

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

Assembly

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MADRID UNION SURPLUSES FOR THE 2018/19 AND 2020/21 BIENNIA

Document prepared by the Secretariat

1. The aim of this document is to provide Member States with a transparent and fully up to date status of the Madrid Union surpluses for the 2018/19 and 2020/21 biennia and the Net Assets of the Madrid Union as at December 31, 2021.
2. The surplus of income over expenditure for the Madrid Union amounted to 15.9 million Swiss francs¹ in the 2018/19 biennium and 22.5 million Swiss francs in the 2020/21 biennium, as indicated in the WIPO Performance Report (WPR) for 2020/21 (document WO/PBC/34/7).
3. 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 that “[i]f, after the closure of the financial period, any Union shows a surplus of income, such surplus shall

¹ See the WIPO Performance Report for 2018/19:
https://www.wipo.int/edocs/mdocs/govbody/en/w_o_pbc_31/w_o_pbc_31_6.pdf

be accounted for under the reserve funds, unless otherwise decided by the General Assembly or the Assembly of the Union concerned.”

4. In accordance with Financial Regulation 4.7, it is foreseen to retain such surpluses² within the Reserves of the Madrid Union:

- in anticipation of a proposal to be put forward to Member States for their consideration to fund the second phase of the Madrid Information Technology (IT) Platform project in the interest of supporting the continued development and enhancement of the IT solutions of the Madrid System. It is recalled that the first phase of the Madrid IT Platform Capital Master Plan (CMP) project was approved by Member States in 2017 with a budget of 6 million Swiss francs financed from the Reserves (please refer to the WPR 2020/21 (document WO/PBC/34/7, Annex XI) for the latest status of this project).
- to ensure that the Net Assets of the Madrid Union does not fall further below its target level. The Net Assets of the Madrid Union at the end of 2021 amounted to 35.7 million Swiss francs (actuarial losses included) down from 51.9 million Swiss francs at the end of 2019 (actuarial losses included). The decrease is attributable entirely to the increase in ASHI liabilities in 2020/21. The target level of the Reserves and Working Capital Funds (RWCF) for the Madrid Union in 2022/23 amounts to 36.8 million Swiss francs (please refer to the WIPO Program of Work and Budget 2022/23³).

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² Due to the COVID-19 pandemic and the subsequent need to keep the WIPO Assemblies as minimalist as possible, no document was presented to the fifty-fourth (31st extraordinary) session of the Madrid Union Assembly regarding the Madrid Union 2018/19 surplus.

³ <https://www.wipo.int/export/sites/www/about-wipo/en/budget/pdf/budget-2022-2023.pdf>