



GENERAL ASSEMBLY
71st session
Rome, 29 November 2012

UNIDROIT 2012
A.G. (71) 10
Original: English/French
December 2012

REPORT

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>For the information of the members of the General Assembly</i>
<i>Action to be taken</i>	<i>None</i>
<i>Related documents</i>	<i>None</i>

Contents

Opening of the session by the President of the Institute and the Chairman of the General Assembly 2011 – 2012	2
Election of the Chairman of the General Assembly 2012 – 2013	2
Adoption of the agenda	2
Organisation's activity in 2012	3
Report of the Finance Committee on its 72 nd session	5
Final modifications to the Budget and approval of the Accounts for the 2011 financial year	5
Adjustments to the Budget for the 2012 financial year	5
Arrears in contributions of member States	6
Financial situation of inactive member States	6
Classification of member States in the UNIDROIT contributions chart	7
Approval of the draft Budget for 2013 and fixing of the contributions of member States for that financial year	7
Draft Amendments to the UNIDROIT Regulations on financial matters	8
Periodicity of General Assembly sessions	10
Request of observer status for UNIDROIT with the United Nations	10
Any other business	11

Item No. 1 on the draft Agenda: *Opening of the session by the President of the Institute and the President of the General Assembly 2011 – 2012*

1. The 71st session of the General Assembly was held at the seat of UNIDROIT on 29 November 2012 and was attended by the diplomatic representatives in Italy of 45 member States and one observer (cf. the list of participants in Appendix I).
2. The *Secretary-General of the Institute* welcomed the participants on behalf of the President of UNIDROIT and handed the floor to the outgoing President of the General Assembly, H.E. Mr Juan Prieto, Ambassador of the Republic of Colombia in Italy.
3. Mr *Prieto* expressed his appreciation to the Secretary-General and to the Secretariat for their efforts in 2012. Highlights of that period had been the diplomatic Conference in Berlin that culminated in the adoption of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Space Assets; the 91st session of the UNIDROIT Governing Council, where he mentioned in particular three major UNIDROIT work projects: the netting of financial instruments, principles and rules capable of enhancing trading in securities in emerging markets, and model legislative provisions on State ownership of undiscovered cultural objects.

Item No. 2 on the Agenda: *Election of the Chairman of the General Assembly 2012 – 2013*

4. The *Secretary-General of the Institute* pointed out that a series of unforeseen circumstances had prevented the Asian group of member States of UNIDROIT, whose turn it would have been, in accordance with the practice of yearly rotation among the geographic regions into which the UNIDROIT membership was divided in accordance with Article 7(5)^{ter} of the UNIDROIT Regulations, to provide the Chairman of the General Assembly for the period 2012-2013, from availing themselves of this opportunity this time round. The General Assembly was accordingly invited to approve the re-election of the current Chairman, H.E. Mr Juan Prieto, Ambassador of Colombia in Italy, for a further period of one year.
5. Upon being re-elected, Mr *Prieto* thanked the members of the General Assembly for their renewed confidence and stressed that there was no question of a break in the rotation tradition and that the situation would doubtlessly return to normal the following year.
6. *The General Assembly noted that, according to the practice of yearly rotation among the geographic regions into which the UNIDROIT membership is divided in accordance with Article 7(5)^{ter} of the UNIDROIT Regulations, it would have been for the Asian group of States to nominate the Chairman for the period 2012-2013.*
7. *In view of the unexpected unavailability of the representative of the Asian member State which, following consultation with the Secretariat, had indicated its readiness to chair the Assembly for the period and the lack of time for conducting alternative consultations with other Asian member States, the General Assembly re-appointed H.E. Mr Juan Prieto, Ambassador of the Republic of Colombia in Italy, as Chairman for the period 2012-2013, thanking him for his willingness to exercise the function for a second term.*

Item No. 3 on the Agenda: *Adoption of the agenda (A.G. (71) 1 rev. 2)*

8. *The General Assembly adopted the agenda as proposed (reproduced in Appendix II).*

Item No. 4 on the Agenda: *Organisation's activity in 2012* (A.G. (71) 2)

9. The *Secretary-General of the Institute* introduced this agenda item, referring to document A.G. (71) 2 for detail. First, however, he drew the members' attention to the Strategic Plan for the Organisation drawn up by a special working group of the Governing Council with the involvement of the Secretariat, which was being presented to the General Assembly with a view to giving it wide circulation in the member States and to enable particularly those member States that had no nationals sitting on the Governing Council to consider the matter and to submit comments. While times of economic crisis bode ill for long-term planning and strategic matters, the long-term perspective was nevertheless important precisely in such times. He recalled that UNIDROIT's small size and its independence meant that it could establish its own rules and was not bound by the cumbersome procedures typical of larger organs, there were also some drawbacks in that it was more easily overlooked by States. The Governing Council was now suggesting that member States explore the possibilities of deeper co-operation with other Organisations, while preserving the Institute's independence. Such co-operation had existed in the past. He called on member States to consider ways of developing a positive, workable working relationship between the Institute and other bodies, making the best use of comparative advantages.

10. Turning to the Organisation's activity in 2012, the Secretary-General stressed that this statement was not intended as a substitute for the annual report, which would be submitted to the Governing Council in May 2013 for approval, but merely summarised the action taken by the Secretariat and the assignment of relative levels of priority to the various activities, and detailed the allocation of resources to carry out the current Work Programme. He referred, in particular, to the completion of the *Space Protocol* project, which had now, despite a series of setbacks since its inception in 2001, been brought to a successful close thanks, in particular, to the invaluable assistance of the German Government. The activities of the Secretariat would now focus on the preparations for the establishment of the Preparatory Commission that, pursuant to Resolution 1 adopted at the diplomatic Conference for the adoption of the draft Protocol in Berlin, was to be set up to act with full authority as Provisional Supervisory Authority of the future International Registry for space assets and the promotion of the early entry into force of the Space Protocol. The Resolution provided that the Preparatory Commission was to be composed of persons having the necessary qualifications and experience, nominated by one-third of the negotiating States, with the International Telecommunication Union (ITU), the International Civil Aviation Organization (ICAO), the Intergovernmental Organisation for Carriage by Rail (OTIF) and representatives of the commercial space, financial and insurance communities and other interested parties being invited to participate in the work of the Preparatory Commission as observers. The Secretariat had already contacted a number of Governments of member States that had participated in the Berlin Conference and that had expressed an interest in promoting the Space Protocol and participating in the work of the Preparatory Commission, inviting them to nominate candidates, and it was hoped that the Preparatory Commission might hold its constitutive meeting before the next session of the Governing Council in May 2013.

11. Turning to the drafting of *principles and rules on the netting of financial instruments*, significant progress had been made by the Committee of Governmental Experts mandated by the 91st session of the Governing Council and which had met for its first session at the premises of the Food and Agriculture Organisation of the United Nations (FAO) from 1 to 5 October 2012, with a second and final session scheduled to be held in Rome from 4 to 8 March 2013. In the course of these deliberations, a clear preference for a soft law instrument had emerged. This project enjoyed extrabudgetary support from the German Banking Federation, which meant that the project could be maintained at the highest level of priority and other projects could be moved up. Meanwhile, work on promoting the *Geneva Securities Convention* and possibly drafting *principles and rules*

capable of enhancing trading in securities in emerging markets had benefited from a meeting held in Rio de Janeiro on 27-28 March 2012 hosted by the Brazilian Securities and Exchange Commission. Tentative plans were afoot to organise a similar meeting in a large emerging market in Europe in the second half of 2013.

12. As to the preparation of additional Protocols to the Cape Town Convention, it was hoped that the feasibility and economic impact assessment study being prepared by the Centre for the Economic Analysis of Law in Washington on a possible *Protocol on agricultural, mining and construction equipment* would be completed in time for the next Governing Council to re-consider the matter of developing such a Protocol, on which opinions were divided. The issue of UNIDROIT becoming involved in drafting an instrument on *third party liability for Global Navigation Satellite System (GNSS) services* was on hold pending the publication of a European Commission report in March 2013. Following the overwhelming support given by the Governing Council at its 2012 session for UNIDROIT to undertake work on developing a legal guide for *contract farming* arrangements in the context of *private law and development*, a first meeting of a working group of experts selected by the Secretariat was to be convened in Rome from 28-31 January 2013.

13. Regarding the promotion of the legislative aspects of the Institute's instruments and work, the promotion of, in particular, the *UNIDROIT Principles of International Commercial Contracts 2010* had continued apace, with meetings being held around the globe. He expressed the Institute's gratitude for the assistance offered in this regard by the Uniform Law Foundations. A small group of experts was to meet in February 2013 to develop model clauses to assist contract parties in incorporating the UNIDROIT Principles into the terms of their contract or in choosing them expressly as the rules of law governing their contract. Finally, the Institute had been engaged in promoting the 1995 *UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects* and the model legislative provisions on the protection of cultural property in co-operation with UNESCO. There had lately been a resurgence of political attention at UNESCO and in the UN Commission on crime prevention and criminal justice (UNODC) and there were proposals to develop a new framework to combat illicit traffic in cultural property. This of course had a positive fall-out for the 1995 UNIDROIT Convention.

14. In a brief comment on the Annexes to document A.G. (71) 2, the Secretary-General noted that Annex 1 presented the budget allocations in such a way as to enable the General Assembly to monitor whether the relevant allocation was in line with the priority assignment set by the Assembly. Staffing remained the largest budget line at 75% of overall expenditure. Annex 2 provided information on voluntary contributions, which by end-2012 stood at a total of 300,000 euro, *i.e.*, 10% of the overall budget. He expressed the Institute's gratitude in particular to the German Banking Federation, the German Space Agency, the Governments of the Netherlands, Korea, and China, as well as to the President of the Institute for his good offices in securing voluntary contributions from several Italian law firms.

15. Satisfaction was expressed across the floor with the way in which the Secretariat had discharged its duties in 2012 on a very tight budget. The *Chairman of the Assembly* particularly praised the efforts made to win new donors. The *representative of Switzerland* stressed the importance of promoting the 1995 Cultural Property Convention at a time when illicit traffic was a major issue. The *representative of Germany* noted that Germany had now signed the Space Protocol to the Cape Town Convention and was set to step up its efforts to encourage other member States to follow suit. The *representative of the United Kingdom* referred to the priority criteria for the UNIDROIT Work Programme set by the Governing Council and underlined her country's wholehearted support for the work undertaken on the netting of financial instruments. However, she reiterated her Government's continued reservations as to possible further Protocols

to the Cape Town Convention, including that on agricultural, mining and construction equipment, and expressed scepticism as to the viability of any UNIDROIT work on liability for GNSS services, the resources for which she stressed would be better deployed in other areas.

16. *The General Assembly took note with interest of the Secretary-General's statement regarding the Organisation's activity in 2012.*

17. *The General Assembly commended the Secretary-General and the Governing Council for having drawn up a revised Strategic Plan for UNIDROIT (A.G. (71) INF. 2) and requested the Secretariat to circulate the document to member States for comments.*

18. *The General Assembly took note of the steps taken by the Secretary-General to implement Resolution 1 of the Diplomatic Conference for the adoption of the draft Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Space Assets (Berlin, 27 February – 9 March 2012) relating to the Setting Up of the Preparatory Commission for the Establishment of the International Registry for Space Assets. The Assembly requested the Secretary-General to inform member States in due course of the final composition of the Preparatory Commission.*

Item No. 5 on the Agenda: *Report of the Finance Committee on its 72nd session (AG/Comm. Finances (72) 10)*

19. The *representative of Austria*, Chair of the Finance Committee, introduced this item, referring to document AG/Comm. Finances (72) 10 for detailed information. She noted the work of the informal working group that had, prompted by the German Government, formulated amendments to the UNIDROIT regulations to bring the Institute into line with established budgetary practice in other international fora with regard to a clear distribution of responsibilities and transparency in its financial matters, and which would be addressed in more detail under agenda item 12. She invited the General Assembly on behalf of the Finance Committee to adopt the proposed formulation. Another important topic on the Finance Committee agenda over the past two years had been the reclassification of member States in the Institute's contributions chart. To date, three member States had communicated that they could not accept reclassification immediately.

20. *The General Assembly took note of the report of the Finance Committee on its 72nd session.*

Item No. 6 on the Agenda: *Final modifications to the Budget and approval of the Accounts for the 2011 financial year (A.G. (71) 3)*

21. The *Secretary-General of the Institute*, referring to document A.G. (71) 3, noted that this document had been included for information purposes only and that no action was required on the part of the members. He merely drew the Assembly's attention to a slight oversight, in that some of the figures in the tables on pp. 2 and 3 of the document were not consistent with those on the cover page.

22. *The General Assembly noted that no final modifications were needed to the 2011 Budget and approved the Accounts for 2011.*

Item No. 7 on the Agenda: *Adjustments to the budget for the 2012 financial year (A.G. (71) 4)*

23. The *Secretary-General of the Institute* introduced this agenda item, referring to document A.G. (71) 4), which was simply a financial implementation report providing information as of October 2012. He noted that the Institute would not be asking for any supplementary funding. He drew the members' attention to the fact that, although the document showed a shortfall in receipts for 2012 of almost € 200,000, due in part to some of the planned re-classifications of member States' contributions not yet having become effective, and to the fact that for the last time, the 2012 budget was drawn up following the old UNIDROIT tradition of including an expectation of a surplus by the end of the year. With this in mind, the Secretariat had taken a prudent approach to spending, with the result that the budget now showed a likely level of expenditure by year-end that was more than € 200,000 less than forecast in the budget. This was due largely to lower salary and allowances in Chapter 2, several positions having remained vacant for some time and then not being filled at the highest possible level of recruitment.

24. *The General Assembly took note of the information on the implementation of the 2012 Budget.*

Item No. 8 on the Agenda: *Arrears in contributions of member States (A.G. (71) 5 rev.)*

25. The *Secretary-General of the Institute* introduced this agenda item, referring to documents A.G. (71) 5 and A.G. (71) 5 rev. for statistical detail. He noted that Nigeria, which still figured in the former document drawn up in November 2012, had in the meantime settled its arrears and was now in the clear, while Pakistan had now also paid in its contribution for the previous year and that this left only the current year outstanding, which reflected a difference in Pakistan's budgetary cycle and was no cause for concern. The only somewhat anomalous situation was that of Serbia, which had never before accumulated arrears of the magnitude indicated in the table. Overtures were being made to the Serbian Embassy in Rome on ways of solving the issue. Disregarding the situation of Bolivia, to which he would return under the next agenda item, the situation as regards arrears was in no way dramatic at the current stage. He thanked the member States for their efforts in meeting their obligations in full and hoped that the two countries that had not yet paid their dues for 2012 would be able to do so before closing financial year in February 2013.

26. The *representative of Pakistan* confirmed that Pakistan had made a payment towards its contribution for 2011 and reiterated her country's commitment to pay in as timely a fashion as its budgetary cycle permitted.

27. *The General Assembly took note of the steps being taken by the Secretariat to reduce arrears in the contributions of certain member States.*

Item No. 9 on the Agenda: *Financial situation of inactive member States (A.G. (71) 6)*

28. The *Secretary-General of the Institute* introduced this agenda item, referring to document A.G. (71) 6 for background. He recalled that inactive member States were those which, without formally renouncing their status as member States of UNIDROIT, had never ratified the amendment to Article 16 of the Statute, and had since neither paid any contributions, nor participated in the work of the Institute; they had neither sought election for any position, nor attended the sessions of the General Assembly. He briefly recapitulated the state of play in respect of Bolivia, which had dragged on for a considerable number of years. The Secretariat was now holding out for a pragmatic solution and proposed simply to stop the clock for Bolivia, without prejudice to any proposals Bolivia might wish to make in the future to redress the situation. It would thus join Iraq,

Cuba and Nicaragua as non-active member States. Instead, members were invited to consider the proposal of the Finance Committee that Paraguay, which had now settled its arrears and was due to recover full membership rights, probably in 2013 (after four years' consecutive payments of its contribution), be considered for budgetary purposes.

29. The *representative of Paraguay* thanked the General Assembly for its support in ensuring that her country recovered full membership.

30. *The General Assembly took note of the Government of Paraguay's stated intention fully to abide by its financial obligations toward the Institute with a view to reacquiring its rights as a member of UNIDROIT once it had settled its contribution to the UNIDROIT Budget for four consecutive years.*

Item No. 10 on the Agenda: *Classification of member States in the UNIDROIT contributions chart (A.G. (71) 7)*

31. The *Secretary-General of the Institute* introduced this agenda item, referring to document A.G. (71) 7 for background. He briefly outlined the procedure under Article 16 of the UNIDROIT Statute as to the filing of reservations with regard to re-classification. Three member States had objected to their re-classification within the statutory year – Colombia, Portugal and Spain –, the first asking for postponement only. The Finance Committee had prepared a draft Resolution, annexed to document A.G. (71) 7, which it now submitted with a positive recommendation for the General Assembly to adopt. However, Colombia having announced that it was withdrawing its objection and accepted re-classification as of 2012, the draft Resolution now had only three operative paragraphs, paragraph 1 on Colombia being deleted.

32. The news of Colombia's acceptance was welcomed across the floor. The *representatives of Brazil, Mexico and Pakistan* congratulated Colombia on its move. The *representatives of Mexico, Pakistan, Spain and Portugal* all voiced support for the draft Resolution, without its paragraph 1, duly deleted, the *representative of Spain* adding that with regard to the suspension of her country's re-classification in the contributions chart as approved by the General Assembly, Spain understood this suspension in its own right should be reviewed by the General Assembly in December 2014 in accordance with Article 16 of the UNIDROIT Statute. This last point was echoed by the *representative of Portugal*.

33. *The General Assembly adopted Resolution (71)1, which contained the revised chart for the apportionment of the contributions of member States to the regular UNIDROIT budget, but suspending the reclassification of Portugal and Spain in the contributions chart until the next revision of the contributions chart by the General Assembly in accordance with Article 16 of the Statute of UNIDROIT (reproduced in Appendix III). The Assembly requested the Finance Committee, in accordance with its mandate, to review in 2014 the current methodology for the classification of member States and consider possible enhancements, bearing in mind the principle of capacity to pay, and to make recommendations the General Assembly in due course.*

Item No. 11 on the Agenda: *Approval of the draft budget for 2013 and fixing of the contributions of member States for that financial year (A.G. (71) 8)*

34. The *Secretary-General of the Institute* introduced this agenda item, referring to document A.G. (71) 8 for full detail. Summarising, he noted that the same unit of contribution (€ 2.450) had been used for the fifth year running, and that no request was being made for extra funding nor were there any proposals to increase the assessed contributions of member States. On the receipts

side, the only imponderable was the level of receipts for the sale of publications, since the Uniform Law Review would be handled by the Oxford University Press as of 2013. However, this naturally entailed a reduction in printing costs for the Institute. On the expenditure side, an increase was being requested for Chapter 1, which covered meetings of experts, other meetings and official journeys, the latter an important component of the Secretariat's efforts to promote the Institute and its work and to ensure its participation in the work of its sister Organisations. Other increases concerned administrative expenses and maintenance costs, the Library, and a small amount for promotional activities in non-member States. On the other hand, there had been a significant drop in expenditure for Chapter 2 (salaries and allowances) in 2012; he noted that the recruitment processes had now been completed and would make it possible to make a more accurate estimate of staffing costs. At the proposed level of expenditure, there would need to be a working capital fund in 2013 of € 267,000 to cover unforeseen expenditure or shortfalls, which should not present any problem for the coming fiscal year.

35. In the discussion that followed, the Secretary-General was widely commended for keeping a tight rein on expenditure and deft handling of the Institute's scarce resources. The *representative of Canada* agreed there was a need progressively to correct an imbalance in the distribution of the Organisation's resources by increasing the funds allocated to budget-related activities, and expressed support for the proposed 33% increase to cover meetings associated with the Work Programme. Canada was in favour of zero nominal growth in contributions of member States to UNIDROIT and as such, appreciated the Secretariat's efforts to keep expenditure under control and to keep the value of units of contribution at 2012 levels. The tenor of these views, and support for the budget proposal, was largely shared by the *representatives of the United Kingdom, Mexico, the United States of America, Italy, Austria, Japan, the Czech Republic and Spain*. The *representative of the United Kingdom* particularly welcomed the Secretariat's efficiency savings and its efforts to seek additional sources of finance. Her only reservation as regards the 33% increase in the budget for expert committee meetings was that the money might be used on projects such as a fourth Cape Town Protocol and third party civil liability for GNSS services, since her Government believed that such funds should be used for priority projects only. The *representative of the United States of America* reiterated his country's continued strong support of UNIDROIT and its mission to promote legal harmonisation. It continued to support budget discipline, prioritisation and increased efficiency in the budgets of all international Organisations and expressed support for the current budget proposal.

36. The *representative of Italy* moreover referred to the ongoing consultations between UNIDROIT and the host country, Italy, with respect to the possible revision of the Headquarters Agreement between the two parties. He announced that Italy was now in a position to accept one of the proposals under discussion, which involved Italy's agreeing to making its contributions to the UNIDROIT budget compulsory rather than voluntary.

37. *The General Assembly approved the draft budget for 2013.*

38. *The General Assembly took note of the efforts undertaken by the Government of Italy to stabilise the level of that Government's contribution and including it among the obligatory expenditure of the budget of the Italian State.*

Item No. 12 on the Agenda: *Draft Amendments to the UNIDROIT Regulations on financial matters*
(A.G. (71) 9)

39. The *Secretary-General of the Institute* introduced this agenda item, referring to document A.G. (71) 9 for its history. In summary, he recalled that the proposed amendments reflected

original proposals by Germany to establish comprehensive, specific financial regulations within UNIDROIT leading to a clear distribution of responsibilities and transparency in UNIDROIT's financial matters, with a view to giving member States a clear source of reference for questions concerning the budget. One example of an arbitrary practice was that of always estimating a surplus at the end of the financial year and including this as an expected receipt. The Finance Committee's proposal on surpluses was very sensible: the Secretariat might be authorised to use any surplus produced through efficiency savings in the following financial year, whereas a surplus that was the result of overestimated expenditure might be ploughed back to the member States.

40. There had been some discussion on one particular point, which concerned the meaning of the word "consensus" in the proposed new text of Article 26(4) of the Regulations (original German proposal – Addendum to document A.G. (71) 9). While the members of the Finance Committee had not voiced either objections or support, the proposal was now understood to refer to majority agreement, rather than unanimity, but strictly for the purposes of the Finance Committee alone, the decision-making process of which organ was not contemplated by the Statute. The Secretary-General again stressed that these proposals referred solely to the practice of the Finance Committee and had no bearing on the procedures of the General Assembly itself. The Statute did contemplate voting, but this was generally confined to election issues alone. Regarding budgetary matters, the General Assembly usually simply approved the budget proposals, which by the time they reached the Assembly had already undergone a lengthy consultation process involving the Secretariat, the Finance Committee, the member States, and the Governing Council.

41. In the discussion that followed, the *representatives of Brazil and Pakistan* had some difficulty with the interpretation of the word consensus in the amended Article 26(4). It was pointed out that the General Assembly took its decisions regarding the budget by qualified majority. The *representative of Canada*, after thanking Germany for raising this issue and for the work it had put into the original proposal, took the view that the draft amendments, as modified by the proposal, contained in the relevant document for the most part reflected the current practices of UNIDROIT. However, the questions arising regarding financial matters would need to be addressed in accordance with the terms of the Statute.

42. The *representatives of Austria and the Czech Republic* expressed support for the proposed wording, the latter also seeking clarification in respect of Article 38 dealing with the discretion accorded the Secretary-General in terms of the use that was made of end-of-year surpluses. He wondered whether that discretion should reflect the priorities set out in the Strategic Plan. In reply, the *Secretary-General* agreed that this was so in principle, but that the amounts involved were generally modest and the Finance Committee accordingly preferred not to go into that level of detail.

43. The *representative of Pakistan* suggested it would be more sensible simply to allow the current practice of taking decisions without a vote, by expressions of consent but without objections being raised, to continue, rather than to define the term consensus as was done in the footnote in the document. The *Secretary-General* specified that if the words "by consensus" were to be deleted from Article 26(4) as proposed in the Addendum to the document, the footnote and its explanation would automatically also disappear. The Addendum represented an attempt by the delegations of Austria, Germany, Spain, Switzerland and the United States of America to reach agreement on a point on which the Finance Committee itself had remained divided, by deleting the word "consensus" in one place and mentioning it elsewhere.

44. *The General Assembly approved the proposed amendments to Articles 23 to 38, 50 of, and Annex II to the UNIDROIT Regulations, as well as to Article 2 of the Rules Governing the Working*

Capital Fund, as set forth in document A.G. (71) 9, with the corrections set forth in document A.G. (71) 9 Add.

Item No. 13 on the Agenda: *Periodicity of General Assembly sessions (A.G. (71) 1 rev. 2)*

45. The *Secretary-General of the Institute* briefly explained the reason for this item, which was essentially that, now that the Governing Council meetings were open to representatives of countries that had no nationals sitting on the Council, there was no longer any need for the General Assembly to convene for a meeting in the summer, as had been the practice hitherto.

46. The *representatives of Canada, Australia and Austria* expressed support for the proposal to discontinue the summer meetings. They applauded the new practice of making the Governing Council documents available to member States and of inviting representatives of countries not represented on the Governing Council to attend the Council session in a consultative capacity and took the view that this obviated the need for a summer session of the General Assembly, thus making savings both in time and money. They attributed the fact that the first such "open" session had been poorly attended to the novelty of it all and expressed confidence that matters would improve with time.

47. *The General Assembly invited the Governing Council to continue making use of the authority given to it by Article 16 of the UNIDROIT Regulations to request representatives of member Governments that had no nationals sitting on the Council to attend its meetings in a consultative capacity.*

48. *The General Assembly agreed that there was no need for convening sessions of the Assembly in the summer, but requested the Secretariat to publish a summary of the Governing Council deliberations as soon as feasible after the Council's session.*

Item No. 14 on the Agenda: *Request for observer status for UNIDROIT with the United Nations (A.G. (71) 1 rev. 2)*

49. The *Secretary-General of the Institute* sketched the background of this item, referring to the Appendix in the draft agenda (document A.G. (71) 1 rev.). It was important for UNIDROIT to attend United Nations meetings that were relevant to the Institute's projects. The Hague Conference on Private International Law, which had already obtained observer status, as indeed had other, perhaps less prestigious, bodies and there was no reason why UNIDROIT should be not be admitted as well. He invited the members of the General Assembly to canvass their diplomatic delegations at the United Nations with a view to co-ordinating the attempt to secure observer status. The host country of UNIDROIT, Italy, had volunteered to be the first sponsor of a Resolution in this sense.

50. The *representative of Italy* confirmed his country's intention to sponsor this move. The *representatives of Germany, Brazil and Canada* took up the Secretary-General's call for a co-ordinated effort by the Institute's member States to support the idea when the time came. The representative of Canada also announced that consultations in this regard had already taken place within the Canadian Government.

51. *The General Assembly took note of the intention of the Secretary-General to apply for observer status for UNIDROIT with the United Nations and invited all member States that were also member States of the United Nations favourably to consider the possibility of supporting that request at the United Nations.*

Item No. 15 on the Agenda: *Any other business.*

52. The *Secretary-General of the Institute* reminded the members of the General Assembly that a new Governing Council was due to be elected in 2013, and that it would be prudent for those countries that intended to present candidates to commence consultations without delay.

53. No matters having been raised under this agenda item, the President of the General Assembly declared the meeting closed at 12.30 p.m.

APPENDIX I**LIST OF PARTICIPANTS/LISTE DES PARTICIPANTS**

ARGENTINA / ARGENTINE	Mr Marcelo MASSONI Counsellor Embassy of Argentina in Italy
AUSTRALIA / AUSTRALIE	H.E. Mr David RITCHIE Ambassador of Australia in Italy Embassy of Australia in Italy Ms Elizabeth AMES Second Secretary (Political) Embassy of Australia in Italy
AUSTRIA / AUTRICHE	Ms Katharina WIESER Minister Embassy of Austria in Italy
BELGIUM / BELGIQUE	Excused / <i>Excusé</i>
BRAZIL / BRESIL	Ms Gilda MOTTA SANTOS NEVES Counsellor Embassy of Brazil in Italy Mr Wilson ALVARENGA Attaché Embassy of Brazil in Italy
BULGARIA / BULGARIE	Excused / <i>Excusé</i>
CANADA	Mr Craig WEICHEL Counsellor Embassy of Canada in Italy
CHILE / CHILI	<i>Excused / Excusé</i>
CHINA / CHINE	Mr WU Cong Third Secretary Embassy of the People's Republic of China in Italy
COLOMBIA / COLOMBIE	H.E. Mr Juan PRIETO Ambassador of Colombia in Italy Embassy of Colombia in Italy Ms Maria Victoria SALCEDO BOLIVAR Counsellor Embassy of Colombia in Italy

	Mr Felipe STEINER First Secretary Embassy of Colombia in Italy
CROATIA / <i>CROATIE</i>	Ms Ines ŠPREM Third Secretary Embassy of the Republic of Croatia in Italy
CYPRUS / <i>CHYPRE</i>	Excused / <i>Excusé</i>
CZECH REPUBLIC / <i>REPUBLIQUE TCHEQUE</i>	Mr Alex IVANČO Head of the International Law Unit Ministry of Industry and Trade of the Czech Republic
	Mr Milan TOUŠ Head of the Economic Section Embassy of the Czech Republic in Italy
DENMARK / <i>DANEMARK</i>	Mr Jacob NIELSEN Political Office Embassy of Denmark in Italy
	Mr Jans WINTER Political Office Embassy of Denmark in Italy
EGYPT / <i>EGYPTE</i>	Mr Mohamed ELFIKY Second Secretary Embassy of the Arab Republic of Egypt in Italy
ESTONIA / <i>ESTONIE</i>	Excused / <i>Excusé</i>
FINLAND / <i>FINLANDE</i>	Mr Pekka HIRVONEN First Secretary Embassy of Finland in Italy
FRANCE	Mme Amélie DURANTON Magistrat de Liaison Ambassade de France en Italie
GERMANY / <i>ALLEMAGNE</i>	Mr Marco ACQUATICCI Head of the Legal and Consular Office Embassy of Germany in Italy
GREECE / <i>GRECE</i>	Mr Ioannis MALOUKOS Counsellor Embassy of Greece in Italy
HOLY SEE / <i>SAINT-SIEGE</i>	M. Paolo PAPANTI-PELLETIER Professeur – Juge – Tribunal de l’Etat de la Cité du Vatican

HUNGARY / <i>HONGRIE</i>	Ms Gyöngyi KOMLÓSSY Consul Embassy of Hungary in Italy
INDIA / <i>INDE</i>	Excused / <i>Excusé</i>
INDONESIA / <i>INDONESIE</i>	Mr Luck SAUD Third Secretary Embassy of the Republic of Indonesia in Italy
IRAN (ISLAMIC REPUBLIC OF / <i>IRAN (REPUBLIQUE ISLAMIQUE D')</i>	Mr Seyed Kamal MIRKHALAF First Secretary Embassy of the Islamic Republic of Iran in Italy
IRELAND / <i>IRLANDE</i>	Mr Eóin DUGGAN Deputy Head Mission Embassy of Ireland in Italy
ISRAEL	Excused / <i>Excusé</i>
ITALY / <i>ITALIE</i>	Mr Giorgio MARRAPODI Minister Ministry of Foreign Affairs of Italy
	Ms Mariachiara MALAGUTI External Counsel Ministry of Foreign Affairs
JAPAN / <i>JAPON</i>	Ms Satoko MASUTANI KOIKE Third Secretary Embassy of Japan in Italy
LATVIA/ <i>LETTONIE</i>	Excused / <i>Excusé</i>
LITHUANIA / <i>LITHUANIE</i>	Excused / <i>Excusé</i>
LUXEMBOURG	M. Michel GRETHEN Premier Secrétaire Ambassade du Luxembourg en Italie
MALTA / <i>MALTE</i>	<i>Excused / Excusé</i>
MEXICO / <i>MEXIQUE</i>	Mr Alan ROMERO ZAVALA Second Secretary Embassy of Mexico in Italy
NETHERLANDS / <i>PAYS-BAS</i>	Ms Usha GOPIE First Secretary (Political Affairs) Embassy of the Netherland in Italy
NIGERIA	Excused / <i>Excusé</i>

NORWAY / <i>NORVEGE</i>	Mr Mathias RONGVED Second Secretary Embassy of Norway in Italy
PAKISTAN (ISLAMIC REPUBLIC OF) <i>PAKISTAN (REPUBLIQUE ISLAMIQUE DE)</i>	H.E. Ms Tehmina JANJUA Ambassador of the Islamic Republic of Pakistan in Italy Mr Shahbaz HUSSAIN Head of Chancery Embassy of the Islamic Republic of Pakistan in Italy
PARAGUAY	Ms Lorena PATIÑO Second Secretary Embassy of Paraguay in Italy
POLAND / <i>POLOGNE</i>	Mr Rafał HRYNIEWIECKI First Secretary Economic Section Embassy of Poland in Italy
PORTUGAL	Ms Rita LOURENÇO Technical Adviser Embassy of Portugal in Italy
REPUBLIC OF KOREA / <i>REPUBLIQUE DE COREE</i>	Ms CHO Ji-I Third Secretary Ministry of Foreign Affairs and Trade Treaties Division - Seoul
ROMANIA / <i>ROUMANIE</i>	Ms Alina POPESCU First Secretary Embassy of Romania in Italy
RUSSIAN FEDERATION / <i>FEDERATION DE RUSSIE</i>	Mr Pavel VOLKOV Director of Legal Department Ministry of Economic Development of the Russian Federation Mr Alexey FILIPPOV Counsellor Ministry of Economic Development of the Russian Federation Mr Evgeny EGOROV Legal Adviser Russian Trade Representation in Italy
SAN MARINO / <i>SAINT-MARIN</i>	Madame Marina EMILIANI Conseiller Ambassade de la République de Saint-Marin en Italie

SAUDI ARABIA / <i>ARABIE SAOUDITE</i>	Mr Fahad ALMUTAIRI Second Secretary Royal Embassy of Saudi Arabia in Italy
SERBIA / <i>SERBIE</i>	Excused / <i>Excusé</i>
SLOVAKIA / <i>SLOVAQUIE</i>	Ms Lubica MIKUSOVA Head – Consulate Embassy of the Slovak Republic in Italy
SLOVENIA / <i>SLOVENIE</i>	Excused / <i>Excusé</i>
SOUTH AFRICA / <i>AFRIQUE DU SUD</i>	Mr Mark JURGENS Counsellor Embassy of the Republic of South Africa in Italy
SPAIN / <i>ESPAGNE</i>	Ms Lorea ARRIBALZAGA CEBALLOS First Secretary Embassy of Spain in Italy
SWEDEN / <i>SUEDE</i>	Mr Tobias AXERUP First Secretary Embassy of Sweden in Italy
SWITZERLAND / <i>SUISSE</i>	Mme Teresa DI VITO Assistante – Section juridique Ambassade de Suisse en Italie
TUNISIA / <i>TUNISIE</i>	Mme Hazar SASSI Conseillère Ambassade de Tunisie en Italie
TURKEY / <i>TURQUIE</i>	Ms Makbule KOÇAK Counsellor Embassy of Turkey in Italy
UNITED KINGDOM/ <i>ROYAUME-UNI</i>	Ms Claudia GIUNCHIGLIA Trade Relations Officer Embassy of the United Kingdom in Italy
UNITED STATES OF AMERICA / <i>ETATS-UNIS D'AMERIQUE</i>	Mr Stetson A. SANDERS First Secretary - Alternate Permanent Representative U.S. Mission to the United Nations Agencies in Rome
URUGUAY	Ms Maria Marcela DOS SANTOS Second Secretary Embassy of Uruguay in Italy
VENEZUELA	Excused / <i>Excusé</i>

OBSERVERS / OBSERVATEURS

SOVEREIGN MILITARY ORDER
OF MALTA/*ORDRE SOUVERAIN
MILITAIRE DE MALTE*

H.E. Mr Aldo PEZZANA CAPRANICA DEL GRILLO
Ambassador

UNIDROIT

Mr José Angelo ESTRELLA FARIA, Secretary-General / *Secrétaire-Général*

Ms Anna VENEZIANO, Deputy Secretary-General / *Secrétaire Général adjoint*

APPENDIX II**AGENDA**

1. Opening of the session by the President of the Institute and the Chairman of the General Assembly 2011 - 2012
2. Election of the Chairman of the General Assembly 2012 - 2013
3. Adoption of the agenda (A.G. (71) 1 rev. 2)
4. Organisation's activity in 2012 (A.G. (71) 2)
5. Report of the Finance Committee on its 72nd session (AG/Comm. Finances (72) 10)
6. Final modifications to the Budget and approval of the Accounts for the 2011 financial year (A.G. (71) 3)
7. Adjustments to the Budget for the 2012 financial year (A.G. (71) 4)
8. Arrears in contributions of member States (A.G. (71) 5 and A.G. (71) 5 rev.)
9. Financial situation of inactive member States (A.G. (71) 6)
10. Classification of member States in the UNIDROIT contributions chart (A.G. (71) 7)
11. Approval of the draft Budget for 2013 and fixing of the contributions of member States for that financial year (A.G. (71) 8)
12. Draft Amendments to the UNIDROIT Regulations on financial matters (A.G. (71) 9) and A.G. (71) 9 Add.)
13. Periodicity of General Assembly sessions (A.G. (71) 1 rev. 2)
14. Request of observer status for UNIDROIT with the United Nations (A.G. (71) 1 rev. 2)
15. Any other business

APPENDIX III**RESOLUTION (71) 1**

(adopted by the General Assembly at its 71st session, on 29 November 2012)

The General Assembly,

Mindful of the obligation of all member States to bear the expenses of the Institute, as apportioned by the General Assembly, and to pay their contributions fully and in time, in accordance with Article 16 of the Statute of UNIDROIT,

Recalling that the current methodology for the classification of member States in the UNIDROIT contributions chart, which was approved by the General Assembly at its 52nd session, on 27 November 1998, provides for the classification of member States in eight categories plus a special category, each corresponding to a specific range of contributions payable by those States to the United Nations budget,

Recalling its resolution No. 1/2011, of 1 December 2011, which reaffirms the number of categories, the number of units corresponding to each category and the criteria currently used to classify member States, as set forth in Annex I to that Resolution,

Having considered the reports of the Finance Committee on its 71st and 72nd sessions,

1. *Suspends* the reclassification of Portugal and Spain in the contributions chart until the next revision of the contributions chart by the General Assembly in accordance with Article 16 of the Statute of UNIDROIT;

2. *Adopts* the revised chart for the apportionment of the contributions of member States to the regular UNIDROIT budget, as set forth in the Appendix to this Resolution; and

3. *Requests* the Finance Committee, in accordance with its mandate, to review in 2014 the current methodology and consider possible enhancements, bearing in mind the principle of capacity to pay, and to make recommendations the General Assembly in due course.

APPENDIX

**REVISED CHART OF THE ANNUAL CONTRIBUTIONS TO UNIDROIT
OF MEMBER STATES (OTHER THAN ITALY) FOR 2013**

Category	Corresponding range in UN scale	State	UN budget assessment 2010-2012	No of units (2013)	Unit value	Contribution 2013
I	3% +	Canada	3.207	50	€ 2,450	€ 122,500
		China	3.189	50	€ 2,450	€ 122,500
		France	6.123	50	€ 2,450	€ 122,500
		Germany	8.018	50	€ 2,450	€ 122,500
		Japan	12.530	50	€ 2,450	€ 122,500
		United Kingdom	6.604	50	€ 2,450	€ 122,500
		United States	22.000	50	€ 2,450	€ 122,500
II	2%-3%	Republic of Korea	2.260	22	€ 2,450	€ 53,900
		Russian Federation	1.602	22	€ 2,450	€ 53,900
		Spain	3.177	22	€ 2,450	€ 53,900
III	1%-2%	Australia	1.933	18	€ 2,450	€ 44,100
		Belgium	1.075	18	€ 2,450	€ 44,100
		Brazil	1.611	18	€ 2,450	€ 44,100
		Netherlands	1.855	18	€ 2,450	€ 44,100
		Sweden	1.064	18	€ 2,450	€ 44,100
		Switzerland	1.130	18	€ 2,450	€ 44,100
IV	0.960%-0.99%	Mexico	2.356	13	€ 2,450	€ 31,850
V	0.5%-0.959%	Austria	0.851	11	€ 2,450	€ 26,950
		Denmark	0.736	11	€ 2,450	€ 26,950
		Finland	0.566	11	€ 2,450	€ 26,950
		Greece	0.691	11	€ 2,450	€ 26,950
		Norway	0.871	11	€ 2,450	€ 26,950
		Poland	0.828	11	€ 2,450	€ 26,950
		Saudi Arabia	0.830	11	€ 2,450	€ 26,950
VI	0.450%-0.499%	India	0.534	9	€ 2,450	€ 22,050
		Ireland	0.498	9	€ 2,450	€ 22,050
		Portugal	0.511	9	€ 2,450	€ 22,050
		South Africa	0.385	9	€ 2,450	€ 22,050
		Turkey	0.617	9	€ 2,450	€ 22,050
VII	0.115%-0.449%	Argentina	0.287	8	€ 2,450	€ 19,600
		Chile	0.236	8	€ 2,450	€ 19,600
		Colombia	0.144	8	€ 2,450	€ 19,600
		Czech Republic	0.349	8	€ 2,450	€ 19,600
		Indonesia	0.238	8	€ 2,450	€ 19,600
		Hungary	0.291	8	€ 2,450	€ 19,600
		Iran	0.233	8	€ 2,450	€ 19,600
		Israel	0.384	8	€ 2,450	€ 19,600
		Romania	0.177	8	€ 2,450	€ 19,600
		Slovakia	0.142	8	€ 2,450	€ 19,600
		Venezuela	0.314	8	€ 2,450	€ 19,600

VIII	0.005%-0.114%	Bulgaria	0.038	5	€ 2,450	€ 12,250
		Croatia	0.097	5	€ 2,450	€ 12,250
		Cyprus	0.046	5	€ 2,450	€ 12,250
		Egypt	0.094	5	€ 2,450	€ 12,250
		Estonia	0.040	5	€ 2,450	€ 12,250
		Latvia	0.038	5	€ 2,450	€ 12,250
		Lithuania	0.065	5	€ 2,450	€ 12,250
		Luxembourg	0.090	5	€ 2,450	€ 12,250
		Malta	0.017	5	€ 2,450	€ 12,250
		Nigeria	0.078	5	€ 2,450	€ 12,250
		Pakistan	0.082	5	€ 2,450	€ 12,250
		Paraguay	0.007	5	€ 2,450	€ 12,250
		Serbia	0.037	5	€ 2,450	€ 12,250
		Slovenia	0.103	5	€ 2,450	€ 12,250
		Tunisia	0.030	5	€ 2,450	€ 12,250
Uruguay	0.027	5	€ 2,450	€ 12,250		
Special	0.001%-0.004%	Holy See	0.001	1	€ 2,450	€ 2,450
		San Marino	0.003	1	€ 2,450	€ 2,450
				829		2.031,050