



## Administrative Instruction

Ref. ICC/AI/2012/002

Date: 18 July 2012

### INVESTMENT OF SURPLUS FUNDS

The Registrar, pursuant to section 3 of Presidential Directive ICC/PRESG/2003/001 and for the purpose of implementing Financial Regulations 1 and 9 and Financial Rules 101.1(d), 109.1 to 109.5, hereby promulgates the following:

#### Section 1

##### Purpose of the Administrative Instruction

1.1. This Administrative Instruction sets out the policy and procedures by which the International Criminal Court ("the Court") shall invest funds that are not needed for immediate operational requirements. They 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 Court, that is to investments on accounts in the:

- (a) General Fund;
- (b) Working Capital Fund;
- (c) Trust Funds; and
- (d) ICC Special Accounts.

2.2. Surplus Funds shall 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 delegates his/her authority to the Treasurer for short term investments of monies not immediately required by the Court. The Treasurer shall be responsible for the day-to-day management and control of investments under the direct supervision of the Chief of Budget & Finance.

### 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 shall be:

- (a) Maintaining liquidity;
- (b) Avoiding undue currency risks; and
- (c) Earning a reasonable rate of return without jeopardising the security of the Court's assets.

### Section 5

#### Determination of Surplus Funds

5.1. The Chief of Budget and Finance, 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.

5.2. Since the dates on which a large part of the Court's income will be paid cannot be accurately predicted, the amounts and maturities of investments shall 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 twelve months.

### Section 6

#### Types of investments

6.1. Investments shall be 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 disbursements shall be kept in interest-bearing current accounts, withdrawal from which requires no advance notice. Funds in current accounts shall also serve as liquidity reserve, so that any unforeseen cash requirements may 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 shall normally be placed with the source providing the highest rate of return, subject to the restrictions stated in Section 9.1 and Section 9.3 below.

7.2. This procedure shall 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 a situation where there is an investment rollover, if an alternative bank is found to be offering a more competitive interest rate, the principal plus interest shall then be transferred to the bank offering the highest interest rate.

7.3. Any exceptions to the bidding process and reasons for not accepting the highest bid must be approved by the Chief of Budget and Finance, recorded and attached to the copy of the confirmation order. After receiving the bank's official advice confirming the placement, the Treasurer shall compare the confirmation order with the bank's advice and follow up on discrepancies without delay.

## Section 8

### Investments Review Committee and Investment Reporting

8.1. 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 shall act in an advisory capacity to the Registrar.

8.2. In accordance with Financial Regulation 9.1, the Registrar shall report periodically on all investments to the Presidency and through the Committee on Budget and 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 few institutions. Not more than one third of the cash assets shall normally be invested in one institution. If the cash assets decrease to a point where more than one third is invested in one institution, the situation shall be regularised as soon as sufficient time deposits have matured.

9.4. The banking selection and investment limits shall be relaxed during periods of external events such as an unstable situation in the financial sector. The Treasurer together with the Chief of Budget and Finance shall determine concentration of funds and banking selection based on the safety and security of the funds. This exception shall be approved by the Chief of Budget and Finance or the Investment Review Committee. The concentration of funds and banking selection standard procedures shall be reinstated immediately upon the stabilisation of the financial sector.

## Section 10

### Monitoring of investments

10.1. All investments shall be closely monitored by the Treasurer so that he/she can anticipate and appropriately respond to any risks such as deteriorating economic or political conditions in countries where the funds are located or, 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 may arise shall be brought immediately to the attention of the Investments Review Committee.

10.2. Shortly before investments reaches maturity, the Chief of Budget and Finance, in coordination with the Treasurer shall decide, whether all or part of a maturing investment should be rolled over, or transferred to a current account on the basis of the estimated availability and utilisation of cash and the recommendations of the Investments Review Committee. The Treasurer shall instruct the banks holding such investments as to the disposition of those funds. If the investments are redeemed, the Treasurer shall 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.

11.2. Investments shall also be recorded in an investment ledger, which shows the relevant details of each investment, including the:

- (a) Face value;
- (b) Cost;
- (c) Date of maturity;
- (d) Place of deposit;
- (e) Proceeds of sale; and
- (f) Any income earned.

## Section 12

### Accounting reporting rules of investments

12.1. On a monthly basis, the Treasurer shall report to the Registrar through the Chief of Budget and Finance on the status of the Court's investments by:

- (a) Type of investment;
- (b) Bank;
- (c) Currency;
- (d) Face value;
- (e) Time period;

- (f) Maturity date;
- (g) Interest rate; and
- (h) Investment income

### Section 13

#### Custody of investments

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

### Section 14

#### Final Provisions

14.1. This Administrative Instruction shall enter into force on 18 July 2012 and shall supersede any previous administrative issuance on this subject.



Silvana Arbia  
Registrar