordinary, Associate and Affiliate members

Stage 1: Escalation of reporting with notice to the defaulting member before proceeding to the “sanctions” stages described below (to be followed for each type of sanction)

1. The General Secretariat will report to the Audit Committee by 30 September on the status of members’ outstanding annual contributions and continue its practice of reminding members about them.

2. The General Secretariat will specifically report to the Audit Committee the members with two or more outstanding contributions and notify the defaulting member that their cases were being reported to the Audit Committee. In the case of an associate or affiliate member, the members will be notified that their cases will also be brought to the notice of the concerned ordinary member(s).

3. In the event that the response from the defaulting member is not received or is inadequate by the time of the subsequent meeting of the Audit Committee, the General Secretariat, after prior consultation with the Audit Committee, will report the cases to the relevant Regional Committee, Growth and Emerging Markets Committee (GEMC) and Affiliate Members Consultative Committee (AMCC) (as applicable).

4. In the event that the response from the defaulting member is still not received or is inadequate, the General Secretariat, not later than six months after the commencement of the proceeding and after prior consultation with the Audit Committee, will report the cases to the IOSCO Board. It will also notify the defaulting member that their case is being reported to the IOSCO Board and that the Board may propose measures (depending on the number of outstanding contributions as detailed below) to the Presidents Committee.
Stage 2: Withdrawal from policy committees

If a member (ordinary, associate or affiliate) has two outstanding membership contributions, the IOSCO Board shall require the member to withdraw from policy committees in which it is a member or an observer.

Stage 3: Suspension of voting rights (for ordinary members only)

If an ordinary member has two outstanding contributions and has not responded adequately to the measure for withdrawal from policy committees or this measure does not apply to them, the IOSCO Board may recommend to the Presidents Committee the suspension of voting rights (in respect of ordinary members only) for period of time that those ordinary members have outstanding dues of two membership contributions.

Stage 4: Suspension of membership

The IOSCO Board may recommend to the Presidents Committee the suspension of the membership of any ordinary, associate or affiliate member for the period of time that those members have outstanding dues of three membership contributions. Such members will not have the right to belong to or attend meetings of the IOSCO Committees, including the Presidents Committee, Regional Committees, the GEMC, and the AMCC etc.

Stage 5: Exclusion from membership

The IOSCO Board may recommend to the Presidents Committee the exclusion from membership of members that have outstanding dues of four membership contributions.

These measures are consistent with the Pre-conditions for Board membership set out in the Proposal for Board Composition discussed by the Board in June, namely “regular payment of membership contributions should be another requirement for Board members”.

Timing and action of the measures to be adopted

The status of members with outstanding contributions will be assessed at the end of each calendar year. Following such assessment by the Secretariat the measures will take effect from the related decision by the Presidents Committee in that year.

However, in respect of the members that at the end of 2013 have accumulated respectively two, three or four (or more than four) outstanding membership contributions, the assessment of their status regarding default will be made at the end of April 2014 before the consideration of application of the measures set out in Stages 3, 4 and 5 described above.