

**Chairmanship: Germany****1120th PLENARY MEETING OF THE COUNCIL**

1. Date: Thursday, 24 November 2016

Opened: 10.05 a.m.  
Suspended: 1.05 p.m.  
Resumed: 3.05 p.m.  
Closed: 5.55 p.m.

2. Chairperson: Ambassador E. Pohl  
Ms. C. Weil  
Ms. S. Stöhr

3. Subjects discussed – Statements – Decisions/documents adopted:

Agenda item 1: REPORT BY THE HEAD OF THE OSCE PRESENCE IN ALBANIA

Chairperson, Head of the OSCE Presence in Albania (PC.FR/31/16 OSCE+), Slovakia-European Union (with the candidate countries Albania, the former Yugoslav Republic of Macedonia, Montenegro and Serbia; the country of the Stabilisation and Association Process and potential candidate country Bosnia and Herzegovina; the European Free Trade Association countries Iceland, Liechtenstein and Norway, members of the European Economic Area; as well as Georgia, Moldova and Ukraine, in alignment) (PC.DEL/1640/16), United States of America (PC.DEL/1617/16), Russian Federation (PC.DEL/1626/16), Turkey (PC.DEL/1639/16 OSCE+), Switzerland (PC.DEL/1647/16 OSCE+), Albania (PC.DEL/1627/16)

Agenda item 2: REPORT BY THE CO-ORDINATOR OF OSCE ECONOMIC AND ENVIRONMENTAL ACTIVITIES

Chairperson, Co-ordinator of OSCE Economic and Environmental Activities (SEC.GAL/178/16 OSCE+), Slovakia-European Union (with the candidate countries Albania, the former Yugoslav Republic of Macedonia, Montenegro and Serbia; the country of the Stabilisation and Association Process and potential candidate country Bosnia and Herzegovina; the European Free Trade

Association countries Iceland, Liechtenstein and Norway, members of the European Economic Area; as well as Andorra, Georgia, Moldova and San Marino, in alignment) (PC.DEL/1641/16), Kazakhstan, Russian Federation (PC.DEL/1634/16), Turkey (PC.DEL/1657/16 OSCE+), Switzerland (PC.DEL/1648/16 OSCE+), United States of America (PC.DEL/1618/16), Belarus, Georgia, Holy See (PC.DEL/1620/16 OSCE+), Armenia, Afghanistan, Turkmenistan, Mongolia, Azerbaijan

Agenda item 3:           PRESENTATIONS BY THE CHAIRPERSONS OF THE SECURITY COMMITTEE; THE ECONOMIC AND ENVIRONMENTAL COMMITTEE; AND THE HUMAN DIMENSION COMMITTEE

Chairperson of the Security Committee (PC.DEL/1631/16 OSCE+), Chairperson of the Economic and Environmental Committee, Chairperson of the Human Dimension Committee (PC.DEL/1637/16 OSCE+), Slovakia-European Union (with the candidate countries Albania, the former Yugoslav Republic of Macedonia, Montenegro and Serbia; the country of the Stabilisation and Association Process and potential candidate country Bosnia and Herzegovina; the European Free Trade Association countries Iceland and Liechtenstein, members of the European Economic Area; as well as Andorra, Georgia, Moldova and San Marino, in alignment) (PC.DEL/1642/16), Russian Federation (PC.DEL/1635/16), Georgia, Turkey, Switzerland (PC.DEL/1649/16 OSCE+), United States of America (PC.DEL/1619/16), Norway (PC.DEL/1645/16), Ukraine (PC.DEL/1655/16 OSCE+), Holy See (PC.DEL/1621/16 OSCE+), Azerbaijan (PC.DEL/1654/16 OSCE+), Armenia, Chairperson

Agenda item 4:           DECISION ON AMENDING THE OSCE FINANCIAL REGULATIONS

Chairperson

**Decision:** The Permanent Council adopted Decision No. 1225 (PC.DEC/1225) on amending the OSCE Financial Regulations, the text of which is appended to this journal.

Agenda item 5:           DECISION ON THE EXTENSION OF THE MANDATE OF THE OSCE MISSION TO BOSNIA AND HERZEGOVINA

Chairperson

**Decision:** The Permanent Council adopted Decision No. 1226 (PC.DEC/1226) on the extension of the mandate of the OSCE Mission to Bosnia and Herzegovina, the text of which is appended to this journal.

Agenda item 6:           DECISION ON THE EXTENSION OF THE MANDATE OF  
                                  THE OSCE MISSION TO MOLDOVA

Chairperson

**Decision:** The Permanent Council adopted Decision No. 1227 (PC.DEC/1227) on the extension of the mandate of the OSCE Mission to Moldova, the text of which is appended to this journal.

Agenda item 7:           DECISION ON THE EXTENSION OF THE MANDATE OF  
                                  THE OSCE MISSION TO MONTENEGRO

Chairperson

**Decision:** The Permanent Council adopted Decision No. 1228 (PC.DEC/1228) on the extension of the mandate of the OSCE Mission to Montenegro, the text of which is appended to this journal.

Agenda item 8:           DECISION ON THE EXTENSION OF THE MANDATE OF  
                                  THE OSCE MISSION TO SERBIA

Chairperson

**Decision:** The Permanent Council adopted Decision No. 1229 (PC.DEC/1229) on the extension of the mandate of the OSCE Mission to Serbia, the text of which is appended to this journal.

Agenda item 9:           DECISION ON THE EXTENSION OF THE MANDATE OF  
                                  THE OSCE MISSION TO SKOPJE

Chairperson

**Decision:** The Permanent Council adopted Decision No. 1230 (PC.DEC/1230) on the extension of the mandate of the OSCE Mission to Skopje, the text of which is appended to this journal.

Agenda item 10:         DECISION ON THE EXTENSION OF THE MANDATE OF  
                                  THE OSCE PRESENCE IN ALBANIA

Chairperson

**Decision:** The Permanent Council adopted Decision No. 1231 (PC.DEC/1231) on the extension of the mandate of the OSCE Presence in Albania, the text of which is appended to this journal.

Agenda item 11:         DECISION ON THE EXTENSION OF THE MANDATE OF  
                                  THE OSCE PROGRAMME OFFICE IN ASTANA

Chairperson

**Decision:** The Permanent Council adopted Decision No. 1232 (PC.DEC/1232) on the extension of the mandate of the OSCE Programme Office in Astana, the text of which is appended to this journal.

Agenda item 12:       DECISION ON THE EXTENSION OF THE MANDATE OF  
THE OSCE PROJECT CO-ORDINATOR IN UKRAINE

Chairperson

**Decision:** The Permanent Council adopted Decision No. 1233 (PC.DEC/1233) on the extension of the mandate of the OSCE Project Co-ordinator in Ukraine, the text of which is appended to this journal.

Ukraine (interpretative statement, see attachment 1 to the decision), Canada (interpretative statement, see attachment 2 to the decision), Turkey (interpretative statement, see attachment 3 to the decision), Russian Federation (interpretative statement, see attachment 4 to the decision), Slovakia-European Union (with the candidate countries Albania, the former Yugoslav Republic of Macedonia and Montenegro; the country of the Stabilisation and Association Process and potential candidate country Bosnia and Herzegovina; the European Free Trade Association countries Iceland and Norway, members of the European Economic Area; as well as Andorra, Georgia and San Marino, in alignment) (interpretative statement, see attachment 5 to the decision), United States of America (interpretative statement, see attachment 6 to the decision)

Agenda item 13:       REVIEW OF CURRENT ISSUES

Chairperson

- (a) *Russia's ongoing aggression against Ukraine and illegal occupation of Crimea:* Ukraine (PC.DEL/1651/16), Slovakia-European Union (with the candidate countries Albania, the former Yugoslav Republic of Macedonia and Montenegro; the country of the Stabilisation and Association Process and potential candidate country Bosnia and Herzegovina; the European Free Trade Association countries Iceland and Norway, members of the European Economic Area; as well as Georgia, Moldova, San Marino and Ukraine, in alignment) (PC.DEL/1643/16), Switzerland (PC.DEL/1650/16 OSCE+), Turkey (PC.DEL/1638/16 OSCE+), United States of America (PC.DEL/1622/16), Canada
- (b) *Situation in Ukraine and the need to implement the Minsk agreements:* Russian Federation (PC.DEL/1628/16), Ukraine
- (c) *International Day for the Elimination of Violence against Women, to be observed on 25 November 2016:* Canada (also on behalf of Iceland, Liechtenstein, Mongolia, Norway, Switzerland and the United States of America) (PC.DEL/1658/16 OSCE+), Russian Federation (PC.DEL/1636/16), Belarus

- (d) *Extension of the prison sentence of Mr. B. Yorov in Tajikistan*: United States of America (PC.DEL/1623/16), Tajikistan (PC.DEL/1632/16 OSCE+)
- (e) *Decision of the Supreme Court of Azerbaijan on the appeal of the Chairman of the Republican Alternative Movement (REAL), Mr. I. Mammadov*: United States of America (PC.DEL/1624/16), Slovakia-European Union (with the candidate countries Albania, the former Yugoslav Republic of Macedonia and Montenegro; the country of the Stabilisation and Association Process and potential candidate country Bosnia and Herzegovina; and the European Free Trade Association country Norway, member of the European Economic Area, in alignment) (PC.DEL/1644/16), Azerbaijan (PC.DEL/1656/16 OSCE+)
- (f) *Ratification of the so-called agreement between the Russian Federation and Sokhumi occupation regime on the creation of a joint group of military forces*: Georgia, Slovakia-European Union (with the candidate countries Albania, the former Yugoslav Republic of Macedonia and Montenegro; the country of the Stabilisation and Association Process and potential candidate country Bosnia and Herzegovina; the European Free Trade Association countries Iceland and Norway, members of the European Economic Area; as well as Moldova and Ukraine, in alignment) (PC.DEL/1646/16), United States of America (PC.DEL/1625/16), Canada, Russian Federation (PC.DEL/1633/16)
- (g) *Ongoing discrimination against Russian media in the European Union*: Russian Federation (PC.DEL/1630/16), Slovakia-European Union (PC.DEL/1652/16)

Agenda item 14: REPORT ON THE ACTIVITIES OF THE  
CHAIRPERSON-IN-OFFICE

- (a) *Participation of the German Federal Minister for Family Affairs, Senior Citizens, Women and Youth, the German Federal Government Commissioner for Human Rights Policy and Humanitarian Aid and the Special Representative of the Chairperson-in-Office on Gender Issues in the Chairmanship event "A Case for Inclusive Peace and Security: How to Accelerate the Implementation of UNSCR 1325?", held in Berlin on 18 November 2016*: Chairperson (CIO.GAL/211/16)
- (b) *Visit by the Special Representative of the Chairperson-in-Office on Gender Issues to Georgia on 20 and 21 November 2016*: Chairperson (CIO.GAL/211/16)

Agenda item 15: REPORT OF THE SECRETARY GENERAL

- (a) *Participation of the Secretary General in the Aarhus Centres Annual Meeting held on 21 November 2016*: Director of the Office of the Secretary General (SEC.GAL/180/16 OSCE+)
- (b) *Meeting of the Secretary General with the Secretary General of the Organization for International Economic Relations, held on*

*18 November 2016: Director of the Office of the Secretary General (SEC.GAL/180/16 OSCE+)*

- (c) *Scoping visit by the Office of the Secretary General to Malta, conducted from 15 to 17 November 2016: Director of the Office of the Secretary General (SEC.GAL/180/16 OSCE+), Russian Federation, Canada, Chairperson*
- (d) *Workshop on gender-sensitive labour migration policies in Central and Eastern Europe, held in Chisinau from 21 to 23 November 2016: Director of the Office of the Secretary General (SEC.GAL/180/16 OSCE+)*
- (e) *First OSCE live exercise to fight human trafficking along migration routes, held in Vicenza, Italy, from 14 to 18 November 2016: Director of the Office of the Secretary General (SEC.GAL/180/16 OSCE+)*
- (f) *Appointment of the new Head of the Communication and Media Relations Section: Director of the Office of the Secretary General (SEC.GAL/180/16 OSCE+)*
- (g) *Information security breach in the OSCE ICT systems: Director of the Office of the Secretary General (SEC.GAL/180/16 OSCE+)*

Agenda item 16: ANY OTHER BUSINESS

- (a) *Arria-formula meeting on cybersecurity and international peace and security, co-organized by the Governments of Senegal and Spain, to be held in New York on 28 November 2016: Spain*
- (b) *Announcement of readiness to assume the OSCE Chairmanship in 2019, made on 23 November 2016: Slovakia*

4. Next meeting:

Thursday, 1 December 2016, at 10 a.m., in the Neuer Saal



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1225  
24 November 2016

Original: ENGLISH

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**1120th Plenary Meeting**

PC Journal No. 1120, Agenda item 4

**DECISION No. 1225  
AMENDING OSCE FINANCIAL REGULATIONS**

The Permanent Council,

Referring to Decision No. 1040 of 10 May 2012 on the adoption of International Public Sector Accounting Standards (IPSAS) in the OSCE and acting in accordance with the relevant provisions of Financial Regulation 10.01,

Takes note of the proposed revision for IPSAS only as communicated under PC.ACMF/41 of 15 July 2016,

Approves the enclosed amendments to the OSCE Financial Regulations as highlighted in the annex.

## AMENDMENTS TO THE OSCE FINANCIAL REGULATIONS

Please note that the amendments below are made only in relation to the implementation of IPSAS and only those paragraphs affected by this change are shown below.

CURRENT TEXT OF THE FINANCIAL REGULATIONS	AMENDMENTS
<p><b>Regulation 1.02 – Terminology</b></p> <p><i>External Auditor:</i> The individual(s) or institution appointed by the Permanent Council pursuant to Regulation 8.01 to audit the accounts of the OSCE.</p> <p><i>Income:</i> Income of the OSCE from assessed contributions and miscellaneous income derived from these contributions.</p> <p><i>Miscellaneous Income:</i> All income, except assessed and voluntary contributions, direct refunds of expenditure during the current year and internal transfers.</p>	<p><b>Regulation 1.02 – Terminology</b></p> <p><i>Accrual Basis:</i> <b>Under the accrual basis of accounting, transactions are recognized in the financial statements when they occur (and not only when cash or its equivalent is received or paid).</b></p> <p><i>External Auditor:</i> The individual(s) or institution appointed by the Permanent Council pursuant to Regulation 8.01 to audit the <del>accounts</del> <b>financial statements</b> of the OSCE.</p> <p><i>Income Revenue:</i> <del>Income</del> Revenue of the OSCE from assessed contributions and <del>miscellaneous income derived from these contributions</del> <b>other sources.</b></p> <p><i><del>Miscellaneous Income:</del></i> <del>All income, except assessed and voluntary contributions, direct refunds of expenditure during the current year and internal transfers.</del></p>
<b>ARTICLE II: THE BUDGET</b>	<b>ARTICLE II: THE BUDGET</b>
<p><b>Regulation 2.03 – Form of the Budget</b></p> <p>(b)     <u>Anticipated Income</u></p> <p style="padding-left: 40px;">Assessed contributions and miscellaneous income.</p>	<p><b>Regulation 2.03 – Form of the Budget</b></p> <p>(b)     <u>Anticipated <del>Income</del> Revenue</u></p> <p style="padding-left: 40px;"><b>Revenue from</b> assessed contributions and <del>miscellaneous income</del> <b>other sources.</b></p>



**AMENDMENTS TO THE OSCE FINANCIAL REGULATIONS  
(continued)**

<b>CURRENT TEXT OF THE FINANCIAL REGULATIONS</b>	<b>AMENDMENTS</b>
<b>ARTICLE IV: INCOME</b>	<b>ARTICLE IV: <del>INCOME</del> REVENUE</b>
<p><b>Regulation 4.07 – Reports on Collection of Contributions</b></p> <p>(b) In the event of insufficient income during the year to meet authorized expenditures the Secretary General shall report this to the Permanent Council for appropriate action.</p>	<p><b>Regulation 4.07 – Reports on Collection of Contributions</b></p> <p>(b) In the event of insufficient <del>income</del> <b>cash flow</b> during the year to meet authorized expenditures the Secretary General shall report this to the Permanent Council for appropriate action.</p>
<p><b>Regulation 4.09 – Actions in the Event of Arrears</b></p> <p>(b) The Secretary General’s quarterly statements of income and expenditure will specify the position of arrears, stating the names of all States in arrears, the amounts due and the length of delays in payment. The statement will include the Secretary General's analysis of the impact of the arrears on the operational capability of the OSCE.</p>	<p><b>Regulation 4.09 – Actions in the Event of Arrears</b></p> <p>(b) The Secretary General’s quarterly <del>statements of income and expenditure</del> <b>reports on the collection of assessed contributions</b> will specify the position of arrears, stating the names of all States in arrears, the amounts due and the length of delays in payment. The statement will include the Secretary General's analysis of the impact of the arrears on the operational capability of the OSCE.</p>
<b>ARTICLE V: CUSTODY AND INVESTMENT OF FUNDS</b>	<b>ARTICLE V: CUSTODY AND INVESTMENT OF FUNDS</b>
<p><b>Regulation 5.02 – Investments</b></p> <p>The Secretary General may make short-term investments in the form of time-deposits of monies not needed for immediate requirement. All bank interest shall be credited as miscellaneous income to the General Fund.</p>	<p><b>Regulation 5.02 – Investments</b></p> <p>The Secretary General may make short-term investments in the form of time-deposits of monies not needed for immediate requirement. All bank interest shall be credited as <del>miscellaneous income</del> <b>finance revenue</b> to the <del>General Fund Secretariat</del>.</p>
<b>ARTICLE VI: INTERNAL CONTROL</b>	<b>ARTICLE VI: INTERNAL CONTROL</b>
<p><b>Regulation 6.02 – Financial Instructions</b></p> <p>(v) claims and losses of cash, supplies and other assets are</p>	<p><b>Regulation 6.02 – Financial Instructions</b></p> <p>(v) claims and losses of cash, supplies and other assets are</p>

**AMENDMENTS TO THE OSCE FINANCIAL REGULATIONS  
(continued)**

<b>CURRENT TEXT OF THE FINANCIAL REGULATIONS</b>	<b>AMENDMENTS</b>
<p>written off after appropriate investigation and a report thereon is submitted with the annual accounts;</p>	<p>written off after appropriate investigation and a report thereon are submitted with the annual <del>accounts</del> <b>financial statements</b>;</p>
<p><b>Regulation 6.05 – Ex gratia Payments</b></p> <p>In extraordinary situations when the OSCE has a moral obligation and if it is in the overall interest of the OSCE, the Secretary General and the other Heads of Institutions, in consultation with the Secretary General, may make <i>ex gratia</i> payments up to a global ceiling of 2,500 Euros per year. A statement and justification of such payments, if any, shall be submitted with the annual accounts.</p>	<p><b>Regulation 6.05 – Ex gratia Payments</b></p> <p>In extraordinary situations when the OSCE has a moral obligation and if it is in the overall interest of the OSCE, the Secretary General and the other Heads of Institutions, in consultation with the Secretary General, may make <i>ex gratia</i> payments up to a global ceiling of 2,500 Euros per year. A statement and justification of such payments, if any, shall be submitted with the annual <del>accounts</del> <b>financial statements</b>.</p>
<p><b>ARTICLE VII: THE ACCOUNTS</b></p>	<p><b>ARTICLE VII: THE <del>ACCOUNTS</del> FINANCIAL STATEMENTS</b></p>
<p><b>Regulation 7.01 – Preparation of the Accounts</b></p> <p>The Secretary General assisted by the other Heads of Institution and the Heads of Mission shall maintain such accounting records for all Funds operated by the OSCE as are necessary according to generally accepted accounting standards. The annual accounts shall be prepared by the Secretary General.</p>	<p><b>Regulation 7.01 – Preparation of the <del>Accounts</del> Financial Statements</b></p> <p>The Secretary General assisted by the other Heads of Institution and the Heads of Mission shall maintain such accounting records for all Funds operated by the OSCE as are necessary according to <del>generally accepted accounting standards</del> <b>International Public Sector Accounting Standards (IPSAS)</b>. The annual <del>accounts</del> <b>financial statements</b> shall be prepared by the Secretary General.</p>
<p><b>Regulation 7.02 – Content of the Annual Accounts</b></p> <p>(a) The annual accounts shall contain a statement of:</p> <p>(i) the budget and expenditure of each Fund during the financial</p>	<p><b>Regulation 7.02 – Content of the Annual <del>Accounts</del> Financial Statements</b></p> <p>(a) The annual <del>accounts</del> <b>financial statements</b> shall contain a <del>statement of</del>:</p> <p>(i) <del>the budget and expenditure of each Fund during the financial</del></p>

**AMENDMENTS TO THE OSCE FINANCIAL REGULATIONS  
(continued)**

<b>CURRENT TEXT OF THE FINANCIAL REGULATIONS</b>	<b>AMENDMENTS</b>
<p>year;</p> <p>(ii) the income and expenditure of each Fund during the financial year;</p> <p>(iii) the assets and liabilities of each Fund at the end of the financial year;</p> <p>(iv) changes in the balance of each Fund, including a separate statement for the Revolving Fund established according to Regulation 4.08.</p> <p>(b) The annual accounts shall be accompanied by such other information as may be requested by the Permanent Council or deemed necessary or useful by the Secretary General.</p>	<p><b>year a statement of financial position;</b></p> <p>(ii) <del>the income and expenditure of each Fund during the financial year</del> <b>a statement of financial performance;</b></p> <p>(iii) <del>the assets and liabilities of each Fund at the end of the financial year</del> <b>a cash flow statement;</b></p> <p>(iv) <del>changes in the balance of each Fund, including a separate statement for the Revolving Fund established according to Regulation 4.08</del> <b>a statement of changes in net assets;</b></p> <p>(v) <b>a statement of comparison of budget and actuals;</b></p> <p>(vi) <b>segment reporting by Fund.</b></p> <p>(b) The annual <del>accounts</del> <b>financial statements</b> shall be accompanied by such other information as may be requested by the Permanent Council or deemed necessary or useful by the Secretary General.</p>
<p><b>Regulation 7.03 – Currency and Unit of Accounts</b></p> <p>The annual accounts shall be presented in Euro. Accounting records may, however, be kept in such other currency or currencies as the Secretary General or the other Heads of Institutions and Heads of Mission in agreement with the Secretary General may deem necessary. Accounting rates of exchange shall be fixed by the Secretary General on the basis of the rates used by the United Nations for such purposes.</p>	<p><b>Regulation 7.03 – Reporting Currency and <del>Unit of Accounts</del></b></p> <p>The annual <del>accounts</del> <b>financial statements</b> shall be presented in Euro. Accounting records may, however, be kept in such other currency or currencies as the Secretary General or the other Heads of Institutions and Heads of Mission in agreement with the Secretary General may deem necessary. Accounting rates of exchange shall be fixed by the Secretary General on the basis of the rates</p>

**AMENDMENTS TO THE OSCE FINANCIAL REGULATIONS  
(continued)**

<b>CURRENT TEXT OF THE FINANCIAL REGULATIONS</b>	<b>AMENDMENTS</b>
<p>The unit of account shall be one Euro.</p>	<p>used by the United Nations for such purposes. The unit of account shall be one Euro.</p>
<p><b>Regulation 7.04 – Submission of the Annual Accounts</b></p> <p>The Secretary General shall submit the annual accounts to the External Auditor not later than 31 March following the financial year to which they relate. As soon as the External Auditor has completed the audit of the annual accounts, they shall be submitted to the Permanent Council together with a financial report and the report of the External Auditor thereon.</p>	<p><b>Regulation 7.04 – Submission of the Annual <del>Accounts</del> Financial Statements</b></p> <p>The Secretary General shall submit the annual <del>accounts</del> <b>financial statements</b> to the External Auditor not later than 31 March following the financial year to which they relate. As soon as the External Auditor has completed the audit of the annual <del>accounts</del> <b>financial statements</b>, they shall be submitted to the Permanent Council together with a financial report and the report of the External Auditor thereon.</p>
<p><b>Regulation 7.05 – Acceptance of the Annual Accounts</b></p> <p>On the basis of the report of the External Auditor (Regulation 8.06) the Permanent Council shall accept the annual accounts or take such other action with regard to them as the Council may consider necessary.</p>	<p><b>Regulation 7.05 – Acceptance of the Annual <del>Accounts</del> Financial Statements</b></p> <p>On the basis of the report of the External Auditor (Regulation 8.06) the Permanent Council shall accept the annual <del>accounts</del> <b>financial statements</b> or take such other action with regard to them as the Council may consider necessary.</p>
<p><b>Regulation 7.07 – Cash Surplus or Deficit</b></p> <p>(a) At the end of each financial year the cash surplus or deficit for the Funds financed through assessed contributions shall be determined by calculating the excess of income received over the expenditure, or the excess of the expenditure over income received, as the case may be.</p> <p>(b) Unless otherwise determined by the Permanent Council, the cash surplus of all Funds financed through assessed contributions shall be credited against contributions of the</p>	<p><b>Regulation <del>7.07</del> 7.06 – Cash Surplus or Deficit</b></p> <p>(a) At the end of each financial year the cash surplus or deficit for the Funds financed through assessed contributions shall be determined by calculating the excess of <del>income</del> <b>revenue</b> received over the expenditure, or the excess of the expenditure over <del>income</del> <b>revenue</b> received, as the case may be.</p> <p>(b) Unless otherwise determined by the Permanent Council, the cash surplus of all Funds financed through assessed contributions shall be credited against contributions of the</p>

**AMENDMENTS TO THE OSCE FINANCIAL REGULATIONS  
(continued)**

<b>CURRENT TEXT OF THE FINANCIAL REGULATIONS</b>	<b>AMENDMENTS</b>
<p>participating States during the year following the one in which the accounts were accepted by the Permanent Council. The crediting shall be done in accordance with the scale of distribution for the year to which the surplus relates. The allocation to a participating State of its share of the cash surplus shall be deferred in cases where that State is in arrears for the year to which the surplus relates and until such time as these arrears have been paid in full.</p>	<p>participating States during the year following the one in which the <del>accounts</del> <b>financial statements</b> were accepted by the Permanent Council. The crediting shall be done in accordance with the scale of distribution for the year to which the surplus relates. The allocation to a participating State of its share of the cash surplus shall be deferred in cases where that State is in arrears for the year to which the surplus relates and until such time as these arrears have been paid in full.</p>
<b>ARTICLE VIII: EXTERNAL AUDIT</b>	<b>ARTICLE VIII: EXTERNAL AUDIT</b>
<p><b>Regulation 8.03 – Conduct of the Audit</b></p> <p>(a) Subject to any special direction by the Permanent Council the External Auditor shall perform an audit of the accounts, including all Funds, as the External Auditor may deem necessary in order to be satisfied that:</p> <p style="padding-left: 40px;">(ii) the financial transactions reflected in the statements have been effected in accordance with the Financial Regulations, budgetary provisions as well as applicable directives and financial instructions;</p>	<p><b>Regulation 8.03 – Conduct of the Audit</b></p> <p>(a) Subject to any special direction by the Permanent Council the External Auditor shall perform an audit of the <del>accounts</del> <b>financial statements</b>, including all Funds, as the External Auditor may deem necessary in order to be satisfied that:</p> <p style="padding-left: 40px;">(ii) the financial transactions reflected in the statements have been effected in accordance with <b>International Public Sector Accounting Standards (IPSAS)</b>, the Financial Regulations, budgetary provisions as well as applicable directives and financial instructions;</p>

**AMENDMENTS TO THE OSCE FINANCIAL REGULATIONS  
(continued)**

<b>CURRENT TEXT OF THE FINANCIAL REGULATIONS</b>	<b>AMENDMENTS</b>
<p><b>Regulation 8.06 – Audit Report</b></p> <p>(a) The External Auditor shall prepare a signed report expressing an opinion on the annual accounts. The report shall include such observations as the External Auditor may deem necessary, in particular with respect to:</p> <ul style="list-style-type: none"><li>(i) the extent and character of the audit;</li><li>(ii) the efficiency of the financial procedures, the accounting system and the internal control; and</li><li>(iii) other matters which should be brought to the attention of the Permanent Council.</li></ul> <p>(b) The External Auditor shall have no power to disallow items in the accounts but shall draw the attention of the Secretary General and, as appropriate, of other Heads of Institution to any transaction regarding which the External Auditor entertains doubt as to legality or propriety.</p> <p>(c) The informal Financial Committee shall discuss the audited annual accounts on the basis of the audit report.</p> <p>(e) The audit report shall serve as a basis for the acceptance of the annual accounts by the Permanent Council or for such other action in respect of the accounts as the Council may consider necessary (Regulation 7.05).</p>	<p><b>Regulation 8.06 – Audit Report</b></p> <p>(a) The External Auditor shall prepare a signed report expressing an opinion on the annual <del>accounts</del> <b>financial statements</b>. The report shall include such observations as the External Auditor may deem necessary, in particular with respect to:</p> <ul style="list-style-type: none"><li>(i) the extent and character of the audit;</li><li>(ii) the efficiency of the financial procedures, the accounting system and the internal control; and</li><li>(iii) other matters which should be brought to the attention of the Permanent Council.</li></ul> <p>(b) The External Auditor shall have no power to disallow items in the <del>accounts</del> <b>financial statements</b> but shall draw the attention of the Secretary General and, as appropriate, of other Heads of Institution to any transaction regarding which the External Auditor entertains doubt as to legality or propriety.</p> <p>(c) The informal Financial Committee shall discuss the audited annual <del>accounts</del> <b>financial statements</b> on the basis of the audit report.</p> <p>(e) The audit report shall serve as a basis for the acceptance of the annual <del>accounts</del> <b>financial statements</b> by the Permanent Council or for such other action in respect of the <del>accounts</del> <b>financial statements</b> as the Council may consider necessary (Regulation 7.05).</p>

**AMENDMENTS TO THE OSCE FINANCIAL REGULATIONS  
(continued)**

<b>CURRENT TEXT OF THE FINANCIAL REGULATIONS</b>	<b>AMENDMENTS</b>
<b>ARTICLE IX: EXTRABUDGETARY CONTRIBUTIONS</b>	<b>ARTICLE IX: EXTRABUDGETARY CONTRIBUTIONS</b>
<b>Regulation 9.03 – Reporting</b>  The Secretary General shall include a report on the income and expenditure of extrabudgetary contributions in the annual statement of accounts. Upon request, he/she shall also provide status reports during the financial year.	<b>Regulation 9.03 – Reporting</b>  The Secretary General shall include a <b>statement of financial performance</b> <del>report on the income and expenditure</del> of extrabudgetary contributions in the annual <del>statement of accounts</del> <b>financial statements</b> . Upon request, he/she shall also provide status reports during the financial year.



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1226  
24 November 2016

Original: ENGLISH

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**1120th Plenary Meeting**  
PC Journal No. 1120, Agenda item 5

**DECISION No. 1226  
EXTENSION OF THE MANDATE OF THE  
OSCE MISSION TO BOSNIA AND HERZEGOVINA**

The Permanent Council,

Decides to extend the mandate of the OSCE Mission to Bosnia and Herzegovina until 31 December 2017.





**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1227  
24 November 2016

Original: ENGLISH

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**1120th Plenary Meeting**  
PC Journal No. 1120, Agenda item 6

**DECISION No. 1227  
EXTENSION OF THE MANDATE OF THE  
OSCE MISSION TO MOLDOVA**

The Permanent Council,

Decides to extend the mandate of the OSCE Mission to Moldova until  
31 December 2017.



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1228  
24 November 2016

Original: ENGLISH

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**1120th Plenary Meeting**  
PC Journal No. 1120, Agenda item 7

**DECISION No. 1228  
EXTENSION OF THE MANDATE OF THE  
OSCE MISSION TO MONTENEGRO**

The Permanent Council,

Decides to extend the mandate of the OSCE Mission to Montenegro until  
31 December 2017.



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1229  
24 November 2016

Original: ENGLISH

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**1120th Plenary Meeting**  
PC Journal No. 1120, Agenda item 8

**DECISION No. 1229  
EXTENSION OF THE MANDATE OF THE  
OSCE MISSION TO SERBIA**

The Permanent Council,

Decides to extend the mandate of the OSCE Mission to Serbia until  
31 December 2017.



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1230  
24 November 2016

Original: ENGLISH

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**1120th Plenary Meeting**  
PC Journal No. 1120, Agenda item 9

**DECISION No. 1230  
EXTENSION OF THE MANDATE OF THE  
OSCE MISSION TO SKOPJE**

The Permanent Council,

Decides to extend the mandate of the OSCE Mission to Skopje until  
31 December 2017.



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1231  
24 November 2016

Original: ENGLISH

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**1120th Plenary Meeting**  
PC Journal No. 1120, Agenda item 10

**DECISION No. 1231  
EXTENSION OF THE MANDATE OF THE  
OSCE PRESENCE IN ALBANIA**

The Permanent Council,

Decides to extend the mandate of the OSCE Presence in Albania until  
31 December 2017.



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1232  
24 November 2016

Original: ENGLISH

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**1120th Plenary Meeting**  
PC Journal No. 1120, Agenda item 11

**DECISION No. 1232  
EXTENSION OF THE MANDATE OF THE  
OSCE PROGRAMME OFFICE IN ASTANA**

The Permanent Council,

Decides to extend the mandate of the OSCE Programme Office in Astana until  
31 December 2017.



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1233  
24 November 2016

Original: ENGLISH

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**1120th Plenary Meeting**  
PC Journal No. 1120, Agenda item 12

**DECISION No. 1233  
EXTENSION OF THE MANDATE OF THE  
OSCE PROJECT CO-ORDINATOR IN UKRAINE**

The Permanent Council,

Referring to the Memorandum of Understanding between the Government of Ukraine and the OSCE of 13 July 1999,

Decides to extend the mandate of the OSCE Project Co-ordinator in Ukraine until 30 June 2017.

PC.DEC/1233  
24 November 2016  
Attachment 1

Original: ENGLISH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of Ukraine:

“Mr. Chairperson,

In connection with the decision of the Permanent Council on the extension of the mandate of the OSCE Project Co-ordinator in Ukraine, the delegation of Ukraine would like to make the following interpretative statement under paragraph IV.1(A)6 of the Rules of Procedure of the Organization for Security and Co-operation in Europe.

The Autonomous Republic of Crimea and the city of Sevastopol, which are an integral part of Ukraine, were illegally occupied and annexed by the Russian Federation in violation of the OSCE principles and commitments and norms of international law. The sovereignty and territorial integrity of Ukraine within its internationally recognized borders are safeguarded by the Constitution and legislation of Ukraine and norms of international law. The territorial integrity of Ukraine within its internationally recognized borders was reconfirmed by the UN General Assembly resolution 68/262 ‘Territorial integrity of Ukraine’ of 27 March 2014.

Ukraine stresses that the mandate of the OSCE Project Co-ordinator in Ukraine extends to the entire territory of Ukraine within its internationally recognized borders, including the Autonomous Republic of Crimea and the city of Sevastopol.

The delegation of Ukraine requests that this statement be attached to the decision and recorded in the journal of the day.

Thank you, Mr. Chairperson.”



PC.DEC/1233  
24 November 2016  
Attachment 2

Original: ENGLISH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of Canada:

“Mr. Chairperson,

Canada wishes to make an interpretative statement under paragraph IV.1(A)6 of the OSCE Rules of Procedure in connection with the Permanent Council decision just adopted on the extension of the mandate of the OSCE Project Co-ordinator in Ukraine.

The mandate of the Project Co-ordinator in Ukraine applies to the entire country of Ukraine, including Crimea. In this context, we wish to reiterate our full support for Ukraine’s sovereignty and territorial integrity within its internationally recognized borders. Canada has not and will not recognize the illegal annexation of Ukraine’s Autonomous Republic of Crimea by the Russian Federation.

Canada requests that this statement be attached to the decision and reflected in the journal of the day.

Thank you.”

PC.DEC/1233  
24 November 2016  
Attachment 3

Original: ENGLISH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of Turkey:

“Mr. Chairperson,

In connection with the adoption of the Permanent Council decision on the extension of the mandate of the Project Co-ordinator in Ukraine, Turkey wishes to make the following interpretative statement under the relevant provisions of the OSCE Rules of Procedure:

‘Turkey reiterates that the mandate of the OSCE Project Co-ordinator in Ukraine covers the entire territory of Ukraine, including the Autonomous Republic of Crimea, which Turkey continues to regard as part of Ukraine.’

I request that this interpretative statement be attached to the journal of the day as well as to the decision in question.

Thank you.”

PC.DEC/1233  
24 November 2016  
Attachment 4

ENGLISH  
Original: RUSSIAN

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of the Russian Federation:

“In joining the consensus on the Permanent Council decision on the extension of the mandate of the OSCE Project Co-ordinator in Ukraine, we take the position that it corresponds to the new political and legal situation in the region, according to which the Republic of Crimea and the federal city of Sevastopol are an integral part of Russia. Consequently, the Co-ordinator’s activities, including project activities, do not apply to these constituent entities of the Russian Federation.

I request that this statement be appended to the Permanent Council decision adopted, and included in the journal of the day.”

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

The delegation of Slovakia, in its capacity as EU Presidency, passed the floor to the representative of the European Union, who delivered the following statement:

“In connection with the decision of the Permanent Council on the extension of the mandate of the Project Co-ordinator in Ukraine, the European Union would like to make the following interpretative statement under the relevant provisions of the Rules of Procedure:

The European Union stresses that the mandate of the OSCE Project Co-ordinator in Ukraine covers the whole territory of Ukraine within its internationally recognized borders, including the Autonomous Republic of Crimea and the city of Sevastopol.

We request that this statement be attached to the journal of the day as well as to the decision in question.”

The candidate countries the former Yugoslav Republic of Macedonia<sup>1</sup>, Montenegro<sup>1</sup> and Albania<sup>1</sup>, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, and the European Free Trade Association countries Iceland and Norway, members of the European Economic Area, as well as Georgia, Andorra and San Marino align themselves with this statement.

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1 The former Yugoslav Republic of Macedonia, Montenegro and Albania continue to be part of the Stabilisation and Association Process.

PC.DEC/1233  
24 November 2016  
Attachment 6

Original: ENGLISH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of the United States of America:

“In connection with the adoption of the decision for the extension of the mandate of the OSCE Project Co-ordinator in Ukraine, the United States would like to make the following interpretative statement under paragraph IV.1(A)6 of the OSCE Rules of Procedure:

The United States notes that Crimea remains an integral and internationally recognized part of Ukraine, despite Russia’s ongoing occupation and attempted annexation. The mandate of the Project Co-ordinator in Ukraine applies to the entire country of Ukraine, including Crimea.

I request that this interpretative statement be attached to the decision and to the journal of the day.

Thank you, Mr. Chairperson.”