

## **Special Union for the International Registration of Marks (Madrid Union)**

### **Assembly**

**Fiftieth (29<sup>th</sup> Extraordinary) Session  
Geneva, October 3 to 11, 2016**

#### **MADRID UNION SURPLUS FOR THE 2014/15 BIENNIUM**

*Document prepared by the International Bureau*

1. As indicated in the Financial Management Report for the 2014/15 Biennium (document A/56/8), the surplus of income over expenditure for the Madrid Union was 8.15 million Swiss francs for that biennium.
2. Article 8(4) of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks provides that “[t]he annual product of the various receipts from international registration, with the exception of the receipts derived from the fees mentioned in paragraph (2)(ii) and (iii), shall be divided equally among the Contracting Parties by the International Bureau, after deduction of the expenses and charges necessitated by the implementation of this Protocol.” Regulation 4.7 of the Financial Regulations and Rules of the World Intellectual Property Organization provides “[i]f, after the closure of the financial period, any Union shows a surplus of income, such surplus shall be accounted for under the reserve funds, unless otherwise decided by the General Assembly or the Assembly of the Union concerned.”
3. In accordance with Financial Regulation 4.7, it is therefore foreseen to retain such surplus within the Reserves of the Madrid Union, in anticipation of proposal(s) to be put forward to Member States for their consideration at their next Assemblies to fund project(s) in the interest of supporting the continued development and enhancement of the Information Technology (IT) systems of the Madrid registration system. In particular, proposals aiming at adapting those IT systems to support the increasing demand for quality services, the constantly evolving IT environment as well as to the regular amendments to the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating

to that Agreement will be presented to the Madrid Union Assembly in 2017, in accordance with the Reserve Policy of the Organization (document WO/PBC/23/8). While planning and preparation for such projects is already underway, the proposals will be prepared in a comprehensive manner with information on full life cycle costs of the projects, estimated benefits (which may be both financial and qualitative in nature), recurring expenditures that the Organization will be committed to budgeting for as part of the regular budget in subsequent biennia, and the impact on cash flows and liquidity levels of the Reserves.

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