

Program and Budget Committee

Thirty-Ninth Session
Geneva, June 16 to 20, 2025

ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS 2024

prepared by the Secretariat

1. The Financial Statements of the World Intellectual Property Organization (WIPO) for the year ended December 31, 2024, are transmitted to the Program and Budget Committee (PBC) in accordance with Regulation 6.12 of the Financial Regulations and Rules which requires that the PBC examines the financial statements and the audit reports thereon and forwards them to the General Assembly with comments and recommendations, as appropriate.
2. The 2024 Financial Statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS).
3. This document also includes WIPO's Statement on Internal Control signed by the Director General.
4. The report of the External Auditor on the audit of the 2024 Financial Statements, together with his recommendations and the Secretariat's response thereto, are contained in document WO/PBC/39/4.
5. *The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned, to approve the "Annual Financial Report and Financial Statements 2024" (document WO/PBC/39/6).*

[Annual Financial Report and Financial Statements 2024 follow]

World Intellectual Property Organization

Annual Financial Report and Financial Statements

Year to December 31, 2024

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ANNUAL FINANCIAL REPORT

INTRODUCTION

The financial statements of the World Intellectual Property Organization (WIPO) for the year ended December 31, 2024, are submitted to the Assemblies of the Member States of WIPO (“WIPO Assemblies”) as required by Regulation 4.3 of the WIPO Financial Regulations and Rules (FRR). The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), developed and approved by the International Public Sector Accounting Standards Board (IPSASB), as required by Regulation 4.2 of the FRR.

The report of the External Auditor on the audit of the 2024 financial statements, together with the opinion on the financial statements, are also submitted to the WIPO Assemblies as prescribed under Regulation 6.12 and Annex II of the FRR.

The annual financial report, including financial statement discussion and analysis, is presented in this document alongside the financial statements and the annual statement on internal control.

FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

The following financial statements discussion and analysis includes an overview of the Organization’s operations and environment, financial objectives and strategies, risk management strategy, financial performance and financial position during the year ended December 31, 2024. The discussion and analysis has been prepared in accordance with IPSASB Recommended Practice Guideline 2, and is intended to provide an explanation of the significant items, transactions, and events presented in the financial statements as well as the factors that influenced them. This discussion and analysis is not part of WIPO’s financial statements; however it should be read together with WIPO’s financial statements.

Operations and Environment

WIPO serves the world’s innovators and creators, ensuring that their ideas travel safely to the market and improve lives everywhere. It is an intergovernmental organization and specialized agency of the United Nations, with 193 Member States. The Organization’s mission is to provide services that enable creators, innovators and entrepreneurs to protect and promote their intellectual property (IP) across borders, and to act as a forum for addressing cutting-edge IP policy issues to shape a balanced and effective international IP ecosystem for a changing world. WIPO’s IP data and information guide decision makers the world over and the impact-driven projects and technical assistance ensure IP benefits everyone, everywhere. The Organization’s mandate, governing bodies and procedures are set out in the WIPO Convention of 1967, which established WIPO.

WIPO’s Member States approve the strategic direction, budget, and activities of the Organization through the decision-making bodies. The main policy and decision-making bodies of WIPO are the General Assembly, the Conference and the Coordination Committee. The General Assembly consists of States party to the WIPO Convention which are members of any of the Unions administered by WIPO. The General Assembly constituted the Program and Budget Committee to consider matters relating to program, budget, premises and finance. The Conference is composed of the States party to the WIPO Convention whether or not they are members of any of the Unions, and is, *inter alia*, the competent body for adopting amendments to the Convention. The Coordination Committee consists of elected members of the Executive Committees of the Paris or the Berne Unions, or both, one-fourth of the States party to the WIPO Convention which are not members of any of the Unions, and Switzerland, as the State on whose territory the Organization has its headquarters.

The General Assembly appoints the WIPO Director General upon nomination by the Coordination Committee. The current Director General, Mr. Daren Tang, was appointed on May 8, 2020, and began his six-year term on October 1, 2020. The Director General is the chief executive of the Organization. The Director General is assisted by the Sector Leads (consisting of the Deputy Directors General and the Assistant Directors General) in providing the strategic direction of WIPO’s programs and in managing their respective Sectors to ensure the delivery of results in line with the Organization’s strategic goals and the Program and Budget.

WIPO generates most of its revenue from fees that are paid by users of its intellectual property services for patents, trademarks and industrial designs. These services are provided through the Patent Cooperation Treaty (PCT), Madrid and Hague systems. In 2024, fees from these activities represented 93.3 per cent of the Organization’s total revenue, with PCT system fees alone representing 74.7 per cent. The driver for revenue from these fee-based services is the international demand for intellectual property titles. Other external factors that may influence the Organization’s revenue from its fee-based services include levels of economic growth, research and development investment levels, changes and breakthroughs in the technological landscape, and exchange rate fluctuations.

Financial Objectives and Strategies

The financial activities of WIPO are governed by its Financial Regulations, which are approved by the General Assembly. Financial Rules are established by the Director General in accordance with the provisions of the Financial Regulations. WIPO Member States are informed of any modification of the Financial Rules. The Financial Rules govern all the financial management activities of the Organization. Authority and responsibility for the implementation of the Financial Regulations and Rules are delegated by the Director General to the Controller.

As required by Regulation 2.15, the Director General presents a Program of Work and Budget for the budget period to Member States for approval every two years. It details expected results, performance measures and budgetary planning for all proposed activities. The Program of Work and Budget for the 2024/25 biennium was approved by the Assemblies of the Member States of WIPO in July 2023. The Program of Work and Budget provides the planning for the biennium within the overall strategic context of the Medium-Term Strategic Plan.

The Organization uses a Results-Based Management system to ensure that resources are budgeted and utilized in line with organizational results and priorities. Organizational performance is measured and analyzed on a regular basis through performance indicators, targets and baselines. The WIPO Performance Report provides full programmatic reporting, including detailed performance indicator evaluations, for the year or biennium. Under this system, both the Program of Work and Budget and the Medium-Term Strategic Plan form part of WIPO's planning framework, along with annual work plans and individual staff objectives.

The Organization manages the levels of its reserves in accordance with its Policy on Reserves. WIPO's reserves are accounted for as the net assets of the Organization, and serve to minimize the impact of income shortfalls and to maximize the probability that the Organization can meet its obligations in the short term and maintain financial stability. One core element of the policy is the mechanism for establishing the required level of reserves as a percentage of the estimated biennial expenditure of the Unions administered by the Organization. The policy also establishes the principles and approval mechanism for the use of reserves for one-time projects for capital improvements and exceptional circumstances.

The Organization manages its investments in accordance with its Policy on Investments. The policy states that the primary objectives of the Organization's investment management, in order of importance, shall be: (i) preservation of capital; (ii) liquidity; and (iii) within the constraints of (i) and (ii), the rate of return. The Organization aims to achieve a market rate of return whenever appropriate and possible for both operating and core cash. Strategic cash is to be invested over the long-term to achieve capital growth and thus an overall positive return over time.

Risk Management

WIPO's Risk Management Policy describes the Organization's approach to managing its risks and controls in a systematic, structured and consistent way in order to support the achievement of the Strategic Pillars and Expected Results in the Medium-Term Strategic Plan. This Policy is in accordance with Regulation 5.1 of the Financial Regulations and Rules, on establishing frameworks for results-based management, enterprise risk management and internal controls, and Regulation 5.2 on establishing an internal control framework and system in accordance with relevant and prevailing best practices.

Under the guiding principles of WIPO's Risk Management Policy, risk management is considered an organization-wide responsibility and risks are communicated in a timely, transparent and consistent manner. The process is adaptive and dynamic, responding to changing risk factors and is performed as an integral part of the Organization's Results-Based Management cycle. Calculated risk taking in pursuit of Expected Results is encouraged, based on reliable information, prioritization, materiality, and in line with the risk appetite statement. Organizational level risks are identified and reviewed by WIPO's Risk Management Group, which is chaired by the Director General.

Sustainability

The WIPO High-Level Policy on Environmental Responsibility was issued in 2022. In 2024, WIPO advanced sustainable IT initiatives, including Digital Cleanup Week and International E-Waste Day, encouraging staff to streamline digital storage and responsibly dispose of outdated equipment. The single-device policy progressed with desktop phase-outs, while server decommissioning and Cloud migration reduced energy use and e-waste.

At its headquarters, WIPO prioritized environmental sustainability, integrating environmental criteria into renovations and maintenance, sourcing 100 per cent hydroelectricity, and implementing LED lighting, motion sensors, Lake Geneva water cooling, improved recycling rates, and optimized water use.

WIPO participates actively in the Greening the Blue initiative of the United Nations Environment Programme (UNEP) and reports its greenhouse gas emissions and other environmental data along with over fifty UN agencies and programs. From 2014, WIPO has offset its remaining unavoidable emissions by purchasing credits through the UN-

wide mechanism managed by the United Nations Framework Convention on Climate Change (UNFCCC). WIPO also reaffirmed its commitment to environmental responsibility on the local level and signed the 2050Today Charter in December 2024.

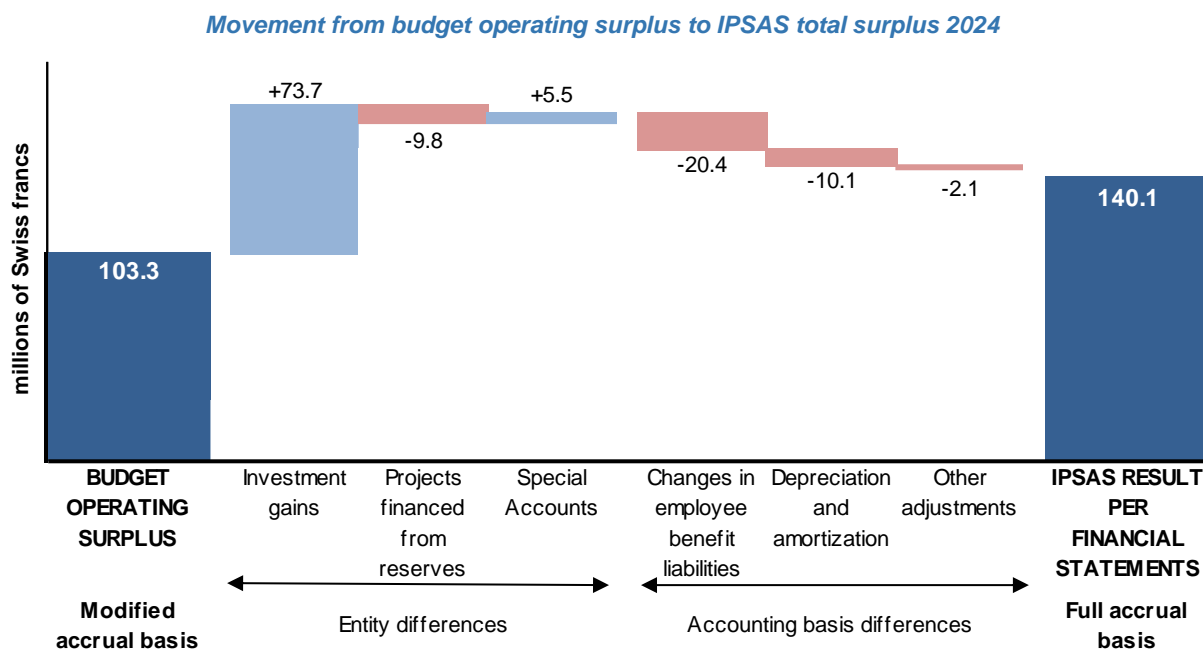
WIPO promotes the incorporation of sustainability considerations in procurement actions where they may be relevant. WIPO uses the UN definition of sustainability, which encompasses the three pillars (environmental, social, and economic) of sustainability. The entire WIPO procurement process and documentation are fully accessible for the visually impaired. WIPO continues to promote sustainable procurement while ensuring fairness and effective competition. Depending on market maturity, suppliers' sustainability efforts should be documented for information only, or as part of the overall bid evaluation. While this reinforced WIPO's commitment to sustainability, it is important to note that no bidders were disadvantaged in the contract award process due to these requirements.

Financial Performance

The Organization's results for 2024 showed a surplus for the year of 140.1 million Swiss francs, with total revenue of 496.7 million Swiss francs, total expenses of 430.3 million Swiss francs, and investment gains of 73.7 million Swiss francs. This can be compared to a surplus of 113.8 million Swiss francs in 2023, with total revenue of 489.3 million Swiss francs, total expenses of 427.7 million Swiss francs, and investment gains of 52.2 million Swiss francs. Removing the impact of the investment gains recorded in 2024 and 2023 respectively reveals that the Organization's operating surplus increased by 7.8 per cent in 2024 (operating surplus of 66.4 million Swiss francs in 2024 compared with an operating surplus of 61.6 million Swiss francs in 2023). The Program of Work and Budget operating result for 2024 prepared on a modified accrual basis (i.e. not including all IPSAS adjustments), and excluding investment gains, was a surplus of 103.3 million Swiss francs. The 2024 result for the Organization under IPSAS includes Special Accounts, Projects financed from reserves, investment gains, and the impact of adjustments related to full accrual accounting in accordance with IPSAS:

	Program and Budget	Special Accounts	Projects Financed from Reserves	IPSAS Adjustments	Total	Total
	2024	2024	2024	2024	2024	2023
<i>(in millions of Swiss francs)</i>						
Total revenue	486.7	15.7	-	-5.7	496.7	489.3
Total expenses	-383.4	-10.2	-9.8	-26.9	-430.3	-427.7
Operating surplus/(deficit)	103.3	5.5	-9.8	-32.6	66.4	61.6
Investment gains/(losses)	73.6	0.1	-	-	73.7	52.2
Total surplus/(deficit)	176.9	5.6	-9.8	-32.6	140.1	113.8

The chart below summarizes the principal differences between the Program of Work and Budget operating surplus of 103.3 million Swiss francs, and the surplus for the whole Organization prepared on an IPSAS basis of 140.1 million Swiss francs:

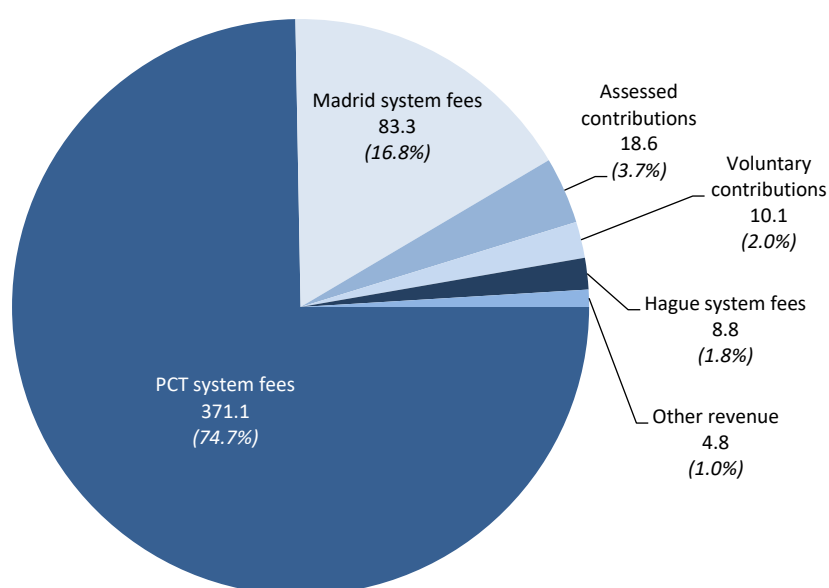


The WIPO financial statements as prepared in accordance with IPSAS include all areas and activities of the whole Organization. The inclusion of the results before IPSAS adjustments of investment gains, Projects financed from reserves and Special Accounts represent 'entity differences' between the budget result and the surplus per the IPSAS financial statements. The application of full accrual basis accounting in accordance with IPSAS leads to a number of 'accounting basis differences' which impact the result for the year. The net impact of the accounting basis adjustments is a 32.6 million Swiss francs reduction in the surplus. The principal accounting differences include:

- the depreciation expense of buildings and equipment and the amortization expense of intangible assets as the cost of these assets is spread over their useful lives;
- adjustments to reflect movements in employee benefit liabilities based on IPSAS compliant calculations, including those prepared by external actuaries;
- the deferral of revenue from Special Accounts until the performance of specific conditions included in agreements;
- the capitalization of costs relating to the improvement or acquisition of fixed assets, along with losses from the disposal or write-off of fixed assets.

Revenue

Composition of 2024 revenue on an IPSAS basis
(in millions of Swiss francs)



Total revenue of the Organization for 2024 was 496.7 million Swiss francs, representing an increase of 1.5 per cent compared to the 2023 total revenue of 489.3 million Swiss francs. The largest source of revenue during 2024 was PCT system fees, accounting for 74.7 per cent of total revenue. Revenue from PCT system fees grew by 0.7 per cent compared to 2023.

Madrid system fees were the second largest source of revenue during the year 2024, representing 16.8 per cent of total revenue. Revenue from Madrid system fees fell by 1.5 per cent compared to 2023. Hague system fees, Lisbon system fees, assessed contributions, voluntary contributions (contributions by donors to Special Accounts) and other revenue (publications, arbitration and mediation and other/miscellaneous revenue) comprise the remaining 8.5 per cent of the Organization's total revenue. The table on the following page provides a summary of the changes by revenue type compared to the prior year:

Revenue variance 2023-2024

	2024	2023	Net Change	Net Change
	(in millions of Swiss francs)			%
Revenue				
Assessed contributions	18.6	17.6	1.0	5.9
Voluntary contributions	10.1	10.1	-	-0.6
Publications revenue	0.5	0.6	-0.1	-12.2
Fees				
PCT system	371.1	368.6	2.5	0.7
Madrid system	83.3	84.6	-1.3	-1.5
Hague system	8.8	7.8	1.0	13.0
Lisbon system	0.2	0.3	-0.1	-21.7
Sub-total fees	463.4	461.3	2.1	0.5
Arbitration and Mediation	2.8	2.5	0.3	10.8
Other/miscellaneous revenue	1.3	-2.8	4.1	144.1
Total revenue	496.7	489.3	7.4	1.5

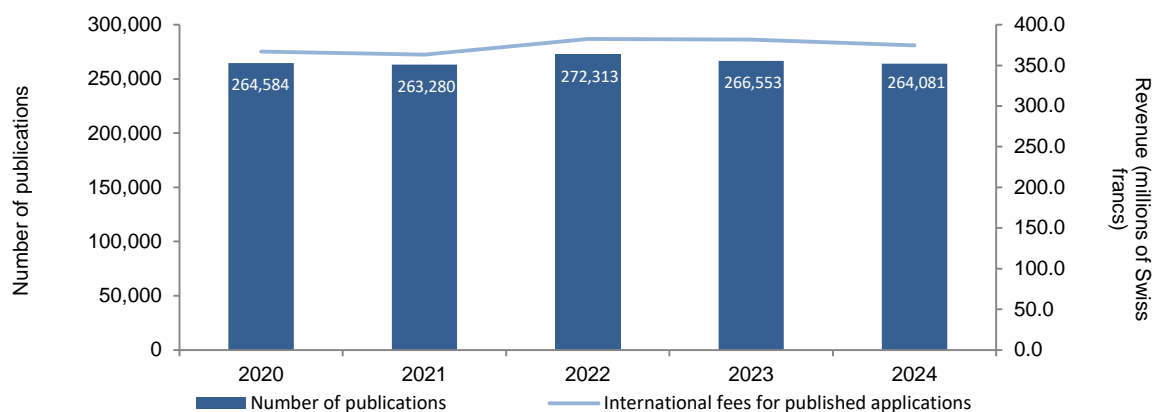
PCT revenue is principally comprised of international filing fees (the basic fee, plus supplementary page fees, less reductions for e-filings and least developed countries). The total PCT system fees revenue figure also comprises other fees (including handling and transfer fees) and foreign exchange gains and losses:

Detail of PCT system fees 2020-2024

	2024	2023	2022	2021	2020
	(in millions of Swiss francs)				
International filing fees	374.7	381.9	382.6	363.1	366.9
Other fees	2.8	2.8	3.0	3.1	3.2
Exchange gain/(loss) on fees received	-5.5	-11.3	-7.2	-3.3	-8.6
Other exchange gain/(loss)	-0.9	-4.8	2.4	-1.1	-2.9
Total PCT system fees	371.1	368.6	380.8	361.8	358.6

Revenue from PCT system fees on an IPSAS basis increased by 0.7 per cent compared to 2023. This overall increase in revenue was achieved despite slightly fewer publications compared to 2023, and was due to lower PCT exchange losses on fees than seen in the prior year. In the financial statements prepared under IPSAS, revenue for international filing fees from PCT applications is recognized only on publication of the application. In 2024 there were 264,081 publications compared to 266,553 in 2023. When looking at revenue from PCT international filing fees as recognized in accordance with IPSAS, the following graph shows how annual revenue has moved in line with the number of published applications in the year:

PCT International filing fees and publications 2020-2024



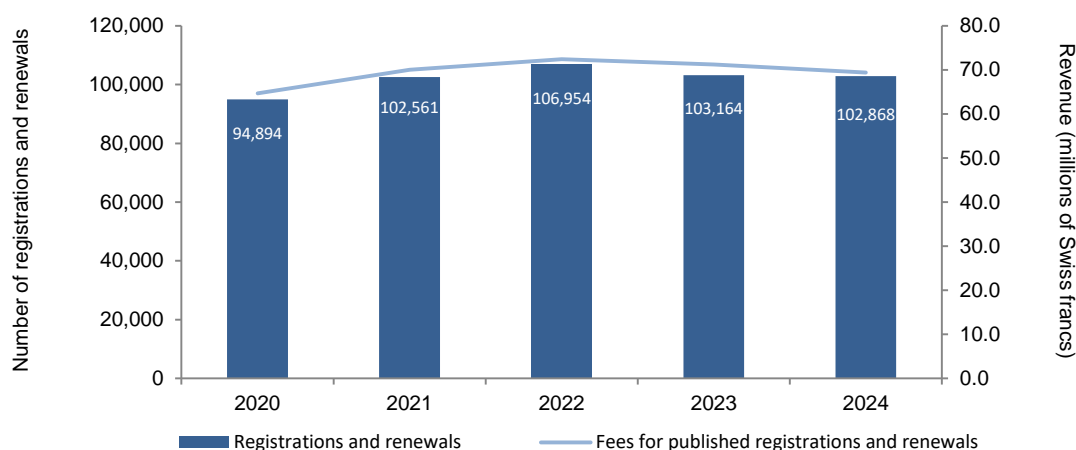
Madrid system fees principally comprise basic fees received from applications for registrations or renewals and fees for subsequent designations:

Detail of Madrid system fees 2020-2024

	2024	2023	2022	2021	2020
(in millions of Swiss francs)					
Basic fees (registrations and renewals)	69.4	71.2	72.4	70.0	64.7
Subsequent designations	6.8	6.5	6.4	6.3	6.0
Other fees	7.1	6.9	6.5	6.1	5.5
Total Madrid system fees	83.3	84.6	85.3	82.4	76.2

In accordance with IPSAS, revenue from Madrid fees for registrations, renewals and subsequent designations is recognized in the financial statements upon publication. Revenue from registrations and renewals as recognized in accordance with IPSAS has moved in line with the number of registrations and renewals in the year. Between 2023 and 2024, the number of registrations decreased from 63,618 to 62,423. In the same period the number of renewals rose from 39,546 to 40,445:

Madrid Basic fees and registrations/renewals 2020-2024



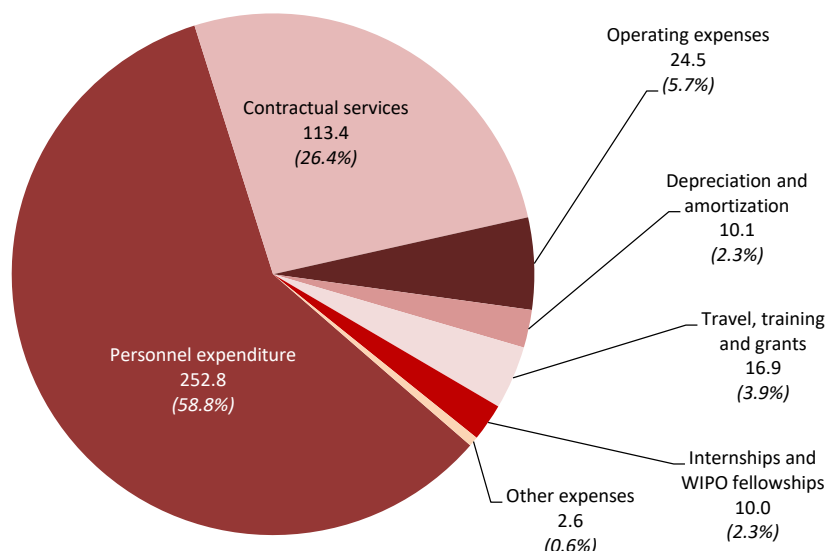
Revenue from Hague system fees totaled 8.8 million Swiss francs for 2024, representing an increase of 13.0 per cent compared to the 2023 figure of 7.8 million Swiss francs. Registrations under the Hague system rose from 8,366 in 2023 to 8,847 in 2024. Lisbon system fees totaled 217 thousand Swiss francs in 2024, compared to 277 thousand Swiss francs in 2023. The impact of accessions to the Geneva Act of the Lisbon Agreement during 2021 and 2022, which generated increased fees for registrations and modifications in 2023, continued to impact fees in 2024.

Revenue from assessed contributions of 18.6 million Swiss francs in 2024 represents 3.7 per cent of total revenue, while revenue from voluntary contributions of 10.1 million Swiss francs in 2024 represents 2.0 per cent of total revenue. Revenue from voluntary contributions is recognized as work is performed and expense incurred in line with the relevant agreement. The actual receipt of voluntary contributions in 2024 was 15.7 million Swiss francs, compared to 8.2 million Swiss francs in 2023. This increase is largely attributable to funds received under new funds-in-trust established in 2024.

Arbitration and mediation revenue of 2.8 million Swiss francs was up by 0.3 million Swiss francs on the prior year, while publications revenue of 0.5 million Swiss francs fell slightly by 0.1 million Swiss francs compared to 2023. Other/miscellaneous revenue totaled 1.3 million Swiss francs in 2024, compared to -2.8 million Swiss francs in 2023. The Organization includes exchange gains/losses as part of other/miscellaneous revenue, and in 2023 recognized net losses of 3.6 million Swiss francs, compared to net gains of 0.3 million Swiss francs in 2024. These exchange gains and losses correspond to the revaluation of bank accounts and operating cash short-term investments held in currencies other than Swiss francs.

Expenses

Composition of 2024 expenses on an IPSAS basis
(in millions of Swiss francs)



Detailed breakdown of 2024 expenses
(in millions of Swiss francs)

Personnel expenditure 252.8	Posts	241.9	Depreciation and amortization 10.1	Buildings depreciation	9.2
	Temporary staff	10.0		Equipment depreciation	0.3
	Other staff costs	0.9		Intangible assets amortization	0.6
Contractual services 113.4	Conferences	5.4	Travel, training and grants 16.9	Staff missions	5.2
	Individual contractual services	21.3		Third-party travel	10.5
	Commercial translation services	28.7		Training and related travel grants	1.2
	IT services	41.3	Internships and WIPO fellowships 10.0	Internships	0.5
	Other contractual services	16.7		WIPO fellowships	9.5
Operating expenses 24.5	Premises and maintenance	21.9	Other expenses 2.6	Equipment and supplies	2.3
	Communication	0.8		Finance costs	0.3
	Representation & other operating expenses	1.1			
	United Nations joint services	0.7			

Total expenses of the Organization for 2024 were 430.3 million Swiss francs, representing a slight increase of 0.6 per cent compared to 2023 total expenses of 427.7 million Swiss francs. The largest expense for the Organization was personnel expenditure of 252.8 million Swiss francs, representing 58.8 per cent of total expenses. Contractual services of 113.4 million Swiss francs were the second largest expense for the Organization, followed by operating expenses of 24.5 million Swiss francs. The table on the following page provides a summary of the changes by expense type compared to the prior year:

Expenses variance 2023-2024

	2024	2023	Net Change	Net Change
	<i>(in millions of Swiss francs)</i>			%
Expenses				
Personnel expenditure	252.8	252.3	0.5	0.2
Internships and WIPO fellowships	10.0	9.1	0.9	10.2
Travel, training and grants	16.9	14.8	2.1	14.8
Contractual services	113.4	112.1	1.3	1.1
Operating expenses	24.5	25.6	-1.1	-4.1
Equipment and supplies	2.3	4.0	-1.7	-42.1
Depreciation and amortization	10.1	9.6	0.5	4.3
Finance costs	0.3	0.2	0.1	21.8
Total expenses	430.3	427.7	2.6	0.6

Total personnel expenditure in 2024 of 252.8 million Swiss francs has increased by 0.2 per cent compared to total personnel expenditure of 252.3 million Swiss francs in 2023. Personnel expenditure comprises principally net base salary and post adjustments for staff in posts or temporary positions. Combined these represent 149.4 million Swiss francs, 59.1 per cent of total personnel expenditure for 2024, and close to the prior year figure of 147.9 million Swiss francs. The 2024 net impact of movements in long-term employee benefit liabilities recognized through personnel expenditure was largely aligned with the prior year. The cost of internships and WIPO fellowships, which is not included as part of personnel expenditure, also increased compared to 2023, rising by 10.2 per cent to 10.0 million Swiss francs. This reflects the growth of in the number of Fellows in 2024, which with the yearly intake under the Young Experts Program (YEP) seeks to attract young talent and offer valuable professional experience at WIPO.

Travel, training and grants increased from 14.8 million Swiss francs in 2023, to 16.9 million Swiss francs in 2024. The increase in 2024 was noted for both staff missions (5.2 million Swiss francs in 2024, compared to 4.5 million Swiss francs in 2023), and third-party travel (10.5 million Swiss francs in 2024, compared to 8.8 million Swiss francs in 2023). Notably, WIPO organized two Diplomatic Conferences during 2024 (the Diplomatic Conference on Genetic Resources and Associated Traditional Knowledge hosted by WIPO in Geneva, and the Diplomatic Conference to Conclude and Adopt a Design Law Treaty hosted by the Kingdom of Saudi Arabia in Riyadh).

Contractual services in 2024 totaled 113.4 million Swiss francs. These expenses increased by 1.3 million Swiss francs compared to the 2023 figure. Contractual services in the year 2024 concern primarily commercial translation services (28.7 million Swiss francs), IT services (41.3 million Swiss francs), individual contractual services (21.3 million Swiss francs), and other contractual services (16.7 million Swiss francs). Within these areas, expenses for both IT services and individual contractual services increased compared to 2023 (by 4.0 million Swiss francs and 1.8 million Swiss francs respectively), whereas expenses for commercial translation services and other contractual services fell against the prior year (by 1.8 million Swiss francs and 3.2 million Swiss francs respectively).

Operating expenses in 2024 totaled 24.5 million Swiss francs, a decrease of 4.1 per cent compared to the 2023 total of 25.6 million Swiss francs. Premises and maintenance costs constitute by far the largest category of operating expenses, and these fell by 1.2 million Swiss francs compared to 2023. Expenses for equipment and supplies reduced from 4.0 million Swiss francs in 2023 to 2.3 million Swiss francs in 2024. Depreciation and amortization of capitalized fixed assets rose from the prior year, totaling 10.1 million Swiss francs in 2024 compared to 9.6 million Swiss francs in 2023. This increase mainly reflects the impact of a full year of depreciation on buildings additions brought to use at the end of 2023.

Investment gains/(losses)

In 2024, the Organization reported net investment gains of 73.7 million Swiss francs, compared to 52.2 million Swiss francs in 2023. This performance is evaluated against WIPO's benchmark rate to provide a more precise measure of investment effectiveness. Net investment returns are allocated across WIPO's three distinct portfolios: Operating cash, Core, and Strategic, amounting to 3.8 million, 48.1 million, and 21.8 million Swiss francs, respectively. For Core and Strategic portfolios, the total fund net return is calculated after deducting transaction costs, management fees, and investment administrative expenses. The returns are reported in Swiss francs over three periods: one year, five years, and since the inception of the portfolio.

WIPO's investment strategies are developed in accordance with the Organization's financial objectives and risk management framework. Core portfolio investments are managed with the objective of generating a positive return over a rolling five-year period, while Strategic portfolio investments are held for the long term in order to achieve capital growth and cover the target ratio of the Organization's after-service employee benefit liabilities over twenty years. These investment objectives ensure that investment performance is evaluated over appropriate time horizons, reducing sensitivity to temporary market volatility.

Core portfolio

The market value of the investment portfolio was 931.4 million Swiss francs at the end of 2024, up from 789.0 million francs reported at the end of 2023. The portfolio returned 6.1 per cent in 2024. The investment objective of the fund is to return positive returns after costs, given an acceptable level of risk over a five-year rolling period. Within this scope, the portfolio had returned 1.9 per cent annualized.

Investment Performance (%)*	2024	2023	5-Years	Since Inception
WIPO Core portfolio	6.1	4.7	1.9	1.9
Benchmark Return	6.3	5.0	2.3	1.9
Relative Return	-0.2	-0.3	-0.4	0.0

*: time-weighted rate of return

Strategic portfolio

The market value of the investment portfolio was 273.7 million Swiss francs at the end of 2024, up from 229.5 million francs reported in 2023. The portfolio returned 9.0 percent in 2024. Annualized returns were 2.9 per cent since inception and the portfolio remains on target to deliver an annualized 2.0 per cent return over twenty years.

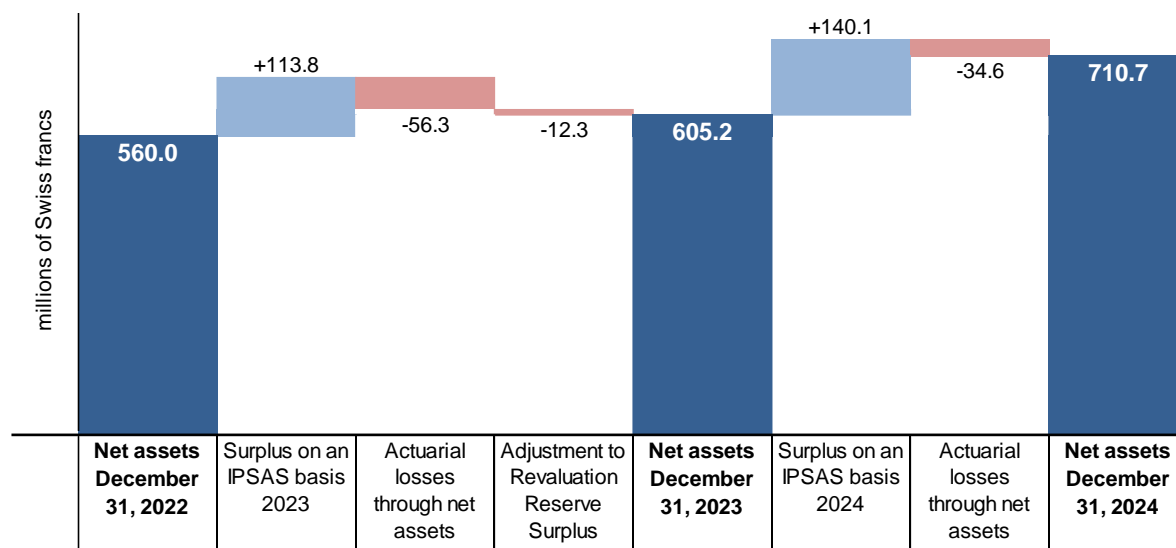
Investment Performance (%)*	2024	2023	5-Years	Since Inception
WIPO Strategic portfolio	9.0	5.7	2.9	2.9
Benchmark Return	8.6	5.8	2.7	2.7
Relative Return	0.4	-0.1	0.2	0.2

*: time-weighted rate of return

Financial Position

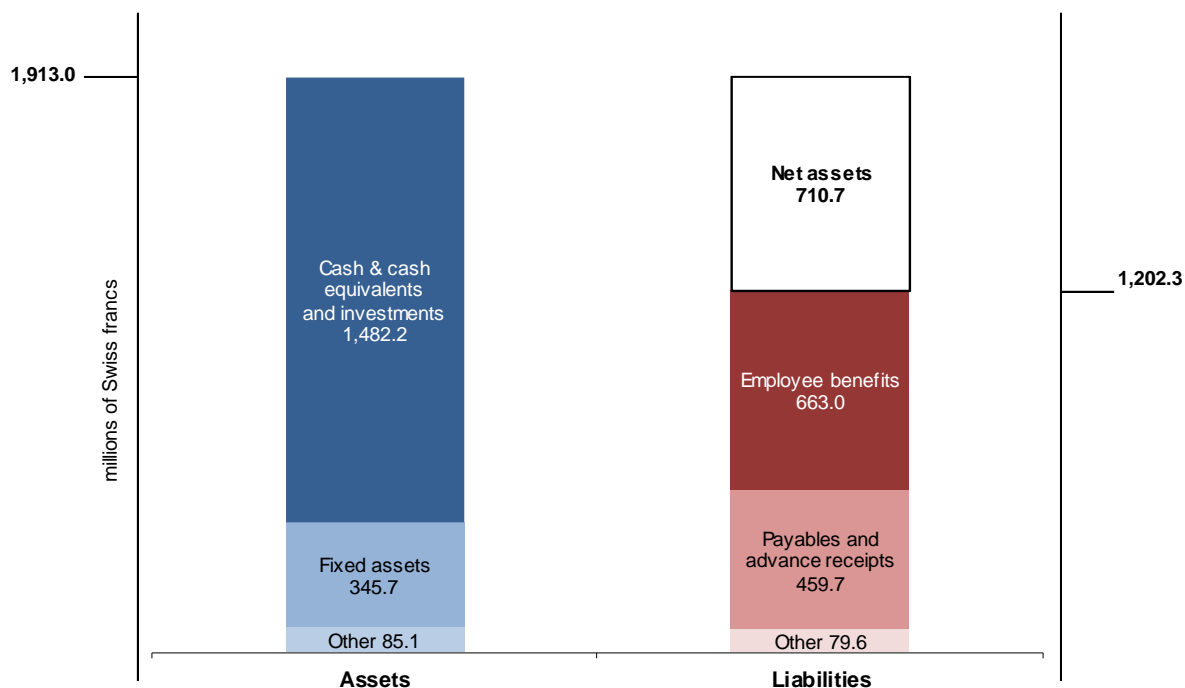
As at December 31, 2024, the Organization had net assets of 710.7 million Swiss francs, with total assets of 1,913.0 million Swiss francs and total liabilities of 1,202.3 million Swiss francs. During 2024, the Organization's net assets increased by 105.5 million Swiss francs. This increase was due to the surplus for the year of 140.1 million Swiss francs, partly offset by actuarial losses related to WIPO's liability for ASHI totaling 34.6 million Swiss francs:

Movement in net assets 2022-2024



The following chart provides a summary of the Statement of Financial Position of WIPO as at December 31, 2024. Total assets of 1,913.0 million Swiss francs are composed primarily of cash, cash equivalents, investments and fixed assets. Total liabilities of 1,202.3 million Swiss francs are principally employee benefits, and payables and advance receipts:

Summary of assets and liabilities December 31, 2024



Assets

At the end of 2024, the Organization held cash, cash equivalents and investment balances of 1,482.2 million Swiss francs, representing 77.5 per cent of total assets. This total balance was 182.1 million Swiss francs higher than the balance of 1,300.1 million Swiss francs at the end of 2023. Within this, cash and cash equivalents increased by 11.7 million Swiss francs compared to 2023, due to higher balances held on term deposits. Current investments decreased by 16.2 million Swiss francs, however, the Organization's non-current investments increased significantly, by 186.6 million Swiss francs compared to the prior year.

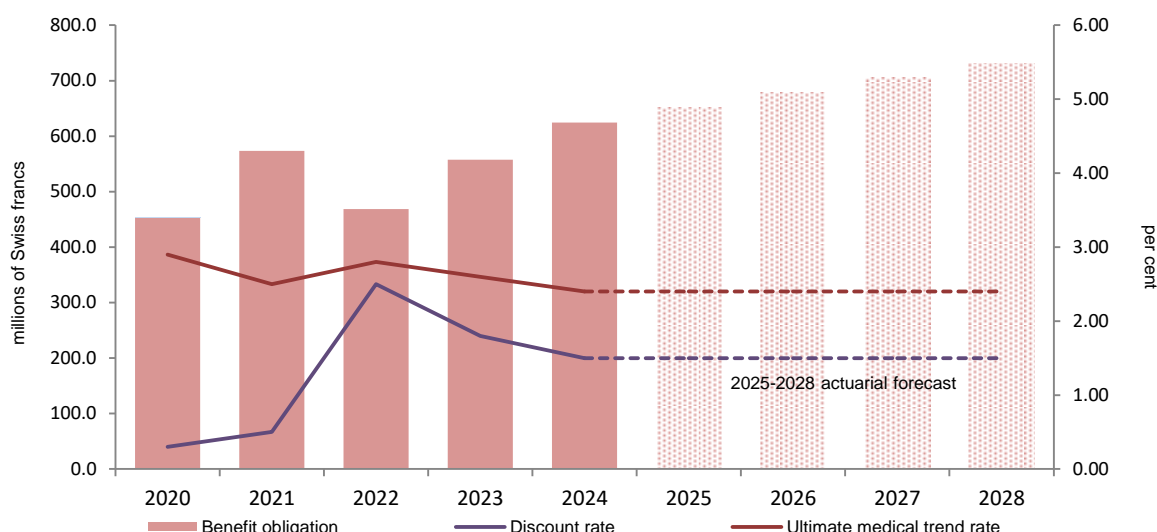
The Organization holds significant fixed assets (land, buildings, intangible assets and equipment) with a total net book value of 345.7 million Swiss francs. During 2024, costs totaling 2.5 million Swiss francs were capitalized for additions and improvements to fixed assets. The total depreciation and amortization charge against all fixed assets was 10.1 million Swiss francs for 2024. Other assets of the Organization totaling 85.1 million Swiss francs included accounts receivable and advance payments. Within this, the most significant balance was PCT debtors totaling 57.8 million Swiss francs. At any point during the year, a significant number of PCT applications have been filed with receiving Offices and possibly received by WIPO, for which no corresponding fee payment has yet been received by the Organization. The balance of PCT debtors increased slightly compared to the prior year, when it totaled 57.2 million Swiss francs.

Liabilities

Employee benefit liabilities of 663.0 million Swiss francs were mainly comprised of the After-Service Health Insurance (ASHI) liability of 624.4 million Swiss francs, representing 94.2 per cent of the total employee benefits liability as at December 31, 2024. The ASHI liability increased by 67.1 million Swiss francs compared to the 2023 balance of 557.3 million Swiss francs. The calculation of the ASHI liability is performed by an independent actuary. In accordance with IPSAS requirements, the ASHI liability recognized in the financial statements represents the present value of all expected future benefits to existing retirees and their dependents, and all accrued post-employment benefits of active staff. On average, medical costs increase with age, so the most significant expected medical costs remain to be paid in the future. To manage the cost and risk of its medical insurance plan, WIPO has secured an insurance contract that allows a level per person premium to be paid for existing retirees and active staff, thus reducing the cash paid on behalf of older retirees relative to their incurred medical cost.

The ASHI liability calculation incorporates a number of actuarial assumptions. These include the discount rate, medical cost trend rates, annual medical claims cost, retirement rates and mortality rates. Changes to these assumptions year on year lead to actuarial gains and losses which are recognized as part of the liability in the Statement of Financial Position. A breakdown of the movement in the liability due to actuarial gains and losses is provided in Note 9 of these financial statements. The increase in the liability in 2024 was partly due to a decrease in the discount rate, which fell from 1.80 per cent to 1.50 per cent. The discount rate was determined using AA corporate bond yield curves. In addition, for the 2024 valuation there was an increase in the medical claims cost at each age based on a full medical claims experience study performed during the year. These impacts were partly offset by a decrease in the medical cost trend rates from 3.20 per cent (initial) and 2.60 per cent (ultimate), to 2.40 per cent (initial and ultimate). The following graph shows how the ASHI liability has developed since 2020, and includes actuarial forecasts for 2025-2028 (applying the same assumptions as for the 2024 calculation). The graph also shows how discount rates and medical cost trend rates have changed since 2020:

Movement in ASHI liability 2020-2028 (December 31)



The projections of the ASHI liability for 2025-2028 do not consider gains or losses from possible future changes in actuarial assumptions, which could significantly impact calculations in subsequent years. The projected increase in the liability for 2025-2028 reflects the demographic make-up of participants in WIPO's collective medical insurance plan. Projected additional ASHI benefits accrued by active staff (which increase the ASHI liability) outweigh projected medical costs paid to retirees (which reduce the ASHI liability). It should be noted that in July 2024, the Assemblies of the Member States of WIPO approved the creation of a separate entity, to be established as a multi-employer plan, with responsibility for the funds set aside to finance ASHI. Holding these funds in a separate entity would allow them to be designated as plan assets, as stipulated in IPSAS 39, and the financial statement presentation could be modified to present the ASHI liability net of accumulated funds. As the creation of the separate entity had not yet been completed at the end of 2024, the projections do not present the liability net of these funds.

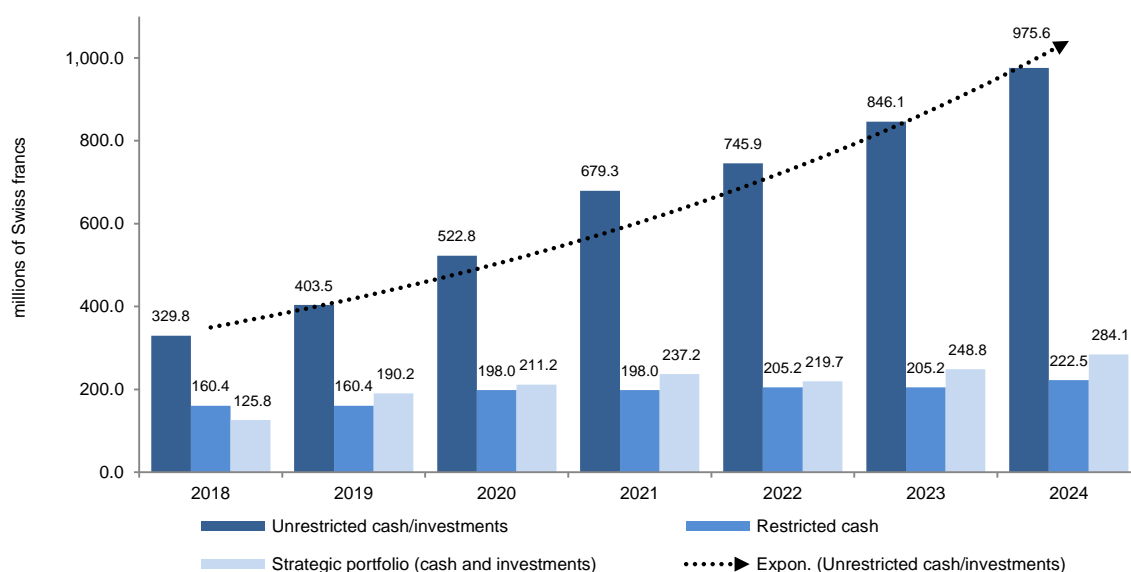
As at December 31, 2024, payables and advance receipts totaled 459.7 million Swiss francs, and mainly included deferred revenue for the processing of international applications (under the PCT, Madrid and Hague systems) of 294.9 million Swiss francs. This deferred revenue balance principally concerns PCT system fees of 291.1 million Swiss francs. Revenue from fees relating to the processing of international applications is deferred until the related application is published. At any given time during the year, a number of PCT applications will have been filed with either receiving Offices or WIPO which have yet to be published. As at December 31, 2024, for applications with a 2023 or 2024 filing date, it is estimated that approximately 206,400 applications were unpublished. At the end of the prior year 2023, approximately 206,800 applications filed in 2022 or 2023 were unpublished and the deferred revenue balance for PCT system fees was 290.9 million Swiss francs.

Cash Flow

The Organization's cash, cash equivalents and investments balance has continually increased since 2011. In 2024, the total balance grew by a further 182.1 million Swiss francs, which included fair value increases of 41.7 million Swiss francs on the core investment portfolio, and 19.3 million Swiss francs on the strategic investment portfolio. The Organization's principal cash inflows come from PCT system fees, with an average monthly inflow of 30.0 million Swiss francs in 2024, compared to 30.3 million Swiss francs in 2023. The Organization primarily holds cash deposits in instant access bank accounts to maintain liquidity. In 2024, balances were also maintained in term deposit accounts with maturities of up to 12 months and money market funds to optimize returns while ensuring access to funds as needed.

Cash, cash equivalents and investments can be presented separately as unrestricted, restricted and strategic portfolio balances. Restricted cash includes the General Assembly approved reserve level target of 25 per cent of projected Biennial Expenditure and funds to ensure adequate liquidity to meet the day to day cash flow requirements of the organization as per Financial Regulations and Rules and WIPO Reserve Policy. The strategic portfolio represents funds allocated for the future financing of after-service employee benefit liabilities, including ASHI. As at December 31, 2024, the balance of the strategic portfolio stood at 284.1 million Swiss francs. This comprised long-term investments of 273.7 million Swiss francs, and 10.4 million Swiss francs in cash deposits held in instant access bank accounts. These balances included an additional 12.5 million Swiss francs generated in 2024 from charges applied to the cost of posts for the funding of after-service employee benefit liabilities.

Unrestricted, restricted and strategic cash 2018-2024



STATEMENT ON INTERNAL CONTROL 2024

Scope of responsibility

As Director General of the World Intellectual Property Organization (WIPO), I am accountable, in accordance with the responsibility assigned to me in the Financial Regulations and Rules (FRRs) as applicable in 2024, in particular:

Regulation 5.2

The Director General shall establish an internal control framework and system in accordance with relevant and prevailing best practices.

Regulation 5.3

The Director General establishes and signs an annual Statement on Internal Control, providing assurance to stakeholders. The Statement on Internal Control is supported by assurances from designated officials and will draw upon the internal oversight opinion of WIPO's governance, risk management and control environment.

In signing this statement, I rely in particular on assurance provided to me in the form of Management Representation Letters (MRLs) that I have received from my Sector Leads. I rely also on the Organization's assurance functions, electronic systems and information provided to me in the WIPO Assurance Summary.

Purpose of the system of internal control

Our system of internal control is a process, effected by the Governing Bodies, the Director General, senior management and other personnel, designed to provide reasonable assurance of the Organization's ability to reach its strategic objectives and Expected Results. The aim of this system of internal control is to optimize risk and opportunity in line with the WIPO Risk Appetite Statement, rather than to eliminate it entirely. As such, it sets out to provide reasonable assurance over the following three areas:

- Reliability of financial reporting - transactions authorized and properly recorded and material errors or irregularities either prevented or detected in a timely manner;
- Effectiveness and efficiency of business processes, the safeguarding of assets and the exercise of economy; and
- Compliance with WIPO's regulatory framework.

This statement is presented in line with the seven components of WIPO's Accountability Framework (WO/PBC/29/4), which itself is aligned to the COSO¹ Internal Control framework, and the Three Lines Model².

My current statement on WIPO's internal control processes, as described above, applies for the year ended December 31, 2024, and as at the date of the approval of the Organization's 2024 financial statements.

1. Results based planning

Resource needs are driven by the substantive work program planned for implementation during a biennium, in accordance with the Medium-Term Strategic Plan (MTSP). Member States' approval of the 2024/25 Program of Work and Budget set the implementation parameters for the biennium, and control processes centered on the WIPO FRRs ensured that our work was implemented in accordance with those approvals. Our fully integrated cloud-based planning system WePerform continued to be used in 2024, seamlessly supporting performance-based planning, implementation, and monitoring to facilitate the achievement of WIPO's Expected Results.

¹ Committee of Sponsoring Organizations of the Treadway Commission

² <https://www.theiia.org/globalassets/site/about-us/advocacy/three-lines-model-updated.pdf>

2. Performance and risk management

The 2024/25 Program of Work and Budget was developed taking into account the geopolitical climate, inflationary pressures and evolving global business models. While it is not possible to eliminate these external risks, we took appropriate actions to respond to them and mitigate their impact should they materialize. At the Organizational level, I continued to chair the Risk Management Group (RMG) that oversees the management of risk at WIPO. During 2024, we updated risk guidance, to include a five-point impact scale, recognizing the need to capture distinctly the most severe impact risks. We continued to operationalize the WIPO Risk Appetite Statement, which sets out the target level of risk by Expected Result, intrinsically linking performance and risk management. Managers were encouraged to actively accept risk in line with the appetite, optimizing the cost of mitigation.

Key organizational risks and their respective risk responses are articulated comprehensively in the biennial Program of Work and Budget. A post implementation risk review is undertaken in the annual and biennial WIPO Performance Report. The following is a summary of key risks managed in 2024:

Key risk area	Risk description
Brand	Brand confidence was at risk if WIPO stakeholder expectations exceeded their user experience.
Cyber	The risk of a breach of cyber security leading to the compromising of confidential and/or personal data.
Global context	The global geopolitical, economic, financial or health contexts could have deteriorated.
Information systems	WIPO's Global IP Services, Platforms and internal systems could have suffered prolonged unavailability which could have negatively affected our services.
Political	The risk of diminished credibility or influence if there was a decline in confidence in intellectual property frameworks or in the engagement of Member States.
Sustainability	A reduction in IP revenue generating filings affecting the Organization's long term financial sustainability.
Normative	The two Diplomatic Conferences were opportunities in 2024 both achieving their respective goals.

3. Monitoring, Oversight, Complaints and Response Mechanisms

The Organization has demonstrated strong commitment to address oversight findings. As of December 31, 2024, there were 30 open recommendations from the IOD and EA, representing a nearly 50% reduction compared to 2023.

As Director General of WIPO, I am ultimately accountable for the effectiveness of the system of internal control and my assertion is supported and informed by:

First Line	Second Line	Third Line
<p>Sector Leads, and their teams, in pursuit of the Organization's Expected Results have signed MRLs from which I derive assurance. These letters recognize their responsibility for having and maintaining well-functioning systems and a mechanism for internal control aimed at preventing and/or detecting instances of fraud and major errors.</p> <p>I also take into account the commitment that each officer with delegated financial authority ("Alternate") formally makes when accepting that designation. I conclude the 'first line' is sound.</p>	<p>Management's role is to address organizational risks, including compliance with our regulatory framework, ethical behavior, information and technology security, sustainability, and quality assurance. We continue to streamline processes using data analytics to efficiently monitor the control activities that are initiated in the first line.</p> <p>The Risk Management Group's purpose is to promote a culture of responsible risk management in WIPO, to review and monitor WIPO's financial situation and the key risks to the achievement of Expected Results and this present statement together with the evidence that supports it, I am confident our 'second line' is robust.</p>	<p>Internal Oversight Division (IOD), on whose assurance and advisory services I rely, through the annual report by the Director of IOD, reports of internal audit and evaluation as well as management implication reports resulting from investigations.</p> <p>The Internal Audit Section of IOD in 2024 undertook engagements concerning: Internal Control Testing of After Service Health Insurance (ASHI) Claims, Cybersecurity maturity assessment and assurance, key controls design and operating effectiveness review and assurance, the Patent Cooperation Treaty (PCT) Translation Division Audit and an Internal Audit of WIPO Nigeria Office.</p> <p>I acknowledge the importance of the third line and commit that management will implement the accepted recommendations.</p>

My assertion is also supported and informed by:

Independent Oversight		
<p>External Auditor</p> <p>The External Auditor aims to provide independent assurance to Member States, to add value to WIPO's financial management and governance, and to support its objectives through the external audit process. I note the External Auditor's comment in his report of May 2024 that "WIPO operates a sound internal control environment." and I take into account any recommendations made.</p>	<p>Independent Advisory Oversight Committee (IAOC)</p> <p>The IAOC's mandate includes the promotion of risk management and internal controls, reviewing the effectiveness and operational independence of the internal oversight function and reviewing and advising on the ethics function.</p>	<p>Joint Inspection Unit (JIU) of the United Nations System</p> <p>The JIU is mandated to conduct evaluations, inspections and investigations system-wide. WIPO prepares an analysis on the implementation of JIU recommendations, which is presented to Member States at the Program and Budget Committee.</p>

I further ensure that feedback mechanisms are in place for Member States and that customer complaint resolution services are in place for clients.

4. Control Activities

WIPO's internal control framework has been strengthened through a thorough review of key controls in 2024. The main outcomes of the key controls review include:

- Enhanced alignment of key controls to the COSO principles, ensuring comprehensive coverage across all five components and principles;
- Improved control descriptions focused on control activities rather than process descriptions, resulting in a more focused control framework;
- Strengthened linkages between key controls and key risks, improving risk management effectiveness.

The control framework comprises a mix of control types: 42% preventive controls focused on preventing errors or irregularities before they occur such as system controls; 45% directive controls which guide behavior through policies and procedures; and 13% detective controls which identify issues after they occur, such as through data analytics. This distribution reflects our emphasis on prevention and clear guidance, while maintaining appropriate detection mechanisms.

WIPO's controls demonstrate strong maturity levels, with 88% of controls at level 3 (deployed and reliable), while 12% have reached level 4 (measured and automated). This maturity profile indicates robust design and consistent operation of controls across the Organization, with ongoing progress toward increased automation and measurement capabilities.

Figure 1: Controls by Type

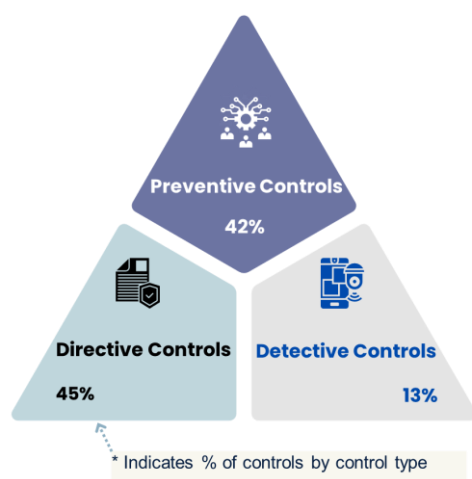
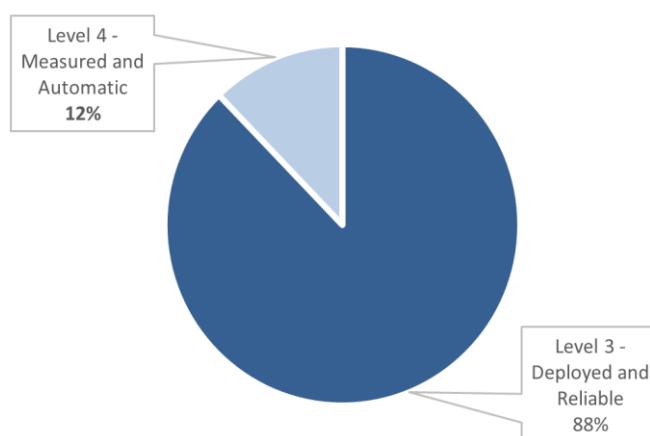


Figure 2: Control Maturity



In 2024, WIPO made advances in data analytics through the establishment of the new cloud infrastructure and Tableau front end. By the end of 2024, data analytics capabilities for compliance monitoring by first and second line were in user acceptance testing. In 2025, workplans include expanding data analytics integration across key business processes to improve control reliability and leveraging technology for automated control monitoring and timely risk detection, enabling proactive response to control breaches and emerging risks.

5. Information and Communication

The RMG has access to all risk and control records through our business intelligence system. Quarterly risk reports and an annual risk management report allow the RMG to take stock of the evolving risk landscape.

The Chief Data Officer and the Data Protection Officer oversee the continually evolving issues of data governance and privacy that continue to be strengthened through a data governance strategy and a heightened focus on data protection. An update is underway to the Master Data Management (MDM) Policy, which defines the approach for managing critical data and provides a single authoritative point of reference that is integrated into the enterprise architecture. Further enhancements will address and enhance data governance capabilities through implementation of MDM tools and a coherent data catalog. A data privacy policy and an information classification and handling policy, together with detailed guidelines ensures a common understanding of levels of confidentiality and appropriate handling of information. The Chief Security Officer oversees the implementation of multi-year strategies aimed at leveraging leading-edge technologies, to enhance the protection of the Organization's systems and information against cyber threats.

The portfolio of Enterprise Resource Planning (ERP) solutions provide a high level of control, including transactional level system controls and data analytics. An ERP transformation project is underway to upgrade the ERP system to a new cloud-based Software-as-a-Service solution, providing the opportunity to streamline administrative business processes. The Enterprise Risk Management solution ensures that controls are systematically owned, assessed and linked to risks, as appropriate.

6. Ethical Standards and Integrity

The Ethics Office, which enjoys functional and operational independence, supports me in helping to ensure that all WIPO personnel perform their functions consistent with the highest standards of ethics and integrity, as required by the WIPO Staff Regulations and Rules, the Standards of Conduct for the International Civil Service, the WIPO Code of Ethics and other relevant policies.

As per its mandate, and in relation to ethics and integrity, the Ethics Office administers mandatory training; develops outreach programs; provides confidential guidance to all WIPO members of personnel; manages the disclosure of financial and other interests program and, receives, reviews and makes objective determinations and recommendations on complaints of retaliation.

In 2024, the Ethics Office undertook several outreach initiatives aimed at ensuring greater knowledge and understanding of ethical standards. The Intranet pages of the Ethics Office were redesigned to provide concrete guidance on ethical issues such as conflicts of interest and outside activities, and easy access to relevant resources within WIPO. The Ethics Office also launched a survey with a view to improving awareness of, and bringing personnel closer to, WIPO's ethical values. It further held a town hall meeting to present its mandate and enhanced dialogue with my Sector Leads, meeting them both individually and collectively. Lastly, the Ethics Office reviewed the Policy on the disclosure of financial and other interests, expanding its scope to cover IP-related conflicts of interest.

7. Control Environment

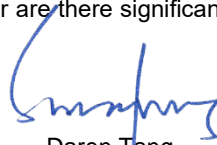
WIPO's Accountability Framework lays out the components that ensure good governance through reasonable assurance regarding the reliability of reporting, the effectiveness and efficiency of operations, compliance with applicable policies, regulations and rules, and the safeguarding of resources. The WIPO Control Environment includes a suite of Key Controls that are those Entity Level Controls and Process Level Controls that provide ultimate control over all areas of the COSO framework.

The WIPO Internal Policy Portal launched in 2024 provides employees access to all WIPO administrative issuances, including regulations, rules, office instructions, manuals, forms, guidelines and other relevant documents on a single portal. The Organization's regulatory framework is kept under review, as external and internal factors change. WIPO's procurement policy and procedures include a robust delegation model for procurement authority as well as additional controls and reporting. The WIPO Vendor Sanctions policy and the Code of Conduct for Staff Involved in Procurement actions represent important control processes and formal and informal conflict resolution mechanisms are in place for personnel.

WIPO's Core Values are expressed as "Shaping the Future", "Acting Responsibly", "Delivering Excellence" and "Working as One", and all contribute to fostering a culture of accountability and strong ethical values.

Conclusion

Based on the contents of this statement and the evidence that underpins it, I conclude that, to the best of my knowledge and belief, and based upon the information I have, there have been no material weaknesses that would affect the reliability of the Organization's financial statements, nor are there significant matters that would need to be raised in the present document for the reporting period.


 Daren Tang
 Director General

Date: May 13, 2025

FINANCIAL STATEMENTS

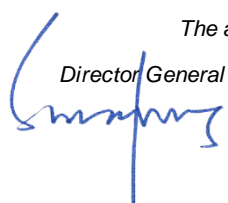
STATEMENT I: Statement of Financial Position

as at December 31, 2024
(in thousands of Swiss francs)

	Note	December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	3	100,450	88,806
Investments	4	176,622	192,819
Contributions receivable	5	2,223	2,013
Exchange transactions receivable	5	82,842	77,012
		362,137	360,650
Non-current assets			
Investments	4	1,205,092	1,018,483
Intangible assets	6	27,332	26,389
Property, plant, and equipment	7	318,396	326,952
		1,550,820	1,371,824
TOTAL ASSETS		1,912,957	1,732,474
LIABILITIES			
Current liabilities			
Payables and accruals	8	19,531	21,784
Employee benefits	9	19,841	18,236
Transfers payable	10	104,041	103,906
Advance receipts	11	332,679	326,598
Provisions	12	333	264
Current accounts		79,305	75,817
		555,730	546,605
Non-current liabilities			
Employee benefits	9	643,167	577,241
Advance receipts	11	3,400	3,459
		646,567	580,700
TOTAL LIABILITIES		1,202,297	1,127,305
Accumulated Surpluses		909,767	802,314
Special Projects Reserve		54,481	21,868
Revaluation Reserve Surplus		8,056	8,056
Actuarial gains/(losses) through Net Assets		-267,986	-233,411
Working Capital Funds		6,342	6,342
NET ASSETS		710,660	605,169

The accompanying notes form an integral part of these financial statements

Director General



STATEMENT II: Statement of Financial Performance

for the year ended December 31, 2024
(in thousands of Swiss francs)

	Note	2024	2023
REVENUE			
Assessed contributions		18,613	17,574
Voluntary contributions		10,092	10,148
Publications revenue		526	599
Fees			
PCT system		371,094	368,630
Madrid system		83,323	84,586
Hague system		8,788	7,775
Lisbon system		217	277
Sub-total fees		463,422	461,268
Arbitration and Mediation		2,781	2,509
Other/miscellaneous revenue		1,239	-2,808
TOTAL REVENUE		496,673	489,290
EXPENSES			
	16		
Personnel expenditure		252,836	252,288
Internships and WIPO fellowships		10,038	9,109
Travel, training and grants		16,905	14,723
Contractual services		113,406	112,117
Operating expenses		24,530	25,585
Equipment and supplies		2,294	3,960
Depreciation and amortization		10,052	9,638
Finance costs		274	225
TOTAL EXPENSES		430,335	427,645
OPERATING SURPLUS/(DEFICIT)		66,338	61,645
Investment gains/(losses)	17	73,728	52,184
TOTAL SURPLUS/(DEFICIT) FOR THE PERIOD		140,066	113,829

STATEMENT III: Statement of Changes in Net Assets

for the year ended December 31, 2024
(in thousands of Swiss francs)

	Accumulated Surpluses	Special Projects Reserve	Revaluation Reserve Surplus	Actuarial gains/(losse s) through Net Assets	Working Capital Funds	Net Assets Total
Net Assets at December 31, 2022	678,987	31,366	20,368	-177,097	6,342	559,966
Surplus/(deficit) for the year 2023	121,063	-7,234	-	-	-	113,829
Transfer to/from Special Projects Reserve	103	-103	-	-	-	-
Adjustment to Accumulated Surpluses	2,161	-2,161	-	-	-	-
Actuarial gains/(losses)	-	-	-	-56,314	-	-56,314
Revaluation land	-	-	-12,312	-	-	-12,312
Net Assets at December 31, 2023	802,314	21,868	8,056	-233,411	6,342	605,169
Surplus/(deficit) for the year 2024	148,441	-8,375	-	-	-	140,066
Transfer to/from Special Projects Reserve	-42,471	42,471	-	-	-	-
Adjustment to Accumulated Surpluses	1,483	-1,483	-	-	-	-
Actuarial gains/(losses)	-	-	-	-34,575	-	-34,575
Net Assets at December 31, 2024	909,767	54,481	8,056	-267,986	6,342	710,660

STATEMENT IV: Statement of Cash Flow

for the year ended December 31, 2024
(in thousands of Swiss francs)

	Note	2024	2023
Cash flows from operating activities			
Surplus (deficit) for the period	Statement II	140,066	113,829
Depreciation and amortization	6 & 7	10,052	9,638
(Increase) decrease in receivables	5	-6,040	146
Increase (decrease) in advance receipts	11	6,022	-7,262
Increase (decrease) in payables and accruals	8	-2,253	3,707
Increase (decrease) in transfers payable	10	135	-11,189
Increase (decrease) in provisions	12	69	-307
Increase (decrease) in current accounts		3,488	-9,026
Movement in employee benefits (1)		32,956	34,284
Interest, dividends, investment and exchange gains/losses (2)		-75,695	-48,203
Net cash flows from operating activities		108,800	85,617
Cash flows from investing activities			
Additions to property, plant, and equipment	7	-1,020	-2,585
Disposals of property, plant, and equipment	7	64	264
(Increase) decrease in intangible assets	6	-1,483	-1,860
(Increase) decrease in investments	4	-170,412	-283,161
Increase (decrease) in fair value of investments	4	61,059	45,996
Dividends and interest on investments	17	14,433	6,886
Net cash flows from investing activities		-97,359	-234,460
Cash flows from financing activities			
Increase (decrease) in finance lease obligations		-	-310
Net cash flows from financing activities		-	-310
Effect of exchange rate changes on cash and cash equivalents		203	-4,679
Net increase (decrease) in cash and cash equivalents		11,644	-153,832
Cash and cash equivalents at beginning of year	3	88,806	242,638
Cash and cash equivalents at end of year	3	100,450	88,806

(1) Movement does not include the effect of actuarial gains/losses recognized through net assets;

(2) Interest earned, dividends received, the effect of exchange rate changes on cash and cash equivalents, and gains/losses on investments.

STATEMENT V: Statement of Comparison - Budget and Actual Amounts Revenue

for the year ended December 31, 2024
(in thousands of Swiss francs)

	Original Budget 2024 (1)	Updated Budget 2024 (2)	Actual Revenue on comparable basis 2024	Difference 2024 (3)
Assessed contributions	17,615	17,615	17,615	-
Fees				
PCT system	366,563	373,370	371,094	-2,276
Madrid system	83,876	83,680	83,323	-357
Hague system	7,858	8,490	8,788	298
Lisbon system	100	100	217	117
Sub-total fees	458,397	465,640	463,422	-2,218
Arbitration and Mediation	1,700	1,700	2,781	1,081
Publications	470	470	526	56
Other/miscellaneous	1,019	1,019	2,327	1,308
TOTAL REVENUE	479,201	486,444	486,671	227

(1) Original Budget represents the first year of the approved Program of Work and Budget for the 2024/25 biennium. The biennial estimated revenue amounts to 972.6 million Swiss francs, and was approved by the Assemblies of Member States of WIPO in July 2023.

(2) Updated Budget includes updated revenue estimates for the PCT, Madrid and Hague systems as per the October 2024 forecast from the Department for Economics and Data Analytics.

(3) Represents the difference between the Updated Budget 2024 and Actual Revenue on a comparable basis for the year ended December 31, 2024.

STATEMENT V: Statement of Comparison - Budget and Actual Amounts Expenses

for the year ended December 31, 2024
(in thousands of Swiss francs)

	Original Budget 2024 (1)	Budget after Transfers 2024 (2)	Actual Expense on a comparable basis 2024	Difference 2024 (3)
Sector				
Patents and Technology	106,625	104,858	101,051	3,807
Brands and Designs	39,433	41,027	36,192	4,835
Copyright and Creative Industries	18,830	18,143	16,038	2,105
Regional and National Development	40,014	43,508	37,094	6,414
Infrastructure and Platforms	20,758	20,475	18,629	1,846
Global Challenges and Partnerships	14,634	16,015	14,395	1,620
IP and Innovation Ecosystems	25,134	26,119	24,824	1,295
Administration, Finance and Management	157,358	149,213	135,143	14,070
Unallocated	4,083	6,047	-	6,047
TOTAL EXPENSES	426,869	425,405	383,366	42,039
NET SURPLUS/(DEFICIT)	52,332	61,039	103,305	42,266
Investment gains/(losses) (4)			73,728	
IPSAS adjustments to surplus (5)			-32,605	
Special Accounts and Projects financed from reserves			-4,362	
ADJUSTED NET SURPLUS PER IPSAS			140,066	

(1) Original Budget represents the budget of the first year of the approved Program of Work and Budget for the 2024/25 biennium. The biennial estimated budget amounts to 857.3 million Swiss francs, and was approved by the Assemblies of the Member States of WIPO in July 2023.

(2) Budget after Transfers includes budgetary transfers as at December 31, 2024.

(3) Represents the difference between Budget after Transfers 2024 and Actual Expense on a comparable basis for the year ended December 31, 2024.

(4) Investment gains/(losses) estimates were excluded from the Program of Work and Budget 2024/25.

(5) The IPSAS adjustments to the surplus are detailed in Note 15 of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Objectives and Budget of the Organization

WIPO functions in accordance with the WIPO Convention, signed in Stockholm on July 14, 1967 and as amended on September 28, 1979. WIPO was recognized as a specialized agency of the United Nations in 1974. WIPO is based in Geneva, Switzerland, and enjoys privileges and immunities as granted under the 1947 Convention on the Privileges and Immunities of the Specialized Agencies of the United Nations and the 1970 Headquarters Agreement with the Swiss Federal Council, notably being exempt from paying most forms of direct and indirect taxation. WIPO also has external offices in Abuja, Algiers, Beijing, Moscow, Rio de Janeiro, Singapore and Tokyo, along with a coordination office in New York.

WIPO's vision is to help create a world where innovation and creativity from anywhere is supported by intellectual property for the good of everyone. To this end, WIPO leads the development of a balanced and inclusive global intellectual property ecosystem. WIPO works with Member States and other stakeholders to ensure that intellectual property is seen as a tool for every Member State to create jobs, attract investments, drive enterprise growth, and ultimately develop economies and societies for a better and more sustainable future.

WIPO is funded from fees derived from services provided by the Organization, assessed contributions paid by its Member States, and voluntary contributions from Member States and other donors. The Organization operates within the framework of a biennial program of work and budget that provides the appropriations that constitute the budgetary expenditure authorizations approved by the Assemblies for the financial period. The approval of the appropriations provides the authority for the Director General to commit and authorize expenses and to make payments for the purposes assigned within the limits of the appropriations.

Note 2: Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Swiss francs, which is the reporting and functional currency of WIPO, and all values are rounded to the nearest thousand. The accounting policies have been applied consistently to all years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flow is prepared using the indirect method. The financial statements are prepared on an accrual and going-concern basis.

IPSAS 44 *Non-Current Assets Held for Sale and Discontinued Operations*, was published in May 2022 with an implementation date of January 1, 2025. This standard has been applied by WIPO in 2024 and does not impact the Organization's financial statements.

IPSAS 45 *Property, Plant, and Equipment*, was published in May 2023 with an implementation date of January 1, 2025. This standard has been applied by WIPO in 2024 and does not impact the Organization's financial statements.

IPSAS 46 *Measurement*, was published in May 2023 with an implementation date of January 1, 2025. This standard has been applied by WIPO in 2024 and does not impact the Organization's financial statements.

IPSAS 47 *Revenue*, was published in May 2023 with an implementation date of January 1, 2026. WIPO is currently analyzing the impacts of this standard.

IPSAS 48 *Transfer Expenses*, was published in May 2023 with an implementation date of January 1, 2026. WIPO is currently analyzing the impacts of this standard.

IPSAS 49 *Retirement Benefit Plans*, was published in November 2023 with an implementation date of January 1, 2026. It is not expected that this standard will impact the Organization's financial statements.

IPSAS 50 *Exploration for and Evaluation of Mineral Resources*, was published in November 2024 with an implementation date of January 1, 2027. It is not expected that this standard will impact the Organization's financial statements.

Amendments to IPSAS 43, IPSAS 47 and IPSAS 48, *Concessionary Leases and Other Arrangements Conveying Rights Over Assets*, were published in October 2024 with an implementation date of January 1, 2027. WIPO is currently analyzing the impacts of these amendments.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, deposits held up to 90 days and other short-term highly liquid investments that are readily convertible to cash and subject to insignificant risk of changes in value.

Investments

Investments are classified as current or non-current assets according to the time horizon of the investment objectives. If the time horizon is less than or equal to one year, they are classified as current assets, and if it is more than one year, they are classified as non-current assets.

Foreign Currency Transactions

The functional currency of WIPO is the Swiss franc. All transactions occurring in other currencies are translated into Swiss francs using the United Nations Operational Rates of Exchange (UNORE), or an equivalent comparable benchmark from the financial market, which represent those prevailing at the date of the transactions. Both realized and unrealized gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of assets and liabilities denominated in currencies other than WIPO's functional currency are recognized in the Statement of Financial Performance.

Revenue Recognition

Revenue from exchange transactions comprising the fees charged for applications under the Patent Cooperation Treaty (PCT) system, the Madrid system and the Hague system is recognized at the date of publication. Revenue from fees received for applications not published at the reporting date is deferred until publication has been completed. The portion of the PCT application fee covering the costs of translation of non-English language patentability reports received after publication is also deferred until the translation is completed. All other fees under the PCT, Madrid and Hague systems are recognized when the services covered by the fee have been provided. Revenue from publications is recognized upon full delivery of the goods. Revenue from Arbitration and Mediation services is recognized upon delivery of the services related to the submission of a request covered by the fee received. Credit card charges incurred on payments received for exchange transactions are recognized through other/miscellaneous revenue.

Revenue from non-exchange transactions such as voluntary contributions to Special Accounts supported by enforceable agreements is recognized as revenue at the time the agreement becomes binding unless the agreement includes conditions related to specific performance or the return of unexpended balances. Such agreements require initial recognition of a liability to defer revenue recognition and then revenue is recognized as the liability is discharged through performance of the specific conditions included in the agreement.

Assessed contributions are recognized as revenue at the beginning of each year of the budget period to which the assessment relates.

Expense Recognition

Expenses are recognized as goods are received and as services are delivered.

Receivables

Receivables from exchange transactions include fees which are charged to users of WIPO's intellectual property services through the PCT, Madrid and Hague systems. These are measured at the fair value of the consideration receivable for PCT, Madrid and Hague system fees once the international application has been filed.

Receivables from non-exchange transactions include uncollected assessed contributions. These are measured at the fair value of the consideration receivable. An allowance for non-recoverable receivables is recorded equal to the assessed contributions frozen by action of the General Assembly in 1989 and 1991, plus contributions receivable from Member States that have lost the right to vote in accordance with Article 11, paragraph 5 of the WIPO Convention.

Property, Plant, and Equipment

Equipment is valued at cost less accumulated depreciation and impairment. Equipment is recognized as an asset if it has a cost of 10,000 Swiss francs or more per unit. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset and are included in the Statement of Financial Performance. Heritage assets including donated works of art are not valued in the financial statements.

Land is carried at current operational value as determined by an independent valuation in accordance with International Valuation Standards. Changes in current operational value are recognized directly in net assets through the Revaluation Reserve Surplus. Buildings and constructions in use are valued at the cost of construction when new plus the cost of subsequent improvements, less accumulated depreciation. For the initial recognition of buildings in use as at January 1, 2010, the date of transition to IPSAS, the value when new was determined by reference to a deemed cost calculated by an external consultant and representing the value of each component at construction plus improvements existing at the initial recognition, less accumulated depreciation based upon the remaining useful life of each component. Subsequent costs of major renovations and improvements to buildings and constructions that increase or extend the future economic benefits or service potential are valued at cost.

Depreciation is charged so as to write off the full cost of property, plant, and equipment over its estimated useful life using the straight-line method. Where property, plant, and equipment is only in use for part of the year (due to acquisition, disposal or retirement during the year), depreciation is charged only for the months during which the asset was in use. The following ranges of useful lives are applied to the different classes and components of property, plant, and equipment:

Class/Component	Estimated useful life
Equipment	
Communications and IT equipment	5-10 years
Vehicles	15 years
Furniture and furnishings	10 years
Buildings	
Structure	50-100 years
Façade	50 years
Perimeter bollards/walls	20-80 years
Land Improvements	40-50 years
Roof	50-60 years
Floors, walls, stairways	50 years
Flooring, wall coverings	20-40 years
Specialist fittings	15-40 years
Heating and ventilation	25-30 years
Sanitary facilities	40 years
Electrical installations	25-50 years
Elevators	40 years

The carrying values of property, plant, and equipment are reviewed for impairment if events or changes in circumstances indicate that the book value of the asset may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. Any impairment loss is recognized in the Statement of Financial Performance.

Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment. Amortization is provided on a straight-line basis on all intangible assets of finite life, at rates that will write off the cost or value of the assets over their useful lives. The useful lives of major classes of intangible assets have been estimated as follows:

Class	Estimated useful life
Software externally acquired	5 years
Software internally developed	5 years
Licenses and rights	Period of licence/right

Acquired computer software licenses are capitalized based on costs incurred to acquire and bring to use the specific software. Software or software licenses purchased externally are recognized as an asset if they have a cost of 40,000 Swiss francs or more per unit. Costs that are directly associated with the internal development of software for use by WIPO are capitalized as intangible assets only if the recognition criteria under IPSAS 31 are met. Direct costs include the software development employee costs.

The rights to use property in the Canton of Geneva acquired by the Organization through purchase have been recognized at historic cost and are amortized over the remaining period of the grant. The rights to use property

granted by the Canton of Geneva acquired without cost, that revert back to the Canton at the end of the grant, are not valued in the financial statements.

Financial Assets

Financial assets are recognized initially at fair value, normally being the transaction price. The subsequent measurement of financial assets depends on their classification. WIPO classifies its financial assets as either measured at amortized cost or measured at fair value through surplus or deficit. The classification depends on WIPO's management model for the financial assets and the contractual cash flow characteristics of the financial assets. WIPO assesses on a forward-looking basis the expected credit losses associated with its financial assets classified as measured at amortized cost.

Financial Liabilities

WIPO initially recognizes its financial liabilities at fair value. After initial recognition, financial liabilities are subsequently measured at amortized cost.

Derivative Financial Instruments

WIPO uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. These financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value.

Employee Benefits

Liabilities are established for After-Service Health Insurance (ASHI), repatriation grants and travel, and long-term accumulated annual leave as determined by an independent actuary on an annual basis utilizing the projected unit credit methodology of valuation. For the ASHI liability, actuarial gains and losses are recognized in net assets. In addition, liabilities are established for the value of short-term accumulated annual leave, home leave not taken, overtime earned but unpaid, separation benefits, performance rewards, and for education grants payable at the reporting date that have not been included in current expenditure.

WIPO is a member organization participating in the United Nations Joint Staff Pension Fund (the Fund), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Fund collectively exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the Fund. WIPO and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify WIPO's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, WIPO has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 Employee Benefits. WIPO's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

Leases

Agreements that convey the right to control an identified asset for a period of time in exchange for consideration are accounted for as leases. Lease payments are recognized as an expense on a straight-line basis over the lease term.

Provisions

Provisions are recognized when the Organization has a legal or constructive obligation as a result of a past event, whereby it is probable that an outflow of resources will be required to settle the obligation and where a reliable estimate of the amount of the obligation can be made.

Current Accounts

The Organization provides facilities for applicants under the PCT, Madrid and Hague systems to deposit funds entitled "current accounts" for which the Organization acts as custodian pending the use of the funds to cover fees required to be paid in connection with individual applications and renewals. These funds are held until such time as

specific applications are filed. On receipt of the application and authorization to debit the current account, a portion of the current account balance is reserved for the application and is therefore unavailable for other transactions. The amount of reserved funds as at December 31, 2024, was 13.1 million Swiss francs.

Net Assets

The Organization's net assets represent the balance of its reserves, which include its Reserves (Accumulated Surpluses, Special Projects Reserve and Revaluation Reserve Surplus) and Working Capital Funds. The Organization also recognizes actuarial gains and losses directly through net assets. The Organization manages the level of its reserves in accordance with its Policy on Reserves.

The Accumulated Surpluses of the Organization represent the accumulated net result of operations in the reporting year and prior periods after the impact of IPSAS. WIPO's Policy on Reserves establishes the principles and approval mechanism for the use of reserves for one-time projects for capital improvements and exceptional circumstances. The Special Projects Reserve contains the appropriations to these projects financed from reserves, less accumulated expenditure. The Revaluation Reserve Surplus includes the cumulative results of revaluations of the land owned by the Organization on which the New Building has been constructed. The Working Capital Funds are established for providing advances to finance appropriations should there be a temporary liquidity shortfall, and for such other purposes as the Assemblies of Member States and of the Unions shall decide. The Working Capital Funds are financed by contributions and are held in trust by WIPO for the Member States of the respective Unions.

Segment Reporting

Segment reporting is based upon the Unions that form WIPO. Revenue and expenses incurred by the Organization are allocated among the Unions in accordance with an allocation methodology approved by the WIPO Assembly (Program of Work and Budget 2024/25, Annex IV). The methodology allocates revenue and expenses to each Sector and then to each Union based on a combination of direct revenue and expense, staff head count and each Union's "capacity to pay". Direct Union expenses are allocated to Unions either fully or on the basis of estimates by Sector. Direct administrative expenses are allocated to the Unions based on relative headcount shares. Indirect Union expenses and indirect administrative expenses are allocated to the Unions based on the "capacity-to-pay" principle. If the Union has a reserve level above its reserve target, it is deemed to be able to support indirect activities not directly linked to the Union. The "capacity to pay" is calculated as the difference between a Union's projected biennial income and its direct Union and direct administrative expenses. The extent to which this support can be provided by each Union is calculated by considering the relative extent to which the Union's income exceeds its direct expenditure. The only inter-segment charge represents the costs of program support incurred by the Unions in support of Special Accounts. Program support costs are charged to the Special Accounts based on a percentage of total direct expenditure specified in the agreement with the donor making the voluntary contribution. WIPO's assets and liabilities are not allocated to individual segments, since ownership rests with the Organization as a whole, however, each Union's share of the Organization's net assets including Reserves and Working Capital Funds is recognized by segment.

Use of Estimates

The financial statements necessarily include amounts based on estimates and assumptions by management. The bases for establishing estimates and assumptions are reviewed for reasonableness as part of the preparation process of the financial statements. Estimates include, but are not limited to: ASHI, repatriation grants and travel, and long-term accumulated annual leave liabilities (the value of which are calculated by an independent actuary), other employee benefit liabilities, provisions for litigation, financial risk on accounts receivable, accrued charges and the degree of impairment of fixed assets. Actual results could differ from these estimates. Changes in estimates are reflected in the period in which they become known.

All balances are presented in thousands of Swiss francs, as a result small rounding differences may occur.

Note 3: Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
<i>(in thousands of Swiss francs)</i>		
Cash on hand	33	48
Deposits with banks	20,318	22,619
Term deposits less than 3 months	55,000	38,000
Notice accounts	14,684	8,806
Total operating and core	90,035	69,473
Deposits with banks	10,415	19,333
Total strategic	10,415	19,333
Total cash and cash equivalents	100,450	88,806

Note 4: Investments

	December 31, 2024	December 31, 2023
<i>(in thousands of Swiss francs)</i>		
Short term investments (operating cash)	178,746	183,888
Derivative financial instruments	-2,124	8,931
Current investments	176,622	192,819
Medium term Investment portfolio (core)	931,375	788,981
Long term Investment portfolio (strategic)	273,717	229,502
Non-current investments	1,205,092	1,018,483
Total investments	1,381,714	1,211,302

Derivative financial instruments are forward foreign exchange contracts. The movement in the value of the operating cash, core portfolio, and strategic portfolio investments during the year ended December 31, 2024 is as follows:

	Operating investments	Core investments	Strategic investments
<i>(in thousands of Swiss francs)</i>			
Investments fair value at December 31, 2023	183,888	788,981	229,502
Investment purchases	8,498	85,799	19,309
Dividends on investments invested	1,201	6,394	1,779
Disposal of investments	-14,442	-	-
Forex gains/(losses) on investments	230	8,456	3,813
Fair value increase/(decrease)	-629	41,745	19,314
Investments fair value at December 31, 2024	178,746	931,375	273,717

Note 5: Receivables

	December 31, 2024	December 31, 2023
<i>(in thousands of Swiss francs)</i>		
Assessed contributions	2,216	2,013
Voluntary contributions	7	-
Contributions receivable	2,223	2,013
PCT debtors	57,829	57,247
Madrid debtors	167	305
Other receivables	18,545	12,903
Advances and prepayments	6,301	6,557
Exchange transactions receivable	82,842	77,012
Total accounts receivable	85,065	79,025

Other receivables include USA taxes reimbursable, Swiss taxes reimbursable, UPOV expenditure reimbursable, credit card debtors and other debtors. Advances and prepayments include staff advances for education grants, funds advanced to the United Nations Development Program, funds advanced under partnership arrangements, and other prepaid expenditure.

Note 6: Intangible Assets

Movement 2024	Land surface rights	Software externally acquired	Software internally developed	Intangible assets under development	Total
<i>(in thousands of Swiss francs)</i>					
December 31, 2023					
Gross carrying amount	34,290	841	4,419	4,251	43,801
Accumulated amortization	-12,236	-757	-4,419	-	-17,412
Net carrying amount	22,054	84	-	4,251	26,389
Movements in 2024					
Additions	-	-	-	1,483	1,483
Transfers	-	-	1,580	-1,580	-
Disposals	-	-	-	-	-
Disposals amortization	-	-	-	-	-
Amortization	-440	-21	-79	-	-540
Total movements in 2024	-440	-21	1,501	-97	943
December 31, 2024					
Gross carrying amount	34,290	841	5,999	4,154	45,284
Accumulated amortization	-12,676	-778	-4,498	-	-17,952
Net carrying amount	21,614	63	1,501	4,154	27,332
Movement 2023	Land surface rights	Software externally acquired	Software internally developed	Intangible assets under development	Total
<i>(in thousands of Swiss francs)</i>					
December 31, 2022					
Gross carrying amount	34,290	772	4,419	2,460	41,941
Accumulated amortization	-11,796	-741	-4,419	-	-16,956
Net carrying amount	22,494	31	-	2,460	24,985
Movements in 2023					
Additions	-	69	-	1,791	1,860
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
Disposals amortization	-	-	-	-	-
Amortization	-440	-16	-	-	-456
Total movements in 2023	-440	53	-	1,791	1,404
December 31, 2023					
Gross carrying amount	34,290	841	4,419	4,251	43,801
Accumulated amortization	-12,236	-757	-4,419	-	-17,412
Net carrying amount	22,054	84	-	4,251	26,389

Land surface rights to parcel 4008 in Petit-Saconnex in the City of Geneva were acquired from the World Meteorological Organization (WMO) in 1996. These had been granted to WMO by the Republic and Canton of Geneva. At the date of purchase the original rights had a remaining period of 78 years expiring in 2073, unless renewed by the Canton. WIPO has been granted surface rights by the Republic and Canton of Geneva to the land on which the Árpád Bogsch and Georg Bodenhause buildings are located. These surface rights have been granted to the Organization at no cost, and no value has been recognized in the financial statements. The rights are valid until 2032, at which point they will expire if not renewed by mutual agreement between WIPO and the Republic and

Canton of Geneva. The Organization cannot dispose of the rights through sale or transfer without providing at least one year's notice to the State of Geneva, which holds a pre-emption right unless the sale or transfer is to another inter-governmental organization based in Geneva.

Note 7: Property, Plant and Equipment

Movement 2024	Buildings	Land	Equipment	Total
<i>(in thousands of Swiss francs)</i>				

December 31, 2023

Gross carrying amount	407,338	21,610	5,049	433,997
Accumulated depreciation	-103,137	-	-3,908	-107,045
Net carrying amount	304,201	21,610	1,141	326,952

Movements in 2024

Additions	955	-	65	1,020
Revaluation	-	-	-	-
Disposals	-	-	-462	-462
Disposals depreciation	-	-	398	398
Depreciation	-9,242	-	-270	-9,512
Total movements in 2024	-8,287	-	-269	-8,556

December 31, 2024

Gross carrying amount	408,293	21,610	4,652	434,555
Accumulated depreciation	-112,379	-	-3,780	-116,159
Net carrying amount	295,914	21,610	872	318,396

Movement 2023	Buildings	Land	Equipment	Total
<i>(in thousands of Swiss francs)</i>				

December 31, 2022

Gross carrying amount	404,993	33,922	5,980	444,895
Accumulated depreciation	-94,221	-	-4,548	-98,769
Net carrying amount	310,772	33,922	1,432	346,126

Movements in 2023

Additions	2,345	-	240	2,585
Revaluation	-	-12,312	-	-12,312
Disposals and derecognition	-	-	-1,171	-1,171
Disposals and derecognition depreciation	-	-	907	907
Depreciation	-8,916	-	-267	-9,183
Total movements in 2023	-6,571	-12,312	-291	-19,174

December 31, 2023

Gross carrying amount	407,338	21,610	5,049	433,997
Accumulated depreciation	-103,137	-	-3,908	-107,045
Net carrying amount	304,201	21,610	1,141	326,952

WIPO holds fully depreciated equipment which is still in use for a gross carrying amount of 2.5 million Swiss francs. The land upon which the New Building was constructed was initially acquired by the Organization at a cost of 13.6 million Swiss francs in 1998, but is held at current operational value based on International Valuation Standards as determined by an independent appraiser. The net result of all periodic revaluations totaling 8.0 million Swiss francs is included in the Revaluation Reserve Surplus which forms part of WIPO's net assets. The most recent valuation of the land, performed by an independent appraiser during 2023, indicated a current operational value of 21.6 million Swiss francs. The value was estimated by capitalizing at an appropriate investment yield the future potential income stream from the property. The potential income was based on comparable rentals in the market, taking into account the quality of the spaces as well as the location. The yield was selected by reference to the perceived quality and duration of the income and the potential for further rental growth and was cross-referenced by the evidence provided by comparable sales.

WIPO holds heritage items representing items donated or loaned to the Organization by representatives or officials of Member States or other public or private entities or individuals. The heritage items held by WIPO include paintings, sculptures, decorative objects, historical documents and other works of art. As at December 31, 2024, the Organization held a total of 845 heritage items. WIPO does not hold these heritage items with the purpose of producing economic benefits, and they do not have service potential for use in WIPO's operations. Therefore, in accordance with IPSAS 45, WIPO does not recognize these heritage items in the Statement of Financial Position. The 845 items are categorized as follows:

Number of Works of Art	2024	2023
Framed artwork	234	218
Decorative objects	126	113
Other commemorative objects	86	78
Sculptures	84	82
Tapestries/carpets	42	40
Furniture	38	38
Ceramic/porcelain	33	30
Primitive arts	25	25
Silverware	21	21
Other works of art	156	150
Total	845	795

Under the WIPO Policy on Property Management and the related Property Management Manual, the Organization has established processes and procedures for the management of heritage items, including the final determination as to whether an item is deemed to be a heritage item. Heritage items are held in controlled access storage until such time as a decision is taken in relation to the placement of an item. Heritage items are included in the Organization's annual physical inventory process, and formal confirmations that heritage items are held by WIPO are provided to donors upon request.

Note 8: Payables and Accruals

	December 31, 2024	December 31, 2023
<i>(in thousands of Swiss francs)</i>		
Trade creditors - accounts payable	17,815	19,971
Miscellaneous transitory liabilities	1,410	735
Other trade creditors	306	1,078
Total payables and accruals	19,531	21,784

Payables and accruals include invoices received from suppliers not yet settled including the revaluation of invoices payable in currencies other than the Swiss franc.

Note 9: Employee Benefits

	December 31, 2024	December 31, 2023
<i>(in thousands of Swiss francs)</i>		
Accumulated leave (posts)	1,615	1,777
Accumulated leave (temporary staff)	475	490
Separation benefits	511	563
Closed Pension Fund	294	310
Repatriation grant and travel	3,337	2,986
Home leave	737	471
Overtime and credit hours	99	38
Education grant	2,412	2,225
Performance rewards	540	604
After-Service Health Insurance	9,718	8,669
Other employee benefits	103	103
Total current employee benefit liabilities	19,841	18,236
Closed Pension Fund	1,481	1,567
Accumulated leave (posts)	15,571	16,317
Repatriation grant and travel	11,470	10,721
After-Service Health Insurance	614,645	548,636
Total non-current employee benefit liabilities	643,167	577,241
Total employee benefit liabilities	663,008	595,477

Long-term employee benefits include After-Service Health Insurance (ASHI), repatriation grant and travel, and accumulated leave (posts):

ASHI: Staff members (and their spouses, dependent children and survivors) retiring from service are eligible for After-Service Health Insurance (ASHI) coverage if they continue to participate in the medical insurance plan after separation from service. In accordance with WIPO's SRR, a share of 65 per cent of the monthly medical insurance premium is paid by the Organization.

Repatriation grant and travel: The Organization has a contractual obligation to provide benefits such as repatriation grants, travel and removal for certain internationally recruited staff members at the time of their separation from service.

Accumulated leave (posts): Accumulated annual leave is classified as a long-term employee benefit for staff members holding permanent, continuing or fixed term contracts. Staff in posts may accrue up to 15 days of annual leave in a given year, and a total accumulated balance of 60 days. On separation from service, staff in posts who

have accumulated annual leave can receive a payment in lieu of an amount equivalent to their salary for the period of accumulated annual leave, up to a maximum of 60 days.

Employee benefit liabilities for ASHI, repatriation grant and travel, and accumulated leave (posts) are calculated by an independent actuary. Actuarial assumptions have a significant effect on the amounts calculated for employee benefit liabilities. A description of the factors which impact the size of the ASHI liability is included in the financial statement discussion and analysis which precedes these financial statements. The principal actuarial assumptions applied in determining these liabilities are detailed below. Discount rates were determined using AA corporate bond yield curves:

	December 31, 2024	December 31, 2023
After-Service Health Insurance		
Discount rate	1.50%	1.80%
Discount rate currency	CHF, EUR, USD (weighted)	CHF, EUR, USD (weighted)
Medical cost trend rate - initial	2.40%	3.20%
Medical cost trend rate - ultimate	2.40%	2.60%
Annual medical claims cost (by age):	Claims cost CHF	Claims cost CHF
50	6,169	5,712
55	6,944	6,368
60	8,287	7,453
65	10,082	9,879
70	12,264	11,661
75	13,807	12,744
80	18,985	17,196
85+	19,755	17,716
Repatriation Grant and Travel		
Discount rate	5.40%	4.90%
Discount rate currency	USD	USD
Rate of salary increase	3.62%	3.27%
Accumulated leave (posts)		
Discount rate	0.80%	1.40%
Discount rate currency	CHF	CHF
Rate of salary increase	Comprised of:	Comprised of:
	Inflation 1.00%	Inflation 1.20%
	Productivity 0.50%	Productivity 0.50%
	Merit scale 0.97%-6.07%	Merit scale 0.97%-6.07%

The present value of the defined benefit obligations for ASHI is determined using the projected unit credit method including discounting the estimated future cash outflows. In accordance with IPSAS, as at December 31, 2024, the Organization's ASHI liability is considered as unfunded as no plan assets are held in a legally separate entity or fund, and therefore no plan assets are deducted from the liability as recognized in the Statement of Financial Position. However, it should be noted that the Organization has established separate funds (strategic portfolio) for the future financing of after-service employee benefit liabilities, totaling 284.1 million Swiss francs as at December 31, 2024.

Under WIPO's medical insurance plan contract, a reserve fund is established which is constituted from the insurance premium shares of participants (active staff, retirees, and dependents) and the Organization. When the actual remitted insurance premiums are higher than the theoretical premiums calculated in accordance with the contractual formula, the resulting financial reserves increase the fund balance. The reserve fund can be used to totally or partially finance future premium increases, although the balance cannot become negative. The balance on the reserve fund as from December 31, 2024, is 0.5 million Swiss francs, which already takes account of the decision to use the fund to partially finance the increase in premiums in 2025. The reserve fund is not recognized in WIPO's financial statements, and only on termination of the insurance contract is any balance on the reserve fund paid to WIPO.

The table below details the expense for ASHI recognized in the Statement of Financial Performance:

	December 31, 2024	December 31, 2023
<i>(in thousands of Swiss francs)</i>		
Interest cost	9,953	11,617
Current service cost	27,722	25,554
Expense recognized in the Statement of Financial Performance	37,675	37,171

The table below details the changes in the ASHI defined benefit obligation, including the impact of actuarial gains/(losses):

	December 31, 2024	December 31, 2023
<i>(in thousands of Swiss francs)</i>		
Defined benefit obligation at beginning of year	557,305	468,634
Interest cost	9,953	11,617
Current service cost	27,722	25,554
Contribution paid	-5,192	-4,814
Actuarial (gain)/loss on obligation:		
Experience (gain)/loss	-4,837	-4,223
Medical cost trend rate	-29,847	-9,300
Discount rate	35,754	70,167
Other	-250	-
(Gain)/loss on change in financial assumptions	5,657	60,867
Medical claims cost	33,156	-
Other demographic assumptions	599	-330
(Gain)/loss on change in demographic assumptions	33,755	-330
Defined benefit obligation recognized at end of year	624,363	557,305

As can be seen in the table above, the most significant actuarial losses in 2024 occurred due to a decrease in the discount rate, which moved from 1.80 per cent to 1.50 per cent, and also due to an increase in the medical claims cost at each age based on a full medical claims experience study performed during the year. These losses were partially offset by actuarial gains due to a decrease in the medical cost trend rates, which moved from 3.20% (initial) and 2.60% (ultimate), to 2.40% (initial and ultimate).

Contributions, representing the premium share paid by the Organization for ASHI, totaled 5.2 million Swiss francs for 2024 (4.8 million Swiss francs in 2023). Expected contributions to ASHI in 2025, representing medical claims costs, are 9.7 million Swiss francs. The weighted average duration of the defined benefit obligation as at December 31, 2024, was 20 years. The following table details the present value of the defined benefit obligation and experience adjustments on the ASHI liability for 2024 and the previous four years.

	2024	2023	2022	2021	2020
<i>(in thousands of Swiss francs)</i>					
Defined benefit obligation	624,363	557,305	468,634	573,723	452,755
Experience (gain)/loss adjustments on plan liability	-4,837	-4,223	-3,748	-4,430	2,400

The sensitivity analysis on the following page shows how the defined benefit obligation would have been affected by changes in significant actuarial assumptions, the discount rate and the medical cost trend rate. The per cent changes used in the analysis are considered reasonable based on historical movements:

	1 per cent decrease in discount rate 0.50%	Discount rate as applied 1.50%	1 per cent increase in discount rate 2.50%
<i>(in thousands of Swiss francs)</i>			
Defined benefit obligation as at December 31, 2024	767,430	624,363	515,522
Per cent variation	22.9%		-17.4%

	1 per cent decrease in medical cost trend rate 1.40%	Medical cost trend rate as applied 2.40%	1 per cent increase in medical cost trend rate 3.40%
<i>(in thousands of Swiss francs)</i>			
Defined benefit obligation as at December 31, 2024	519,125	624,363	759,264
Per cent variation	-16.9%		21.6%

United Nations Joint Staff Pension Fund

The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Fund's Consulting Actuary. The practice of the Pension Board has usually been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities into perpetuity. The Fund's published funding policy (available on the Fund's website) sets out the methods, processes and targets that are used to monitor the funding position and associated risks. This also includes the practice of utilizing an actuarial value of assets, which smooths short-term investment gains and losses for the purpose of reporting long-term solvency.

WIPO's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9 per cent of pensionable remuneration for participants and 15.8 per cent for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date. It has never been necessary to invoke Article 26, and no deficiency payments have ever been requested.

The latest actuarial valuation for the Fund was completed as at December 31, 2023, and a roll forward of the participation data as at December 31, 2023, to December 31, 2024, will be used by the Fund for the purpose of reporting an actuarial present value of accumulated plan benefits in its 2024 financial statements.

The actuarial valuation as at December 31, 2023, reported a funded ratio of actuarial assets to actuarial liabilities of 111.0 per cent (117.0 per cent in the 2021 valuation) when future expected pension adjustments (cost-of-living indexation on benefits) were taken into account. The reported funded ratio was 152.0 per cent (158.2 per cent in the 2021 valuation) when the current system of pension adjustments was not taken into account and would be the measure by which actuarial sufficiency is established under Article 26.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as at December 31, 2023, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. At the time of this report, the General Assembly has not invoked the provision of Article 26.

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2021, 2022 and 2023) amounted to 9,499.41 million US dollars, of which 1.55 per cent was contributed by WIPO (including participants and Organization contributions).

During 2024, WIPO contributions (including Organization contributions only) paid to the Fund amounted to 31.2 million Swiss francs (30.5 million Swiss francs in 2023). Expected contributions due in 2025 are approximately 31.5 million Swiss francs.

Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were

participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities is included in the amount.

The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund provides weekly information on its investments and these can be viewed by visiting the Fund at www.unjspf.org.

Note 10: Transfers Payable

	December 31, 2024	December 31, 2023
<i>(in thousands of Swiss francs)</i>		
Madrid Union fees	60,818	59,914
Madrid Union deposits	21,391	22,755
Hague Union distribution	1,160	1,228
Madrid and Hague Union repartition fees	16,243	16,082
AMC deposits	1,718	1,888
PCT International Searching Authorities	1,825	1,406
RO search fees due to International Searching Authorities	883	633
Lisbon Union fees	3	-
Total transfers payable	104,041	103,906

The Organization collects fees on behalf of the contracting parties of the Madrid Protocol and the Common Regulations of the Hague Agreement. The Organization's PCT International Bureau collects funds from applicants to cover the cost of payments of International Searching Authorities. In addition, the Organization collects fees to be paid directly to mediators, arbitrators or panelists for cases treated through the Arbitration and Mediation Centre (AMC). The Organization holds these funds on a temporary basis until they are transferred to the final beneficiary in accordance with the various treaties and agreements administered by the Organization.

Note 11: Advance Receipts

	December 31, 2024	December 31, 2023
<i>(in thousands of Swiss francs)</i>		
Madrid Union deposits	8,241	8,628
Industrial design deposits	3,038	2,116
Lisbon Union deposits	124	300
PCT/IBRO deposits	1,783	397
Advance payment of contributions	3,607	5,377
PCT system deferred revenue	291,052	290,860
Madrid system deferred revenue	2,886	2,366
Hague system deferred revenue	981	948
Non-exchange deferred revenue	20,872	15,547
FIPOI deferred revenue	59	59
Other deferred revenue	36	-
Total current advance receipts	332,679	326,598
FIPOI deferred revenue	3,400	3,459
Total non-current advance receipts	3,400	3,459
Total advance receipts	336,079	330,057

Note 12: Provisions

Movement 2023-2024	
	<i>(in thousands of Swiss francs)</i>
Balance as at December 31, 2022	571
Movements in 2023	
Additional provisions made	40
Amounts used	-190
Unused amounts reversed	-157
Balance as at December 31, 2023	264
Movements in 2024	
Additional provisions made	109
Amounts used	-5
Unused amounts reversed	-35
Balance as at December 31, 2024	333

Provisions as at December 31, 2024 include cases where WIPO personnel have filed a legal challenge before the Director General, the WIPO Appeal Board (WAB), or the ILO Administrative Tribunal (ILOAT).

Note 13: Contingent Assets and Liabilities

The estimated value of contingent liabilities for possible payments by the Organization for claims arising from cases before the WIPO Appeal Board (WAB) and the ILO Administrative Tribunal (ILOAT) is 57,000 Swiss francs at the reporting date.

The International Computing Centre (ICC) was established in January 1971 pursuant to Resolution 2741 (XXV) of the United Nations General Assembly. ICC provides Information Technology and Communications services to Partners and Users in the United Nations System. As a Partner bound by the Mandate of the ICC, WIPO is proportionately responsible for any third party claim or liability arising from or related to service activities of the ICC as specified in the ICC Mandate. As at December 31, 2024 there are no known claims that impact WIPO. Ownership of assets is with ICC until dissolution. Upon dissolution, the division of all assets and liabilities among Partner Organizations shall be agreed by the Management Committee in accordance with a formula defined at that time.

Note 14: Related Party Transactions

	2024		2023	
	Number of Individuals	Aggregate remuneration	Number of Individuals	Aggregate remuneration
	<i>(full-time equivalent basis)</i>	<i>(in thousands of Swiss francs)</i>	<i>(full-time equivalent basis)</i>	<i>(in thousands of Swiss francs)</i>
Director General, Deputies and Assistants	9.00	3,385	9.00	3,350
Senior Officers	11.38	3,478	11.42	3,656

Total remuneration of CHF 8,000 was provided to close family members of key management personnel who were employed by WIPO during the year.

WIPO is governed by the WIPO General Assembly composed of representatives of Member States party to the WIPO Convention which are members of any of the Unions. These representatives do not receive remuneration from WIPO. WIPO is managed by a Director General and by Deputy and Assistant Directors General and officers (key management personnel) who are remunerated by the Organization. The aggregate remuneration paid to key management personnel includes salaries, allowances, statutory travel and other entitlements paid in accordance with the Staff Regulations and Rules, and applicable to all staff. In addition, the Director General, Deputy Directors General and Assistant Directors General receive representation allowances. Key management personnel are members of the UNJSPF to which the personnel and WIPO contribute and are also eligible for participation in the collective medical insurance plan. Key management personnel and their aggregate remuneration are detailed in the table above. There were no loans to key management personnel or to their close family members which were not available to other categories of staff. There was no other remuneration or compensation to key management personnel or to their close family members.

WIPO has no controlled entities and no interests in other entities which would require disclosure under IPSAS 34-38. WIPO is a member of the UNJSPF and certain of its former staff are members of WIPO's CROMPI. WIPO has a relationship with the International Union for the Protection of New Varieties of Plants (UPOV) whereby the Director General of WIPO serves as Secretary General of UPOV. The office of UPOV exercises its functions in complete independence of WIPO. WIPO is responsible for providing space, personnel administration, financial administration, procurement services and other administrative support to UPOV in accordance with the terms of an agreement between WIPO and UPOV dated November 26, 1982. UPOV reimburses WIPO for the cost of such services in accordance with the terms of said agreement. In 2024 WIPO received 618 thousand Swiss francs from UPOV to cover the cost of these services. In addition, WIPO receives reimbursement of funds disbursed on behalf of UPOV.

In July 2024, the Assemblies of the Member States of WIPO approved the creation of a separate entity, to be established as a multi-employer plan, with responsibility for the funds set aside to finance ASHI. WIPO and UPOV would participate in this multi-employer plan, with responsibility for the oversight of the plan allocated to a formal advisory committee with membership from participants and the participating organizations. Work has continued in 2025 to establish the separate entity, with an effective date of April 1, 2025.

Note 15: Reconciliation of Statement V and Statement II

The WIPO Program of Work and Budget is established on a modified accrual basis in accordance with the Financial Regulations and Rules, and is approved by the Assemblies of the Member States. WIPO's budget is adopted by the Assemblies on a biennial basis, however, separate estimates are prepared for each of the two annual periods. The Program of Work and Budget for the 2024/25 Biennium established a budget for the biennium of expenditure of 857.3 million Swiss francs. The WIPO Performance Report for 2024 provides detail of the changes between the original and budget after transfers, and explanation of the material differences between the budget and the actual amounts. WIPO's budget and financial accounts are prepared using two different bases. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cash Flow are prepared on a full accrual basis, whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared on a modified accrual basis. As required by IPSAS 24, reconciliation is provided between the actual amounts on a comparable basis as presented in Statement V and the actual amounts in the financial accounts identifying separately any basis, timing and entity differences.

Reconciliation for the year 2024				
	Operating	Investing	Financing	Total
	<i>(in thousands of Swiss francs)</i>			
Actual amount on comparable basis (Statement V)	103,305	-	-	103,305
Depreciation and amortization	-10,052	-	-	-10,052
Capitalization/disposal PPE and intangible assets	-	2,439	-	2,439
Changes in employee benefit liabilities	-20,390	-	-	-20,390
Receivables adjustments	978	-	-	978
Special Accounts revenue recognition	-5,580	-	-	-5,580
Total Basis differences	-35,044	2,439	-	-32,605
Investment gains/(losses)	-	73,728	-	73,728
Projects financed from reserves	-9,859	-	-	-9,859
Special Accounts	5,497	-	-	5,497
Total Entity differences	-4,362	73,728	-	69,366
Actual amount in the Statement of Financial Performance (Statement II)	63,899	76,167	-	140,066

Note 16: Expenses

	2024	2023
	<i>(in thousands of Swiss francs)</i>	
Posts	241,919	240,334
Temporary staff	10,002	10,704
Other staff costs	915	1,250
Total Personnel expenditure	252,836	252,288
Internships	507	588
WIPO fellowships	9,531	8,521
Total Interns and WIPO fellowships	10,038	9,109
Staff missions	5,175	4,450
Third-party travel	10,523	8,743
Training and related travel grants	1,207	1,530
Total Travel, training and grants	16,905	14,723
Conferences	5,376	4,838
Publishing	-	7
Individual contractual services	21,362	19,532
Commercial translation services	28,684	30,526
IT services	41,320	37,316
Other contractual services	16,664	19,898
Total Contractual services	113,406	112,117
Premises and maintenance	21,914	23,119
Communication	809	831
Representation and other operating expenses	1,056	879
United Nations joint services	751	756
Total Operating expenses	24,530	25,585
Supplies and materials	2,252	3,754
Furniture and equipment	42	206
Equipment and supplies	2,294	3,960
Depreciation and amortization	10,052	9,638
Finance costs	274	225
Total expenses	430,335	427,645

Note 17: Investment Gains/(Losses)

	2024	2023
	<i>(in thousands of Swiss francs)</i>	
Fair value increase/(decrease) on investments	60,430	45,760
Dividends	14,428	6,884
Interest on current accounts and deposits	3,864	4,186
Interest on investments	5	2
Investment management and administration cost	-667	-553
Exchange gain (loss) on investments	14,567	-13,896
Exchange gain (loss) on derivative financial instruments	-18,899	9,801
Total investment gains/(losses)	73,728	52,184

The fair value increase on investments of 60.4 million Swiss francs represents movements in the valuation of the Organization's core and strategic portfolio assets at the reporting date.

Note 18: Financial Instruments

Financial Instruments Overview

Financial instruments are categorized as follows:

Financial Assets and Liabilities	Category
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Loans	Amortized cost
Payables and accruals	Amortized cost
Transfers payable	Amortized cost
Current accounts	Amortized cost
Derivative assets and liabilities	Fair value through surplus and deficit
Short-term investments arising from operating cash	Fair value through surplus and deficit
Held to maturity investments arising from operating cash	Amortized cost
Investments arising from core and strategic cash	Fair value through surplus and deficit

The carrying amounts of the categories of financial assets and liabilities are as follows:

	December 31, 2024	December 31, 2023
	<i>(in thousands of Swiss francs)</i>	
Financial assets		
Amortized cost	357,960	345,162
Fair value through surplus and deficit	1,202,968	1,027,414
Total carrying value	1,560,928	1,372,576
Financial liabilities		
Amortized cost	202,877	201,507
Total carrying value	202,877	201,507

The Organization is exposed to certain foreign currency exchange, credit, interest rate, price and liquidity risks which arise in the normal course of its operations. This note presents information about the Organization's exposure to each of the above risks and the policies and processes for measuring and managing risk.

The Organization manages its investments in accordance with its Policy on Investments. The policy contains two specific investment policies, one covering operating cash and the core portfolio and a second one covering the strategic portfolio. Operating cash is the cash required by the Organization to meet daily payment requirements and to ensure that an amount equivalent to the target reserves is available in liquid assets. The core portfolio is the balance of cash remaining once operating cash and the strategic portfolio have been deducted. The strategic portfolio is the funds which have been set aside to finance after-service employee benefit liabilities, including ASHI.

Fair Values

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, receivables from exchange transactions, accounts payable and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- Quoted investments (in investment funds which are publicly traded) are based on price quotations at the reporting date;
- Derivative financial instruments are based on quoted prices, adjusted for the UNORE at reporting date;
- Loans and receivables are evaluated by the Organization based on parameters such as interest rates and risk characteristics.

For WIPO's financial assets and liabilities at the reporting date, the carrying amount is equivalent to the fair value.

Fair Value Hierarchy

For those instruments categorized as fair value through surplus or deficit, fair values are classified according to the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2);
- Inputs for the asset or liability that are not based on observable market data (Level 3).

Financial Assets and Liabilities	Fair Value Hierarchy
Cash and cash equivalents	Level 1
Derivative assets and liabilities	Level 2
Investments arising from core and strategic cash	Level 1

Credit Risk

Credit risk is the risk of financial loss to the Organization if counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Organization's loans, receivables, cash and cash equivalents, and investments. The carrying amount of financial assets represents the maximum credit exposure. For the purposes of financial reporting, WIPO calculates expected credit losses allowances associated with its financial assets.

The Organization's receivables from non-exchange transactions are almost exclusively from its Member States representing sovereign governments, and therefore risks related to credit are considered minor. An allowance has been established against the asset value of accounts receivable to reflect receivables for which payment is not anticipated in the short-term. The allowance covers amounts due from Member States that have lost the right to vote under Article 11, paragraph 5 of the WIPO Convention and contributions from least developed countries which have been frozen by action of the Assemblies in 1989 and 1991.

In accordance with the Organization's Policy on Investments, deposits may only be held with institutions with a minimum short-term credit rating of A-2/P-2 or a minimum long-term credit rating of A/A2. Money market investments, bonds, notes or other obligations and other fixed income products purchased directly by WIPO may only be held with institutions with a minimum short-term credit rating of A-3/P-3 or a minimum long-term credit rating of BBB-/Baa3. Where these are acquired as shares in pooled market traded funds, at least 65 per cent of the portfolio holdings must be in Investment Grade (AAA/Aaa to BBB-/Baa3), while the balance of up to 35 per cent may be held in high yield bonds (BB+/Ba1 to C/Ca). The credit ratings attached to cash and cash equivalents and investments as at December 31, 2024, are as follows:

Short-Term Credit Rating	A1+	A1	A2	Unrated (1)	Total
December 31, 2024 <i>(in thousands of Swiss francs)</i>					
Cash and cash equivalents	38,592	17,531	44,290	37	100,450
Investments	28,000	-	75,927	1,279,911	1,383,838
	66,592	17,531	120,217	1,279,948	1,484,288
Per cent	4.5%	1.2%	8.1%	86.2%	100.0%

(1) Unrated balances include cash on hand and non-current investments. Non-current investments held by WIPO are in investment funds which are not rated by credit rating agencies, but in which the underlying investments are made in accordance with WIPO's Policy on Investments.

Liquidity Risk

Liquidity risk is the risk of the Organization not being able to meet its obligations as they fall due.

The Organization does not have significant exposure to liquidity risk as it has substantial unrestricted cash resources which are replenished from the results of its operations. The Organization's Policy on Investments requires that operating cash and the core portfolio are invested in such a way to ensure the liquidity necessary to meet the Organization's cash flow requirements. Operating cash balances are invested over the short term (periods not exceeding twelve months to maturity) in low-risk asset classes which are easily liquidated at little or no cost. The core portfolio is invested with the objective of generating a positive return over rolling five-year periods. The core portfolio is invested ideally in such a way that occasional access to a portion of the cash is possible. The strategic portfolio is invested over the long term, and currently has no short or medium term liquidity requirements.

Currency Risk

The Organization receives revenue from fees in currencies and incurs expenses in currencies other than its functional currency, the Swiss franc, and is exposed to foreign currency exchange risk arising from fluctuations of currency exchange rates. For PCT international filing fees, WIPO establishes equivalent amounts in currencies other than the Swiss franc, which can be reset during the year if the exchange rate between the other currency and the Swiss franc is higher or lower by 5.0 per cent or more for more than four consecutive Fridays. The Organization is also exposed to exchange risk arising from the currency differences between amounts payable to International Searching Authorities (ISAs) pursuant to the Regulations under the Patent Cooperation Treaty and amounts received by national patent offices for international search fees from applicants for international patents. The Organization also operates the WIPO Fee Transfer Service, a netting structure that reduces the exposure of PCT fee income to movements in currency exchange rates with regard to search fees.

Where investments are held in currencies other than the Swiss franc, the Organization may use derivative financial instruments to minimize the risk arising from the fluctuation of the currency of the investment against the Swiss franc. Investment in derivatives for speculative purposes is not permitted. As at December 31, 2024, the Organization held US dollar and Euro investments totaling 173.7 million Swiss francs and 46.9 million Swiss francs respectively. The sensitivity of these investments to exchange rate fluctuations is monitored, and derivative financial instruments are used to minimize this risk.

The Organization's contributions to the UNJSPF and its payments to ICC are made in US dollars. The Organization has a further exposure to exchange risk in connection with the cost of pensions for staff previously enrolled in the Closed Pension Fund who are now members of the UNJSPF. In addition, the Organization has external offices in Algeria, Brazil, China, Japan, Nigeria, Russia and Singapore, and a coordination office in the USA, with limited assets in local currency.

Market Risk

Market risk is the risk of changes in market prices, including interest rates, affecting the Organization's income or the value of its financial instrument holdings. Investment revenue is excluded from the Organization's income estimates for the 2024/25 Program of Work and Budget. The Organization does not currently use financial instruments to hedge interest rate risk. WIPO's medium-term investment portfolio (core) and long-term investment portfolio (strategic) are subject to the risk of movements in market prices of the underlying investment funds. Based on historical experience for the investment strategies applied to these portfolios, the expected volatility for core and strategic is 4.5 per cent and 6.0 per cent respectively.

Note 19: Events After the Reporting Date

WIPO's reporting date is December 31, 2024 and its financial statements were authorized for issue on the same date as the External Auditor's opinion.

At the Sixty-Fifth Series of Meetings in July 2024, the Assemblies of the Member States of WIPO approved the creation of a separate entity with responsibility for the funds set aside to finance ASHI. During 2025 work has been undertaken to establish the separate entity with an effective date of April 1, 2025. The separate entity will be established as a multi-employer plan, in which WIPO and UPOV will participate. The funds to finance ASHI will then meet the requirements for recognition as plan assets, and the WIPO financial statements presentation for the year ended 2025 will be modified to present ASHI liabilities net of the Organization's accumulated funding. For illustrative purposes only and assuming the separate entity had been established in 2024, using the WIPO Asset and Liability Management Study completed in 2022 an estimate of the impacts that would have been expected for the WIPO 2024 financial statements can be made. Of the total Strategic Portfolio of 284.1 million Swiss francs as at December 31, 2024, an amount of 265.8 million Swiss francs would have been recognized as plan assets. The WIPO ASHI liability of 624.4 million Swiss francs at end 2024 would have been presented net of these plan assets, with the net position of 358.6 million Swiss francs being presented as a liability in the WIPO Statement of Financial Position. A reliable estimate on the impact for 2025 financial year cannot be made as the necessary information is not yet available as of the date of the signing of the financial statements.

There have been no other material events, favourable or unfavourable, that occurred between the reporting date and the date when the financial statements were authorized for issue that would have had a material impact on these financial statements.

Note 20: Segment Reporting

Segment reporting is presented in a format which represents the various Unions as the segments that make up WIPO. The Unions were created by the various treaties administered by WIPO.

The segment reporting table is shown on the next page and should be read in conjunction with the following explanatory notes:

- Note 1: The Madrid Union has assumed the financing of the Hague Union's contribution of 3 million Swiss francs to the IT Modernization Program of the Madrid and Hague international registration systems. The amount will be reimbursed by the Hague Union to the Madrid Union as soon as the level of reserves of the Hague Union Reserve Fund so allows.
- Note 2: In accordance with the decision of the Assemblies of the Member States of WIPO at their 55th Series of Meetings in 2015, the Contribution-financed Unions have assumed the financing of the deficit of the Lisbon Union in the biennium 2016/17 amounting to 56,157 Swiss francs. The amount will be reimbursed by the Lisbon Union to the Contribution-financed Unions as soon as the level of reserves of the Lisbon Union so allows.
- Note 3: In accordance with the decision of the Assemblies of the Member States of WIPO at their 57th Series of Meetings in 2017: a) the Contribution-financed Unions have assumed the financing of the deficit of the Lisbon Union in the biennium 2018/19 amounting to 1,662,315 Swiss francs; and b) the PCT Union has assumed the financing of the deficit of the Hague Union amounting to 18,135,044 Swiss francs. The amounts will be reimbursed by the Lisbon Union and the Hague Union, respectively, as soon as the level of reserves of the Unions so allow.
- Note 4: In accordance with the decision of the Assemblies of the Member States of WIPO at their 59th Series of Meetings in 2019: a) as the Contribution-financed Unions do not have sufficient reserves above the target to cover the deficit of the Lisbon Union, amounting to 3,509,153 Swiss francs in 2020/21, and 2,746,197 Swiss francs in 2022/23, respectively, the PCT Union assumed the financing of the deficit of the Lisbon Union in 2020/21 and in 2022/23; b) the PCT Union assumed the financing of the deficit of the Hague Union, amounting to 23,667,978 Swiss francs in 2020/21, 20,093,047 Swiss francs in 2022/23, and 7,552,909 Swiss francs in 2024, respectively; c) the PCT Union assumed the financing of the deficit of the CF Unions of 14,728,274 Swiss francs in 2024; and d) the Madrid Union assumed the financing of the deficit of the Lisbon Union of 1,401,959 Swiss francs in 2024. The amounts will be reimbursed by the Lisbon, Hague and the CF Unions to the PCT and Madrid Unions, as soon as the level of reserves of the Unions so allow.
- Note 5: Actuarial gains/(losses) as at December 31, 2024 have been allocated based on the relative share of headcounts for 2024.

Sector Title	UNIONS						Total
	Contribution Financed	PCT	Madrid	Hague	Lisbon	Special Accounts	
	(in thousands of Swiss francs)						
REVENUE							
Contributions	17,615	-	-	-	-	15,709	33,324
Fees	-	371,094	83,323	8,788	217	-	463,422
Publications	2	494	30	-	-	-	526
Other/miscellaneous	178	625	1,168	179	177	2	2,329
Arbitration and Mediation	447	389	1,928	17	-	-	2,781
Sub-total revenue excluding Reserve revenue and IPSAS adjustments	18,242	372,602	86,449	8,984	394	15,711	502,382
Miscellaneous revenue projects financed from reserves	-	-1	-	-	-	-	-1
IPSAS adjustments to revenue	994	-4	-4	-4	-4	-6,686	-5,708
TOTAL REVENUE	19,236	372,597	86,445	8,980	390	9,025	496,673
EXPENSES							
Patents and Technology	3,303	95,193	2,133	387	35	-	101,051
Brands and Designs	3,249	751	24,763	6,370	1,059	-	36,192
Copyright and Creative Industries	10,508	5,010	520	-	-	-	16,038
Regional and National Development	15	32,763	3,834	435	47	-	37,094
Infrastructure and Platforms	116	14,066	3,416	1,031	-	-	18,629
Global Challenges and Partnerships	5,146	8,380	869	-	-	-	14,395
IP and Innovation Ecosystems	1,190	16,822	6,766	46	-	-	24,824
Administration, Finance and Management	8,225	87,555	31,785	7,055	523	-	135,143
Sub-total expenses on budgetary basis	31,752	260,540	74,086	15,324	1,664	-	383,366
Expenses on projects financed from reserves	1	6,862	2,959	35	-	-	9,857
Sub-total expenses on budgetary basis including reserve expenses	31,753	267,402	77,045	15,359	1,664	-	393,223
Special Accounts	-	-	-	-	-	10,215	10,215
IPSAS adjustments to budgetary expenses and special accounts	2,432	20,068	5,685	1,174	128	-1,106	28,381
IPSAS adjustments to projects financed from reserves	-	-	-1,484	-	-	-	-1,484
TOTAL EXPENSES	34,185	287,470	81,246	16,533	1,792	9,109	430,335
Investment gains/(losses)	221	67,192	6,230	-	-	85	73,728
SURPLUS/(DEFICIT) FOR THE YEAR	-14,728	152,319	11,429	-7,553	-1,402	1	140,066
Net Assets as at December 31, 2023 - Actuarial Gains/(losses) excluded	12,907	816,492	105,942	-87,876	-8,998	113	838,580
Actuarial Gains/(Losses) as at December 31, 2023	-10,795	-166,224	-45,648	-9,812	-932	-	-233,411
Net Assets as at December 31, 2023	2,112	650,268	60,294	-97,688	-9,930	113	605,169
2024 surplus/(deficit)	-14,728	152,319	11,429	-7,553	-1,402	1	140,066
Net Assets as at December 31, 2024 - Actuarial Gains/(losses) excluded	-1,821	968,811	117,371	-95,429	-10,400	114	978,646
Actuarial Gains/(Losses) as at December 31, 2024	-17,042	-186,048	-53,243	-10,371	-1,282	-	-267,986
Net Assets as at December 31, 2024	-18,863	782,763	64,128	-105,800	-11,682	114	710,660

ANNEX – EX GRATIA PAYMENTS (AUDITED INFORMATION)

Financial Regulation 3.21 states that a summary statement of ex gratia payments for the calendar year shall be included in the annual financial statements of the Organization. There were no such payments made during 2024 and therefore no summary statement is required.