



Meeting of States Parties

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Report of the external auditor for the financial period 2023, with financial statements of the International Tribunal for the Law of the Sea as at 31 December 2023

(Presented by the Tribunal)

1. BDO AG Wirtschaftsprüfungsgesellschaft (hereinafter “the Auditor”) audited the financial statements of the International Tribunal for the Law of the Sea for the financial period from 1 January to 31 December 2023 in October 2023 and in January and February 2024 and submitted its report on 23 February 2024 (see annex). An audit of certain aspects of the Tribunal’s operational procedures was also undertaken by the Auditor, as indicated in the letter of engagement of 21 December 2020, signed by the Registrar of the Tribunal.
2. It is noted from the report that the Auditor was of the view that on the basis of the knowledge obtained in the audit, the accompanying financial statements gave a true and fair view of the Tribunal’s assets, liabilities and financial position as at 31 December 2023 and of its financial performance for the period from 1 January to 31 December 2023 in accordance with the International Public Sector Accounting Standards.
3. Financial regulation 12.8 stipulates that: “The Tribunal shall examine the financial statements and the audit reports and shall forward them to the Meeting of States Parties, with such comments as it deems appropriate.”
4. In accordance with the above mentioned regulation, the Tribunal examined the financial statements and the audit report for the financial period 2023 during its 57th session in March 2024.

Audit Report

International Tribunal for the Law of the Sea Hamburg

Report on the audit of the financial statements for the financial period from 1 January
to 31 December 2023

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Note: Differences may arise through the use of rounded amounts and percentages.

A. Audit engagement and declaration of independence

I. Audit engagement

At the thirtieth Meeting of the States Parties to the United Nations Convention on the Law of the Sea on 9 December 2020, we were appointed auditors of the International Tribunal for the Law of the Sea, Hamburg (hereinafter also referred to as “Tribunal”) for the financial period from 1 January to 31 December 2023. Thereupon, the Registrar of the Tribunal engaged us to audit the financial statements of the Tribunal for the period from 1 January to 31 December 2023 in accordance with paragraph 317 ff. of the German Commercial Code, with the exception that the assurance opinion is originally issued in English, and with the International Public Sector Accounting Standards (IPSAS).

This report is intended solely for the Tribunal.

The performance of the engagement and our responsibilities – also towards third parties – are governed by the special terms and conditions of the Auditor and the general terms of engagement for German public auditors and German public audit firms) [see SPLOS/30/3, annex I, appendices II and III].

II. Declaration of independence

In accordance with paragraph 321 (4) (a) of the German Commercial Code, we confirm that we have performed our audit of the financial statements in compliance with the applicable regulations on independence.

B. Report of the independent Auditor

We have included the accompanying financial statements of the International Tribunal for the Law of the Sea, Hamburg, for the period from 1 January to 31 December 2023 in the present report (see appendix I). They comprise the statement of financial performance (statement II), the statement of financial position (statement I), the statement of changes in net assets/equity (statement III), the statement of cash flows (statement IV), the statement of comparison of budget and actual amounts (statement V) and the notes to the financial statement, in the version for which the unqualified audit opinion was signed and issued in Lübeck on 23 February 2024.

Audit opinion

We have audited the accompanying financial statements of the International Tribunal for the Law of the Sea, Hamburg, for the period from 1 January to 31 December 2023. They comprise the statement of financial performance, the statement of financial position, the statement of changes in net assets/equity, the statement of cash flows, the statement of comparison of budget and actual amounts and the notes to the financial statement, including a summary of significant accounting policies and other explanatory notes.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying financial statements give a true and fair view of the Tribunal’s assets,

liabilities and financial position as at 31 December 2023 and of its financial performance for the period from 1 January to 31 December 2023 in accordance with IPSAS.

In accordance with the first sentence of paragraph 322 (3) of the German Commercial Code, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for the audit opinion

We have conducted our audit of the financial statements in accordance with paragraph 317 of the German Commercial Code, with the exception that the original version of the assurance opinion is in English, and with the German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany. Our responsibilities under those requirements and principles are further described in the relevant section below. We are independent of the Tribunal, in accordance with the requirements of German professional law, and we have fulfilled our other German professional responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the financial statements.

Registrar's responsibilities with regard to the financial statements

The Registrar is responsible for the preparation of the financial statements that comply, in all material respects, with IPSAS and that give a true and fair view of the Tribunal's assets, liabilities, financial position and financial performance. In addition, the Registrar is responsible for such internal control as has been deemed 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, the Registrar is responsible for assessing the Tribunal's ability to continue as a going concern. The Registrar is also responsible for disclosing, as applicable, matters related to going concern and for financial reporting based on the going-concern basis of accounting, provided that no actual or legal circumstances conflict therewith.

Auditor's responsibilities with regard to 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 audit opinion on the financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in compliance with German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany will always detect a material misstatement. 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 the financial statements.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also perform the following activities:

- Identify and assess the risks of material misstatements in 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 audit opinions. 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 and intentional omissions, misrepresentations or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Tribunal.
- Evaluate the appropriateness of accounting policies used by the Registrar and the reasonableness of estimates made by the Registrar and related disclosures.
- Conclude on the appropriateness of the Registrars' use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Tribunal's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Tribunal to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that the financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the International Tribunal for the Law of the Sea in compliance with IPSAS.

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.

C. Findings related to the accounting

I. Accounting and other documents audited

In our opinion based on the findings of our audit, the accounting complies, in all material respects, with IPSAS. The information taken from the other documents audited was properly shown in the accounting and in the annual financial statements.

According to our findings, the accounting-related internal control system is, in principle, appropriate for ensuring the security of the accounting-related data processed.

II. Annual financial statements

The annual financial statements for the financial year from 1 January to 31 December 2023 audited by us are attached to this report (see appendix I). In our opinion based on the findings of our audit, they comply, in all material respects, with the legal requirements including IPSAS.

The statement of financial performance, the statement of financial position, the statement of changes in net assets/equity, the statement of cash flows, and the statement of comparison of budget and actual amounts were properly derived from the bookkeeping and the other underlying documents audited. The opening balance sheet figures were properly carried over from the prior year's annual financial statements.

The recognition, disclosure and measurement regulations applicable were, in all material respects, adhered to. The notes to the annual financial statements include the required disclosures for the individual items of the balance sheet or the statement of profit and loss, and accurately and completely reflect other mandatory disclosures.

Our audit has led to the conclusion that the annual financial statements as a whole give a true and fair view of the Tribunal's assets, liabilities, financial position and financial performance in accordance with IPSAS.

D. Subject of the audit

The subjects of our audit were the accounting and the financial statements for the period from 1 January to 31 December 2023, comprising the statement of financial performance, the statement of financial position, the statement of changes in net assets/equity, the statement of cash flows, the statement of comparison of budget and actual amounts and the notes to the financial statement, prepared in accordance with IPSAS.

In accordance with paragraph 317 (4) (a) of the German Commercial Code, the audit did not cover whether the audited Tribunal's ability to continue as a going concern or the effectiveness and efficiency of management can be ensured.

The scope of the audit was extended with respect to the examination of certain aspects of operating procedures for the financial period from 1 January to 31 December 2023, at the request of the Tribunal. The extended audit scope included the following:

(a) Whether the expenses incurred during the financial period were in accordance with IPSAS;

(b) Whether expenditures incurred had been properly authorized by the party designated for that purpose in the Rules of the Tribunal or the Financial Regulations and Rules of the Tribunal;

(c) Whether staff and persons being paid by the Tribunal had been recruited or engaged in the manner provided for in the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal;

(d) Whether goods and services had been procured in accordance with the procedures provided for in the Financial Regulations and Rules of the Tribunal and IPSAS;

(e) Whether goods and services that had been procured were in line with the approved budget, properly recorded and not excessive, having regard to circumstances and the functions of the Tribunal;

(f) Whether the grants given to the Tribunal by the Nippon Foundation, the trust fund for the law of the sea and the Republic of Korea trust fund and maintained in separate trustee accounts were administered in accordance with the relevant memorandums and terms of reference.

E. Nature and scope of the audit

We have outlined our general approach to the audit in the present report (see section B). In addition, we provide further explanations in the following paragraphs.

Risk-based audit approach

Our risk- and system-based audit approach, which also complies with international auditing standards, is based on the development of an audit strategy. The risk assessment thereby required evaluating the Tribunal's position, the business risks and environment, and the accounting-related internal control system of the Tribunal. For this assessment we additionally consider our understanding of the process for preparing the annual financial statements.

On the basis of our risk assessment, we determined the relevant areas of the financial statements as well as the key audit areas on the financial statement and assertions level and developed an audit plan. The nature and scope of the various audit procedures were detailed in the audit plan.

The audit procedures for obtaining audit evidence comprised tests of design and implementation of controls, substantive analytical procedures and tests of details (i.e. other substantive procedures) for the audit areas selected. Materiality aspects were thereby taken into consideration.

Description of the audit process

We subcategorized our audit process into milestones, beginning with acquisitions and engagement acceptance/continuance and spanning through to reporting on the results. The table below provides a condensed view of our audit process.

<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>
Definition of the subject matter and acceptance of the engagement	Risk assessment and development of the audit strategy	Obtaining audit evidence	Audit completion and reporting
<ul style="list-style-type: none"> Decision on acceptance/ continuation of engagement, including assessment of independence Coordination of the type and scope of the engagement, including determination of additional audit key points Disposition of necessary professional resources in consideration of the professional principles 	<ul style="list-style-type: none"> Obtaining an understanding of the group and business performance Assessment of the adequacy of the accounting related internal control system Detecting risks of material misstatements Development and definition of the risk- orientated strategy and audit plan 	<ul style="list-style-type: none"> Performing audit procedures to address the risks Assessing the relevance and reliability of audit evidence 	<ul style="list-style-type: none"> Formation of an overall opinion on the basis of the audit results Reporting on the audit results

The milestones depicted take into account the German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany.

The key audit areas we focused on were as follows:

- Audit of the financial reporting closing process
- Design, implementation and effectiveness of the internal controls in the processes relating to contributions and expenditures
- Contribution receivables from States parties
- Contributions received in advance
- Major expenditures

For the test of details, we obtained bank balance confirmations or statements from the banks of the Tribunal.

All audit procedures were conducted on a sample of specifically or representatively selected elements. Each sample was based on the knowledge we had obtained from evaluating the accounting-related internal control system, as well as on the nature and extent of the business transactions.

We performed the audit in October 2023 (interim audit) and in January and February 2024, closing on 23 February 2024.

At the conclusion of the audit, the Registrar provided us with a letter of representation, dated 23 February 2024, in which the Registrar confirmed the completeness of all explanations and evidence made available to us, as well as of the accounting and the financial statements. The Registrar provided us with all explanations and evidence requested.

F. Explanations related to the accounting

I. Accounting standards

The financial statements for the financial period from 1 January to 31 December 2023 audited by us are attached to the present report (see appendix I). In our opinion based on the findings of our audit, they comply with IPSAS.

II. Material measurement bases

The accounting policies and the measurement methods are described in the notes to the financial statements (see appendix I).

Based on our examination, the accounting principles used by the Tribunal were applied on a basis consistent with that of the preceding financial period.

In the following bullet points, we have highlighted the recognition and measurement policies applied in detail that, in our opinion, are material:

- The Tribunal's assets amount to EUR 45,936,480 in property, plant and equipment. Under the Agreement between the Tribunal and the Government of the Federal Republic of Germany on the Occupancy and Use of the Premises of the International Tribunal for the Law of the Sea in the Free and Hanseatic City of Hamburg, the Government of Germany agreed to transfer the premises to the Tribunal permanently, free of rent, with the right to occupy and use them, as of 6 November 2000. The building (including the main building, the villa, the security booth and the visitor parking area) and all its assets were capitalized as at 1 January 2021, following the adoption of IPSAS for the reporting period. The leasing of the building has been recorded as a donated right-to-use arrangement and has consequently been recognized as a finance lease in accordance with the United Nations corporate guidance for IPSAS. The opening balance of the building assets was calculated using the book values of the building in 2017, as transmitted to the Tribunal by the German Institute for Federal Real Estate.
- For defined benefit plans, the projected unit credit method is used to measure obligations and costs. Benefits are attributed to periods of service under the plan's benefit formula. The present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current period and prior periods. The present value of defined benefit obligations is calculated using unbiased and mutually compatible actuarial assumptions. Other long-term employee benefits comprise separation benefits, including repatriation grants and relocation allowances, and are measured using the projected unit credit method.

G. Findings from the extended scope of the audit engagement

The examination of the operational procedures, including the administration of the Nippon Foundation grant, the trust fund for the law of the sea and the Republic of Korea trust fund, did not lead to any reservations. We refer to our audit procedures and explanations in appendix III.

H. Concluding statement and signature of the Auditors

We have issued the presented report on the audit of the annual financial statements for the financial year from 1 January to 31 December 2023 of International Tribunal for the Law of the Sea, Hamburg, in compliance with legal regulations and the German generally accepted standards for audits reports promulgated by the Institute of Public Auditors in Germany (IDW auditing standard 450 (revised 10.2021)).

The Auditor's report issued by us is set out in section B of the present report.

Lübeck, 23 February 2024

BDO AG

Wirtschaftsprüfungsgesellschaft

(Signed) **(Lüthje)**
Wirtschaftsprüfer
(German Public Auditor)

(Signed) **(Wißmann)**
Wirtschaftsprüfer
(German Public Auditor)

Appendix I

Statement of financial position as at 31 December 2023

	<i>Note</i>	<i>31 Dec. 2023 (in euros)</i>	<i>31 Dec. 2022 (in euros)</i>
Assets			
Current assets			
Cash and cash equivalents	4	6,347,846	7,398,814
Investments	5	5,000,000	4,000,000
Assessed contributions receivable	6	1,133,715	1,420,386
Tax reimbursements due	7	324,116	286,755
Other receivables	8	192,810	180,441
Prepaid expenses	9	125,406	102,246
Total current assets		13,123,893	13,388,642
Non-current assets			
Property plant and equipment	10	298,592	255,059
Property plant and equipment – building	10	45,936,480	49,022,228
Total non-current assets		46,235,072	49,277,287
Total assets		59,358,965	62,665,929
Liabilities			
Current liabilities			
Accounts payable and accruals	11	(166,307)	(92,359)
Contributions received in advance	12	(4,816,734)	(4,753,285)
Employee benefit liabilities	13	(326,121)	(280,420)
Obligations, current period	14	-	(44,954)
Total current liabilities		(5,309,162)	(5,171,018)
Non-current liabilities			
Employee benefit liabilities	15	(23,098,378)	(21,842,855)
Surrender of savings from prior years	16	(21,562)	(413,271)
Staff assessment special account		-	
Other non-current liabilities	17	(46,029,466)	(49,056,725)
Total current liabilities		(69,149,406)	(71,312,851)

	<i>Note</i>	<i>31 Dec. 2023 (in euros)</i>	<i>31 Dec. 2022 (in euros)</i>
Total liabilities		(74,458,568)	(76,483,869)
Net assets/equity			
Working Capital Fund	18	(1,309,132)	(1,309,132)
(Surplus)/deficit for prior period	19	16,730,823	14,327,856
(Surplus)/deficit for the period	19	(322,088)	799,216
IPSAS implementation deficit	19		-
Control account		-	
Total net assets/equity		15,099,603	13,817,940
Total liabilities and net assets/equity		(59,358,965)	(62,665,929)

Statement of financial performance for the period from 1 January to 31 December 2023

	<i>Note</i>	<i>2023 (in euros)</i>	<i>2022 (in euros)</i>
Revenue			
Assessed contributions (Exhibit I)	20	(11,720,789)	(12,077,500)
Other revenue e			
Savings due to cancellation of prior-period obligations	21	-	-
Gain on exchange	22	(900,348)	(28,733)
Miscellaneous revenue	23	(3,126,019)	(3,096,241)
Miscellaneous revenue from first adoption of assets		-	-
Investment revenue	24	(112,293)	(4,276)
Total revenue		(15,859,449)	(15,206,750)
Expenses			
Employee salaries, allowances and benefits	25	9,555,703	8,504,601
Non-employee compensation and allowances	26	581,043	464,970
Supplies and consumables	27	187,980	232,759
Depreciation and amortization	28	3,170,830	3,169,932
Travel	29	303,419	251,055
Other operating expenses	30	1,678,966	1,659,634
Loss on exchange	31	59,420	1,723,015
Total expenses		15,537,361	16,005,966
(Surplus) for the period		(322,088)	799,216

Statement of changes in net assets/equity for the period from 31 December 2022 to 31 December 2023

(Euros)

	<i>2022</i>
<u>Total net assets/equity as at 31 December 2021</u>	18,227,018
Surplus/(deficit) for the period 2022	799,216
Changes in net assets	
Actuarial gains on employee benefit liabilities	(5,591,467)
Surrender of cash surplus 2019–2020	384,387
Accumulated surplus – assets	(1,214)
<u>Total movements during the year</u>	(4,409,078)
<u>Total net assets/equity as at 31 December 2022</u>	13,817,940
	<i>2023</i>
Surplus/(deficit) for the period 2023	(322,088)
Changes in net assets	
Actuarial gains on employee benefit liabilities	1,603,750
<u>Total movements during the year</u>	1,281,662
<u>Total net assets/equity as at 31 December 2023</u>	15,099,602

Statement of cash flows for the period from 1 January to 31 December 2023

	2023	2022
	EUR	EUR
<u>Cash flows from operating activities</u>		
Surplus/(deficit) for the period (statement II)	322,088	(799,216)
Depreciation	3,170,830	3,169,932
(Increase) decrease in contributions receivable	286,671	(136,177)
(Increase) decrease in tax reimbursements due	(37,361)	(55,163)
(Increase) decrease in other accounts receivable	(12,369)	(100,995)
(Increase) decrease in prepaid expenses	(23,160)	(38,284)
Increase (decrease) in accounts payable	73,948	(43,916)
Increase (decrease) in contributions received in advance	63,449	(173,626)
Increase (decrease) in employee benefit liabilities	1,301,224	(3,498,467)
Increase (decrease) in obligations current period	(44,954)	43,740
Increase (decrease) in accounts and other liabilities	(3,027,259)	(3,102,652)
(Interest received)	112,293	4,276
Net cash flows from operating activities	2,185,400	(4,730,548)
<u>Cash flows from investing and financing activities</u>		
Interest received	(112,293)	(4,276)
Purchase of property, plant and equipment	(128,615)	(49,768)
Net cash flows from investing and financing activities	(240,908)	(54,044)
<u>Cash flows from other sources</u>		
Increase (decrease) in accumulated surplus	(1,603,751)	5,208,293
Increase (decrease) in surrender of savings from prior years	(391,709)	382,006
Net increase (decrease) in net assets/equity	(1,995,460)	5,590,299
Cash and cash equivalents and investments at the beginning of the financial period	11,398,814	10,593,108
Cash and cash equivalents and investments at the end of the financial period	11,347,846	11,398,814

Statement of comparison of budget and actual amounts for the financial period from 1 January to 31 December 2023 (in euros)

	Part/ section	Object of expenditure	2023 approved budget	2023 expenses (cash)	Balance 2023	2023 supplementary budget	
1	A	RECURRENT EXPENDITURE					1
2	1	Judges	2,574,050	2,984,220	-410,170		2
3	1.1	Annual allowances	1,835,200	2,172,299	-337,099		3
4	1.2	Special allowances	486,000	503,413	-17,413		4
5	1.3	Travel to sessions	149,400	192,703	-43,303		5
6	1.4	Common costs	103,450	115,805	-12,355		6
7	2	Judges' pension scheme	1,272,250	981,898	290,352		7
8	3	Staff costs	4,435,100	4,426,633	8,467		8
9	3.1	Established posts	3,032,200	3,075,198	-42,998		9
10	3.4	Common staff costs	1,158,100	1,197,554	-39,454		10
11	3.5	Overtime	12,500	9,445	3,055		11
12	3.6	Temporary assistance for meetings	130,050	103,166	26,884		12
13	3.7	General temporary assistance	58,950	18,912	40,038		13
14	3.8	Training	43,300	22,358	20,942		14
15	4	Representation allowance	6,950	7,031	-81		15
16	5	Official travel	92,500	60,146	32,354		16
17	6	Hospitality	7,350	4,741	2,609		17
18	7	Operating expenditures	1,880,450	1,697,266	183,184		18
19	7.1	Maintenance of premises (including security)	1,434,800	1,372,726	62,074		19
20	7.2	Rental and maintenance of equipment	209,750	161,410	48,340		20
21	7.3	Communications	99,900	89,281	10,619		21

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22	7.4	Miscellaneous services and charges (including bank charges)	66,000	19,969	46,031		22
23	7.5	Supplies and materials	62,800	47,280	15,520		23
24	7.6	Special services (external audit)	7,200	6,600	600		24
25	8	Library and related costs	177,150	151,957	25,193		25
26	8.1	Library – procurement of books and publications	133,000	128,774	4,226		26
27	8.3	External printing and binding	44,150	23,183	20,967		27
28							28
29	B	NON-RECURRENT EXPENDITURE					29
30	9	Purchase of equipment					30
31	9.1	Furniture and equipment	81,100	45,334	35,766		31
32							
33	C	CASE-RELATED COSTS	1,195,050	1,433,712	-238,662	620,600	33
34	12	Judges	846,050	968,220	-122,170	475,200	34
35	12.1	Special allowances	629,750	872,747	-242,997	434,300	35
36	12.2	Compensation to judges ad hoc	102,350	44,904	57,446	0	36
37	12.3	Travel to meetings, including judges ad hoc	113,950	50,569	63,381	40,900	37
38	13	Staff costs	349,000	465,492	-116,492	145,400	38
39	13.1	Temporary assistance for meetings	334,000	458,966	-124,966	141,000	39
40	13.2	Overtime	15,000	6,526	8,474	4,400	40
41							41
42		TOTAL	11,721,950	11,792,938	-70,988	620,600	42

Notes to the financial statements for the period from 1 January to 31 December 2023

Note 1

Statement of the objectives and activities of the Tribunal

The International Tribunal for the Law of the Sea is an international judicial body established by the United Nations Convention on the Law of the Sea to adjudicate disputes concerning the interpretation or application of the Convention. It began its activities in 1996. The Tribunal is open to States parties to the Convention and, in certain cases, to entities other than States parties (such as international organizations and natural or juridical persons). The jurisdiction of the Tribunal comprises all disputes submitted to it in accordance with the Convention. It also extends to all matters specifically provided for in any other agreement which confers jurisdiction upon the Tribunal. The Tribunal is composed of 21 independent members elected by the States parties to the Convention. It is assisted by a Registry consisting of 38 staff members. The Tribunal has its seat in Hamburg, Germany, and its activities are funded by the regular budget, financed by contributions from States parties to the Convention.

Note 2

Basis of preparation

The financial statements in the present report have been prepared fully in accordance with IPSAS. The adoption of IPSAS in 2021 has required changes to be made to the accounting policies previously applied by the Tribunal, including new accounting policies entailing changes to the assets and liabilities recognized in the statement of financial position.

In accordance with the Financial Regulations and Rules of the Tribunal, the financial statements are prepared on an accrual basis in accordance with IPSAS. In line with IPSAS, the financial statements have been prepared on a going-concern basis and, in their preparation and presentation, accounting policies have been applied consistently. In accordance with the requirements of IPSAS, the financial statements, which present fairly the assets, liabilities, revenue and expenses of the Tribunal, consist of the following:

- (a) Statement of financial position (statement I);
- (b) Statement of financial performance (statement II);
- (c) Statement of changes in net assets/equity (statement III);
- (d) Statement of cash flows (statement IV);
- (e) Statement of comparison of budget and actual amounts (statement V);
- (f) Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory notes.

Comparative information is presented for the statement of financial performance, the statement of changes in net assets/equity, the statement of cash flows and the statement of comparison of budget and actual amounts.

Going concern

The going-concern assertion is based on the approval by the Meeting of States Parties of the budget appropriations for the 2023–2024 budget period and the positive historical trend of the collection of assessed contributions over the previous years.

This is the third set of financial statements prepared in compliance with IPSAS. Before 1 January 2021, the financial statements were prepared on the basis of a modified cash basis of accounting.

Note 3**Summary of significant accounting policies**

On 12 June 2003, the thirteenth Meeting of States Parties adopted the Financial Regulations of the Tribunal, which became effective on 1 January 2004 and have been applied to the 2005–2006 financial period and subsequent financial periods (see [SPLOS/100](#)). Pursuant to financial regulation 10.1 (a), the Tribunal adopted its Financial Rules in 2004. The States parties took note of the Financial Rules at their fourteenth Meeting, in 2004. The Financial Rules became effective on 1 January 2005.

On 9 December 2020, the thirtieth Meeting of States Parties approved amendments to the Financial Regulations of the Tribunal (see [SPLOS/30/6](#)). The amended Regulations, which became effective on 1 January 2021, have been applied to the financial period 2023 and will apply to subsequent financial periods. On 24 June 2021, the thirty-first Meeting of States Parties endorsed amendments to the Financial Rules of the Tribunal (see [SPLOS/31/5](#)). The amended Rules, which became effective on 1 January 2021, have been applied to the financial period 2023 and will apply to subsequent financial periods.

Financial period

Pursuant to financial regulation 2.1, the financial period consists of one calendar year. In the present report, that period is from 1 January to 31 December 2023.

Currency of accounts

Pursuant to financial regulation 11.2, the accounts of the Tribunal are presented in full/rounded euros.

Foreign currency transactions

Transactions in United States dollars are converted into euros using the United Nations operational rates of exchange, except for assessed contributions paid in the United States dollars. For the contributions paid in United States dollars, the conversion into euros is made at the most favourable rate of exchange available to the Tribunal on the date of the payment, in accordance with financial rule 105.2.

The differences in exchange rates which may occur between the date of recording and the date of settling the transactions are recorded in the statement of financial performance as gains or losses on exchange (see notes 22 and 31).

Assets and liabilities in United States dollars are revalued at the end of the financial period at the prevailing United Nations operational rates of exchange. The revaluation amounts are recorded in the statement of financial performance as gains or losses on exchange.

In accordance with financial rule 111.3 (a), the following exchanges rates between the euro and the United States dollar have been applied:

	<i>1 Jan 2023</i>	<i>31 Dec 2023</i>	<i>Average 2023</i>	<i>Average 2022</i>
Exchange rate between the euro and the United States dollar	0.939	0.901	0.920	0.910

Cash and cash equivalents

Cash and cash equivalents are held at nominal value in current accounts.

Financial risks

The Tribunal is required to apply prudent risk management policies and procedures in accordance with its Financial Regulations and Rules. During the financial period 2023, the Tribunal made short-term investments of moneys not needed for immediate requirements, pursuant to financial regulation 9 (see note 5).

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Tribunal is exposed to currency risk through transactions in foreign currencies. To avoid currency risk, only a small amount of the Tribunal's cash is held in United States dollars.

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If possible, the Tribunal deposits its funds only in short-term fixed interest accounts and therefore has no significant interest rate risk exposure.

Liquidity risk refers to the risk arising from the general funding of the Tribunal's activities. The Tribunal maintains a Working Capital Fund, which was established to ensure the availability of capital for the Tribunal to address short-term liquidity problems pending receipt of assessed contributions.

Receivables, prepayments and other assets (current assets)

Receivables and advances are recognized initially at nominal value.

Prepayments comprise software licences, maintenance contracts and subscription prepayments, which will be recognized as expenses in subsequent reporting periods.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the supply of services and for administrative purposes. Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses.

The premises of the Tribunal are recognized as an asset in the form of a financial lease on the basis of a donated right-to-use arrangement. Donated right-to-use arrangements are covered by IPSAS 23: Revenue from non-exchange transactions.

Depreciation is recognized in surplus/deficit on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment.

Estimated useful lives are defined as follows:

- Computer equipment: 5 years
- Office furniture: 5 years
- Building equipment: up to 10 years

- Buildings: 20 to 30 years

Property, plant and equipment with acquisitions costing less than €750 are considered expenses for the period.

Leases

Lease agreements for cars and photocopiers are classified as operating leases and the lease payments made are charged to the statement of financial performance as expenses on a straight-line basis over the period of the lease.

Accounts payable and other liabilities (current liabilities)

Accounts payable are recognized initially at nominal value, as a best estimate of the amount required to settle the obligation at the reporting date. In accordance with the principle of accrual-based accounting, all invoices dated, services rendered or goods delivered before 31 December 2023 represent an account payable of the Tribunal and have been recorded in 2023.

Non-current liabilities

Deferred revenue and accrued expenses

Deferred revenue is recorded under non-current liabilities and includes the depreciated value of the headquarters building of the Tribunal at the end of the reporting period. The capitalized building is depreciated over the useful life of the building. At the time the depreciation is recognized, an equal amount is recognized as revenue by debiting deferred revenue and crediting revenue for the same amount.

Employee benefit liabilities

Employee benefit expenses and corresponding liabilities are recognized as services rendered by judges and employees. Employee benefits are classified as short-term benefits, post-employment benefits, other long-term benefits or termination benefits.

Short-term benefits fall due for settlement within 12 months of the service rendered and include salaries, various allowances, paid sick leave and annual leave. Short-term employee benefits are recognized as expenses and liabilities, as services are rendered. Benefits that are earned but not yet paid are recorded as expenses in the period to which they relate and are reported in the statement of financial position as liabilities.

Post-employment benefits include pension benefits and after-service health insurance.

The Tribunal became a member of the United Nations Joint Staff Pension Fund (UNJSPF) on 1 October 1996. The Fund provides retirement, death, disability and related benefits to the staff of the Tribunal. The Fund is a funded, multi-employer defined benefit plan. Since there is no consistent and reliable basis for allocating obligations, plan assets and cost of the Fund to individual organizations participating in the plan, contributions paid to the Fund are accounted for as if it were a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an expense in the statement of financial performance as incurred.

The pension scheme for judges is a defined benefit scheme which provides its members with a defined retirement pension for judges after the completion of a nine-

year term (prorated if the nine-year term is not completed), a pension for the surviving spouse at 50 per cent of the judge's entitlement and a disability pension for judges.

With regard to after-service health insurance, the Tribunal's group health insurance plan is administered by Cigna. The group health insurance plan is also available to staff upon retirement. The Tribunal provides a subsidy on the premium payments of retirees. The after-service health insurance is a defined benefit plan.

For defined benefit plans, the projected unit credit method is used to measure obligations and costs. Benefits are attributed to periods of service under the plan's benefit formula. The present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current period and prior periods. The present value of defined benefit obligations is calculated using unbiased and mutually compatible actuarial assumptions.

Separation benefits, including repatriation grants and relocation allowances, are another form of long-term employee benefits and are measured using the projected unit credit method.

Post-employment benefits and other long-term benefits are calculated by independent actuaries.

Provisions and contingent liabilities

Provisions are recognized as liabilities when the Tribunal has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle that obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

The estimate is discounted where the effect of the time value of money is material. Provisions are released only for such expenses in respect of which the provisions are recognized at inception. If the outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Tribunal. The obligation will probably not result in an outflow of economic resources or service potential, or the amount of obligation cannot be measured with sufficient reliability.

No provisions or contingent liabilities have been recorded during the financial period.

Obligations

No obligations were recorded during the financial period 2023.

Non-exchange revenue

Revenue consists of assessed contributions from the States parties. Contributions for the two-year budget period are assessed as 50 per cent in year one and 50 per cent in year two.

Goods-in-kind contributions are recognized at their fair value and the corresponding revenue is recognized immediately. Revenue is recognized at fair value and is measured as at the date on which the donated assets are acquired.

Miscellaneous revenue

All other revenue received by the Tribunal is classified as miscellaneous revenue and included as general resources.

Expenses

Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets and are recognized on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment.

Reserves and fund balances

In 1998, the eighth Meeting of States Parties authorized the establishment of a working capital fund to ensure continuity of operation in the event of temporary shortfalls in funds, and to provide the Tribunal with the necessary financial means to deal with cases, in particular those involving urgent proceedings, in accordance with financial regulation 6.2 (see [SPLOS/31](#)).

The prior-period gains and reserves represent excess income over expenditure from previous financial periods (2005–2006 to 2022), in accordance with regulation 4 of the Financial Regulations of the Tribunal.

Unless otherwise determined by the Meeting of States Parties, after deducting any assessed contributions for that financial period which remain unpaid, surpluses at the end of the financial period are apportioned to the States parties based on the scale of assessments applicable to the financial period to which the surplus relates. As of 1 January following the year in which the audit of the accounts of the financial period is completed, the amount of surplus apportioned to a State Party is surrendered if its contribution for that financial period has been paid in full.

Budget comparison

A comparison of actual amounts with the amounts in the budget (half of the approved budget for the 2023–2024 budget period) is presented in statement V. This comparison is made on the same modified cash basis of accounting as was applied to the budget.

A reconciliation of the actual amounts on a modified cash basis, with actual amounts presented in the financial statements, is included in note 32, in the light of the fact that the full accrual and modified cash basis of accounting applied to the budget differ.

In June 2023, the Meeting of States Parties approved a supplementary budget in the amount of €2,484,900 to cover the costs of case No. 31 which had not been provided for in the 2023–2024 budget since case No. 31 was submitted after the 2023–2024 budget had been approved. The Meeting of States Parties authorized the Tribunal to finance part of these costs through savings from case No. 28 (€410,000) and the provision for one urgent case in the 2023–2024 budget of the Tribunal (€833,700). The Meeting of States Parties also authorized the Tribunal to use part of the cash surplus from the 2021–2022 budget to finance an additional appropriation in the amount of €1,241,200 in order to cover the estimated costs of case No. 31 that cannot be absorbed by the approved budget of the Tribunal for the period 2023–2024. Half of the approved amount (€620,600) was allocated to the year 2023.

Note 4**Cash and cash equivalents**

The Tribunal held a total of €6,347,846 in cash and cash equivalents as at 31 December 2023, including €1,309,132 in the Working Capital Fund. The equivalent of €58,942 (€23,358 in 2022) is kept in United States dollars (\$65,418 (\$24,875 in 2022)). At the end of the financial period 2022, cash and cash equivalents amounted to €7,398,814.

Note 5**Investments**

In May, July and December 2023, the Tribunal made short-term investments of moneys not needed for immediate requirements totalling €5,000,000. Short-term investments are investments made for less than 12 months in accordance with rule 109.1 of the Financial Rules of the Tribunal. As at 31 December 2022, investments in the amount of €4,000,000 had been made.

Note 6**Assessed contributions receivable**

A total of €1,133,715 in assessed contributions was outstanding for the financial period 2023 and previous financial periods as at 31 December 2023. Of this amount, €473,934 was outstanding for the financial period 2023. For the budget period 2021–2022, €334,051 remained outstanding. As regards the financial periods 1996/97 to 2019–2020, the unpaid contributions amounted to €325,730. Contributions received in excess of contributions due are reported in note 12.

<i>Period of assessment</i>	<i>31 December 2023 (euros)</i>	<i>31 December 2022 (euros)</i>
1996/97 to 2019–2020	325 730	433 963
2021–2022	334 051	986 423
2023	473 934	
Total	1 133 715	1 420 386

Note 7**Tax reimbursements due**

Tax reimbursements due refer to value added tax (VAT), energy tax and insurance tax. As at 31 December 2023, these receivables amounted to €324,116, in comparison with €286,755 at the end of the financial period 2022, and comprised:

- €310,697 for VAT (€271,447 in 2022)
- €7,801 for energy tax (€6,328 in 2022)
- €5,618 for insurance tax (€8,980 in 2022).

Note 8**Other receivables**

Other receivables consist of receivables from staff, judges, trust funds managed by the Tribunal, vendors, the German authorities responsible for the premises of the

Tribunal, the German Institute for Federal Real Estate and case-related receivables. This amounted to a total of €192,810.

	<i>31 December 2023 (euros)</i>	<i>31 December 2022 (euros)</i>
Accounts receivable, German Institute for Federal Real Estate	120 272	111 307
Accounts receivable, vendors	58 727	58 166
Accounts receivable, staff	6 853	4 694
Accounts receivable, case related	3 153	3 152
Accounts receivable, judges	3 805	3 122
Total	192,810	180 441

Accounts receivable from the German Institute for Federal Real Estate are amounts due from the German authorities for major repairs under the Agreement between the Tribunal and the Government of the Federal Republic of Germany on the Occupancy and Use of the Premises of the International Tribunal for the Law of the Sea in the Free and Hanseatic City of Hamburg (the Premises Agreement). Accounts receivable from vendors mainly represent interest earned on short-term investments which will be paid only once the investments expire in 2024. They also represent a credit note for which the Tribunal has not yet been reimbursed as well as a deposit for fuel for the Tribunal's official cars. Accounts receivable from staff include home leave advances paid to staff. The case-related receivables concern interpretation and translation charges due to the Tribunal. Accounts receivable from judges relate to a subsistence allowance advance.

Note 9 **Prepaid expenses**

Prepaid expenses in the amount of €125,406 are payments made towards the end of the financial period 2023 which relate to the following financial period. Accordingly, these expenses will be charged against the provision for the financial period 2024 and will be cleared from the receivables items. In December 2022, prepaid expenses amounted to €102,246.

Note 10 **Property, plant and equipment**

The Tribunal's assets amount to €46,235,072 (€49,277,287 in 2022) in property, plant and equipment. Under the Premises Agreement, the German Government agreed to transfer the premises to the Tribunal permanently, free of rent, with the right to occupy and use them, as of 6 November 2000. The building (the main building, the villa, the security booth and the visitor parking area) and all its assets were capitalized as at 1 January 2021, following the adoption of IPSAS for the financial period 2021. The leasing of the building has been recorded as a donated right-to-use arrangement and has consequently been recognized as a finance lease in accordance with the United Nations corporate guidance for IPSAS. The opening balance of the building assets was calculated using the book values of the building in 2017 as transmitted to the Tribunal by the German Institute for Federal Real Estate.

	<i>Other property, plant and equipment (euros)</i>					<i>Total (other property, plant and equipment)</i>	<i>Total</i>
	<i>Buildings</i>	<i>Furniture</i>	<i>Information technology equipment</i>	<i>Media, technique and communications</i>	<i>Other building equipment</i>		
Costs							
As at 1 January 2023	55 193 722	28 283	186 199	63 879	140 851	419 212	55 612 934
Additions	–	1 299	32 109	–	95 207	128 615	128 615
Impairment loss/disposal	–	–	–	–	–	–	–
As at 31 December 2023	55 193 722	29 582	218 308	63 879	236 058	547 827	55 141 549
Accumulated depreciation							
As at 1 January 2023	6 171 494	16 231	78 860	22 656	46 406	164 153	6 335 647
Depreciation	3 085 747	6 493	40 303	13 732	24 555	85 083	3 170 830
Disposals	–	–	–	–	–	–	–
As at 31 December 2023	9 257 241	22 724	119 163	36 388	70 961	249 236	9 506 477
Net book value							
As at 1 January 2023	49 022 228	12 052	107 339	41 223	94 445	255 059	49 277 287
As at 31 December 2023	45 936 481	6 858	99 145	27 491	165 097	298 591	46 235 072

Note 11**Accounts payable and accruals**

The records of the Tribunal indicate €77,926 in accounts payable to employees, €6,875 in payables to non-employees, such as consultants and external translators, and €81,506 in payables to vendors, making a total of €166,307. The accounts payable will be settled at the beginning of the following financial period, in January 2024. At the end of the financial period 2022, payables amounted to €92,359.

Note 12**Contributions received in advance**

As at 31 December 2023, €4,816,734 was received in assessed contributions for future periods. At the end of 2022, contributions in the amount of €4,753,285 were received in advance.

Note 13**Employee benefit liabilities (current)**

Annual leave and home leave are recognized as expenses because employees render services that increase their entitlement to future compensated absences. As annual leave and home leave can partly fall due for settlement in a period exceeding 12 months, these liabilities have been divided into current and non-current liabilities. Expenses in the amount of €94 for home leave and in the amount of €47,351 for annual leave have been recorded for the financial period 2023. These amounts represent current values. Total liabilities in the amounts of €14,156 and €311,965, respectively, have been recorded in the statement of financial position. Amounts of €15,086 and €119,428 were recorded as non-current liabilities (see note 15).

Note 14**Obligations (current period)**

No obligations were recorded during the financial period 2023. The obligation recorded in 2022 in the amount of €44,954 for the costs of the meetings of the drafting committee in case No. 28 in January and February 2023 was fully utilized.

Note 15**Employee benefit liabilities (non-current)**

Non-current liabilities have been created for the pensions of judges, ASHI, repatriation grants and relocation grants. In accordance with IPSAS 39, an actuary was appointed by the Tribunal for the actuarial valuation of these liabilities as at 31 December 2023. The valuation of obligations as at 31 December 2023 was executed using the projected unit credit method. The liabilities were determined in United States dollars and converted at the year-end exchange rate of 0.901 between the dollar and the euro. The following table shows the liability amounts recorded:

	2023			2022		
	Current (euros)	Non-current (euros)	Total (US dollars)	Current (euros)	Non-current (euros)	Total (US dollars)
Judges' pensions	-	21 327 957	23 671 428	-	20 191 122	21 502 792
After-service health insurance	-	1 427 091	1 583 897	-	1 283 534	1 366 916
Repatriation grant	-	101 123	112 234	-	116 333	123 890
Relocation grant	-	107 693	119 526	-	118 969	126 698
Annual leave	311 965	119 428	-	264 932	119 291	-
Home leave	14 156	15 086	-	15 488	13 605	-
Total	326 121	23 098 378	25 487 085	280 420	21 842 854	23 120 296

Non-current liabilities for employee benefits for home leave (€15,086) and annual leave for staff members (€119,428) have been recorded (see note 13).

The following table shows amounts for service costs and interest:

	2023 service costs (euros)	2022 service costs (euros)	2023 interest (euros)	2022 interest (euros)
Repatriation grants	10 766	16 130	3 592	2 003
After-service health insurance	68 379	159 830	44 594	24 564
Pension obligations	783 575	1 109 124	688 159	235 527
Relocation grants	-	-	3 657	1 147
Total	862 720	1 285 084	740 002	263 241

Note 16**Surrender of savings from prior years**

The following table shows savings from previous financial periods that have not yet been surrendered and thus remain as liabilities:

<i>Financial period</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
2003 (Staff assessment)	33	33
2005–2006	1 359	1 359
2007–2008	3 210	3 210
2009–2010	2 486	2 486
2011–2012	845	845
2013–2014	3 538	3 675
2017–2018	8 448	17 276
2019–2020	1 643	384 387
Total	21 562	413 271

The savings will be surrendered once the contributions for the relevant periods have been paid by the respective States parties.

Note 17

Other non-current liabilities

The financial lease of the building of the Tribunal, which is categorized as a donated right-to-use arrangement, was recognized as an asset in 2021. As at 31 December 2023, the value of the building amounted to €45,936,480 (€49,022,228 in 2022). Deferred revenue under other non-current liabilities was credited for the same amount. The value of the building will be depreciated until the end of 2038. At the time the depreciation is recognized, an equal amount is recognized as revenue by debiting deferred revenue and crediting revenue for the same amount (see note 10).

The refurbishment of a special lift was partly financed by the German authorities and the refurbished lift was recognized as an asset in 2021. The liability for the lift amounted to €28,972 (€32,970 in 2022) at the end of December 2023.

A leasing liability for the lease of the Tribunal's telephone system in the amount of €64,014 (€0 in 2022) has also been recorded under the same heading.

Accordingly, other non-current liabilities amount to €46,029,466 (€49,056,725 in 2022).

Note 18

Working Capital Fund

In 1998, the eighth Meeting of States Parties authorized the establishment of a working capital fund to ensure continuity of operation in the event of temporary shortfalls in funds, and to provide the Tribunal with the necessary financial means to deal with cases, in particular those involving urgent proceedings, in accordance with financial regulation 6.2 (see [SPLOS/31](#)).

The total Working Capital Fund currently stands at €1,309,132, the same as at the end of 2023, of which €767,014 may be used to cover case-related costs.

Note 19

Surplus/deficit for prior periods

Prior-period deficits stand at €16,730,823 and represent excess revenue over expenses from previous financial periods (2005–2006 to 2021) and the deficit from the financial period 2022, in accordance with regulation 4 of the Financial

Regulations of the Tribunal. At the end of 2022, the total prior-periods deficit amounted to €14,327,856.

The accumulated surplus after IPSAS implementation, as at 31 December 2021, amounted to €241,596 and stood at €242,810 at the end of 2023. The amount represents an adjustment to previous periods for assets that were capitalized in 2021 and 2022 but had been recorded as an expense in previous financial periods. The amount of €242,810 was depreciated in 2021 and 2022 and will be in future financial periods.

Employee benefit liabilities were increased by €1,603,750 in 2023 because of changes in service and interest costs and experience adjustments. Exchange rate gains due to the decreased value of the United States dollar against the euro have been recorded in the statement of financial performance.

The surplus for the current period amounts to €322,088.

Note 20

Revenue (assessed contributions)

In June 2022, the thirty-second Meeting of States Parties approved a budget for the 2023–2024 budget period in the amount of €23,443,900 (SPLOS/32/12). In accordance with regulation 5.10 of the Financial Regulations of the Tribunal, States parties' assessed contributions are determined on the basis of half of the budget for each year of the two-year budget period. Accordingly, revenue from assessed contributions amounts to €11,720,789. The Republic of Rwanda ratified the United Nations Convention on the Law of the Sea in May 2023 and was assessed with contributions to the budget of the Tribunal in accordance with regulation 5.4 (d).

Note 21

Savings due to cancellation of prior-period obligations

At the end of the financial period 2022, an obligation amounting to €44,954 was recorded in the financial statements. During the financial period 2023, the same amount was charged against this obligation. No obligations were cancelled.

Note 22

Gains on exchange

Gains on exchange in the amount of €900,348 (€28,733 in 2022) have been recorded. The gains on exchange include an amount of €878,571 for the revaluation of the employee benefit liabilities as of the result of the decreased value of the United States dollar against the euro between December 2022 and December 2023. In 2022, a loss of €1,671,222 was recorded for the revaluation of the employee benefit liabilities. Exchange rate losses are reported under expenses (see note 31).

Note 23

Miscellaneous revenue

A total of €3,126,019 (€3,096,241 in 2022) in miscellaneous revenue was recorded as at 31 December 2023. This amount includes:

- The 2023 assessed contribution of the Republic of Rwanda in the amount of €1,161, in accordance with financial regulation 5.4 (d) (see note 20);

- Miscellaneous revenue in the amount of €6,381 for refunds from gas and water suppliers (€5,379), refunds for undeliverable goods (€602) and revenue from the sale of computer equipment (€400);
- Rounding losses (€34);
- Deferred revenue in the amount of €3,089,746 (€3,090,520 in 2022) to meet the accumulated depreciation of the building further to the building's donated right-to-use arrangement and the depreciation of the special lift, which was partly financed by the German authorities (see note 17);
- The new telephone system of the Tribunal, recorded as an asset in November 2023. A down payment in the amount of €28,765 was made in October 2022 and charged as an expense. In order to activate the full value of the telephone system, the down payment from 2022 was reversed and recorded as miscellaneous revenue in 2023.

Note 24

Investment revenue

In May, July and December 2023, the Tribunal made short-term investments of moneys not needed for immediate requirements (see note 5). As at 31 December, interest revenue in the amount of €112,293 was recorded (€4,276 in 2022).

Note 25

Employee salaries, allowances and benefits

The amount of €9,555,703 (€8,504,601 in 2022) in employee salaries, allowances and benefits includes judges' allowances and judges' pensions, staff salaries and common costs, and in addition, service costs and interest for provisions.

Note 26

Non-employee compensation and allowances

This encompasses all amounts paid to consultants, interpreters, translators and other external service providers. As at 31 December 2023, expenses totalling €581,043 (€464,970 in 2022) were recorded in this regard.

Note 27

Supplies and consumables

In 2023, €187,980 (€232,759 in 2022) was spent on supplies and consumables. This amount includes expenses for office supplies and operating supplies, as well as library subscriptions and books.

Note 28

Depreciation and amortization

Of the €3,170,830 (€3,169,932 in 2022) for depreciation, the amount of €3,085,747 (€3,086,521 in 2022) corresponds to the depreciation of the four assets constituting the building (the main building, the security booth, the villa and the visitor parking lot). Other assets include computer equipment, building equipment and technology, courtroom equipment and office furniture (see note 11).

No impairment or amortization expenses were recorded in the financial period 2023.

Note 29**Travel**

A total of €303,419 (€251,055 in 2022) was spent on travel in 2023. The amount includes €243,273, corresponding to travel to Hamburg by judges to attend sessions, and €60,146 for official travel by the President, the Registrar of the Tribunal and staff members.

Note 30**Other operating expenses**

Other operating expenses include expenses against the budget lines for maintenance of the premises, external printing and binding, purchases of equipment, communications, hospitality and miscellaneous services. Total expenses for the financial period 2023 amounted to €1,678,966. In 2022, other operating expenses amounted to €1,659,634.

Note 31**Loss on exchange**

A loss on exchange in the amount of €59,420 was recorded. In 2022, a loss of €1,723,015 was recorded. Exchange rate gains are reported under revenue (see note 22).

Statement of comparison of budget and actual amounts

With the implementation of IPSAS in 2021, the Tribunal's budget and accounts are now prepared on different bases. The financial statements are prepared on a full accrual basis, whereas the Tribunal's budget, disclosed in the statement of comparison of budget and actual amounts (statement V), is prepared on a modified cash basis of accounting. As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget have been reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing and entity differences. There are also differences in formats and classification schemes adopted for the presentation of financial statements and the budget.

Basis differences occur when the approved budget is prepared on a basis other than the accounting basis, as stated above.

Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. As mentioned above, the Tribunal's budget period is for two years, while its financial period is for one year. For each of the two years of a budget period, the contributions of States parties are determined on the basis of half of the appropriations adopted by the Meeting of States Parties for that budget period. Accordingly, the budget for the financial period 2023 is half of the approved budget for the 2023–2024 budget period.

The budget for 2023–2024 includes estimates for part of the meetings to deal with case No. 28 and the estimates for two urgent cases in part C on case-related costs.

On 12 December 2022, the Tribunal received a request from the Commission of Small Island States on Climate Change and International Law to render an advisory opinion, which was entered in the list of cases of the Tribunal as case No. 31. In June 2023, the thirty-third Meeting of States Parties authorized the Tribunal to use part of the cash surplus from the 2021–2022 budget to finance an additional appropriation in the amount of €1,241,200 in order to cover part of the estimated costs of case No. 31

that cannot be absorbed by the approved budget of the Tribunal for the period 2023–2024.

With regard to budget performance for the 2023–2024 budget period, the expenditure level as at 31 December 2023 indicates that the approved funds for the case-related part of the budget were not sufficient but that the additional costs could be absorbed by part of the 2021–2022 cash surplus, as authorized by the Meeting of States Parties.

The budget lines for annual allowances and special allowances show overexpenditure in the amount of €337,099 and €17,413, respectively. Both negative balances are due to the revisions of the post adjustment for Hamburg in February and July 2023, which resulted in an increase in judges' annual and special allowances of 8.8 and 7.6 per cent, respectively. The projected overexpenditure in the budget line for annual allowances is also attributable to the fact that case No. 31 is dealt with by the Tribunal in its composition of September 2023. As a consequence, and since October 2023, annual allowance is payable to 27 judges until the end of case No. 31.

The budget line for travel to sessions under section 1 on judges shows a negative balance of €43,303 at the end of 2023. The overexpenditure is mainly due to the sharp increase in the cost of airline tickets in the past 12 months. In addition, 26 judges, instead of the usual 20, travelled to Hamburg for the Tribunal's fifty-sixth session in September 2023.

The negative balance of €12,355 in the budget line for common costs under section 1 on judges is due to the election of a new president in October 2023 and the corresponding entitlements of both the outgoing president and the new president. The overexpenditure should be compensated in the second year of the 2023–2024 budget period.

Pensions for the six outgoing judges will be payable only after the end of case No. 31, since case No. 31 is dealt with by the Tribunal in its composition of September 2023. Savings under the budget line for judges' pension scheme in the amount of €290,352 have been recorded. The amount should be used to partly compensate the overexpenditure under the budget lines for annual allowances and special allowances.

The budget line for established posts shows an overexpenditure of €42,998 at the end of the year 2023. The negative balance is due to the above-mentioned revisions of the post adjustment for Hamburg in February and July 2023 and to the revision of the salaries in the General Service category. Since March 2022, when the Tribunal drafted the budget, salaries have increased by approximately 20 per cent.

For the budget line for common staff costs in section 3 on staff costs, an overexpenditure of €39,454 was recorded at the end of the year. The negative balance is partly due to the entitlements of outgoing and incoming staff members in the Professional category. In addition, the revision of the pensionable remuneration in both staff categories has led to increased monthly contributions to the United Nations Joint Staff Pension Fund.

The budget line for representation allowance shows a negative balance of €81 owing to the high value of the US dollar against the euro.

The overall balance of part A of the budget on recurrent expenditure amounts to €131,908 and the expenditure rate for the year 2023 of the 2023–2024 budget is 98.7 per cent.

Contingent liabilities

At the end of 2022, two complaints filed by a staff member of the Tribunal with the United Nations Appeals Tribunal were identified. The amount of the possible award by the United Nations Appeals Tribunal cannot be reliably measured or quantified.

Any future review of the post adjustment multiplier for Hamburg may lead to adjusted salaries for staff members in the professional category and for judges. A future cost-of-living survey for Hamburg may likewise lead to a revision of the post adjustment multiplier. The amounts of adjusted salaries cannot be reliably estimated.

Note 34

Related party disclosures

The key management personnel are defined as the President, the Registrar and the Deputy Registrar.

The staff costs for the Registrar amounted to €196,130.

For the President, the annual and special allowances amounted to €176,950 and the non-pensionable allowance to €108,627. Provisions for President Hoffmann (January to September 2023) were created in an amount of €1,354,899 and provisions for President Heidar (since October 2023) were created in an amount of €386,618.

Note 35

Write-off losses of cash, receivables and property

No amounts were written off during the reporting period.

Note 36

Events after the reporting date

There were no material events between the reporting date and the date of authorization of the financial statements.

Note 37

Trust funds

The Tribunal maintained three trust funds in 2023: the Nippon Foundation grant, the trust fund for the law of the sea and the Republic of Korea trust fund.

Nippon Foundation grant

The Nippon Foundation grant was established in March 2007, following the signature of the Nippon Foundation grant agreement. Pursuant to this agreement, the Nippon Foundation contributed an amount of €200,000 to the Nippon Foundation's International Tribunal for the Law of the Sea capacity-building and training programme on dispute settlement under the United Nations Convention on the Law of the Sea. In accordance with regulation 6.5 of the Financial Regulations of the Tribunal, a trust fund was subsequently established, and a special euro bank account named "Nippon Foundation grant" was set up with Deutsche Bank.

Since 2007, the Nippon Foundation has made annual contributions to the grant totalling €3,832,740 (including a contribution in March 2023 for the 2023–2024 programme in the amount of €242,500). At the beginning of the financial period 2023, the total reserves of the fund amounted to €100,606. In July 2023, an amount of €23,122 was surrendered to the Nippon Foundation. As at 31 December 2023, the balance of total reserves was €103,936. The audited financial statement for the

Nippon Foundation grant will be circulated at the Meeting of States Parties in June 2024.

Trust fund for the law of the sea

Pursuant to regulation 6.5 of its Financial Regulations, in October 2009, the Tribunal established a trust fund for the law of the sea. The trust fund is intended to promote the advancement of human resources in developing countries in the law of the sea and maritime affairs in general. Several contributions to the trust fund from different sources (the Korea Maritime Institute, China, Cyprus and Korwind) were received between 2009 and 2022. During the financial period 2023, two contributions from the Korea Maritime Institute totalling €31,000 and a contribution from Cyprus in the amount of €15,000 were received. Since July 2012, the trust fund has been used to support the Tribunal's internship programme to provide financial assistance to interns from developing countries and to finance regional workshops. As at 31 December 2023, the balance of total reserves stood at €271,944. The audited financial statement for the trust fund will be circulated at the Meeting of States Parties in June 2024.

Republic of Korea trust fund

The trust fund was established to provide financial assistance for the organization of workshops for legal advisers at the Tribunal. During the financial period 2023, the Tribunal received a voluntary contribution from the Republic of Korea in the amount of €170,684. A workshop for legal advisers was organized in July 2023. The balance of the trust fund amounted to €171,923 as at 31 December 2023. The audited financial statement for the Republic of Korea trust fund will be circulated at the Meeting of States Parties in June 2024.

Note 38

Institutional arrangements

The financial records of the Tribunal have been prepared using the Infor SunSystems financial software package.

The financial statements and the notes to the financial statements were authorized by the Registrar of the Tribunal, Ms. Ximena Hinrichs-Oyarce, as at 23 February 2024.

Appendix II

Status of contributions to the International Tribunal for the Law of the Sea from 1996 to 2023
(in euros)

31 December 2023

<i>States parties</i>	<i>2023 Scale of assessments (percentage)</i>	<i>Contributions assessed</i>				<i>Contributions outstanding</i>				
		<i>Previous financial periods (1996– 2020)</i>	<i>Prior financial period³ 2021–2022</i>	<i>Current financial period³ 2023</i>	<i>Total³</i>	<i>Collections</i>	<i>Previous budget periods³ (1996– 2020)</i>	<i>Last budget period (2021– 2022)</i>	<i>Current financial period (2023)</i>	<i>Total⁴ outstanding</i>
Albania	0.0107	18,225	2,592	1,239	22,056	23,295	0	0	0	(1,239)
Algeria	0.1453	301,554	44,698	16,877	363,129	380,006	0	0	0	(16,877)
Angola	0.0133	23,733	3,238	1,548	28,519	25,797	0	1,173	1,548	2,721
Antigua and Barbuda	0.0100	18,647	2,394	1,161	22,202	15,567	3,080	2,394	1,161	6,635
Argentina	0.9585	1,778,496	296,368	111,328	2,186,192	1,931,397	0	143,467	111,328	254,795
Armenia	0.0100	16,160	2,394	1,161	19,715	20,876	0	0	0	(1,161)
Australia	2.8142	4,917,851	715,818	326,863	5,960,532	5,960,565	0	0	0	(33)
Austria	0.9052	2,186,905	219,280	105,135	2,511,320	2,511,331	0	0	0	(11)
Azerbaijan	0.0400	34,355	15,872	4,645	54,872	54,873	0	0	0	(1)
Bahamas	0.0253	40,638	5,830	2,942	49,410	46,560	0	0	2,849	2,849
Bahrain	0.0720	88,241	16,194	8,361	112,796	113,025	0	0	0	(229)
Bangladesh	0.0133	22,823	3,238	1,548	27,609	27,609	0	0	0	(1)
Barbados	0.0107	21,959	2,394	1,239	25,592	26,830	0	0	0	(1,239)
Belarus	0.0547	79,215	15,872	6,348	101,435	101,669	0	0	0	(234)
Belgium	1.1038	2,554,044	265,922	128,206	2,948,172	2,948,185	0	0	0	(13)
Belize	0.0100	18,512	2,394	1,161	22,067	22,398	0	0	0	(331)
Benin	0.0100	18,004	2,394	1,161	21,559	21,598	0	0	0	(38)
Bolivia (Plurinational State of)	0.0253	24,010	5,182	2,942	32,134	24,565	0	4,627	2,942	7,569
Bosnia and Herzegovina	0.0160	28,459	3,886	1,858	34,203	34,203	0	0	0	0
Botswana	0.0200	36,402	4,534	2,323	43,259	43,248	0	0	10	10
Brazil	2.6835	5,649,676	954,856	311,689	6,916,221	6,916,252	0	0	0	(31)

<i>States parties</i>	<i>2023 Scale of assessments (percentage)</i>	<i>Contributions assessed</i>				<i>Contributions outstanding</i>				
		<i>Previous financial periods (1996– 2020)</i>	<i>Prior financial period³ 2021–2022</i>	<i>Current financial period³ 2023</i>	<i>Total³</i>	<i>Collections</i>	<i>Previous budget periods⁵ (1996– 2020)</i>	<i>Last budget period (2021– 2022)</i>	<i>Current financial period (2023)</i>	<i>Total⁴ outstanding</i>
Brunei Darussalam	0.0280	71,582	8,098	3,252	82,932	86,184	0	0	0	(3,252)
Bulgaria	0.0747	86,548	14,900	8,671	110,119	110,120	0	0	0	(1)
Burkina Faso	0.0100	15,130	2,394	1,161	18,685	15,792	0	1,732	1,161	2,893
Cabo Verde	0.0100	18,581	2,394	1,161	22,136	21,013	0	0	1,123	1,123
Cameroon	0.0173	27,452	4,210	2,013	33,675	18,349	9,102	4,210	2,013	15,325
Canada	3.5034	6,274,224	885,542	406,914	7,566,680	7,973,594	0	0	0	(406,914)
Chad	0.0100	11,419	2,394	1,161	14,974	6,016	5,403	2,394	1,161	8,958
Chile	0.5599	661,968	131,828	65,032	858,828	861,808	0	0	0	(2,980)
China	20.3350	10,551,749	3,888,414	2,361,898	16,802,061	19,163,959	0	0	0	(2,361,898)
Comoros	0.0100	18,512	2,394	1,161	22,067	94	18,418	2,394	1,161	21,973
Congo	0.0100	12,279	2,394	1,161	15,834	5,288	6,991	2,394	1,161	10,546
Cook Islands ²	0.0100	18,512	2,394	1,161	22,067	22,069	0	0	0	(2)
Costa Rica	0.0920	87,714	20,082	10,684	118,480	110,258	0	0	8,223	8,223
Côte D'Ivoire	0.0293	25,868	4,210	3,406	33,484	24,433	1,434	4,210	3,406	9,050
Croatia	0.1213	196,414	24,940	14,090	235,444	235,445	0	0	0	(2)
Cuba	0.1266	145,449	25,912	14,710	186,071	171,772	0	0	14,298	14,298
Cyprus	0.0480	108,495	11,660	5,574	125,729	125,730	0	0	0	(1)
Czechia	0.4533	732,941	100,732	52,645	886,318	938,962	0	0	0	(52,645)
Democratic Republic of the Congo	0.0133	20,070	3,238	1,548	24,856	94	19,976	3,238	1,548	24,762
Denmark	0.7372	1,397,223	179,440	85,625	1,662,288	1,665,152	0	0	0	(2,864)
Djibouti	0.0100	18,512	2,394	1,161	22,067	4,281	14,231	2,394	1,161	17,786
Dominica	0.0100	18,512	2,394	1,161	22,067	17,780	732	2,394	1,161	4,287
Dominican Republic	0.0893	65,361	17,166	10,374	92,901	92,888	0	0	13	13
Ecuador	0.1026	63,227	25,912	11,923	101,062	100,773	0	0	289	289
Egypt	0.1853	292,825	60,246	21,522	374,593	396,114	0	0	0	(21,522)
Equatorial Guinea	0.0160	21,426	5,182	1,858	28,466	11,758	9,668	5,182	1,858	16,708

States parties	2023 Scale of assessments (percentage)	Contributions assessed				Contributions outstanding				
		Previous financial periods (1996– 2020)	Prior financial period ³ 2021–2022	Current financial period ³ 2023	Total ³	Collections	Previous budget periods ⁵ (1996– 2020)	Last budget period (2021– 2022)	Current financial period (2023)	Total ⁴ outstanding
Estonia	0.0587	62,116	12,632	6,813	81,561	88,373	0	0	0	(6,813)
Eswatini	0.0100	8,348	2,394	1,161	11,903	4,411	3,937	2,394	1,161	7,492
European Union ¹	n.a.	1,729,274	220,000	107,000	2,056,274	2,056,274	0	0	0	0
Fiji	0.0100	18,920	2,394	1,161	22,475	20,448	0	866	1,161	2,027
Finland	0.5559	1,370,779	136,362	64,567	1,571,708	1,571,715	0	0	0	(7)
France	5.7563	15,275,167	1,433,904	668,590	17,377,661	17,377,729	0	0	0	(68)
Gabon	0.0173	36,009	4,858	2,013	42,880	34,614	1,394	4,858	2,013	8,265
Gambia	0.0100	18,512	2,394	1,161	22,067	458	18,054	2,394	1,161	21,609
Georgia	0.0107	31,739	2,592	1,239	35,570	36,809	0	0	0	(1,239)
Germany	8.1465	21,036,920	1,972,548	946,215	23,955,683	23,955,777	0	0	0	(95)
Ghana	0.0320	26,627	4,858	3,716	35,201	29,602	0	1,883	3,716	5,599
Greece	0.4333	1,407,019	118,548	50,322	1,575,889	1,575,889	0	0	0	0
Grenada	0.0100	18,512	2,394	1,161	22,067	22,097	0	0	0	(30)
Guatemala	0.0547	71,679	11,660	6,348	89,687	89,963	0	0	0	(276)
Guinea	0.0100	18,785	2,394	1,161	22,340	94	18,691	2,394	1,161	22,246
Guinea-Bissau	0.0100	18,512	2,394	1,161	22,067	94	18,418	2,394	1,161	21,973
Guyana	0.0100	18,512	2,394	1,161	22,067	24,157	0	0	0	(2,090)
Haiti	0.0100	18,647	2,394	1,161	22,202	22,480	0	0	0	(278)
Honduras	0.0120	19,712	2,916	1,394	24,022	18,765	947	2,916	1,394	5,257
Hungary	0.3039	469,300	66,724	35,303	571,327	571,330	0	0	0	(4)
Iceland	0.0480	83,826	9,070	5,574	98,470	104,045	0	0	0	(5,575)
India	1.3917	1,381,070	270,132	161,651	1,812,853	1,974,505	0	0	0	(161,651)
Indonesia	0.7319	727,421	175,878	85,006	988,305	988,314	0	0	0	(9)
Iraq	0.1706	166,767	41,784	19,819	228,370	193,411	0	15,140	19,819	34,959
Ireland	0.5852	971,325	120,166	67,974	1,159,465	1,227,439	0	0	0	(67,974)
Italy	4.2512	12,238,440	1,071,136	493,778	13,803,354	14,297,132	0	0	0	(493,778)
Jamaica	0.0107	25,083	2,592	1,239	28,914	30,152	0	0	0	(1,239)
Japan	10.7087	35,521,878	2,773,876	1,243,813	39,539,567	39,539,692	0	0	0	(125)
Jordan	0.0293	37,810	6,802	3,406	48,018	44,721	0	0	3,298	3,298
Kenya	0.0400	31,748	7,774	4,645	44,167	39,646	0	0	4,521	4,521
Kiribati	0.0100	16,160	2,394	1,161	19,715	19,715	0	0	0	0

<i>States parties</i>	<i>2023 Scale of assessments (percentage)</i>	<i>Contributions assessed</i>				<i>Contributions outstanding</i>				
		<i>Previous financial periods (1996– 2020)</i>	<i>Prior financial period³ 2021–2022</i>	<i>Current financial period³ 2023</i>	<i>Total³</i>	<i>Collections</i>	<i>Previous budget periods⁵ (1996– 2020)</i>	<i>Last budget period (2021– 2022)</i>	<i>Current financial period (2023)</i>	<i>Total⁴ outstanding</i>
Kuwait	0.3119	569,877	81,622	36,232	687,731	687,937	0	0	0	(206)
Lao People's Democratic Republic	0.0100	17,740	2,394	1,161	21,295	21,295	0	0	0	0
Latvia	0.0667	72,548	15,224	7,742	95,514	103,256	0	0	0	(7,742)
Lebanon	0.0480	83,336	15,224	5,574	104,134	84,672	0	13,888	5,574	19,462
Lesotho	0.0100	13,346	2,394	1,161	16,901	0	13,346	2,394	1,161	16,901
Liberia	0.0100	12,066	2,394	1,161	15,621	11,780	286	2,394	1,161	3,841
Lithuania	0.1026	115,250	22,996	11,923	150,169	162,092	0	0	0	(11,923)
Luxembourg	0.0907	182,456	21,702	10,529	214,687	214,688	0	0	0	(1)
Madagascar	0.0100	16,853	2,394	1,161	20,408	19,285	0	0	1,123	1,123
Malawi	0.0100	10,334	2,394	1,161	13,889	0	10,334	2,394	1,161	13,889
Malaysia	0.4639	639,069	110,450	53,884	803,403	857,287	0	0	0	(53,884)
Maldives	0.0100	17,210	2,394	1,161	20,765	21,925	0	0	0	(1,160)
Mali	0.0100	18,711	2,394	1,161	22,266	21,339	0	0	927	927
Malta	0.0253	40,756	5,506	2,942	49,204	49,204	0	0	0	0
Marshall Islands	0.0100	18,512	2,394	1,161	22,067	15,892	2,619	2,394	1,161	6,174
Mauritania	0.0100	18,512	2,394	1,161	22,067	36,175	0	0	0	(14,108)
Mauritius	0.0253	29,271	3,562	2,942	35,775	38,717	0	0	0	(2,942)
Mexico	1.6277	4,443,226	418,478	189,057	5,050,761	5,050,779	0	0	0	(20)
Micronesia (Federated States of)	0.0100	18,512	2,394	1,161	22,067	18,027	485	2,394	1,161	4,040
Monaco	0.0147	22,226	3,562	1,703	27,491	27,548	0	0	0	(57)
Mongolia	0.0100	18,647	2,394	1,161	22,202	22,278	0	0	0	(76)
Montenegro	0.0100	13,755	2,394	1,161	17,310	17,310	0	0	0	0
Morocco	0.0733	96,643	17,814	8,516	122,973	122,974	0	0	0	(1)
Mozambique	0.0100	18,314	2,394	1,161	21,869	20,747	0	0	1,123	1,123
Myanmar	0.0133	23,790	3,238	1,548	28,576	30,124	0	0	0	(1,548)
Namibia	0.0120	22,292	2,916	1,394	26,602	15,850	6,442	2,916	1,394	10,752
Nauru	0.0100	18,512	2,394	1,161	22,067	20,944	0	0	1,123	1,123

<i>States parties</i>	<i>2023 Scale of assessments (percentage)</i>	<i>Contributions assessed</i>				<i>Contributions outstanding</i>				
		<i>Previous financial periods (1996– 2020)</i>	<i>Prior financial period³ 2021–2022</i>	<i>Current financial period³ 2023</i>	<i>Total³</i>	<i>Collections</i>	<i>Previous budget periods⁵ (1996– 2020)</i>	<i>Last budget period (2021– 2022)</i>	<i>Current financial period (2023)</i>	<i>Total⁴ outstanding</i>
Nepal	0.0133	17,961	2,394	1,548	21,903	23,452	0	0	0	(1,548)
Netherlands	1.8357	4,383,494	439,208	213,212	5,035,914	5,035,914	0	0	0	0
New Zealand	0.4119	658,079	94,254	47,845	800,178	848,023	0	0	0	(47,845)
Nicaragua	0.0100	17,480	2,394	1,161	21,035	22,173	0	0	0	(1,138)
Niger	0.0100	7,569	2,394	1,161	11,124	11,592	0	0	0	(468)
Nigeria	0.2426	253,335	80,974	28,181	362,490	297,035	0	37,273	28,181	65,454
Niue ²	0.0100	13,755	2,394	1,161	17,310	13,031	724	2,394	1,161	4,279
North Macedonia	0.0100	19,214	2,394	1,161	22,769	13,315	5,899	2,394	1,161	9,454
Norway	0.9052	2,000,419	244,220	105,135	2,349,774	2,349,785	0	0	0	(11)
Oman	0.1480	217,511	37,248	17,187	271,946	289,132	0	0	0	(17,187)
Pakistan	0.1520	193,063	37,248	17,652	247,963	230,031	0	281	17,652	17,933
Palau	0.0100	18,405	2,394	1,161	21,960	20,163	0	637	1,161	1,798
Panama	0.1200	62,367	14,576	13,935	90,878	91,722	0	0	0	(844)
Papua New Guinea	0.0133	19,493	3,238	1,548	24,279	14,313	5,180	3,238	1,548	9,966
Paraguay	0.0347	29,905	5,182	4,026	39,113	43,127	0	0	0	(4,015)
Philippines	0.2826	302,026	66,400	32,826	401,252	401,254	0	0	0	(3)
Poland	1.1158	1,609,935	259,768	129,599	1,999,302	2,128,901	0	0	0	(129,599)
Portugal	0.4706	1,166,163	113,364	54,658	1,334,185	1,388,842	0	0	0	(54,658)
Qatar	0.3586	344,037	91,340	41,651	477,028	477,028	0	0	0	(0)
Republic of Korea	3.4314	4,947,095	734,280	398,553	6,079,928	6,079,970	0	0	0	(40)
Republic of Moldova	0.0100	13,559	2,394	1,161	17,114	18,275	0	0	0	(1,161)
Romania	0.4159	348,895	64,132	48,309	461,336	503,963	0	0	0	(42,626)
Russian Federation	2.4875	4,937,839	778,978	288,928	6,005,745	6,005,774	0	0	0	(29)
Rwanda	0.0100	0	0	1,161	1,161	0	0	0	1,161	1,161
Saint Kitts and Nevis	0.0100	18,512	2,394	1,161	22,067	13,911	4,601	2,394	1,161	8,156
Saint Lucia	0.0100	18,512	2,394	1,161	22,067	22,076	0	0	0	(9)

<i>States parties</i>	<i>2023 Scale of assessments (percentage)</i>	<i>Contributions assessed</i>				<i>Contributions outstanding</i>				
		<i>Previous financial periods (1996– 2020)</i>	<i>Prior financial period³ 2021–2022</i>	<i>Current financial period³ 2023</i>	<i>Total³</i>	<i>Collections</i>	<i>Previous budget periods⁵ (1996– 2020)</i>	<i>Last budget period (2021– 2022)</i>	<i>Current financial period (2023)</i>	<i>Total⁴ outstanding</i>
Saint Vincent and the Grenadines	0.0100	18,512	2,394	1,161	22,067	21,354	0	0	713	713
Samoa	0.0100	18,512	2,394	1,161	22,067	22,118	0	0	0	(51)
Sao Tome and Principe	0.0100	18,512	2,394	1,161	22,067	94	18,418	2,394	1,161	21,973
Saudi Arabia	1.5784	2,152,238	379,610	183,328	2,715,176	2,537,889	0	0	177,287	177,287
Senegal	0.0100	19,194	2,394	1,161	22,749	18,404	790	2,394	1,161	4,345
Serbia	0.0427	83,854	9,070	4,955	97,879	97,879	0	0	0	(0)
Seychelles	0.0100	18,647	2,394	1,161	22,202	22,202	0	0	0	(0)
Sierra Leone	0.0100	18,512	2,394	1,161	22,067	21,213	0	0	854	854
Singapore	0.6719	934,552	157,092	78,038	1,169,682	1,247,721	0	0	0	(78,038)
Slovakia	0.2066	278,483	49,556	24,000	352,039	376,039	0	0	0	(24,000)
Slovenia	0.1053	227,261	24,616	12,232	264,109	276,342	0	0	0	(12,232)
Solomon Islands	0.0100	18,117	2,394	1,161	21,672	17,509	608	2,394	1,161	4,163
Somalia	0.0100	18,512	2,394	1,161	22,067	94	18,418	2,394	1,161	21,973
South Africa	0.3253	886,180	88,100	37,780	1,012,060	1,012,064	0	0	0	(4)
Spain	2.8448	7,044,305	695,088	330,424	8,069,817	8,080,912	0	0	0	(11,094)
Sri Lanka	0.0600	55,458	14,252	6,968	76,678	62,811	0	6,899	6,968	13,867
State of Palestine	0.0147	6,075	2,592	1,703	10,370	7,815	0	852	1,703	2,555
Sudan	0.0133	24,108	3,238	1,548	28,894	1,060	23,048	3,238	1,548	27,834
Suriname	0.0100	18,039	2,394	1,161	21,594	14,147	3,892	2,394	1,161	7,447
Sweden	1.1611	2,664,074	293,452	134,864	3,092,390	3,092,403	0	0	0	(13)
Switzerland	1.5117	1,747,290	372,808	175,586	2,295,684	2,295,702	0	0	0	(18)
Thailand	0.4906	335,758	99,438	56,980	492,176	492,182	0	0	0	(6)
Timor-Leste	0.0100	8,095	2,394	1,161	11,650	10,519	0	0	1,131	1,131
Togo	0.0100	18,579	2,394	1,161	22,134	23,295	0	0	0	(1,161)
Tonga	0.0100	18,512	2,394	1,161	22,067	18,821	0	2,085	1,161	3,246
Trinidad and Tobago	0.0493	82,144	12,956	5,729	100,829	100,951	0	0	0	(122)
Tunisia	0.0253	79,787	8,098	2,942	90,827	93,769	0	0	0	(2,942)
Tuvalu	0.0100	16,160	2,394	1,161	19,715	7,449	8,711	2,394	1,161	12,266

States parties	2023 Scale of assessments (percentage)	Contributions assessed				Contributions outstanding				
		Previous financial periods (1996– 2020)	Prior financial period ³ 2021–2022	Current financial period ³ 2023	Total ³	Collections	Previous budget periods ⁵ (1996– 2020)	Last budget period (2021– 2022)	Current financial period (2023)	Total ⁴ outstanding
Uganda	0.0133	19,663	2,592	1,548	23,803	23,815	0	0	0	(12)
Ukraine	0.0747	205,406	18,462	8,671	232,539	232,540	0	0	0	(1)
United Kingdom of Great Britain and Northern Ireland	5.8323	14,329,732	1,479,250	677,416	16,486,398	17,163,814	0	0	0	(677,416)
United Republic of Tanzania	0.0133	21,077	3,238	1,548	25,863	18,935	2,142	3,238	1,548	6,928
Uruguay	0.1226	135,373	28,180	14,245	177,798	177,800	0	0	0	(2)
Vanuatu	0.0100	17,653	2,394	1,161	21,208	21,190	0	0	18	18
Viet Nam	0.1240	86,149	24,940	14,400	125,489	125,490	0	0	0	(1)
Yemen	0.0107	23,734	3,238	1,239	28,211	10,946	12,787	3,238	1,239	17,264
Zambia	0.0107	18,932	2,916	1,239	23,087	94	18,838	2,916	1,239	22,993
Zimbabwe	0.0100	20,316	2,394	1,161	23,871	2,632	17,684	2,394	1,161	21,239
Total	100.00	191,614,411	24,155,000	11,721,950	227,491,357	231,174,372	325,731	334,051	473,934	1,133,715

Abbreviation: n.a. not applicable.

¹ Agreed contributions in accordance with the Financial Regulations of the Tribunal. For the 2023-2024 period, see SPLOS/32/12.

² Not a member of the United Nations; assessed with the floor rate.

³ Total subject to rounding differences.

⁴ Figures in brackets indicate credits being carried forward to 2024 (€4,816,734).

⁵ A total of 10 States Parties have not contributed in full for the period 1996-2004. The amount outstanding for that period is €34,041.

A total of 11 States Parties have not yet paid any contributions to the budgets of the Tribunal. The amount outstanding is €211,454.

Appendix III

Performance reports for grants given to the International Tribunal for the Law of the Sea

(in euros)

Nippon Foundation grant for the period from 1 January to 31 December 2023

	2023
<u>Revenue</u>	
Grants from the Nippon Foundation	(242,500)
Gain on exchange	(15)
Net revenue	(242,515)
<u>Expenses</u>	
Participants (subsistence allowance, travel and insurance)	137,800
Lecturers (subsistence allowance and travel)	38,007
General administrative expenses	39,843
Non-refundable taxes	413
Losses on exchange	
Total expenses	216,063
Surplus for the period	(26,452)
<u>Assets</u>	
Cash and term deposits	91,814
Accounts receivable	987
Prepaid expenses	18,304
Total assets	111,105
<u>Liabilities</u>	
Accounts payable	(7,169)
Total liabilities	(7,169)
<u>Net assets/equity</u>	
Surplus/deficit for prior period	(100,606)
Surrender of surplus	23,122
Surplus for the period	(26,452)
Total net assets/equity	(103,936)
Total liabilities and net assets/equity	(111,105)

**Trust fund for the law of the sea for the period from 1 January to
31 December 2023**

	2023
<u>Revenue</u>	
Contributions	(46,000)
Net revenue	(46,000)
<u>Expenses</u>	
Internship program	27,754
Workshops	27,533
Bank charges	928
Administrative expenses	144
Non-refundable taxes	17
Total expenses	56,376
Deficit for the period	10,376
<u>Assets</u>	
Cash and term deposits	271,917
Accounts receivable	27
Total assets	271,944
<u>Liabilities</u>	
Accounts payable	0
Total liabilities	0
<u>Net assets/equity</u>	
Surplus/deficit for prior period	(282,320)
Deficit for the period	10,376
Total net assets/equity	(271,944)
Total liabilities and net assets/equity	(271,944)

**Republic of Korea trust fund for the period from 1 January 2023
to 31 December 2023**

	2023
<hr/>	
<u>Revenue</u>	
Contributions	(170,684)
Miscellaneous revenue	(1,892)
	<hr/>
Net revenue	(172,576)
<u>Expenses</u>	
Judges' tickets and DSA	32,253
Lecturers' tickets and DSA	20,215
Participants' tickets and DSA	100,954
Accommodation	27,911
Temporary assistance	30,821
Hospitality	14,380
Bank charges	412
Administrative expenses	676
Non-refundable taxes	299
	<hr/>
Total expenses	227,921
	<hr/>
Deficit for the period	55,345
	<hr/> <hr/>
<u>Assets</u>	
Cash and term deposits	166,606
Tax receivables	5,317
	<hr/>
Total assets	171,923
<u>Liabilities</u>	
Accounts payable	0
	<hr/>
Total liabilities	0
<u>Net assets/equity</u>	
Surplus/deficit for prior period	(227,268)
Deficit for the period	55,345
	<hr/>
Total net assets/equity	(171,923)
Total liabilities and net assets/equity	(171,923)

Appendix IV

Audit procedures and results of additional audit scope

In accordance with the assignment, we have audited the following aspects of operating procedures in addition to our audit of the financial statements for the financial period from 1 January to 31 December 2023:

- (a) Whether the expenses incurred during this financial period were in accordance with IPSAS;
- (b) Whether expenditures incurred had been properly authorized by the party designated for that purpose in the Rules of the Tribunal or the Financial Regulations and Rules of the Tribunal;
- (c) Whether staff and persons being paid by the Tribunal had been recruited or engaged in the manner provided for in the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal;
- (d) Whether goods and services had been procured in accordance with the procedures provided for in the Financial Regulations and Rules of the Tribunal and IPSAS;
- (e) Whether goods and services that had been procured were in line with the approved budget, properly recorded and not excessive, having regard to circumstances and the functions of the Tribunal; and
- (f) Whether the grants given to the Tribunal by the Nippon Foundation, the trust fund for the law of the sea and the Republic of Korea trust fund and maintained in separate trustee accounts were administered in accordance with the relevant memorandums and terms of reference.

As part of our audit of the financial statements, we have performed the following additional procedures:

1. Approval of expenses

As instructed, we have audited whether the expenses incurred during the financial period 2023 are in accordance with the appropriations approved by the Meeting of States Parties.

From the approved budget for the financial period 2023 amounting to EUR 11,721,950, a total amount of EUR 11,792,938 was spent against approved budget lines, resulting in an overexpenditure of EUR -70,988 (appendix I, page 5). The total overexpenditure resulting from case-related costs for case No. 31 will be covered by the supplementary budget approved by the Meeting of States Parties. It should be noted that overexpenditures incurred in some budget lines under the recurrent part of the budget do not, in total, result in an overexpenditure in part A of the budget, Recurrent expenditure. We also refer to the explanations in the notes to the financial statements and the financial report in appendix I.

2. Authorization of expenditures

We have audited the procedures for the authorization of expenditures as outlined in the Financial Regulations and Rules of the Tribunal and tested, on a sample basis, whether those procedures have been strictly followed by the Tribunal in all material respects.

No significant matters came to our attention as a result of the work done. In our opinion, the procedures for the authorization of expenditures were carried out in accordance with the Rules of the Tribunal and the Financial Regulations and Rules of the Tribunal.

3. Procedures for recruiting/engaging staff

In the financial period 2023, the Tribunal recruited two new staff members. We have audited, on a sample basis, whether the procedures for recruiting and engaging the new staff members were in line with the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal.

No discrepancies came to our attention as a result of the work done. The Tribunal has carried out the procedures for recruiting and engaging staff in accordance with the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal.

4. Procedures for procurement of goods and services

We have audited whether the procedures followed by the Tribunal in the order process were in line with the Financial Regulations and Rules of the Tribunal (i.e. whether they included requests for bids or tenders, fair analysis of tenders, written contracts, etc.) and tested, on a sample basis, that these procedures have been followed by the Tribunal in all material respects.

No matters came to our attention as a result of the work done. In our opinion, the procedures for procurement of goods and services were carried out in accordance with the Financial Regulations and Rules of the Tribunal.

5. Examination of whether goods and services which have been procured were in line with the approved budget, properly recorded and not excessive, having regard to circumstances and the functions of the Tribunal

We have audited whether (1) the expenditures reported for the financial period have been properly included in the statement of income and expenditures and have been charged to the appropriate budget line; and (2) the goods and services procured were necessary or not excessive with regard to circumstances and the functions of the Tribunal.

In our opinion, the expenditures for the financial period have been properly included in the statement of income and expenditures and have been charged to the appropriate budget line. The overexpenditures in the financial period could be reasonably explained and were compensated by savings under other budget lines. The equipment acquired during the financial period 2021 has been duly registered in the inventory list and is being used as required by the circumstances and the functions of the Tribunal.

6. Examination regarding the NIPPON Foundation grant and the trust fund for the law of the sea

Nippon Foundation grant

We have audited whether the grant given to the Tribunal by the NIPPON Foundation, maintained in a separate trustee account, is administered in accordance with the Nippon Foundation grant agreements.

Pursuant to the agreements, the NIPPON Foundation contributed an amount of EUR 242,515 in the financial period 2023 to “The NIPPON Foundation - The International Tribunal for the Law of the Sea Capacity Building and Training Programme on Dispute Settlement under the United Nations Convention on the Law

of the Sea”. The purpose of the grant is to finance the expenses of participations from developing countries in the aforementioned programme. The Nippon Foundation grant was invested in a special bank account.

During the financial period 2023, the sum of EUR 216,063 was withdrawn from the NIPPON Foundation grant to provide funding for the programme’s activities. In the financial period, participants from several developing countries had taken part in the programme.

As at 31 December 2023, the special bank account of the NIPPON Foundation grant showed a balance of EUR 91,814.

We also refer to the performance report of the NIPPON Foundation grant in appendix III, page 1.

Trust fund for the law of the sea

Total contributions in the amount of EUR 46,000 were made to the trust fund as explained in the financial report contained in appendix II. A special bank account was set up for the trust fund.

During the financial period 2023, an amount of EUR 27,754 was withdrawn to provide funding to the internship programme and an amount of EUR 27,533 was withdrawn for workshops of the Tribunal.

The special bank account showed balance of EUR 271,917 as at 31 December 2023.

We also refer to the performance report of the trust fund contained in appendix III, page 2.

Republic of Korea trust fund

This trust fund was established in 2020. Total contributions in the amount of EUR 170,684 were made to the trust fund, as explained in the financial report contained in appendix II. A special bank account was set up for the trust fund.

During the financial period 2023, an amount of EUR 153,422 was withdrawn for the tickets and DSA of judge-, lecturers and participants.

The special bank account showed a balance of EUR 166,606 as at 31 December 2023.

We also refer to the performance report of the trust fund contained in appendix III, page 3.
