

**Cour
Pénale
Internationale**

**International
Criminal
Court**

THE REGISTRY

**Administrative Instruction
ICC/AI/2004/007**

As of 29th November 2004

INVESTMENT OF SURPLUS FUNDS

The Registrar, pursuant to Administrative Instruction ICC/AI/2004/001 promulgates the following:

Section 1

Purpose of the Administrative Instruction

- 1.1. This Administrative Instruction sets out the policy and procedures by which the Court invests funds that are not needed for immediate operational requirements which shall be considered as surplus (“**Surplus Funds**”).

Section 2

Scope

- 2.1. This Administrative Instruction applies to short-term investments of Surplus Funds for all Official accounts of the International Criminal Court, that is, to investments on accounts in the General Fund, Working Capital Fund, Trust Funds, and in the ICC Special Accounts. Surplus Funds will be invested on a global basis and for a period of up to twelve months, in accordance with Financial Regulation 9 and Financial Rule 109.1.

Section 3

Investment responsibilities

- 3.1. In accordance with Financial Regulation 1 and Financial Rule 101.1 (d), the Registrar has delegated his authority for short-term investments of monies not immediately

required to the Treasurer. The Treasurer is responsible for the day-to-day management and control of investments under the direct supervision of the Head of the Finance Section.

Section 4

Investment policy

- 4.1. The primary principle of the Court's investment policy is the preservation of the purchasing power of the Court's cash assets. Within this overall objective, the main principles governing the investment of funds are: maintaining liquidity, avoiding undue currency risks, and earning a reasonable rate of return without jeopardising the security of the Court's assets.

Section 5

Determination of Surplus Funds

- 5.1. The Head of the Finance Section, together with the Treasurer, shall determine the amounts and maturities of investments on the basis of cash flow projections, monthly expenditure forecasts, and any maturing investments. Since the dates on which a large part of the Court's income will be paid can not be accurately predicted, the amounts and maturities of investments should be placed in a manner which covers the Court's immediate monthly disbursement needs for operational purposes. When this requirement has been met, any remaining funds may be invested for periods of up to one year.

Section 6

Types of investments

- 6.1. Investments are made on a short-term basis for periods of up to twelve months. They shall be placed in the following instruments:
- (a) currency time deposits,
 - (b) money market funds,
 - (c) currency certificates of deposit,
 - (d) notes and bonds with short-term maturities,
 - (e) commercial paper issued by banks,
 - (f) treasury bills and notes, and
 - (g) bankers' acceptances.
- 6.2. Funds required for future, but not immediate, disbursement are kept in interest-bearing current accounts, withdrawal from which requires no advance notice.

Monies in current accounts also serve as a liquidity reserve, so that any unforeseen cash requirements can be covered.

Section 7

Bidding procedures

- 7.1. When placing investments, the Treasurer shall seek to obtain competitive bids from at least three different sources. Funds will normally be placed with the source providing the highest rate of return, subject to the restrictions stated in provisions 9.1 & 9.3 below. This procedure should also be followed in situations where prior investments reach their maturity date, but the funds are not required at that stage, and should be rolled over. In the event of an investment rollover, if an alternative bank is found to be offering more competitive interest rates, the principal, plus interest, should then be transferred to the bank offering the highest interest rate. Any exceptions to the bidding process, and reasons for not accepting the highest bid must be approved by the Head of Finance, recorded and attached to the copy of the confirmation order. After receiving the bank's official advice confirming the placement, the Treasurer compares the confirmation order with the bank's advice, and follows up discrepancies without delay.

Section 8

Investments Review Committee & Investment Reporting

- 8.1. (a) All investments and investment operations shall be reviewed periodically by the Investments Review Committee in accordance with its terms of reference as set out in annex 1 to this Administrative Instruction. The Investments Review Committee will act in an advisory capacity to the Registrar.

(b) In accordance with Financial Regulation 9.1, the Registrar shall report periodically on all investments to the Presidency and, through the Committee on Budget & Finance, to the Assembly of States Parties.

Section 9

Bank selection and investment limits

- 9.1. For reasons of security, investments shall be placed only with banks or financial institutions which offer a minimum AA credit rating as assessed by Standard & Poor's, Moody's or Fitch, which indicates that an institution has a strong ability to repay debt obligations.
- 9.2. The Treasurer shall, on behalf of the Registrar, maintain an up-to-date list of reputable, banks and financial institutions, which are domiciled in the major money market centres throughout the world. All investments shall require the signature of two official bank signatories in accordance with financial rule 109.3 (b).
- 9.3. Investments shall be spread amongst a number of banks to avoid concentrating too many funds within too few institutions. No more than one third of the cash assets

shall normally be invested in any one institution. If the cash assets decrease to a point where more than one third is invested in any one institution, the situation shall be regularised as soon as sufficient time deposits have matured.

Section 10

Monitoring of investments

- 10.1. All investments must be closely monitored by the Treasurer so that she/he can anticipate and appropriately respond to any risks – such as deteriorating economic or political conditions in countries where the funds are located, or the deteriorating credit rating of banks with which investments are placed – which may have a negative effect on the value of investments which have not matured. Any potential or real risks which arise shall immediately be brought to the attention of the Investments Review Committee.
- 10.2. Shortly before investments reach maturity, the Head of Finance Section, in coordination with the Treasurer, shall decide – on the basis of the estimated availability and utilisation of cash and the recommendations of the Investments Review Committee – whether all or part of a maturing investment should be rolled over, or transferred to a current account. The Treasurer shall instruct the banks holding such investments as to the disposition of those funds. If the investments are redeemed, the Treasurer must ensure that the correct amount, including the principal plus investment income, is credited to the Court's accounts.

Section 11

Accounting procedures

- 11.1. The Treasurer shall record all investment transactions – placements, redemptions and investment income – in the accounts of the Court. Investments shall also be recorded in an investment ledger, which shows the relevant details of each investment, including the face value, cost, date of maturity, place of deposit, and proceeds of sale, and any income earned.

Section 12

Accounting reporting rules of investments

- 12.1. On a monthly basis, the Treasurer shall report on the status of the Court's investments by type of investment, bank, currency, face value, time period, maturity date, interest rate, and investment income to the Head of the Finance Section.

Section 13

Custody of investments

- 13.1. The Treasurer is responsible for the custody of investment securities and other investment papers. They should be deposited in the safe located in the Finance Section, or in safe deposit boxes of banks or other financial institutions.

Section 14

Final Provisions

14. This Administrative Instruction shall enter into force on 29th November 2004.



Signed:.....

Bruno Cathala
Registrar