

Program and Budget Committee

Fortieth Session
Geneva, June 15 to 19, 2026

REPORT BY THE EXTERNAL AUDITOR ON THE FINANCIAL STATEMENTS

prepared by the Secretariat

1. This document contains the External Auditor's report on the financial statements of the World Intellectual Property Organization (WIPO) for the year ended December 31, 2025.
2. The following decision paragraph is proposed.
 3. *The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned, to take note of the "Report by the External Auditor on the Financial Statements" (document WO/PBC/40/3).*

[Report by the External Auditor follows]



BPK RI THE AUDIT BOARD OF
THE REPUBLIC OF INDONESIA

AUDIT REPORT

WORLD INTELLECTUAL PROPERTY ORGANIZATION

Financial Year 2025

MAY 2026



**CHAIR OF THE AUDIT BOARD
REPUBLIC OF INDONESIA**

Letter of transmittal

Number: 49 B/S/KETUA/POI.01/05/2026

Chair of the General Assembly
World Intellectual Property Organization
34, chemin des Colombettes
CH-1211 Geneva 20
Switzerland

Dear Chair,

In accordance with Regulation 6.11 of the World Intellectual Property Organization's (the Organization) Financial Regulations and Rules, I have the honor of presenting the audit report of the Audit Board of the Republic of Indonesia or Badan Pemeriksa Keuangan (BPK).

This report comprises the External Auditor's Opinion and the External Auditor's Long-Form Report on the audited financial statements of the Organization for the year ended 31 December 2025, prepared by the Organization.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Dr. Isma Yatun".

Dr. Isma Yatun, CSFA., CFA
Chair of the Audit Board of the Republic of Indonesia
External Auditor

Jakarta, Indonesia
11 May 2026

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I. Report of the external auditor on the financial statements: audit opinion

To the General Assembly of the World Intellectual Property Organization

Opinion

We have audited the financial statements of the World Intellectual Property Organization (WIPO or the Organization), which comprise the statement of financial position as at 31 December 2025, and the statement of financial performance, the statement of changes in net assets, the statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended; and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2025, and financial performance and cash flows for the year then ended of the Organization in accordance with International Public Sector Accounting Standards (IPSAS).

Opinion on regularity

In our opinion, in all material respects, the revenue and expenses have been applied to the purposes intended by the General Assembly of the Organization and the financial transactions conform to the Organization's Financial Regulations and Rules, and legislative authority.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the financial statements section of our report.

We are independent of the Organization, in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information, which comprises the Director General's Statement, contained below, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in such other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and

using the going concern basis of accounting unless Management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

The General Assembly as those charged with governance, is responsible for overseeing the Organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the annex of the auditor's report. This description forms part of our auditor's report.

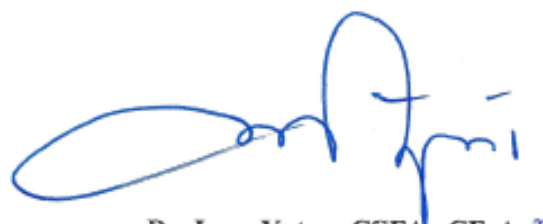
In addition, we are required to obtain evidence sufficient to give reasonable assurance that the revenue and expenses reported in the financial statements have been applied for the purposes intended by the General Assembly and the financial transactions comply with the Financial Regulations and Rules, and legislative authority which govern them.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of the Organization that have come to our notice or which we have tested as part of our audit have, in all significant respects, been in accordance with the Organization's Financial Regulations and Rules.

In accordance with Regulation 6.11 of the Organization's Financial Regulations and Rules, we have also issued a long-form report on our audit of the Organization.



Dr. Isma Yatun, CSFA., CFA
Chair of the Audit Board of the Republic of Indonesia
External Auditor

Jakarta, Indonesia
11 May 2026

Annex. Description of auditor's responsibilities for the audit of the financial statements

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the Organization to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

II. Long-form report of the external auditor

Summary

In 2025, the Organization managed substantial financial resources critical to its global mission. During the year, the Organization generated revenue of 497.6 million Swiss francs and recognized expenses of 437.8 million Swiss francs, while holding assets of 1,698.2 million Swiss francs and liabilities of 813.9 million Swiss francs.

Accordingly, the Audit Board of the Republic of Indonesia or *Badan Pemeriksa Keuangan* (BPK) presents this report following a comprehensive audit of WIPO's financial statements for the year ended 31 December 2025. Our audit was conducted in accordance with International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (ISSAI).

Audit objectives

The financial audit was conducted primarily to enable BPK to form an opinion as to whether the financial statements of the Organization for the year ended 31 December 2025, present fairly, in all material respects, in accordance with the International Public Sector Accounting Standards (IPSAS). This included an assessment to test whether the transactions were, in all significant respects, in accordance with the Organization's Financial Regulation and Rules (FRR).

With respect to the performance audit, the objective was to assess the effectiveness of WIPO's management of the Madrid System and the Global Databases in improving the Organization's services to its stakeholders.

Audit results

The financial statements present fairly, in all material respects, the financial position as at 31 December 2025, and its financial performance, changes in net assets, cash flows, and comparison of budget and actual amounts for the year then ended of the Organization in accordance with IPSAS. In addition, the revenue and expenses, in all material respects, have been applied to the purposes intended by the General Assembly of the Organization and the financial transactions conform to the Organization's Financial Regulations and Rules, and legislative authority.

Furthermore, the Organization has effectively managed the Madrid System and the Global Databases in improving the quality and accessibility of its services to stakeholders during the audited period.

Financial matters

BPK acknowledged that the Organization updated its Accounting Policy Statement to reflect the initial application of IPSAS 47 *Revenue* and IPSAS 48 *Transfer Expenses*. The audit focused on, among others, asset and procurement management and identified some areas requiring improvement, including the need for an updated regulatory framework on investments, intangible assets registry, derecognition process for building, supplier performance review for critical and strategic contracts, and streamlining the data interface between the Patent Cooperation Treaty (PCT) System and the Administration Information Management System (AIMS).

Performance observations

The Madrid System provides a centralized international trademark registration mechanism with broad global coverage, improved processing timeliness, and increased operational efficiency through automation and digitalization. The Global Databases function as comprehensive, multi-jurisdictional repositories that enhance transparency and support informed decision-making, and facilitate access to intellectual property information worldwide. To further strengthen service effectiveness and sustainability, opportunities for improvement remain in ensuring effective integration between the Madrid Registry System and the Finance Division's system, enhancing the formulation and use of Key

Performance Indicators within the Madrid Registry, and improving internal performance reporting. Additionally, further efforts are needed to harmonize WIPO's data exchange arrangements with national and regional intellectual property offices and to enhance data coverage and completeness within the Global Databases, thereby supporting more consistent, timely, and reliable information services for users.

Comprehensive details of the audit observations are presented in this report.

Previous audit recommendations

In relation to the management of audit matters arising, BPK acknowledged that during the audit of the financial statements for the year ended 31 December 2025, the Organization had successfully addressed 88% of the audit recommendations from the past 5 years.

A. Mandate, scope, and methodology

1. WIPO functions in accordance with the WIPO Convention, signed in Stockholm on 14 July 1967 and amended on 28 September 1979, and was recognized as a specialized agency of the United Nations in 1974. It serves as a global forum and service provider for 194 Member States, ensuring that the ideas of innovators and creators travel safely to the market to improve lives everywhere. WIPO provides essential services that enable entrepreneurs to protect and promote their intellectual property across borders while utilizing its data and impact-driven projects to shape a balanced international IP ecosystem that benefits everyone, everywhere.
2. Pursuant to Regulation 6.5 of the Financial Regulations and Rules (FRR) of the Organization and the terms of reference set out in Annex II of the FRR, the Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan/BPK) conducted an audit of the Organization for the period 1 January to 31 December 2025.
3. The financial audit was conducted primarily to enable BPK to obtain reasonable assurance to form an opinion as to whether the financial statements of the Organization for the year ended 31 December 2025 are presented fairly, in accordance with International Public Sector Accounting Standards (IPSAS). This included an assessment to test whether the transactions of the Organization were, in all significant respects, in accordance with the Organization's FRR.
4. The audit covered the financial statements of the Organization, which comprise the statement of financial position as at 31 December 2025, the statement of financial performance, the statement of changes in net assets, the statement of cash flows, the statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements.
5. The objective of the performance audit was to assess the effectiveness of WIPO's management of the Madrid System and the Global Databases in improving the Organization's services to its stakeholders.
6. The scope of the performance audit for the year 2025 covered the specific aspects, including:
 - a. Activities carried out during the 2024/25 Biennium and the planned activities 2026/27 Biennium.
 - b. Divisions responsible for the Madrid System, the Global Databases, and relevant supporting divisions.

The principal audit question was "To what extent has WIPO effectively managed the Madrid System and the Global Databases to provide high-quality, accessible, reliable, and user-focused IP services in alignment with the Medium-Term Strategic Plan (MTSP) Pillar 3?" This was cascaded into the following two audit questions?

- a. To what extent does WIPO effectively manage its Madrid System to deliver comprehensive, efficient, and performance-driven intellectual trademark services that meet stakeholder needs and support WIPO's strategic objectives?
 - b. To what extent does WIPO ensure that IP data in the Global Databases is comprehensive, accurate, and up to date, in coordination with National IP Offices?
7. The audit was carried out in accordance with the International Standards on Auditing (ISAs). The Standards require BPK to comply with ethical requirements and plan and conduct the audit to obtain reasonable assurance about whether the financial statements of the Organization are free from material misstatements. In addition, relevant International Standards of Supreme Audit Institutions (ISSAI) provide audit principles, standards, and

guidance for conducting our performance audit. Regarding regularity, the audit follows the FRR.

8. The audit included a general review of financial systems and internal controls, an assessment of risk, and a test examination of the accounting records and other supporting evidence to the extent that BPK considered necessary to form an opinion on the financial statements.
9. BPK has obtained an understanding of the Organization's business and accounting processes and internal controls relevant to the financial statements to help us identify risks that may impact the financial statements. Internal controls were considered to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
10. Regarding the performance audit, the process of selecting scope and sample as the potential key areas elaborates several selection factors, i.e., corresponding priorities in the Program of Work and Budget 2024/25 and 2026/27, the Organization's synergies, efficiency-related concerns, budget significance, risks to management, previous audits, potential impact, and current management considerations. As a result, two divisions were selected as samples for the 2025 performance audit, included Madrid Registry – Brands and Designs Sector (BDS) and Global Databases Division – Infrastructure and Platforms Sector (IPS).
11. BPK also examined, updated, and reported on the status of the external auditor's recommendations from prior year audits.
12. In the financial audit, BPK worked collaboratively with the Director of the Finance Division and other respective staff members of the Organization to understand financial activities and determine their relevance to the audit. While in the performance audit, BPK worked closely with WIPO Management in Madrid Registry, Global Databases, and other relevant units.
13. Regulation 6.11 states that the External Auditor shall issue an opinion on the annual financial statements for each calendar year of the financial period, which shall include such information as the External Auditor deems necessary with regard to matters referred to in Regulation 6.6 and in Annex II to the present Regulations referred to in Regulation 6.5.
14. Matters arising out of the audit were discussed with Management. The comments and responses received from the Management have, where appropriate, been incorporated in this report.
15. This year's report follows an updated presentation structure to support ease of reading. The revised format is intended to help readers navigate the information more effectively.

B. Financial overview

Key facts		
489.2 million	Swiss francs	Updated Budget Revenue for 2025
464.4 million	Swiss francs	Final Budget after Transfers 2025
497.6 million	Swiss francs	Total Revenues reported in 2025
437.8 million	Swiss francs	Total Expenses incurred in 2025
884.3 million	Swiss francs	Net Assets as of 31 December 2025
59.8 million	Swiss francs	Operating Surplus
1,790		Staff and Personnel (as of 30 June 2025)

Budgeting

16. The Organization's Program of Work and Budget is prepared on a modified accrual basis and approved by the Assemblies on a biennial basis. However, separate estimates are prepared for each of the two annual periods. Statement V provides a comparison between the approved budget and actual expenditure for the year 2025. A reconciliation of budgetary performance with the revenue and expense figures presented in the Statement of Financial Performance is presented in Note 15 to the financial statements.
17. The WIPO General Assembly approved the total biennial budget of 857.3 million Swiss francs for the 2024/25 biennium, which included an original appropriation of 430.4 million Swiss francs for the year 2025. Budgetary transfers relating to committed expenditure resulted in a final appropriation of 464.4 million Swiss francs for 2025. Actual expenditure incurred of 395.0 million Swiss francs was within the final budget, producing a net budget surplus of 93.4 million Swiss francs for the year on a modified accrual basis.

Financial performance

18. In 2025, revenue increased by 0.9 million Swiss francs (0.2%) to 497.6 million Swiss francs (2024: 496.7 million Swiss francs). The increase in revenue in 2025 was due to an increase of 3.9% in Madrid System fees to 86.6 million Swiss francs (2024: 83.3 million Swiss francs). The Hague System Fee also contributed, increasing by 13.7% to 10.0 million Swiss francs (2024: 8.8 million Swiss francs). On a comparable basis, the actual revenue for the year was lower than the budgeted revenue of 489.2 million Swiss francs by 0.7 million Swiss francs (0.2%). For the biennium ending 31 December 2025, the actual revenue for the biennium was higher than the budgeted revenue of 973.0 million Swiss francs by 2.0 million Swiss francs (0.2%).
19. Expenses for the year were recorded at 437.8 million Swiss francs, an increase of 1.7% compared to 430.3 million Swiss francs in 2024. In 2025, the main expenses, equal to 84.3% of total expenses, were related to personnel expenditure and contractual services costs of 368.9 million Swiss francs. Personnel expenditure decreased by 2.8% to 246.0 million Swiss francs (2024: 252.8 million Swiss francs). Contractual services costs increased by 8.4% to 122.9 million Swiss francs (2024: 113.4 million Swiss francs). On a comparable basis, the actual expenses for the year were lower than the budgeted expenses of 464.4 million Swiss francs by 69.4 million Swiss francs (14.9%). For the biennium ending 31 December 2025, the actual expenses for the biennium were lower than the budgeted expenses of 857.3 million Swiss francs by 78.9 million Swiss francs (9.2%).
20. The Organization's financial performance weakened in 2025 despite stable revenues, with the total surplus decreasing by 55.6 million Swiss francs (39.7%) to 84.48 million Swiss francs (2024: 140.1 million Swiss francs). This decline was primarily attributable to a significant reduction in net investment gains, which fell from 73.7 million Swiss francs in 2024 to 24.6 million Swiss francs in 2025. The 2025 net investment gains figure of 24.6 million Swiss francs is stated after the reallocation of 14.2 million Swiss francs of investment returns to personnel expenditure and actuarial gains through net assets, where these relate to plan assets for the funding of the After Service Health Insurance (ASHI) liability.

Financial position

21. Net assets increased by 173.6 million Swiss francs to 884.3 million Swiss francs in 2025 (2024: 710.7 million) Swiss francs. This comprised, among others, an accumulated surplus of

1,008.4 million Swiss francs, a Special Projects Reserve of 40.4 million Swiss francs, and cumulative actuarial losses of 178.8 million Swiss francs (2024: 909.8 million Swiss francs, 54.5 million Swiss francs, and 268.0 million Swiss francs, respectively). The 173.6 million Swiss francs increase in net assets was due to the 84.5 million Swiss francs surplus for the year, combined with the decrease of 89.1 million Swiss francs in actuarial losses related to WIPO's net ASHI liability.

Financial health

22. Overall, the key financial indicators remain sound, despite a decrease in days cash on hand to 65 days in 2025 from 87 days in 2024. BPK's analysis shows the Organization has the ability to meet its liabilities (see Table 1, below).

Table 1. WIPO's financial ratio

Description of ratio	2025	2024	Year 2023	2022	2021
Current ratio¹					
Current assets : Current liabilities	0.64	0.65	0.66	0.66	0.54
Total assets : Total liabilities²					
Assets : Liabilities	2.09	1.59	1.54	1.53	1.35
Cash ratio³					
Cash plus Short-term investments: Current liabilities	0.47	0.50	0.52	0.52	0.38
Days cash on hand⁴					
Cash and cash equivalents: [(Total expenses – (Depreciation/impairment expenses) : 365 days]	65	87	78	225	142
Operating Ratio⁵					
(Revenues – Expenses) : Total Expenses	0.14	0.15	0.14	0.24	0.22

Source: WIPO's financial statements

1. A high ratio indicates the Organization's ability to pay off its current liabilities.
2. A high ratio is a good indicator of solvency.
3. The cash ratio is an indicator of the Organization's liquidity. It measures the amount of cash and cash equivalents and short-term investments to cover current liabilities.
4. Days cash on hand measures the number of days of expenses that can be covered from existing cash and cash equivalents. Generally, higher values indicate a stronger liquidity position, although there is both a benefit and an opportunity cost to holding cash reserves.
5. The operating ratio measures the net revenues that are retained by the Organization as a percentage of expenses. Generally, not-for-profit organizations must maintain some surplus to replace existing facilities and extinguish debt. This ratio should be evaluated in the context of the anticipated needs of the Organization

Segment reporting

23. Note 20 to the financial statements outlines the financial performance by Union, with the PCT Union continuing as the main contributor, generating surpluses of 100.9 million Swiss francs in 2025. In contrast, the Lisbon and Hague Unions recorded deficits, covered through inter-union support approved by the Assemblies. In 2025, the PCT Union provided 15.7 million Swiss francs to support Contribution-financed Unions and 6.9 million Swiss francs to cover the Hague Union's deficit. The Madrid Union also contributed 1.7 million Swiss francs to offset the Lisbon Union's shortfall, highlighting a growing dependence on surplus-generating Unions to sustain those in deficit.

C. Follow-up on previous recommendations

24. As at 31 December 2025, there were three out of 26 recommendations from the External Auditor's Reports from 2021 to 2025 that remained outstanding. In the audit of the financial statements for the year ended 31 December 2025, BPK reviewed the progress made in implementing these recommendations and concluded that six recommendations have been fully completed.
25. Details of the implementation status of the recommendations from External Auditor's Reports are shown below in Table 2 and Annex 1 of this report.

Table 2. Recapitulation of the status of implementation of the external auditor's recommendations from prior years

Year	Total Recommendations		As of 31 December 2025		Imple- mented/ closed during 2025	As of 31 March 2026			
			Imple- mented	In progress		Implemented/closed		In progress	
						Number of recom- mendations	%	Number of recom- mendations	%
2024	FA	3	0	3	1	1	33%	2	66%
	PA	5	0	5	4	4	80%	1	20%
2023	FA	0	0	0	0	0	100%	0	0%
	PA	0	0	0	0	0	100%	0	0%
2022	FA	2	1	1	1	2	100%	0	0%
	PA	4	4	0	0	4	100%	0	0%
2021	FA	0	0	0	0	0	100%	0	0%
	PA	3	3	0	0	3	100%	0	0%
2020	FA	3	3	0	0	3	100%	0	0%
	PA	6	6	0	0	6	100%	0	0%
Total	FA	8	4	4	2	6	75%	2	25%
	PA	18	13	5	4	17	94%	1	6%
	FA & PA	26	17	9	6	23	88%	3	12%

26. At the end of the audit of the financial statements for the year ended 31 December 2025, 23 recommendations (88%) out of the total 26 recommendations from the previous year's audits had been fully implemented and/or closed.

D. Audit conclusion, findings, and recommendations

1. Financial audit

Audit conclusion

27. BPK has audited the Organization's financial statements for the year ended 31 December 2025, comprising statement of financial position, statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts, and notes to financial statements, which presented fairly, in all material respects, in accordance with IPSAS. Furthermore, all underlying transactions complied with the FRR.
28. The Organization has applied the initial application of IPSAS 47 *Revenues* and IPSAS 48 *Transfer expenses* earlier than their mandatory effective date, 1 January 2026. The

implementation of these standards has been updated in the Organization's Notes to Significant Accounting Policies.

Finding and recommendations

Governance

29. WIPO has demonstrated meaningful progress in strengthening its organizational governance. The Organization has established a comprehensive set of regulations and policies to guide its operations, including key frameworks such as the Policy on Investment and Policy on Property Management. The policy on investments is developed to regulate the authority of the Director General to make short-term investments of money not needed for immediate requirements in accordance with the Organization's investment policy as approved by the Member States. Moreover, the Policy on Property Management aimed to reinforce internal monitoring and reporting regarding property owned by the Organization and to achieve the following in a manner that is in the best interests of the Organization. While acknowledging the effectiveness of existing regulations and policies, BPK believes there are opportunities to enhance current practices and therefore provides recommendations to further strengthen existing processes.

Updating the regulatory framework on investment

30. The financial statements indicate that WIPO holds investments of 1.19 billion Swiss francs, excluding the plan assets of 326.0 million Swiss francs, in 2025. WIPO manages its investment based on the Policy on Investments, which was approved by the Assemblies of WIPO at the Fifty-Ninth Series of meetings in 2019 and is currently in a phase of review and update. At the operational level, WIPO manages its investment based on the investment guidelines, which define the pertinent role of the Advisory Committee on Investments (ACI) in supervising, monitoring, and the ongoing management of WIPO's investment assets.
31. The Internal Oversight Division (IOD) issued an internal audit report on investment management dated 21 November 2025. The report indicates several issues related to investment policy and guidelines, including the absence of the update on the policy since 2019. Besides the issues have been raised by IOD, analysis of the investment policy and guidelines implementation revealed that the Organization needed to strengthen the regulatory framework governing investment management, as detailed in the following paragraphs. We note that all IOD internal audit recommendations were accepted, with most already implemented and only two recommendations outstanding at the time of our audit.

Clarity for the engagement of external fund managers

32. Review of the investment management process revealed that WIPO did not engage with an external fund manager, despite the provision of its role and responsibility in the Policy on Investment. Management confirmed that WIPO has never engaged with an external fund manager for investment management since 2017, as it was considered less efficient. In the absence of the external fund manager, WIPO has conducted its investment activities by engaging with fund managers of pooled mutual funds, for whom the roles and responsibilities were not described in the Policy of Investments and Policy Guidelines. WIPO may provide clarity on the involvement of external fund managers and fund managers of pooled mutual funds.

Procurement mechanism for bonds, notes, or other obligations and fixed income products acquired as shares in pooled market-traded funds selection

33. An analysis of the procurement mechanism for two fund managers of pooled mutual funds, holding the Organization's investments of 1,245.60 million Swiss francs at the year end,

revealed a deviation from WIPO's standard procurement practices in three areas. First, contracts were established for an indefinite period, contrary to the Procurement Manual's requirement for defined timeframes with initial terms of up to three years and renewals capped at seven years. Second, neither contract specified a total fee amount or WIPO's maximum financial liability as required by the manual, with fees instead calculated on a variable basis tied to investment volume. Third, WIPO did not issue Purchase Orders (POs) for fund management fees, which was not aligned with the procurement manual's requirements for standard contracts and Long-Term Agreements (LTAs).

34. Management explained that WIPO's investments were for the long term, rolling 5 years for core and 20 years for strategic portfolio, and a definitive maturity date might result in significant inefficiencies and potential financial losses. Regarding the specified contract fee, the management mentioned that an exact service fee amount could not be established as it was contingent to the volume of investments. For the issuance of POs, the management added that it was not needed as fee payments for the services were deducted directly from the investment funds.
35. Harmonization of the investment policy, investment guidelines, and procurement manual with the currently applied practices regarding the procurement scheme for the fund managers of pooled mutual funds is necessary by considering: (1) added clarity on the role of external fund managers and fund managers of pooled mutual funds, and, (2) consistency of the new Investment Policy with the Procurement Manual by liaising with the Central Services Division (CSD).

Recommendation 1

BPK recommends that the Organization provide more clarity on the role of fund managers and pooled mutual funds in its current ongoing review of its Investment Policy and ensure compliance and consistent application with the Procurement Manual moving forward.

Management's response:

Management agrees with the recommendation and reiterates that the evaluation process for the selection of funds follows the procurement framework established within WIPO. Management expects to fully implement the recommendation by 30 September 2026, subject to the approval of the new Policy on Investments by the WIPO Assemblies.

Improving the Intangible Asset Custodian Records in AIMS

36. The WIPO has capitalized software of 7.4 million Swiss francs, including externally acquired, internally developed, and under development software. The management of intangible assets is regulated under the WIPO FRR.
37. The FRR provides an overarching framework for property management, including intangible assets. The FRR Rule 103.14 stipulates that officers in charge of the management of the property of the Organization will be designated by the High Level Official in Charge of Procurement (HLOP). The officer is also responsible for all systems governing the property, including its receipt, recording, utilization, safekeeping, maintenance, and disposal, including sales.
38. A review of the asset register in the Administration Information Management System (AIMS) showed that no custodian has been assigned to any intangible assets currently in service.

Recommendation 2

BPK recommends that the Organization assign custodians for the intangible asset register in AIMS to ensure proper oversight and maintenance of asset records.

Management's response:

Management agrees with the recommendation and expects to fully implement the recommendation by 31 December 2026.

Improving the regulatory framework for building and technical installations forming part of the building infrastructure

39. Financial Statements for the year ended 2025 reported that WIPO has buildings valued at 290.65 million Swiss francs. The management applies the WIPO Policy on Property Management (Office Instruction/OI 06/2024) as the basis for property management. However, this policy explicitly excludes land, buildings, and technical installations forming part of building infrastructure from its scope. Further inquiries indicate that no other formal regulatory document governs the management of these excluded asset categories. This absence is in conflict with Financial Regulations and Rules 103.14, which requires a clear designation of the property management system.
40. Our analysis of the regulatory framework identified two specific matters.

Absence of terms of reference and composition of the Steering Committee and Project Boards

41. The Organization established governance arrangements for premises-related projects through Information Circular (IC) 38/2022, which defines the responsibilities of the Steering Committee and Project Boards. The circular indicated that detailed terms of reference and composition of these bodies would be issued through subsequent ICs. However, the detailed terms of reference for those roles have not been issued.
42. Management clarified that IC 38/2022 was a transitional framework, designed for the New Building and Conference Hall projects, which have since been completed, and that it will be replaced by a comprehensive Real Estate Strategy adopting PRINCE2 methodology. Management has committed to completing the review and update of IC 38/2022 by Quarter 4 of 2026, which will establish the formal governance structures for future building-related projects. Management further indicated that, since 2022, building-related projects above the one million Swiss francs threshold have been governed through PRINCE2 methodology with defined roles, responsibilities, and Project Board composition. BPK will monitor the finalization of this update and the implementation of governance arrangements for premises-related projects in future audits.

The disposal mechanism and derecognition of replaced building components

43. Our observation on the New Building Management System (BMS) migration project showed that components forming part of the building, including lamps and blinds, were removed during the migration. Review of the 2025 financial statements showed that 2.26 million Swiss francs related to the BMS migration project was capitalized without derecognition of the carrying amount of the replaced building components. IPSAS 45, paragraph 65, requires the derecognition of the carrying value of the replaced part at the time of capitalization of the cost of the replacement.

44. Management indicated that the value of work-in-progress related to the BMS project at year-end would not lead to a material derecognition, as replaced components would be significantly depreciated, and that derecognition would be assessed at project completion or year-end 2026. Management noted that an annual approach to derecognition is appropriate for major construction projects spanning several years involving significant structural demolition.

Recommendation 3

BPK recommends that the Organization revise its Financial Reporting Detailed Policy Guidance for Property, Plant, and Equipment to require annual reviews during the project period and upon completion of building construction and renovation projects, to identify and derecognize the carrying value of material components that are removed or replaced.

Management's response:

Management agrees with the recommendation and expects to fully implement the recommendation by 31 December 2026.

Procurement management

45. WIPO has demonstrated a commendable commitment to strengthening its procurement function. Over the years, WIPO has maintained its compliance with the procurement manual while ensuring that acquisitions align with the Organization's operational needs and regulations. The Organization operates under a procurement manual that establishes guidance on policies and procedures for all parties engaged in WIPO procurement activities, including staff, requestors, managers, contractors, and agency workers. The Central Services Division (CSD) actively collaborates with requisitioners and project managers to plan and execute procurement initiatives, frequently operating under strict timelines. BPK recognizes the merit of existing procurement practices while identifying scope for improvement and offering recommendations to enhance current processes.

Improving documentation on the contractor's performance review

46. The financial statements for the year ended 2025 show that WIPO has incurred contractual service expense amounting to 122.9 million Swiss francs. Contractual service expense incurred based on contractual agreements between WIPO and contractors. The procurement is regulated under the procurement manual for vendors and an Office Instruction for Individual Contractor Service (ICS).
47. The WIPO procurement manual categorizes contracts into three types: strategic contracts that are essential for sector operations, critical contracts that would severely disrupt operations if unavailable, and non-strategic/non-critical contracts. Strategic contracts require documented scorecards prepared by the Contract Manager and reviewed by the Procurement Official. The manual mentions that critical contracts follow the same scorecard process with additional requirements for sector leads to develop business continuity plans as part of their risk management framework.
48. The manual mentions that a Supplier Performance Review (SPR), based on the Key Performance Indicator (KPI) and the performance review scorecard, should be documented and monitored as the basis for the evaluation of suppliers' compliance with contractual obligations. Furthermore, the manual stipulates that these KPIs should be clearly defined in solicitation documents and agreed upon with suppliers to prevent disputes. The Contract

Manager leads the performance review process, working with the Procurement Official to identify opportunities and address administrative issues.

49. Our analysis of the documentation of the contractor's performance review identified two specific matters.

Individual Contract Services (ICS) for Translation

50. Policy on ICS (OI No. 03/2024) defines the individual contractors as individuals which are not WIPO staff members and contracted pursuant to the provisions set to provide services to WIPO in exchange for remuneration. The policy stipulates that all contracts with a cumulative value of more than 20,000 Swiss francs in a 12-month period shall be subject to a performance evaluation of the Individual Contractor. Sector Leads shall ensure that the performance evaluation is completed within two weeks after the conclusion of each contract, on the form prescribed by CSD.
51. Analysis of five ICS with a cumulative payment of more than 20,000 Swiss francs, amounting to 0.28 million Swiss francs, showed that the performance evaluation for the ICS was documented in the internal memorandum on the re-accreditation of ICS translators instead of on the form prescribed by CSD.
52. Management clarified that for PCT translation, the documentation of the CSD prescribed form did not apply for the ICS, which received contract renewal, as the re-accreditation memorandum serves as the basis for performance review. It is noted that the CSD prescribed form was only documented for the ICS with a non-renewed contract. The management added that ICS performance was highly monitored throughout the course of the contract by the monthly review process. In addition, management noted that in the cases highlighted, the obligation to complete the CSD-prescribed evaluation form has not yet arisen since the contracts were still ongoing.
53. BPK is of the view that a standardized and periodic, at least annually, performance review should be in place for the ICS with a cumulative value of more than 20,000 Swiss francs in a 12-month period. Considering the five-year duration of the ICS contract, waiting until contract completion to conduct a performance evaluation would result in outdated assessments that failed to capture ongoing performance trends. An annual performance review with proper documentation will improve the oversight and control over the management of ICS services.

Performance review for strategic and critical contractors

54. Analysis of the expenses incurred amounting to 1.78 million Swiss francs during 2025 for a strategic and critical contract with Company A showed that the SPR for the contract was not documented. Furthermore, we noted that the KPI and the performance review scorecard for the contract were not specified in the contract.
55. The management confirmed that the SPR has not been performed and explained that payments for these invoices relate to professional services, which the Organization did not currently track through KPIs. Instead, acceptance certificates serve as proof that services have been delivered to an acceptable standard in accordance with the contract, while a separate list of outstanding issues was maintained for resolution.
56. The management added that the vendor performance review for the contractor would be formally held in the coming months, and the Company A professional services contract had an established governance structure, including the creation of a process for the regular monitoring of performance and escalation of issues for resolution in a timely manner. This

means that performance review is not done on an annual basis only, but is addressed as issues arise.

Recommendation 4

BPK recommends that the Organization ensure that all strategic and critical contracts, including completed SPR scorecard is placed on file as soon as possible for each annual review cycle.

Management's response:

Management agrees with the recommendation and expects to fully implement the recommendation by 31 December 2026.

Information technology for financial reporting

57. WIPO has continuously developed its information technology infrastructure as a backbone of its operation, including financial reporting. The relevant Information Technology (IT) and finance teams have worked in close collaboration with business owners and project stakeholders in planning and executing system initiatives, including the PeopleSoft AIMS implementation and its interconnectivity to other systems in WIPO, such as the PCT System. In alignment with these efforts, BPK identified valuable opportunities to strengthen the current IT control environment and enhance WIPO's information technology capabilities. BPK appreciates the effectiveness of existing procurement practices yet identifies areas for refinement and offers recommendations to improve current processes.

Improving the data interchange process for the PCT system and AIMS

58. The financial statements of WIPO for the year ended 2025 showed that the Organization generated PCT System Fees of 371.3 million Swiss francs. The accounting process of the fees involves a streamlined process from the PCT Service Department to the Finance Division through a data interface process, which leads to financial reporting.
59. In September 2025, WIPO implemented a new integration system between e-dossier and AIMS through an integration platform designed to synchronize data across both systems and automate accounting recognition workflows. Prior to the system integration, WIPO's accounting for the PCT System Fee was largely manual, with the main limitation of the inability to track the specific PCT applications for those received from the Receiving Office (RO).
60. Analysis of interface logs for data interchange between PCT and AIMS in 2025 showed that errors were recorded within the data interface for the billing, voucher creation, and refund process. The errors indicated mismatches of code set up used between PCT and AIMS in several areas, including country code, currency code, etc, which were subsequently resolved or handled by management. In regard to the refund processing, the errors suggested a data synchronization lag between the PCT system and the AIMS system, where refund requests were submitted before the corresponding balance updates had propagated. This was due to the timing differences, and an open request with the relevant internal technical team to address this issue has been issued.
61. The management mentioned that the presence of error codes showed that the system of checks and duplicate prevention was functioning as designed. Errors are not deficiencies, they are a control measure to ensure that the setup of new items and entities in this interface is

functioning as required, and improvements on monitoring error messages are possible in the future.

62. BPK acknowledges that error codes are essential for maintaining system functionality. This feature could be improved through a structured monitoring and oversight mechanism to provide updates on the action taken for addressing the error and the conclusion whether the error has been resolved.

Recommendation 5

BPK recommends that the Organization resolve the processing timing configuration between PCT and AIMS by following up on the pending change request, with due regard to the applicable business processes.

Management's response:

Management agrees with the recommendation and expects to fully implement the recommendation by 31 December 2026.

2. Performance audit

Audit conclusion

63. In the previous performance audit, BPK examined Pillar 1 and Pillar 2 of the WIPO Medium-Term Strategic Plan (MTSP) 2022-2026. To ensure continuity in oversight, BPK focused on the 2025 audit on Pillar 3 of the MTSP. This pillar emphasizes the strengthening of WIPO's global Intellectual Property (IP) services to ensure they remain efficient, reliable, and responsive to user needs. It includes improvements to WIPO's international registration systems—covering trademarks, patents, and industrial designs—as well as enhancements to global IP data resources that support innovation and evidence-based policymaking. In line with this mandate, the audit concentrated on the performance of the Madrid Registry and the Global Databases.
64. WIPO employs a Results-Based Management (RBM) framework to guide the delivery of its global IP services, including those administered through the Madrid Registry and the Global Databases. Under this framework, the Madrid Registry manages the end-to-end process of international trademark registration, encompassing the receipt and examination of applications submitted by Offices of Origin, the recording and publication of international registrations, the notification of Designated Contracting Parties, and the processing of subsequent designations, renewals, modifications, and other changes affecting registered marks.
65. The Global Databases-comprising PATENTSCOPE, the Global Brand Database, and the Global Design Database-provide publicly accessible repositories that consolidate patent, trademark, and design information from national and regional IP offices worldwide. These databases support a wide range of search and analytical functions, enabling users to access global IP information through multiple search fields, including keywords, names, numbers, classifications, dates, and priority details. Together, these services represent a core component of WIPO's mandate under Strategic Pillar 3 to provide high-quality IP services, knowledge, and data to users around the world.
66. The audit concluded that WIPO has effectively managed the Madrid System and the Global Databases in improving the quality and accessibility of its services to stakeholders during the audited period. The Madrid System provides a centralized international trademark registration

mechanism with broad global coverage, improved processing timeliness, and increased operational efficiency through automation and digitalization. In parallel, the Global Databases function as comprehensive, multi-jurisdictional repositories that enhance transparency, support informed decision-making, and facilitate access to intellectual property information worldwide.

67. Nevertheless, the audit identified areas for improvement to enhance the long-term effectiveness and sustainability of WIPO's global IP services.

Finding and recommendations

Madrid Registry

68. The Madrid Registry is administered by the WIPO and serves as the central body responsible for managing international trademark registrations under the Madrid System. The Madrid Registry examines applications received from Offices of Origin, records international registrations, publishes them in the WIPO Gazette of International Marks, and notifies Designated Contracting Parties. It also processes subsequent designations, renewals, limitations, transfers, and other changes affecting international registrations. Through this centralized mechanism, trademark owners can seek protection in multiple jurisdictions by filing a single international application in one language and paying one set of fees.
69. The Madrid System is governed by two treaties: the Madrid Agreement Concerning the International Registration of Marks (the Madrid Agreement) and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (the Madrid Protocol). The Madrid Agreement, adopted in 1891, established the original framework for the international registration of marks, primarily among a limited group of countries. The Madrid Protocol, adopted in 1989, introduced more flexible provisions—such as the possibility of basing an international application on a national application (not only a registration), longer refusal periods, and the option of individual fees—making the system more attractive to a broader range of countries. Today, all members are party to the Madrid Protocol, which has become the sole operational treaty within the System.
70. The Madrid Registry operates through a highly digitalized workflow supported by WIPO's IT platforms, including Madrid e-Filing, Madrid Monitor, Madrid Office Portal, eMadrid, and Madrid International Registrations Information System (MIRIS). Applications transmitted electronically by national or regional IP Offices are examined by the Madrid Registry. If compliant, the mark is recorded in the International Register and published, after which designated Offices conduct substantive examinations in accordance with their domestic laws. The system relies on standardized electronic communications and centralized databases to ensure efficiency, transparency, and real-time status tracking for applicants and Offices worldwide.
71. Over the years, the Madrid System has continued to offer significant value to both users and national IP Offices. It offers a centralized, cost-effective, and streamlined process for international trademark protection. These strengths form a solid foundation on which further improvements can be built, particularly as demand for international trademark protection continues to grow. However, based on the analysis of planning documents and interviews with WIPO management, the audit identified opportunities for improvement in the areas of IT, performance indicators, and publications in the Madrid System as follows.

Ensuring integration between the Madrid Registry System and the Finance Division System

72. MIRIS, deployed since 2016, is an application used in the Madrid Registry to support the international trademark application and registration process. MIRIS processes application data and serves as the backbone for the examination, irregularity notification, and publication workflows in the Madrid System.
73. In parallel, WIPO's financial operations are managed through the enterprise resource planning system, namely the AIMS, launched in 2011. AIMS supports WIPO's financial management functions, from fee collection, payment processing (including current account, credit cards, and bank transfers), and accounting.
74. MIRIS and AIMS serve different primary functions. MIRIS is primarily focused on the operational management in the Madrid System, while AIMS is more focused on the financial and accounting aspects to support the Finance Division. In practice, both systems are operationally interconnected, since most international trademark application and registration transactions in MIRIS are fee-related (e.g., application filing or renewal), and AIMS handles the financial aspects of the transaction (e.g., revenue, payments, and refunds).
75. In addition, the two systems have to be linked, for example, related to the abandonment process in the Madrid Registry and the payment refund in the Finance Division. An international application or request submitted under the Madrid System will be considered abandoned if the irregularities notified by the International Bureau are not remedied within the specified time limit, or if the required fees are not paid. When the application is abandoned, the fees paid by the applicant are refunded after being deducted by a certain amount of money.
76. The audit found that not all abandoned applications or requests resulted in a refund. Refunds are not applicable to applications or requests for which no fee was paid or to those requests for which no fee is due. There was no direct mechanism between MIRIS and AIMS to track abandoned applications and requests in the Madrid System and the payment of refunds in the finance system. The Organization has performed a monthly and asynchronous reconciliation between the two systems via a file exchange mechanism. This manual and indirect data exchange mechanism increased the risk of discrepancies and delays in identifying unmatched transactions between abandoned applications and related refunds.
77. Both systems have been using the legacy system. The Madrid Registry and the Finance Division have been modernizing the systems in parallel since the end of 2025, with the current phase focused on developing the back-office system. There have been some approaches and discussions to improve alignment between these two systems, but they were still in the early stages.
78. There is a need for integrated and interconnected systems in the Madrid Registry and the Finance Division. The Madrid Registry system should be able to track the entire progress of the international trademark application process, including the financial aspects at all stages (e.g., revenue from initial applications and renewals, fee calculation for irregularity notifications, and refunds for abandonments), while the AIMS should monitor the Madrid registry process, which has an impact on the financial management.
79. Given the project's magnitude, it is necessary to ensure that both systems are successfully integrated. Without a coordinated and collaborative approach, existing gaps in tracking, monitoring, and reconciliation may persist even after the new systems are launched.

Recommendation 6

BPK recommends that the Organization develop a comprehensive strategy or roadmap to ensure that the systems in the Madrid Registry and Finance Division deliver streamlined processes, robust control mechanisms, and seamless integrations.

Management's response:

Management agrees with the recommendation.

The relevant Finance and Madrid teams have held several meetings and discussions regarding the practical implications of aligning the two new systems.

Both system transformations are profound in their scope and the alignment of these CMP projects to address the process, control and integration capabilities on both systems is a critical priority of management.

A strategy will be developed to address these focus areas.

Management expects to fully implement the recommendation by 30 September 2026.

Enhancing Madrid Registry's KPIs

80. In the Program of Work and Budget 2024/25 documents, the total membership indicator baseline is 114 members, with a target of 6 new member states. Based on the list of Madrid System membership status on 5 December 2025 document, the only new member for the 2024/25 biennium is Qatar, which joined the Madrid System on 3 August 2024. While Granada deposited its instrument of accession on 15 December 2025, the Protocol will enter into force for Granada on 15 March 2026.

a. Adding regions in the Madrid membership performance indicator

81. The Madrid System currently covers 132 countries or 72.9% of the Paris Convention members (181 countries). Therefore, 49 Paris Convention members are not yet covered by the Madrid System. According to the data from Madrid Registry, the total number of direct trademark filings abroad in 2024 for 49 non-Madrid members was 51,285. The 10 countries with the highest filing counts account for 36,504 trademark filings, equivalent to 71.2% of all trademark filings by non-Madrid members in 2024.
82. Nevertheless, the KPI for total membership in the Madrid system has not been broken down by region. It states the expected target for the number of new members, regardless of region. Interviews with the focal points revealed that when the focus on accession is solely on quantity, it would be easier to achieve the target by approaching small countries as new members of the Madrid System. Although the Madrid Registry acknowledged that the number of new members was important, the Madrid Registry also echoed that incorporating regional factors would strengthen the strategic focus of the accession. Considering the significant amount of trademark filings of those countries, their accession would have a positive impact and encourage neighbouring countries to join the Madrid system. We are of the opinion that the Madrid Registry can detail its performance indicator by including targeted regions in the Madrid Quarterly Accessions Report.

b. Adding Madrid e-filing adoption as a new performance indicator

83. WIPO has also developed the Madrid e-Filing as an online tool that supports the filing of international trademark applications through national or regional Intellectual Property (IP)

Offices (Offices of Origin). The tool allows applicants to submit new international trademark applications to their Office of Origin and enables the Office to review and process them before transmitting them to WIPO. The Madrid e-Filing was initiated in 2014, with the Benelux IP Office as the first office that adopt it. As of 31 December 2025, 39 IP Offices have adopted Madrid e-Filing for their customers.

84. This adoption rate gives WIPO the opportunity to reach out to IP Offices to encourage them to adopt the Madrid e-Filing. Discussions with focal points revealed that the adoption of e-Filing by a larger number of IP Offices would offer key benefits downstream because the International Bureau would receive much more structured and consistent data streams from the inception of the process (the filing of the international application). Such structured data is vital for achieving operational efficiencies and higher-quality services to users. We are of the opinion that the organization could benefit from adding the total number of IP Offices that adopted the Madrid e-Filing as a new performance indicator. In addition, the Madrid Registry could consider conducting a structured survey to gather feedback from National IP Offices as the primary users of the Madrid e-Filing. Such a survey would provide valuable insights into their practical experience, challenges, and expectations regarding Madrid e-Filing. The results could be used to refine the Madrid e-Filing outreach and support strategy to meet the needs of IP Offices.

Recommendation 7

BPK recommends that the Organization:

- a. Add regions of the targeted new member to its performance indicator in the Madrid Quarterly Accessions Report to have a better focus on the priority of the potential members.
- b. Incorporate the total Madrid e-Filing office adoption as a new performance indicator in the Program of Work and Budget for 2028/29.
- c. Conduct a structured survey about the Madrid e-Filing to National IP Offices to gather relevant feedback with a view to increasing office adoption.

Management's response:

Management agrees with the recommendation.

Recommendation 7.a: The updated performance indicator will be included in the Quarter 3 2026 version of the Madrid Quarterly Accessions Report.

Recommendation 7.b: A new performance indicator on total Madrid e-Filing office adoption will be proposed in the draft Program of Work and Budget for 2028/29.

Recommendation 7.c: A structured survey among National IP Offices about Madrid e-Filing will be conducted by the end of September 2026.

Improving internal reporting in the Madrid Registry

85. The Madrid Registry has regularly produced several internal reports as part of the Madrid System governance, monitoring, and evaluation. These reports, including the Madrid Monthly Performance and the Madrid Quarterly Accession Reports, are intended to provide readers with updates on operational performance, workload management, financial trends, and the progress on new member accessions. The reports serve as a tool to support transparency,

monitor efficiency, and evaluate service delivery, thereby strengthening and improving the Madrid System.

a. Madrid Monthly Performance Reports

86. Our analysis of the Madrid Monthly Performance Reports for the period 2024 to 2025 showed that the pendency targets for international applications, renewals, subsequent designations, modifications, decisions by designated contracting party (CP), and corrections remained constant in 2024 and 2025. While some pendency targets might still be relevant, the targets for renewals and decisions by designated CP are somewhat far above the actual time needed for these activities.
87. Furthermore, the pending workload for 7 transactions in the report was analyzed including international applications, renewals, subsequent designations, modifications, decisions by designated CP, corrections, and finance. This analysis revealed that the Madrid Registry has been quite successful in reducing pending workloads in some areas. However, the target pending workloads for renewal and decision activities were also well above the actual pending workloads.
88. Discussion with the focal points revealed that automation and streamlined IT processes have helped reduce the time required and pending workloads, particularly for the renewal and decisions by the designated CP. Nevertheless, the target stated in the performance report has not been updated to reflect the current situation, limiting the relevance of the comparison presented. Although we acknowledged and appreciated the Madrid Registry's efforts to reduce pendency time and pending workloads in the Madrid System, there were some areas for improvement, such as setting more relevant targets to ensure clearer and up-to-date comparisons for readers.

b. Madrid Quarterly Accession Reports

89. Our analysis of the Madrid Quarterly Accession Reports for the period 2022 to 2025 showed that the Madrid Registry already identifies some countries as potential new members of the Madrid System. However, our review indicated that only 50% of the top 10 countries with the highest number of direct trademark filings abroad were included in the 2022 to 2025 accession reports. Other potential new members listed in the latest accession report (Quarter 4 2025) include countries with varying numbers of trademark filings, including some countries with fewer than 10 filings.
90. Furthermore, the latest Madrid Accession Report (Quarter 4 2025) disclosed some outdated progress and a lack of updated current progress on some countries, which last updates were in 2017–2021. Given their lack of recent progress, including these countries in the 2025 accession report will not provide readers with relevant and up-to-date information.
91. There has been a work plan for the Madrid Legal Division in 2026, linked to progress on the Madrid accessions, which aimed to provide comments on domestic legislation to make this Madrid-compatible (for current and future members). This work plan covers 29 beneficiary countries, including 4 current Madrid members and 25 future members. However, there was no synchronization between the list of potential new members in the Madrid Accession Report and the list of beneficiary countries in the work plan. Some non-Madrid member countries are mentioned in the work plan but not mentioned in the Accession Reports. On the other hand, some countries mentioned in the Accession Reports but not mentioned in the 2026 workplan.
92. Discussions with the focal points revealed that the approach and strategy for each potential country varied and depended on the country's political, economic, and cultural conditions.

Based on experience, some countries might need years to make little progress in the accession process, while others might make significant progress in just months. Nevertheless, some countries were still mentioned in the reports to enable readers to track their accession progress, even though there have been no updates in the last few years.

93. We acknowledged and appreciated the Madrid Registry's efforts in providing updates on new members' accession in the quarterly report. However, there were some areas for improvement to better provide readers with relevant data and information.

Recommendation 8

BPK recommends that the Madrid Registry:

- a. Update the pendency and pending workload targets used in the Madrid Monthly Performance Report to better reflect current productivity levels.
- b. Develop a comprehensive updated version of the Quarterly Madrid Accession Reports by excluding countries that have no relevant updates, including a regional accessions KPI (as discussed above in the Section entitled Enhancing Madrid Registry's KPIs) as well as considering the amount of international trademark filings data and the list of beneficiary countries in the Madrid Registry Workplan as considerations for selecting the countries mentioned in the Accession Reports.

Management's response:

Management agrees with the recommendation.

Recommendation 8.a: Pendency and pending workload targets will be updated in the October 2026 version of the Madrid Monthly Performance Report.

Recommendation 8.b: A comprehensive updated version of the Quarterly Madrid Accession Report will be developed for Quarter 3 2026.

Global Databases

94. WIPO maintains three core Global Databases (PATENTSCOPE, the Global Brand Database, and the Global Design Database) that function as the main publicly accessible repositories of intellectual property (IP) information, and consolidate records sourced from national and regional IP offices worldwide. Each database serves a distinct but complementary function within the global IP information ecosystem.
95. The PATENTSCOPE database provides access to published International PCT applications in full-text on the day of publication, patent documents from participating national and regional offices (RO), and non-patent literature. The database covers an estimated 126 million patent records as of early 2026, making it one of the most extensive patent search platforms. The Global Brand Database (GBD) provides access to collections of international trademarks under the Madrid System and to trademarks from participating national and ROs. It also covers appellations of origin registered under the Lisbon System, Article 6ter emblems, and WHO International Nonproprietary Names. The Global Design Database (GDD) provides access to international designs under the Hague system from participating national and ROs. The databases support searching for collections by many different search fields-keywords, names, numbers, classification, dates, country, priority, and combinations of these.

96. Over the years, PATENTSCOPE, GBD, and GDD have continued to offer significant value to both users and national IP Offices. The three databases represent a significant institutional investment by WIPO and reflect years of technical development, bilateral negotiations with IP offices, and outreach to national authorities worldwide.
97. The audit identified opportunities for improvement in the areas of data exchange arrangements and coverage monitoring across three databases as follows.

Harmonizing WIPO's data exchange arrangements with intellectual property offices

98. WIPO's Global Databases collect IP data from national IP offices worldwide and serve as a resource for IP stakeholders. In line with Strategic Pillar 3, which aims to provide high-quality IP services, knowledge, and data, the Organization collaborates with national IP offices on a voluntary basis to build comprehensive global IP information resources. The quality, completeness, and timeliness of data in these databases depend on the cooperative arrangements WIPO has established with contributing national IP offices. Given the voluntary nature of the arrangement and its non-obligatory status, the Organization plays a crucial role in facilitating, encouraging, and supporting data exchange.
99. The audit observed that the data exchange arrangements between WIPO and IP offices have varied. Some offices have operated under formal agreements (Memorandum of Understanding, Cooperation Plan, Cooperation Agreement, Technical Cooperation Agreement, and Data Exchange Agreement), while other IP Offices have contributed through informal arrangements (email and open data). The diversity of these arrangements reflected the voluntary nature of participation, the different capacities, and priorities of the national offices. However, it also presented opportunities to the Organization to enhance the coverage and reliability of the data in the Global Databases.
100. The latest Data Exchange Agreement template provided by the focal point showed that the office would provide regular updates on the exchange data. But there was no information or terms regarding regular updates. Furthermore, English-language agreements showed that most documents did not specify update frequencies, submission timelines, or data quality expectations. Whereas the provision to provide regular updates was available, they were typically non-binding. The agreements signed by the parties over the years have been implemented with varying levels of commitment and effectiveness across different IP Offices.
101. Establishing a standardized agreement framework may ensure that WIPO's relationship with all national IP offices is on the same level of formalization and commitment. This condition may ensure data consistency and strengthen WIPO's position in the global IP ecosystem. It is recognized that WIPO's ability to standardize and formalize these arrangements is constrained by the nature of the cooperation, which is based on mutually agreed terms and conditions, with shared responsibility for implementation of projects, and with the ultimate aim of long-term sustainability.

Recommendation 9

BPK recommends that the Organization:

- a. Develop a strengthened standardized data exchange agreement template while remaining adaptable to each office's needs. The template should encompass, including but not limited to, operational expectations, including mutually agreed update frequencies and submission timelines.

- b. Review existing agreements to prioritize the engagement with IP Offices to expand the coverage of IP rights, i.e., patents, trademarks, and industrial designs.

Management's response:

Management agrees with the recommendation.

Recommendation 9.a: We will review our data exchange agreement template to include more operational specifications by Quarter 4 2026.

Recommendation 9.b: The review of existing agreements with IP Offices is foreseen as a long-term effort due to the number of agreements involved and the limited capacity of many IP Offices to provide additional legal analysis in the short term. This review is expected to take place from Quarter 4 2026 through the end of 2027.

Enhancing data coverage for WIPO's Global Databases

102. WIPO's Global Databases (PATENTSCOPE, the Global Brand Database/GBD, and the Global Design Database/GDD) aggregate intellectual property records from around the world, making them invaluable tools for examiners, IP offices, researchers, and other users. PATENTSCOPE, GBD, and GDD have respectively maintained 126 million patent records from the PCT and 84 sources; 72 million trademark records from 88 sources (including Article 6ter of the Paris Convention, International System of Appellations of Origin, WIPO Madrid System for International Trademark Protection, and World Health Organization International Nonproprietary Names); and 18 million design records from 41 sources (including WIPO Hague System for International Design Protection). The accuracy, completeness, and timeliness of incoming data are highly important to the users, in line with WIPO's Strategic Pillar 3, to provide high-quality IP services, knowledge, and data that deliver value to users around the world.

103. The audit identified potential areas for improvement in order to enhance the use of the WIPO's Global Databases, as follows:

a. Enhancing Data Coverage

1) Some collections have not been updated for years

104. A review of the PATENTSCOPE data coverage page and the available information in the GBD and GDD identified multiple national collections that have not received data updates for extended periods, in some cases for a decade or more. The table below provides illustrative examples.

Table 3. IP Offices collections with infrequent updates

No.	IP Office	Global databases	Last coverage	Last records	Notes
1	Guatemala	PATENTSCOPE	13/11/2019	7,906	Not updated > 5 years
2	Honduras	PATENTSCOPE	27/04/2015	407	Not updated > 10 years
3	Panama	PATENTSCOPE	29/10/2013	2,943	Not updated > 10 years
4	South Africa	PATENTSCOPE	29/07/2015	151,921	Not updated > 10 years
5	United Arab Emirates	PATENTSCOPE	02/01/2013	234	Not updated > 10 years
6	Chile	Global Brand Database	28/08/2018	602,514	Not updated > 5 years

No.	IP Office	Global databases	Last coverage	Last records	Notes
7	Eswatini	Global Brand Database	24/04/2018	20,541	Not updated > 5 years
8	Gambia	Global Brand Database	31/12/2018	8,707	Not updated > 5 years
9	Ghana	Global Brand Database	04/09/2018	31,335	Not updated > 5 years
10	Kuwait	Global Brand Database	28/01/2018	33,213	Not updated > 5 years
11	Sudan	Global Brand Database	05/12/2017	23,762	Not updated > 5 years
12	Botswana	Global Design Database	24/05/2018	203	Not updated > 5 years
13	Brunei Darussalam	Global Design Database	05/03/2019	191	Not updated > 5 years
14	Japan	Global Design Database	26/02/2020	598,850	Not updated > 5 years
15	Jordan	Global Design Database	30/03/2018	2,193	Not updated > 5 years
16	Kenya	Global Design Database	18/08/2018	1,225	Not updated > 5 years
17	Mongolia	Global Design Database	10/11/2020	3,008	Not updated > 5 years
18	Mozambique	Global Design Database	16/05/2018	185	Not updated > 5 years

105. Based on the above data, it may be necessary to have a systematic exercise to know specifically the lack of updates of the collections; distinguish between offices that lack capacity and those that may have faced other situations; and identify other factors that may have contributed to the issue.

2) Challenges related to the assessment of the completeness of national/regional IP collections

106. In order to measure the completeness of a data collection, an authoritative reference is required. Such a reference exists partially for patents in the form of authority files, which are defined by WIPO standard 37, prepared by national/regional patent offices, and collected/published by WIPO. Such authoritative references were not available for trademarks and industrial designs.

107. All Global Databases maintain an up-to-date coverage that is made publicly available to its end-users. While this coverage information is very important to understand the scope of the records that can be searched in the Global Databases, it does not provide detailed information about data gaps with respect to an authoritative, independent reference provided by the source IP offices.

108. To illustrate the difficulty of assessing completeness and remedying the data gaps, a comparison between the data in WIPO's Global Databases and the ASEAN IP Register, a regional database covering trademarks, patents, and industrial designs across all ten ASEAN Member States, identified notable discrepancies and found differences across multiple jurisdictions.

109. The table below compares the aggregated number of records between the ASEAN IP register and WIPO's Global Databases.

Table 4. Coverage comparison between ASEAN Offices with WIPO's Global Databases

No.	IP Office	Patents			Designs			Trademarks		
		ASEAN	WIPO	+/- Gap	ASEAN	WIPO	+/- Gap	ASEAN	WIPO	+/- Gap
1	Brunei	1,521	1,654	(133)	199	191	8	60,827	60,486	341
2	Cambodia	1,566	1,417	149	1,342	1,344	(2)	150,505	150,535	(30)

No.	IP Office	Patents			Designs			Trademarks		
		ASEAN	WIPO	+/- Gap	ASEAN	WIPO	+/- Gap	ASEAN	WIPO	+/- Gap
3	Indonesia	194,262	193,561	701	111,030	109,199	1,831	1,895,143	1,900,848	(5,705)
4	Lao PDR	256	160	96	562	562	–	71,082	72,013	(931)
5	Malaysia	216,086	260,792	(44,706)	41,811	41,809	2	1,109,291	1,113,055	(3,764)
6	Myanmar	–	N/A	N/A	291	N/A	291	16,923	N/A	16,923
7	Philippines	81,494	102,986	(21,492)	23,368	23,368	–	742,759	741,110	1,649
8	Singapore	238,244	259,785	(21,541)	43,486	34,539	8,947	901,303	858,008	43,295
9	Thailand	161,515	191,367	(29,852)	84,709	87,198	(2,489)	1,282,514	1,282,724	(210)
10	Viet Nam	130,628	153,885	(23,257)	60,593	60,596	(3)	908,650	909,661	(1,011)

110. The table above shows the differences between data from the ASEAN IP Register and WIPO's data. These differences do not necessarily mean WIPO's data is inaccurate. It may reflect the structural limits to the IP Office's voluntary participation in providing data to the Global Databases. Clearer communication to users about coverage scope and a more systematic effort to close the most material gaps would strengthen both the databases' reliability and the Organization's credibility

111. Based on discussions with the Global Databases Officer, the differences in the number of records between the ASEAN IP Register and the WIPO Global Databases may be attributed to several factors, including the following:

- Differences in update cycles or data synchronization dates between the two systems;
- Legacy records that exist in only one database (either GBD/GDD or the ASEAN IP Register);
- Metadata quality issues in older records, which may prevent successful ingestion due to differing validation rules applied by the Global Databases and the ASEAN IP Register;
- A recent revamp of the Office's collection, followed by the submission of a new backfile to the ASEAN IP Register, which contains fewer patent records than previously available;
- Unusually large or bulk patent updates that may not yet have been fully processed or reflected in one of the systems; and
- For the Myanmar IP databases, WIPO does not currently have a data exchange agreement with, nor direct access to.

b. Considering the full data reload mechanism for GBD and GDD

112. Some IP Offices have supplied data to GBD and GDD through a full data reload. These Offices periodically provided their most recent datasets to WIPO. Therefore, the records maintained in WIPO's systems aligned with the latest version held by the originating Office and reduced the likelihood of gaps caused by late updates or transmission failures. This approach could be an alternative practice to consider, particularly for Offices that had difficulty in providing regular updates due to resource or technical limitations, to mitigate the risk of unnoticed inconsistencies in WIPO's collections.

113. However, the effectiveness of these practices would differ among Offices. In Offices with high national records, transferring complete datasets could place considerable demands on systems and bandwidth. It would be better for the Organization to undertake a structured feasibility review to determine which Offices are suitable candidates, establish clear

operational guidelines for implementation, and encourage adoption where appropriate as part of broader efforts to strengthen data quality.

114. Regularly requesting a full data reload would be considered a good practice, especially when authority files were not available. By periodically obtaining a complete extract from the IP Offices' systems, WIPO can secure a comprehensive snapshot of the data and ensure that all updates are fully propagated at that point in time. Although a full reload requires additional effort from the Global Databases team to extract, reconvert, and re-index the data, this approach offers a significant advantage, particularly in addressing the varying levels of data management maturity across offices, as not all IP Offices have the same technical capacity.

c. Establishing sound communication and approaches with IP Offices

115. The audit noted that participation by the same IP Offices in the Global Databases was not consistent across all three databases. This uneven engagement suggested that coverage could be further strengthened through a more structured and proactive approach to communication and engagement.
116. The Organization has made some efforts to address these gaps, including ongoing communications and follow-ups with IP Offices through the Global Databases Division. However, progress has tended to occur on an ad hoc basis and remains difficult to monitor or evaluate systematically due to the absence of a structured communication framework.
117. The observations above were based on data coverage analysis, document review, and discussions with WIPO's focal point. However, they did not fully capture the experience of the IP Offices as both users and data providers to the databases. To gain a more comprehensive understanding, a structured survey could be conducted across all WIPO member states, covering both those that currently provide data and those that do not, to gather perspectives from the IP Offices. Collecting this information would give WIPO a clearer basis for prioritizing its outreach efforts, refining data exchange agreements, and closing identified gaps.

Recommendation 10

To enhance the data coverage and the timeliness of data in the global databases, BPK recommends that the Organization:

- a. Implement a monitoring mechanism that would allow validating the periodicity of the data updates with the data exchange agreements.
- b. Implement a mechanism to check the completeness of data against authority files from IP Offices, when available, and request data updates from the Offices to load missing records into PATENTSCOPE.
- c. Explore with IP Offices, where relevant, the feasibility of a full annual data reload approach for GBD and GDD, to ensure synchronization and completeness of the data collections.
- d. Conduct a structured survey about the Global Databases (PATENTSCOPE, GBD, and GDD) to National IP Offices to gather relevant feedback with a view to enhance the outreach strategy, refine the data exchange agreements, and close the gaps in data coverage.

Management's response:

Management agrees with the recommendation.

Recommendation 10.a: Monitoring mechanism for data update periodicity

The development and deployment of a monitoring mechanism to validate the periodicity of the trademark and design data updates will start in Quarter 3 2026 and is expected to be completed by the end of Quarter 2 2027.

Regarding PATENTSCOPE, recommendation 10.a has already been partially implemented. The PATENTSCOPE coverage page currently displays information about update frequencies and the most recent update dates for both bibliographic data and full text. The update frequency information is currently derived from statistical analysis of participating office submission patterns or publicly available update schedules. As this frequency information will be available in the updated agreements with the IP offices, the PATENTSCOPE coverage page will also integrate it. Additionally, an alerting service will be developed by Quarter 2 2027 to further strengthen the monitoring feature.

Recommendation 10.b: Automated completeness validation

A mechanism to automatically check the completeness of trademark and design data against authority files from IP Offices will be implemented during Quarter 2 to Quarter 3 2027 as part of the monitoring tool of recommendation 10.a. This will cover cases where an online public registry exists at the IP Office and where such an automatic mechanism is technically feasible and compliant with the registry's terms of use. Similarly, an automated validation mechanism will be implemented in 2027 to verify the completeness of PATENTSCOPE patent data using authority files from the Authority Files Portal.

Recommendation 10.c: Full annual data reload approach (GBD and GDD only)

The feasibility of a full annual data reload approach will take place during 2026 and 2027. Exploring this possibility with the IP offices is a long-term effort due to delays in technical exchanges with many IP Offices.

Recommendation 10.d: Structured Survey

The recommended structured survey about the Global Databases to National IP Offices will be conducted from Quarter 2 2026 to Quarter 4 2026.

E. Transmissions of information by management

1. Write-offs and losses of cash and other assets

118. In 2025, the Organization disposed of obsolete items of property, plant, and equipment with a total loss of 28 thousand Swiss francs at the time of disposal.

2. Ex-gratia payments

119. There were no cases of ex-gratia payments made by the Organization during 2025.

3. Cases of fraud and presumptive fraud

120. In accordance with ISA 240 (Revised) *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, BPK planned its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularity (including those resulting from fraud). Our audit should not, however, be relied upon to identify all

misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with Management.

121. During the audit, BPK made inquiries of the Organization regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to those risks, including any specific risks that Management has identified, or that have been brought to its attention. BPK also inquired as to whether the Organization had any knowledge of any actual, suspected or alleged fraud. BPK identified no instances of fraud in its audit, and no cases came to our attention through our testing.
122. The Organization reported that there were two cases of fraud with an estimated amount of 434.2 thousand Swiss francs and there was no case of presumptive fraud reported within the Organization during 2025.

F. Acknowledgement

123. BPK wishes to extend its sincere appreciation to the Director General and staff for their continued cooperation and support throughout the audit engagement. BPK is also deeply honored by the trust placed in its appointment as External Auditor by the Member States. It is anticipated that this audit engagement will further strengthen the constructive partnership in advancing and supporting the global development of intellectual property.



Dr. Isma Yatun, CSFA., CFA
Chair of the Audit Board of the Republic of Indonesia
External Auditor

Jakarta, Indonesia
11 May 2026

Annex 1. Status of implementation of recommendations up to the financial year ended 31 December 2025

Financial period	Report ref.	Summary of findings and recommendations	Recommendation	Management's response	Management's action	Auditor's comment	Status
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
Audit report for the year ended 31 December 2024							
2024	2024, para 33 to 36, Recommendation No. 1 – Financial Audit (FA)	<p>Optimizing system utilization and automation for financial reporting</p> <p>As part of the 2024 financial audit, BPK reviewed the Organization's financial reporting process and its Administrative Integrated Management System (AIMS), an ERP system built on Oracle's PeopleSoft platform. BPK identified several areas for improvement, including the underutilization of the AIMS Tree structure for financial statement roll-ups, the absence of a consolidated trial balance feature, and inconsistencies in the general ledger. Currently, the Organization relies on spreadsheets and manual processes instead of leveraging AIMS' built-in functionalities, leading to increased workload, inefficiencies, and a higher risk of errors — particularly in the consolidation of trial balances across business units WIPO1, FITSW, and WISP1.</p> <p>Furthermore, a discrepancy was identified between the financial statements and the General Ledger extracted from AIMS, resulting from a direct un-posting of a transaction originally recorded in a subledger. BPK also noted that multiple users were authorized to record manual journal entries throughout 2024, highlighting the need to strengthen internal controls. To mitigate risks of unauthorized or unintentional modifications and to reduce reconciliation challenges, the</p>	BPK recommends the Organization improve the optimization of the system and the automation of financial reporting to enable automated summarization of financial statements, consolidation of the trial balance, minimization of errors, streamline financial reporting, and enforcing of controls to ensure data integrity, efficient and accurate financial reporting.	<p>Management agrees with the recommendation. Noting that the Organization will soon move to a new Enterprise Resource Planning (ERP) system, the configurations recommended will be addressed through the design of the Chart of Accounts in the new AIMS ERP system. The closing criteria will be the results of testing the configuration of the new system for the system control and the tree structure recommended.</p> <p>The action is expected to be finalized by 31 December 2026 in line with the design and user acceptance testing of the new ERP.</p>	<p>The Chart of Accounts has been redesigned for the new AIMS ERP system, and the account tree structure is currently under review.</p> <p>In line with the timeline for AIMS ERP, WIPO expects to finalize this action by 31 December 2027. Closure criteria is successful user acceptance testing of the automation of financial reporting.</p>	We note the progress made on the new AIMS ERP System and will review the finalization of the system subsequent to the successful user acceptance testing of the automation of financial reporting.	In progress

Financial period	Report ref.	Summary of findings and recommendations	Recommendation	Management's response	Management's action	Auditor's comment	Status
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
		Organization should prioritize enforcing segregation of duties in line with its information security standards, while also enhancing AIMS with automated and better-aligned features to improve the accuracy, consistency, and efficiency of financial reporting.					
2024	2024, para 37 to 40, Recommendation No.2 - FA	<p>Improving of the accounting policy governing the Madrid System Fee</p> <p>BPK reviewed the Organization's Detailed Policy Guidance on Madrid system fees and noted that, while it addresses Advance Receipts, it lacks formal guidance on Transfers Payable and Current accounts, which are closely related to the revenue accounting process. Through discussions with Management, BPK identified several established but undocumented accounting practices in these areas, including the treatment of advance payments routed through Current Accounts, earmarked Current Accounts, estimation methodologies for advance receipts and transfer payables, classification of financial statement line items, and year-end adjustments.</p> <p>BPK considers that incorporating these established practices into formal policy guidance would significantly enhance clarity, consistency, and transparency in financial reporting. Management has acknowledged this gap and noted that the Organization is currently developing updated detailed policy guidance on Madrid system fee</p>	BPK recommends the Organization enhance its accounting policy to address the classification of balances related to the Madrid system fees.	<p>Management agrees with the recommendation and as part of the work towards the implementation of IPSAS 47, the Organization is in the process of developing updated detailed policy guidance around the recognition of Madrid system fees. In this context, management will ensure that updated guidance, which also addresses the classification of related balances, is prepared.</p> <p>The action is expected to be finalized by 30 September 2025.</p>	<p>Updated detailed policy guidance has been established for the implementation of IPSAS 47.</p> <p>Management considers this recommendation to have been fully implemented and meets closure criteria.</p>	As the detailed policy guidance has been established, we consider this recommendation implemented.	Implemented

Financial period	Report ref.	Summary of findings and recommendations	Recommendation	Management's response	Management's action	Auditor's comment	Status
a	b	c	d	e	f	g	h
		recognition as part of the implementation of IPSAS 47, which is expected to formally address these practices.					
2024	2024, para 41 to 46, Recommendation No.3 - FA	<p>Addressing unresolved trademark deposits</p> <p>The Madrid System, WIPO's international trademark registration framework operating across more than 130 countries, requires reconciliation between trademark applications and their corresponding payments. BPK observed that reconciliation gaps have resulted in the accumulation of unrecognized deposits, with a total of 5.9 million Swiss francs remaining unresolved as of 31 December 2024, comprising deposits dating back to 2012. While the Organization maintains an established write-back policy for deposits older than three years, the growing volume of unrecognized deposits presents an increasing administrative burden, as older deposits become progressively more difficult to resolve or attribute to the respective payers.</p> <p>Management has acknowledged the issue and implemented several initiatives to address it, including the assignment of dedicated officials for tracking and contacting relevant customers, as well as the use of data analytics to improve customer records and contact information. Furthermore, the Organization is currently developing a new ERP system incorporating advanced matching capabilities, unique referencing numbers, and Artificial</p>	BPK recommends the Organization develop a system and mechanism to minimize the backlog of trademark deposits and ensure that the new ERP system implements a mechanism to prevent unrecognized deposits balances wherever possible.	<p>Management agrees with the recommendation and with respect to future enhancements, management is actively involved in the design and implementation of several new systems at the Organization, including the new ERP System, which are expected to enhance the matching process and the identification of customer details. The final design and implementation may include the use of unique referencing numbers to facilitate such matching and simplify any eventual refund requirements. Additionally, Management expects these new systems to make use of modern technologies such as AI enhanced driven matching and research tools to further improve the matching and refund processes for payments.</p> <p>The action is expected to be finalized by 31 December 2027 in line with the timeline for the implementation of the new ERP system.</p>	Management is actively involved in the design and implementation of several new systems, including the new ERP System, which are expected to enhance the matching process and the identification of customer details. The final design and implementation may include the use of unique referencing numbers to facilitate such matching and simplify any eventual refund requirements. Additionally, Management expects these new systems to make use of modern technologies such as AI enhanced driven matching and research tools to further improve the matching and refund processes for payments.	We note the progress made on the new AIMS ERP System, which seeks for the enhancement of the matching process and the identification of customer details, and will review the finalization of the system afterwards.	In progress

Financial period	Report ref.	Summary of findings and recommendations	Recommendation	Management's response	Management's action	Auditor's comment	Status
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
		Intelligence-driven tools to streamline the reconciliation and refund processes. BPK encourages the continued pursuit of these initiatives to effectively reduce the accumulation of unrecognized deposits and enhance the overall efficiency of the refund process.					
2024	2024, para 50 to 52, Recommendation No.4 –Performance Audit (PA)	<p>Establishing unified Standard Operating Procedures (SOPs) to organize meetings of WIPO's decision-making and negotiation bodies</p> <p>WIPO facilitates the work of 18 specialized decision-making and negotiation bodies, with approximately 21 to 24 meetings planned annually for the 2024/25 biennium. While a structured framework for meeting coordination exists and is accessible through the Organization's intranet, it primarily addresses logistical aspects such as scheduling, facility management, and registration. A comprehensive, formalized process covering the entire meeting lifecycle, from initial planning through post-event follow-up, has yet to be established. Furthermore, existing procedural frameworks vary significantly across divisions and lack provisions for contingency measures during meetings, with cross-functional roles remaining insufficiently defined.</p> <p>BPK is of the opinion that the establishment of a unified Standard Operating Procedure (SOP) that incorporates best practices, harmonizes divergent processes, and integrates logistical</p>	<p>BPK recommends the Secretariat develop a formalized SOP for coordinating meetings of decision-making and negotiation bodies. The SOP should encompass a comprehensive framework addressing key phases, including but not limited to:</p> <ul style="list-style-type: none"> a. Pre-meeting planning: Logistical preparation, agenda formulation, and role allocation (clear designation of responsibilities and interdepartmental collaboration protocols). b. Meeting execution: Conformity with pre-meeting planning, risk mitigation strategies, and 	Management agrees with the recommendation and expects to implement the recommendation by 31 December 2026.	Following the implementation of the Digital Secretariat Project, including the launch of the WIPO Meet tool, issuance of comprehensive user guidance, and deployment of standardized processes covering pre-meeting planning, meeting execution, and post-meeting follow-up, Management considers this recommendation has been fully implemented and meets closure criteria.	<p>Based on the review of the Secretariat's follow-up actions under the Digital Secretariat Project, including the launch of the WIPO Meet tool and the issuance of a comprehensive user manual, it is observed that Management has taken appropriate and effective action to implement the recommendation, with supporting documentation providing sufficient and reliable evidence that a structured, end-to-end framework for coordinating meetings of decision-making and negotiation bodies is established and operational.</p> <p>Accordingly, the External Auditor concludes that the recommendation has been fully implemented and meets the criteria for closure.</p>	Implemented

Financial period	Report ref.	Summary of findings and recommendations	Recommendation	Management's response	Management's action	Auditor's comment	Status
a	b	c	d	e	f	g	h
		management frameworks across all relevant divisions. Such a consolidated SOP would enhance operational consistency, improve procedural efficiency, and provide clear guidelines for future event coordination. Additionally, it would serve as a valuable knowledge management tool, preserving institutional expertise and ensuring continuity in the Organization's multilateral engagement practices.	contingency planning. c. Post-meeting activities: Meeting evaluation and follow-up actions, finalization of documentation, and dissemination of outcomes.				
2024	2024, para 53 to 58, Recommendation No.5 (PA)	<p>Refining the formulation and consistency of WIPO's KPIs for better performance measurement</p> <p>WIPO's program planning process cascades the pillars of the Medium-Term Strategic Plan (MTSP) into Expected Results (ERs), KPIs, baselines, targets, activities, and associated budgets. While guidance documents for both the 2022/23 and 2024/25 bienniums emphasize the importance of SMART and outcome-oriented KPIs, the current formulation remains inconsistent, with some KPIs still measured at the output level. BPK recommends that KPIs be formulated more consistently, adhering to SMART principles and incorporating clear means of verification, so as to strengthen the Organization's capacity to measure performance effectively.</p> <p>Furthermore, the program of work and budget documents identify linkages between KPIs and contributing sectors; however, certain KPIs are attributed to only</p>	<p>BPK recommends the Organization evaluate its current KPIs and take the following actions:</p> <p>a. Formulate KPIs, to the extent possible, at the outcome level, ensuring clear means of verification and adherence to the SMART principles.</p> <p>b. Clearly identify and present all sectors contributing to the achievement of KPIs to enhance the process of monitoring and evaluation.</p>	<p>Management agrees with the recommendation noting that KPIs in the Program of Work and Budget (PoW&B) related to the operations of the Global IP Systems are output level indicators and do not form part of Recommendation 5.a.</p> <p>Management expects to implement the recommendation by 31 July 2025.</p>	<p>Following approval of KPIs in the 2026/27 PoW&B - where applicable KPIs were elevated to outcome level - and adoption of a clearer format for sector identification, Management considers this recommendation has been fully implemented and meets closure criteria.</p>	<p>Based on the review of the 2026/27 Program of Work and Budget (PoW&B), the approval of KPIs elevated to outcome level, and the adoption of a clearer format for sector identification, it is observed that Management has taken appropriate action to implement the recommendation. The supporting documentation — including the KPI matrix that evidences the formulation of outcome-level indicators and the overview document with screenshots demonstrating the implementation of the recommendation — provides sufficient and reliable evidence.</p> <p>Accordingly, the External Auditor concludes that the recommendation has been</p>	Implemented

Financial period	Report ref.	Summary of findings and recommendations	Recommendation	Management's response	Management's action	Auditor's comment	Status
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
		one sector despite receiving contributions from others. BPK is of the view that explicitly identifying all sectors contributing to a given KPI would enhance transparency and improve the monitoring and evaluation of KPI performance across the Organization.				fully implemented and meets the criteria for closure	
2024	2024, para 59 to 63, Recommendation No.6 - PA	<p>Optimizing the application of machine translation for WIPO publications</p> <p>WIPO's Publishing Policy and Translation Framework underscore the Organization's commitment to multilingualism and global dissemination of intellectual property information. The Organization's translation strategy, as outlined in the Revised Policy on Language, identifies specific scenarios where machine translation is applicable. However, despite the availability of WIPO Translate, machine translation has not yet been fully applied to all eligible web-based publications. With approximately 40 publications issued annually, the translation process may take several months depending on content complexity, highlighting the need for more efficient approaches.</p> <p>The successful piloting of an on-the-fly machine translation widget on WIPO's website has demonstrated significant improvements in translation efficiency, accelerating the availability of multilingual content and expanding access beyond the six official United Nations (UN) languages. BPK recommends</p>	BPK recommends the Secretariat expand the use of machine translation to encompass all publications that align with the criteria established in the translation strategy.	<p>Management agrees with the recommendation noting that the use of machine translation is being gradually increased in line with the maturity of the translation tools.</p> <p>Management expects to fully implement the recommendation by 31 December 2026.</p>	Following the successful piloting and deployment of an on the fly machine translation widget for eligible web based publications, supported by quality assurance measures, disclaimers, and user feedback mechanisms in line with the Revised Policy on Languages, Management considers that this recommendation has been fully implemented and meets closure criteria.	<p>Based on the review of the Secretariat's follow-up actions, including the deployment of an on-the-fly machine translation widget for eligible web-based publications and the application of quality assurance measures in line with the Revised Policy on Languages, it is observed that Management has taken appropriate and effective action to implement the recommendation. The supporting documentation provides sufficient and reliable evidence that machine translation is being systematically applied to eligible publication categories to enhance efficiency and accessibility.</p> <p>Accordingly, the External Auditor concludes that the recommendation has been fully implemented and</p>	Implemented

Financial period	Report ref.	Summary of findings and recommendations	Recommendation	Management's response	Management's action	Auditor's comment	Status
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
		broadening the application of machine translation to all eligible publication categories, as this would enhance efficiency, improve quality, and accelerate the dissemination of IP information, ultimately enabling the Organization to reach and serve a wider global audience more effectively.				meets the criteria for closure	
2024	2024, para 64 to 65, Recommendation No.7 - PA	<p>Enhancing WePerform's role in the performance assessment process</p> <p>WIPO's operations are guided by Results-Based Management (RBM) principles, encompassing a continuous cycle of planning, implementing, monitoring, assessment, and reporting. To support this framework, the Organization developed WePerform, an application that has played a central role in planning and budgeting processes.</p> <p>While WePerform has been effectively utilized for planning purposes, its use in performance assessment remains limited, as final validation results are not recorded in the system.</p> <p>BPK is in the opinion that the Organization upload final validation data into WePerform to strengthen performance assessment, improve evaluation tracking, and establish a centralized documentation repository.</p>	BPK recommends the Secretariat consider enhancing the utilization of WePerform in the performance assessment by uploading the final validation results of performance data following the publication of the Organization's Performance Reports.	<p>Management agrees with the recommendation and will upload the final validated performance data to WePerform latest one month after the publication of the Organization's Performance Reports.</p> <p>Management expects to implement the recommendation by 31 July 2025.</p>	The 2024 Performance Data Tables and final validation files for each Sector have been uploaded to the WePerform system. Management considers this recommendation to have been fully implemented and meets closure criteria.	<p>Based on the evidence provided, including the 2024 Performance Data Tables and final validation files uploaded to the WePerform system, as well as screenshots demonstrating implementation across all sectors, it is observed that Management has taken appropriate action to address the recommendation. The documentation reviewed is sufficient and reliable to confirm implementation.</p> <p>Accordingly, the External Auditor concludes that the recommendation has been fully implemented and meets the criteria for closure</p>	Implemented

Financial period	Report ref.	Summary of findings and recommendations	Recommendation	Management's response	Management's action	Auditor's comment	Status
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
2024	2024, para 66 to 68, Recommendation No.8 - PA	<p>Improving the survey process to strengthen WIPO's evaluation process</p> <p>WIPO conducts stakeholder surveys as part of its evaluation process, covering areas such as meeting arrangements, legal advice, IP application services, training, and technical matters. Of the 388 surveys validated for KPI purposes in the 2022/23 Performance Report, the average response rate was approximately 60%, though this figure excludes surveys conducted outside the KPI framework.</p> <p>At the sector level, additional technical surveys are conducted, where response rates are notably lower, ranging from 20% to 35%. Despite the recognized importance of survey feedback in identifying stakeholder needs, improving services, and underpinning KPI measurements, response rates in these areas remain suboptimal.</p> <p>BPK considers surveys to be a critical component of WIPO's evaluation framework, serving as a key verification mechanism for KPIs. Improving survey response rates would enable the Organization to gain deeper insights into intellectual property developments, enhance service delivery, and establish a more robust foundation for KPI measurement.</p>	<p>BPK recommends the Organization undertake a comprehensive evaluation of its survey processes and identify the root causes for low response rates and explore means to address this. Possible strategies may include, but are not limited to:</p> <ul style="list-style-type: none"> a. Minimizing survey overlap to reduced survey fatigue. b. Implementing better scheduling to avoid launching multiple surveys simultaneously. c. Enhancing follow-up measures to encourage higher response rates. 	<p>Management agrees with the recommendation and will work with the IOD to implement the recommendation.</p> <p>It is expected that the recommendation will be implemented by 31 December 2026.</p>	An evaluation of WIPO's survey processes is in progress and on track to be completed by December 31, 2026.	The recommendation remains in progress. The audit team notes management's update and will follow up on the completion and results of the evaluation upon its expected finalization by 31 December 2026.	In progress
Audit report for the year ended 31 December 2023							
2023	Audit Report 2023	No recommendation issued in the Audit Report for Year 2023.					

Financial period	Report ref.	Summary of findings and recommendations	Recommendation	Management's response	Management's action	Auditor's comment	Status
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
Audit report for the year ended 31 December 2022							
2022	Audit Report 2022, Recommendation No. 6	As WIPO develops its EMS, it should ensure that the system captures data for disclosures that are relevant, specific and complete, clear, balanced, and understandable. Reporting will need to be consistently compiled and sufficiently reliable and measurable to permit the information to be verified and assured. Reporting on sustainability metrics is important not just for accountability, but also to inform decision making and for management of sustainability risks. WIPO informed the external auditor that it would wait until the IPSAS Board had finalised its project and issued a standard on Sustainability Reporting.	Include a balanced scorecard of sustainability metrics and performance in the annual report.	Agreed	<p>WIPO participated in the UN Task Force on Accounting Standards meetings, joined discussions on the IPSAS Board (IPSASB) Climate-related Disclosures Exposure Draft (ED), and contributed feedback through the FB Network. The IPSASB issued final standard SRS 1 Climate-related Disclosures in January 2026, with a mandatory implementation date of 1 January 2028. WIPO has already incorporated a comprehensive sustainability narrative into its annual Financial Statements.</p> <p>WIPO will analyze the final standard, and continue to engage with the IPSASB, UNTFAS, and the FB Network. WIPO will align with the agreed approach of the overall UN System and continue to provide narrative sustainability disclosure in the financial statements until the UN system opts to move forward with full implementation of SRS 1. Management considers this recommendation to have been implemented.</p>	We acknowledge WIPO's active participation on the the UN Task Force on Accounting Standards, the IPSAS Board (IPSASB) Climate-related Disclosures Exposure Draft (ED), and the FB Network. Considering that the agreement on the application of SRS 1 Climate-related Disclosures within the UN System has not been reached, we consider this recommendation as overtaken by events.	Closed

Annex 2. List of acronyms

ACI	: Advisory Committee on Investment
AI	: Artificial Intelligence
AIMS	: Administrative Integrated Management System
ASHI	: After Service Health Insurance
BDS	: Brands and Designs Sector
BMS	: Building Management System
BPK	: Badan Pemeriksa Keuangan (the Audit Board of the Republic of Indonesia)
CP	: Contracting Party
CSD	: Central Services Division
ED	: Exposure Draft
ERs	: Expected Results
ERP	: Enterprise Resource Planning
FRR	: Financial Regulations and Rules
GBD	: Global Brand Database
GDD	: Global Design Database
HLOP	: High Level Official in Charge of Procurement
IC	: Information Circular
ICS	: Individual Contract Services
IOD	: Internal Oversight Division
IP	: Intellectual Property
IPS	: Infrastructure and Platforms Sector
IPSAS	: International Public Sector Accounting Standards
IPSASB	: International Public Sector Accounting Standards Board
ISA	: International Standards on Auditing
ISSAI	: International Standards of Supreme Audit Institutions
IT	: Information Technology
KPI	: Key Performance Indicator
LTAs	: Long Term Agreements
MIRIS	: Madrid International Registrations Information System
MTSP	: Medium Term Strategy Plan
OI	: Office Instruction
PCT	: Patent Cooperation Treaty
POs	: Purchase Orders
PoW&B	: Programme of Work and Budget
RBM	: Results-Based Management
RO	: Regional Office
SOP	: Standard Operating Procedure
SPR	: Supplier Management Review
UN	: United Nations
WIPO	: World Intellectual Property Organization