

**Grains Trade Convention, 1995**  
Rules of Procedure

**International Grains Council**

## GRAINS TRADE CONVENTION, 1995

INTERNATIONAL GRAINS COUNCIL

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*The text of the Grains Trade Convention, 1995 was established at a Conference of Governments arranged by the International Wheat Council on 7 December 1994. The text of the Food Aid Convention, 1995 was established by the Food Aid Committee on 5 December 1994, and amended on 13 March 1995. A Conference of Governments, held in London on 6 July 1995 brought into force both Conventions, with effect from 1 July 1995.*

*The Rules of Procedure under the Grains Trade Convention, 1995 were approved by the International Grains Council on 6 July 1995. The Rules were subsequently amended by the Council at its Twentieth Session on 1 December 2004 (Rule 2 (g)) and at its Twenty-first Session on 14 June 2005 (Finance Rules 25-31 and consequent renumbering of Rules).*

*At its Twenty-seventh Session on 9 June 2008 the Council adopted the Decision to include rice and its products in the definition of "grain" or "grains" under Article 2(1)(e) with effect from 1 July 2009, and to amend Rule 13 (Adjustments of votes) to include a new paragraph (b).*

*The Rules of Procedure were further amended at the Council's Thirty-third Session on 6 June 2011 (Rule 8(g) (Chairman and Vice-Chairman of the Council)).*

*At the Council's Thirty-fifth Session on 8 June 2012, the Rules of Procedure were again amended (new Rule 20 "Administrative Committee") with associated revisions and subsequent renumbering of Rules. The Council also adopted the Decision to include oilseeds and its products in the definition of "grain" or "grains" under Article 2(1)(e) with effect from 1 July 2013.*

*Following the entry into force of the Food Assistance Convention on 1 January 2013, Rule 13(a)(ii) of the Rules of Procedure was amended at the Council's 37th Session on 10 June 2013, replacing "Food Aid Convention, 1999" with "Food Assistance Convention".*

# INTERNATIONAL GRAINS AGREEMENT, 1995

## PREAMBLE

### *THE SIGNATORIES TO THIS AGREEMENT*

*Considering* that the International Wheat Agreement, 1949 was revised, renewed, updated or extended on successive occasions leading to the conclusion of the International Wheat Agreement, 1986

*Considering* that the provisions of the International Wheat Agreement, 1986, consisting of the Wheat Trade Convention, 1986, on the one hand, and the Food Aid Convention, 1986, on the other, as extended, will expire on 30th June 1995, and that it is desirable to conclude an agreement for a new period,

*Have agreed* that the International Wheat Agreement, 1986 shall be updated and renamed the International Grains Agreement, 1995, which shall consist of two separate legal instruments

- (a) the Grains Trade Convention, 1995 and
- (b) the Food Aid Convention, 1995,

and that each of these two Conventions, or either of them as appropriate, shall be submitted for signature and ratification, acceptance or approval, in conformity with their respective constitutional or institutional procedures, by the Governments concerned.

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*NB: The Food Aid Convention, 1995 was replaced by the Food Aid Convention, 1999 which was in force from 1 July 1999 to 30 June 2012.*

## GRAINS TRADE CONVENTION, 1995

### PART I - GENERAL

#### ARTICLE 1

##### Objectives

The objectives of this Convention are:

- (a) to further international co-operation in all aspects of trade in grains, especially insofar as these affect the food grain situation;
- (b) to promote the expansion of international trade in grains, and to secure the freest possible flow of this trade, including the elimination of trade barriers and unfair and discriminatory practices, in the interest of all members, in particular developing members;
- (c) to contribute to the fullest extent possible to the stability of international grain markets in the interests of all members, to enhance world food security, and to contribute to the development of countries whose economies are heavily dependent on commercial sales of grain; and
- (d) to provide a forum for exchange of information and discussion of members' concerns regarding trade in grains.

#### ARTICLE 2

##### Definitions

For the purposes of this Convention:

- (1) (a) "Council" means the International Grains Council established by the International Wheat Agreement, 1949 and continued in being by Article 9;
- (b) (i) "member" means a party to this Convention;
- (ii) "exporting member" means a member so designated under Article 12;
- (iii) "importing member" means a member so designated under Article 12;
- (c) "Executive Committee" means the Committee established under Article 15;
- (d) "Market Conditions Committee" means the Committee established under Article 16;

- (e) "grain" or "grains" means barley, maize, millet, oats, rye, sorghum, triticale and wheat, and their products, and such other grains and products as the Council may decide,\*
- (f) (i) "purchase" means a purchase of grain for import, or the quantity of grain so purchased, as the context requires;
- (ii) "sale" means a sale of grain for export, or the quantity of such grain so sold, as the context requires;
- (iii) where reference is made in this Convention to a purchase or sale, it shall be understood to refer not only to purchases or sales concluded between the Governments concerned, but also to purchases or sales concluded between private traders, and to purchases or sales concluded between a private trader and the Government concerned;
- (g) "special vote" means a vote requiring at least two thirds of the votes (as calculated under Article 12) cast by the exporting members present and voting, and at least two thirds of the votes (as calculated under Article 12) cast by the importing members present and voting, counted separately;
- (h) "crop year" or "fiscal year" means the period from 1 July to the following 30 June;
- (i) "working day" means a working day at the headquarters of the Council.
- (2) Any reference in this Convention to a "Government" or "Governments" or "member" shall be construed as including a reference to the European Community (hereinafter referred to as the EC). Accordingly, any reference in this Convention to "signature" or to the "deposit of instruments of ratification, acceptance, or approval" or "an instrument of accession" or "a declaration of provisional application" by a Government shall, in the case of the EC, be construed as including signature or declaration of provisional application on behalf of the EC by its competent authority and the deposit of the instrument required by the institutional procedures of the EC to be deposited for the conclusion of an international agreement.
- (3) Any reference in this Convention to a "Government", or "Governments", or "member", shall be understood, where appropriate, to include a reference to any separate customs territory within the meaning of the General Agreement on Tariffs and Trade or of the Agreement Establishing The World Trade Organization.

\* At its Twenty-seventh Session on 9 June 2008, the Council decided that, with effect from 1 July 2009, rice and its products shall be included in the definition of "grain" or "grains" and their products under Article 2(1)(e).

At its Thirty-fifth Session on 8 June 2012, the Council decided that, with effect from 1 July 2013, oilseeds and its products shall be included in the definition of "grain" or "grains" and their products under Article 2(1)(e).

### ARTICLE 3

#### Information, reports and studies

- (1) To facilitate the achievement of the objectives in Article 1, make possible a fuller exchange of views at Council sessions, and provide information on a continuing basis to serve the general interest of members, arrangements shall be made for regular reports and exchange of information, and also special studies, as appropriate, covering grains, focusing primarily upon the following:
  - (a) supply, demand and market conditions;
  - (b) developments in national policies and their effects on the international market;
  - (c) developments concerning the improvement and expansion of trade, utilization, storage and transportation, especially in developing countries.
- (2) To improve the collection and presentation of information for those reports and studies referred to in paragraph (1) of this Article, to make it possible for more members to participate directly in the work of the Council, and to supplement the guidance already given by the Council in the course of its sessions, there shall be established a Market Conditions Committee, whose meetings shall be open to all members of the Council. The Committee shall have the functions specified in Article 16.

### ARTICLE 4

#### Consultations on market developments

- (1) If the Market Conditions Committee, in the course of its continuous review of the market under Article 16, is of the opinion that developments in the international grain market seriously threaten to affect the interests of members, or if such developments are called to the Committee's attention by the Executive Director on his own initiative or at the request of any member of the Council, it shall immediately report the facts concerned to the Executive Committee. The Market Conditions Committee, in so informing the Executive Committee, shall give particular regard to those circumstances which threaten to affect the interests of members.
- (2) The Executive Committee shall meet within ten working days to review such developments and, if it deems it appropriate, request the Chairman of the Council to convene a session of the Council to consider the situation.

### ARTICLE 5

#### Commercial purchases and special transactions

- (1) A commercial purchase for the purposes of this Convention is a purchase as defined in Article 2 which conforms to the usual commercial practices in international trade and which does not include those transactions referred to in paragraph (2) of this Article.

- (2) A special transaction for the purposes of this Convention is one which includes features introduced by the Government of a member concerned which do not conform to usual commercial practices. Special transactions include the following:
- (a) sales on credit in which, as a result of government intervention, the interest rate, period of payment, or other related terms do not conform to the commercial rates, periods or terms prevailing in the world market;
  - (b) sales in which the funds for the purchase of grain are obtained under a loan from the Government of the exporting member tied to the purchase of grain;
  - (c) sales for currency of the importing member which is not transferable or convertible into currency or goods for use in the exporting member;
  - (d) sales under trade agreements with special payments arrangements which include clearing accounts for settling credit balances bilaterally through the exchange of goods, except where the exporting member and the importing member concerned agree that the sale shall be regarded as commercial;
  - (e) barter transactions:
    - (i) which result from the intervention of Governments where grain is exchanged at other than prevailing world prices, or
    - (ii) which involve sponsorship under a government purchase programme, except where the purchase of grain results from a barter transaction in which the country of final destination was not named in the original barter contract;
  - (f) a gift of grain or a purchase of grain out of a monetary grant by the exporting member made for that specific purpose;
  - (g) any other categories of transactions, as the Council may prescribe, that include features introduced by the Government of a member concerned which do not conform to usual commercial practices.
- (3) Any question raised by the Executive Director or by any member as to whether a transaction is a commercial purchase as defined in paragraph (1) of this Article or a special transaction as defined in paragraph (2) of this Article shall be decided by the Council.

## ARTICLE 6

### Guidelines relating to concessional transactions

- (1) Members undertake to conduct any concessional transactions in grains in such a way as to avoid harmful interference with normal patterns of production and international commercial trade.



- (2) To this end both supplying and recipient members shall undertake appropriate measures to ensure that concessional transactions are additional to commercial sales which could reasonably be anticipated in the absence of such transactions, and would increase consumption or stocks in the recipient country. Such measures shall, for countries which are members of the Food and Agriculture Organization (FAO), be consistent with the FAO Principles of Surplus Disposal and Guiding Lines and the consultative obligations of FAO members, and may include the requirement that a specified level of commercial imports of grains agreed with the recipient country be maintained on a global basis by that country. In establishing or adjusting this level, full regard shall be had to the commercial import levels in a representative period, to recent trends in utilisation and imports, and to the economic circumstances of the recipient country, including, in particular, its balance-of-payments situation.
- (3) Members, when engaging in concessional export transactions, shall consult with exporting members whose commercial sales might be affected by such transactions to the maximum possible extent before such arrangements are concluded with recipient countries.
- (4) The Secretariat shall periodically report to the Council on developments in concessional transactions in grains.

#### ARTICLE 7

##### Reporting and recording

- (1) Members shall provide regular reports, and the Council shall maintain records for each crop year, showing separately commercial and special transactions, of all shipments of grain by members and all imports of grain from non-members. The Council shall also maintain, to the extent possible, records of all shipments between non-members.
- (2) Members shall provide, as far as possible, such information as the Council may require concerning their grain supply and demand, and report promptly all changes in their national grain policies.
- (3) For the purposes of this Article:
  - (a) members shall send to the Executive Director such information concerning the quantities of grain involved in commercial sales and purchases and special transactions as the Council within its competence may require, including:
    - (i) in relation to special transactions, such detail of the transactions as will enable them to be classified in accordance with Article 5;
    - (ii) such information as may be available as to the type, class, grade and quality of the grains concerned;
  - (b) any member when exporting grain shall send to the Executive Director such information relating to their export prices as the Council may require;

- (c) the council shall obtain regular information on currently prevailing grain transportation costs, and members shall report such supplementary information as the council may require.
- (4) In the case of any grain which reaches the country of final destination after resale in, passage through, or transshipment from the ports of, a country other than that in which it originated, members shall to the maximum extent possible make available such information as will enable the shipment to be entered in the records as a shipment between the country of origin and the country of final destination. In the case of a resale, the provisions of this paragraph shall apply if the grain originated in the country of origin during the same crop year.
- (5) The Council shall make rules of procedure for the reports and records referred to in this Article. Those rules shall prescribe the frequency and the manner in which those reports shall be made and shall prescribe the duties of members with regard thereto. The Council shall also make provision for the amendment of any records or statements kept by it, including provision for the settlement of any dispute arising in connection therewith. If any member repeatedly and unreasonably fails to make reports as required by this Article, the Executive Committee shall arrange consultations with that member to remedy the situation.

#### ARTICLE 8

##### Disputes and complaints

- (1) Any dispute concerning the interpretation or application of this Convention which is not settled by negotiation shall, at the request of any member which is a party to the dispute, be referred to the Council for decision.
- (2) Any member which considers that its interests as a party to this Convention have been seriously prejudiced by actions of any one or more members affecting the operation of this Convention may bring the matter before the Council. In such a case, the Council shall immediately consult with the members concerned in order to resolve the matter. If the matter is not resolved through such consultations, the Council shall consider the matter further and may make recommendations to the members concerned.

### PART II - ADMINISTRATION

#### ARTICLE 9

##### Constitution of the Council

- (1) The Council (formerly the International Wheat Council, as established by the International Wheat Agreement, 1949, and now renamed the International Grains Council) shall continue in being for the purposes of administering this Convention with the membership, powers and functions provided in this Convention.

- (2) Members may be represented at Council meetings by delegates, alternates and advisers.
- (3) The Council shall elect a Chairman and a Vice-Chairman who shall hold office for one crop year. The Chairman shall have no vote and the Vice-Chairman shall have no vote while acting as Chairman.

## ARTICLE 10

### Powers and functions of the Council

- (1) The Council shall establish its Rules of Procedure.
- (2) The Council shall keep such records as are required by the terms of this Convention and may keep such other records as it considers desirable.
- (3) In order to enable the Council to discharge its functions under this Convention, the Council may request, and members undertake to supply, subject to the provisions of paragraph (2) of Article 7, such statistics and information as are necessary for this purpose.
- (4) The Council may, by special vote, delegate to any of its committees, or to the Executive Director, the exercise of powers or functions other than the following:
  - (a) decisions on matters under Article 8;
  - (b) review, under Article 11, of the votes of members listed in the Annex;
  - (c) determination of exporting and importing members and distribution of their votes under Article 12;
  - (d) location of the seat of the Council under paragraph (1) of Article 13;
  - (e) appointment of the Executive Director under paragraph (2) of Article 17;
  - (f) adoption of the budget and assessment of members' contributions under Article 21;
  - (g) suspension of the voting rights of a member under paragraph (6) of Article 21;
  - (h) any request to the Secretary-General of UNCTAD to convene a negotiating conference under Article 22;
  - (i) exclusion of a member from the Council under Article 30;
  - (j) recommendation of an amendment under Article 32;
  - (k) extension or termination of this Convention under Article 33.

The Council may at any time revoke such delegation by a majority of the votes cast.

- (5) Any decision made under any powers or functions delegated by the Council in accordance with paragraph (4) of this Article shall be subject to review by the Council at the request of any member made within a period which the Council shall prescribe. Any decision in respect of which no request for review has been made within the prescribed period shall be binding on all members.
- (6) In addition to the powers and functions specified in this Convention the Council shall have such other powers and perform such other functions as are necessary to carry out the terms of this Convention.

## ARTICLE 11

### Votes for entry into force and budgetary procedures

- (1) For the purposes of the entry into force of this Convention, the calculations under paragraph (1) of Article 28 shall be based on the votes as set out in part A of the Annex.
- (2) For the purposes of the assessment of financial contributions under Article 21, the votes of members shall be based on those set out in the Annex, subject to the provisions of this Article and the associated Rules of Procedure.
- (3) Whenever this Convention is extended under paragraph (2) of Article 33, the Council shall review and adjust the votes of members under this Article. Such adjustments shall bring the distribution of votes more closely into line with current grain trade patterns, and shall be in accordance with the methods specified in the Rules of Procedure.
- (4) If the Council decides that a significant shift in world grain trading patterns has occurred it shall review, and may adjust, the votes of members. Such adjustments shall be regarded as amendments to this Convention, and shall be subject to the provisions of Article 32, except that an adjustment of votes may take effect only at the beginning of a fiscal year. After any adjustment to member's votes under this paragraph has taken effect, no further such adjustment may be put into effect before three years have elapsed.
- (5) All redistributions of votes under this Article shall be conducted in accordance with the Rules of Procedure.
- (6) For all purposes regarding the administration of this Convention, other than its entry into force under paragraph (1) of Article 28 and the assessment of financial contributions under Article 21, the votes to be exercised by members shall be as determined under Article 12.

ARTICLE 12

**Determination of exporting and importing members and  
distribution of their votes**

- (1) At the first session held under this Convention, the Council shall establish which members shall be exporting members and which members shall be importing members for the purposes of this Convention. In so deciding, the Council shall take account of the grain trading patterns of those members and of their own views.
- (2) As soon as the Council has determined which members shall be exporting and which shall be importing members under this Convention, the exporting members, on the basis of their votes under Article 11, shall divide their votes among them as they shall decide, subject to the conditions laid down in paragraph (3) of this Article, and the importing members shall similarly divide their votes.
- (3) For the purposes of the allocation of votes under paragraph (2) of this Article, the exporting members shall together hold 1,000 votes, and the importing members shall together hold 1,000 votes. No member shall hold more than 333 votes as an exporting member or more than 333 votes as an importing member. There shall be no fractional votes.
- (4) The lists of exporting and importing members shall be reviewed by the Council, in the light of changing patterns in their grain trade, after a period of three years following the entry into force of this Convention. They shall also be reviewed whenever this Convention is extended under paragraph (2) of Article 33.
- (5) At the request of any member, the Council may, at the beginning of any fiscal year, agree by special vote to the transfer of that member from the list of exporting members to the list of importing members, or from the list of importing members to the list of exporting members, as appropriate.
- (6) The distribution of the votes of exporting and importing members shall be reviewed by the Council whenever the lists of the exporting and importing members are changed under paragraphs (4) or (5) of this Article. Any redistribution of votes under this paragraph shall be subject to the conditions set out in paragraph (3) of this Article.
- (7) Whenever any Government becomes, or ceases to be, a party to this Convention, the Council shall redistribute the votes of the other exporting or importing members, as appropriate, in proportion to the number of votes held by each member, subject to the conditions set out in paragraph (3) of this Article.
- (8) Any exporting member may authorize any other exporting member, and any importing member may authorise any other importing member, to represent its interests and to exercise its votes at any meeting or meetings of the Council. Satisfactory evidence of such authorisation shall be submitted to the Council.

- (9) If at any meeting of the Council a member is not represented by an accredited delegate and has not authorized another member to exercise its votes in accordance with paragraph (8) of this Article, or if at the date of any meeting any member has forfeited, has been deprived of, or has recovered its votes under any provisions of this Convention, the total votes to be exercised by the exporting members at that meeting shall be adjusted to a figure equal to the total of votes to be exercised at that meeting by the importing members and redistributed among exporting members in proportion to their votes.

### ARTICLE 13

#### Seat, sessions and quorum

- (1) The seat of the Council shall be in London unless the Council decides otherwise.
- (2) The Council shall meet at least once during each half of each fiscal year and at such other times as the Chairman may decide, or as otherwise required by this Convention.
- (3) The Chairman shall convene a session of the Council if so requested by (a) five members or (b) one or more members holding a total of not less than 10 per cent of the total votes or (c) the Executive Committee.
- (4) The presence of delegates with a majority of the votes held by the exporting members and a majority of the votes held by the importing members, prior to any adjustment of votes under paragraph (9) of Article 12, shall be necessary to constitute a quorum at any meeting of the Council.

### ARTICLE 14

#### Decisions

- (1) Except where otherwise specified in this Convention, decisions of the Council shall be by a majority of the votes cast by the exporting members and a majority of the votes cast by the importing members, counted separately.
- (2) Without prejudice to the complete liberty of action of any member in the determination and administration of its agricultural and price policies, each member undertakes to accept as binding all decisions of the Council under the provisions of this Convention.

### ARTICLE 15

#### Executive Committee

- (1) The Council shall establish an Executive Committee consisting of not more than six exporting members elected annually by the exporting members and not more

than eight importing members elected annually by the importing members. The Council shall appoint the Chairman of the Executive Committee and may appoint a Vice-Chairman.

- (2) The Executive Committee shall be responsible to and work under the general direction of the Council. It shall have such powers and functions as are expressly assigned to it under this Convention and such other powers and functions as the Council may delegate to it under paragraph (4) of Article 10.
- (3) The exporting members on the Executive Committee shall have the same total number of votes as the importing members. The votes of the exporting members on the Executive Committee shall be divided among them as they shall decide, provided that no such exporting member shall have more than 40 per cent of the total votes of those exporting members. The votes of the importing members on the Executive Committee shall be divided among them as they shall decide, provided that no such importing member shall have more than 40 per cent of the total votes of those importing members.
- (4) The Council shall prescribe rules of procedure regarding voting in the Executive Committee and may make such other provision regarding rules of procedure in the Executive Committee as it thinks fit. A decision of the Executive Committee shall require the same majority of votes as this Convention prescribes for the Council when making a decision on a similar matter.
- (5) Any member of the Council which is not a member of the Executive Committee may participate, without voting, in the discussion of any question before the Executive Committee whenever the latter considers that the interests of that member are affected.

#### ARTICLE 16

##### **Market Conditions Committee**

- (1) The Council shall establish a Market Conditions Committee, which shall be a Committee of the whole. The Chairman of the Market Conditions Committee shall be the Executive Director, unless the Council decides otherwise.
- (2) Invitations to attend the meetings of the Market Conditions Committee as observers may be extended to representatives of non-member Governments and international organizations, as the Chairman of the Committee considers appropriate.
- (3) The Committee shall keep under continuous review, and report to members on, all matters affecting the world grain economy. The Committee shall take account in its review of relevant information supplied by any member of the Council.
- (4) The Committee shall supplement the guidance given by the Council to assist the Secretariat in carrying out the work envisaged in Article 3.

- (5) The Committee shall advise in accordance with the relevant Articles of this Convention and on any matters which the Council or the Executive Committee may refer to it.

#### ARTICLE 17

##### Secretariat

- (1) The Council shall have a Secretariat consisting of an Executive Director, who shall be its chief administrative officer, and such staff as may be required for the work of the Council and its Committees.
- (2) The Council shall appoint the Executive Director who shall be responsible for the performance of the duties devolving upon the Secretariat in the administration of this Convention, and for the performance of such other duties as are assigned to him by the Council and its Committees.
- (3) The staff shall be appointed by the Executive Director in accordance with regulations established by the Council.
- (4) It shall be a condition of employment of the Executive Director and of the staff that they do not hold or shall cease to hold financial interest in the grain trade and that they shall not seek or receive instructions regarding their duties under this Convention from any Government or from any other authority external to the Council.

#### ARTICLE 18

##### Admission of observers

The Council may invite any non-member State, and any intergovernmental organization, to attend any of its meetings as an observer.

#### ARTICLE 19

##### Co-operation with other intergovernmental organisations

- (1) The Council may make whatever arrangements are appropriate for consultation or co-operation with the United Nations, its organs, and such other specialized agencies and intergovernmental organisations as may be appropriate, in particular the United Nations Conference on Trade and Development, the Food and Agriculture Organization, the Common Fund for Commodities and the World Food Programme.
- (2) The Council, bearing in mind the particular role of the United Nations Conference on Trade and Development in international commodity trade, will, as it considers appropriate, keep the United Nations Conference on Trade and Development informed of its activities and programmes of work.



- (3) If the Council finds that any terms of this Convention are materially inconsistent with such requirements as may be laid down by the United Nations through its appropriate organs or by its specialised agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Convention and the procedure prescribed in Article 32 shall be applied.

## ARTICLE 20

### Privileges and immunities

- (1) The Council shall have legal personality. It shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings.
- (2) The status, privileges and immunities of the Council in the territory of the United Kingdom shall continue to be governed by the Headquarters Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the International Wheat Council signed at London on 28 November 1968.
- (3) The Agreement referred to in paragraph (2) of this Article shall be independent of the present Convention. It shall however terminate:
- (a) by agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Council, or
  - (b) in the event of the seat of the Council being moved from the United Kingdom, or
  - (c) in the event of the Council ceasing to exist.
- (4) In the event of the seat of the Council being moved from the United Kingdom, the Government of the member in which the seat of the Council is situated shall conclude with the Council an international agreement relating to the status, privileges and immunities of the Council, its Executive Director, its staff and representatives of members at meetings convened by the Council.

## ARTICLE 21

### Finance

- (1) The expenses of delegations to the Council and of representatives on its Committees and working groups shall be met by their respective Governments. The other expenses necessary for the administration of this Convention shall be met by annual contributions from all members. The contribution of each member for each fiscal year shall be in the proportion which the number of its votes in the Annex bears to the total of the votes of members in the Annex, as adjusted under Article 11 to

reflect the membership of the Convention at the time when the budget for that fiscal year is adopted.

- (2) At its first session after this Convention comes into force, the Council shall approve its budget for the fiscal year ending 30 June 1996, and assess the contribution to be paid by each member.
- (3) The Council shall, at a session during the second half of each fiscal year, approve its budget for the following fiscal year and assess the contribution to be paid by each member for that fiscal year.
- (4) The initial contribution of any member acceding to this Convention under paragraph (2) of Article 27 shall be assessed on the basis of the votes agreed with the Council as a condition for its accession, and the period of the current fiscal year remaining at the time of accession, but the assessments of contributions to be paid by the other members in that fiscal year shall not be altered.
- (5) Contributions shall be payable immediately upon assessment.
- (6) If, at the end of six months following the date on which its contribution is due in accordance with paragraph (5) of this Article, a member has not paid its full contribution, the Executive Director shall request the member to make payment as quickly as possible. If, at the expiration of six months after the request of the Executive Director, the member has still not paid its contribution, its voting rights in the Council and in the Executive Committee shall be suspended until such time as it has made full payment of the contribution.
- (7) A member whose voting rights have been suspended under paragraph (6) of this Article shall not be deprived of any of its other rights or relieved of any of its obligations under this Convention, unless the Council so decides by special vote. It shall remain liable to pay its contribution and to meet any other of its financial obligations under this Convention.
- (8) The Council shall, each fiscal year, publish an audited statement of its receipts and expenditures in the previous fiscal year.
- (9) The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets.

## ARTICLE 22

### Economic provisions

The Council may, at an appropriate time, examine the possibility of the negotiation of a new international agreement or convention with economic provisions, and report to members, making such recommendations as it deems appropriate. The Council may, when it is judged that such a negotiation could be successfully concluded, request the Secretary-General of the United Nations Conference on Trade and Development to convene a negotiating conference.

### PART III - FINAL PROVISIONS

#### ARTICLE 23

##### Depositary

- (1) The Secretary-General of the United Nations is hereby designated as the depositary of this Convention.
- (2) The depositary shall notify all signatory and acceding Governments of each signature, ratification, acceptance, approval, provisional application of, and accession to, this Convention, as well as each notification and notice received under Articles 29 and 32.

#### ARTICLE 24

##### Signature

This Convention shall be open for signature at United Nations Headquarters from 1 May 1995 until and including 30 June 1995 by the Governments listed in the Annex.

#### ARTICLE 25

##### Ratification, acceptance, approval

- (1) This Convention shall be subject to ratification, acceptance or approval by each signatory Government in accordance with its respective constitutional procedures.
- (2) Instruments of ratification, acceptance or approval shall be deposited with the depositary not later than 30 June 1995. The Council may, however, grant one or more extensions of time to any signatory Government which is unable to deposit its instrument by that date. The Council shall inform the depositary of all such extensions of time.

#### ARTICLE 26

##### Provisional application

Any signatory Government and any other Government eligible to sign this Convention, or whose application for accession is approved by the Council, may deposit with the depositary a declaration of provisional application. Any Government depositing such a declaration shall provisionally apply this Convention in accordance with its laws and regulations and be provisionally regarded as a party thereto.

## ARTICLE 27

### Accession

- (1) Any Government listed in the Annex may accede to the present Convention until and including 30 June 1995, except that the Council may grant one or more extensions of time to any Government which has not deposited its instrument by that date.
- (2) This Convention shall be open for accession after 30 June 1995 by the Governments of all States upon such conditions as the Council considers appropriate. Accession shall be effected by the deposit of an instrument of accession with the depositary. Such instruments of accession shall state that the Government accepts all the conditions established by the Council.
- (3) Where, for the purposes of the operation of this Convention, reference is made to members listed in the Annex, any member the Government of which has acceded to this Convention on conditions prescribed by the Council in accordance with this Article shall be deemed to be listed in the Annex.

## ARTICLE 28

### Entry into force

- (1) This Convention shall enter into force on 1 July 1995 if instruments of ratification, acceptance, approval or accession, or declarations of provisional application have been deposited not later than 30 June 1995 on behalf of Governments listed in part A of the Annex holding, at least, 88 per cent of the total votes set out in part A of the Annex.
- (2) If this Convention does not enter into force in accordance with paragraph (1) of this Article, the Governments which have deposited instruments of ratification, acceptance, approval or accession, or declarations of provisional application, may decide by mutual consent that it shall enter into force between themselves.

## ARTICLE 29

### Withdrawal

Any member may withdraw from this Convention at the end of any fiscal year by giving written notice of withdrawal to the depositary at least ninety days prior to the end of that fiscal year, but shall not thereby be released from any obligations under this Convention which have not been discharged by the end of that fiscal year. The member shall simultaneously inform the Council of the action it has taken.

### ARTICLE 30

#### Exclusion

If the Council finds that any member is in breach of its obligations under this Convention and decides further that such breach significantly impairs the operation of this Convention, it may, by special vote, exclude such member from the Council. The Council shall immediately notify the depositary of any such decision. Ninety days after the date of the Council's decision, that member shall cease to be a member of the Council.

### ARTICLE 31

#### Settlement of accounts

- (1) The Council shall determine any settlement of accounts which it finds equitable with a member which has withdrawn from this Convention or which has been excluded from the Council, or has otherwise ceased to be a party to this Convention. The Council shall retain any amounts already paid by such member. Such member shall be bound to pay any amounts due from it to the Council.
- (2) Upon termination of this Convention, any member referred to in paragraph (1) of this Article shall not be entitled to any share of the proceeds of the liquidation or the other assets of the Council; nor shall it be burdened with any part of the deficit, if any, of the Council.

### ARTICLE 32

#### Amendment

- (1) The Council may by special vote recommend to members an amendment of this Convention. The amendment shall become effective 100 days after the depositary has received notifications of acceptance from exporting members which hold two thirds of the votes of the exporting members and by importing members which hold two thirds of the votes of the importing members, or on such later date as the Council may have determined by special vote. The Council may fix a time within which each member shall notify the depositary of its acceptance of the amendment and, if the amendment has not become effective by such time, it shall be considered withdrawn. The Council shall provide the depositary with the information necessary to determine whether the notifications of acceptance received are sufficient to make the amendment effective.
- (2) Any member on behalf of which notification of acceptance of an amendment has not been made by the date on which such amendment becomes effective shall as of that date cease to be a party to this Convention, unless such member has satisfied the Council that acceptance could not be secured in time owing to difficulties in completing its constitutional procedures and the Council decides to extend for such member the period fixed for acceptance. Such member shall not be bound by the amendment before it has notified its acceptance thereof.

### ARTICLE 33

#### Duration, extension and termination

- (1) This Convention shall remain in force until 30 June 1998, unless extended under paragraph (2) of this Article, or terminated earlier under paragraph (3) of this Article, or replaced before that date by a new agreement or convention negotiated under Article 22.
- (2) The Council may, by special vote, extend this Convention beyond 30 June 1998 for successive periods not exceeding two years on each occasion. Any member which does not accept such extension of this Convention shall so inform the Council at least thirty days prior to the extension coming into force. Such a member shall cease to be a party to this Convention from the beginning of the period of extension, but it shall not thereby be released from any obligations under this Convention which have not been discharged prior to that date.
- (3) The Council may at any time decide, by special vote, to terminate this Convention with effect from such date and subject to such conditions as it may determine.
- (4) Upon termination of this Convention, the Council shall continue in being for such time as may be required to carry out its liquidation and shall have such powers and exercise such functions as may be necessary for that purpose.
- (5) The Council shall notify the depositary of any action taken under paragraph (2) or paragraph (3) of this Article.

### ARTICLE 34

#### Relationship of Preamble to Convention

This Convention includes the Preamble to the International Grains Agreement, 1995.

IN WITNESS WHEREOF the undersigned, having been duly authorised to this effect by their respective Governments, have signed this Convention on the dates appearing opposite their signatures.

ESTABLISHED at London, this 7th day of December One Thousand, Nine Hundred and Ninety-Four, the texts of this Convention in the English, French, Russian and Spanish languages being equally authentic.

## GRAINS TRADE CONVENTION, 1995

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**RULES OF PROCEDURE \***  
**under the**  
**GRAINS TRADE CONVENTION, 1995**

**RULE 1**

**Implementation of the Convention**

Members shall make such arrangements as they deem to be necessary to ensure the fulfilment of their obligations under the Convention.

**RULE 2**

**Definitions**

*Article 2*

For the purposes of these Rules of Procedure:

- (a) "certified seed grain" means grain which has been officially certified according to the custom of the country of origin and which conforms to recognised specification standards for seed grain in that country;
- (b) "c. and f." means cost and freight;
- (c) "c.i.f." means cost, insurance and freight;
- (d) "f.a.s." means free alongside ship;
- (e) "f.o.b." means free on board;
- (f) "shipment" means despatch by any method of transport;
- (g) All calculations of the wheat equivalent of shipments of wheat flour shall be made on the basis of the rate of extraction indicated by the contract between the buyer and the seller. If no such rate is indicated, an extraction rate of 73 per cent (by weight) shall be used in the calculations, except in the case of semolina and durum wheat flour where a rate of 66.6 per cent shall be used.

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*\*As amended by the International Grains Council at its Twentieth Session on 1 December 2004 (Rule 2(g)), its Twenty-first Session on 14 June 2005 (Rules 25-31, and subsequent renumbering of Rules), its Twenty-seventh Session on 9 June 2008 (Rule 13, to include a new paragraph (b)), its Thirty-third Session on 6 June 2011 (Rule 8(g)) and its Thirty-fifth Session on 8 June 2012 (new Rule 20 "Administrative Committee"), and associated revisions and subsequent renumbering of Rules.*

- (h) "Developing country", unless the Council decides otherwise, is defined as in the current Food Aid Convention. However, this definition shall not preclude the Secretariat using different definitions of economic groupings of countries, as may be convenient, for statistical reporting and recording purposes.

### **RULE 3**

#### **Information, reports and studies**

##### *Article 3*

- (a) Members undertake to supply, to the extent possible, such statistical and other information that may be required for the working of this Convention, in particular:
- (i) information on shipments and imports, as required under Rule 4;
  - (ii) information on prices, as required under Rule 5; and
  - (iii) information required by the Market Conditions Committee for the reports and studies referred to in Article 3 of the Convention, particularly regarding supply, demand and market conditions; developments concerning trade, utilisation, storage and transportation.
- (b) In the absence of official data, the Secretariat may, at its discretion, obtain the information it requires from other sources.

### **RULE 4**

#### **Reports of shipments and of imports**

##### *Article 7*

- (a) The procedures set out in paragraphs (b) to (f) of this Rule shall apply whenever members report, in accordance with paragraph (1) of Article 7 of the Convention, their grain shipments and their imports of grain from non-members.
- (b) All reports shall:
- (i) be in a form approved by the Market Conditions Committee;
  - (ii) cover consecutive time periods, and be numbered consecutively for reference purposes; and
  - (iii) be transmitted to the Executive Director by the quickest possible method.
- (c) All reports shall show, separately, quantities of each grain or grain product shipped or imported, as the case may be. They shall distinguish, in particular:
- (i) between commercial and special transactions, as defined in Article 5 of the Convention;

- (ii) in the case of wheat, between wheat grain, wheat flour, durum wheat, durum wheat flour, and semolina;
  - (iii) in the case of barley, between grain and malt;
  - (iv) in the case of all other grains, between grain, as such, and grain products; and
  - (v) in all reports, any certified seed grain.
- (d) Members which export grain, or which import grain from non-members, shall report their shipments or imports, as the case may be, each calendar month. Each report shall be forwarded to the Executive Director as soon as possible after the end of the month to which it relates. If no export shipments, or imports, as the case may be, have been made during any month, the member shall report "Nil" unless the Market Conditions Committee has agreed that no report need be made by that member until the situation changes.
- (e) The Market Conditions Committee may request any member to report at more frequent intervals than provided under paragraph (d) of this Rule.
- (f) Any correction to the reports made under paragraph (d) of this Rule shall be reported as soon as possible.
- (g) As soon as possible after the end of each crop year, or at such other times as the situation may require, members involved in transit trade and transshipments shall attempt to reconcile to the maximum extent possible any differences between the imports of members as recorded by the Council on the basis of the reports made under paragraph (d) of this Rule, and their actual imports. Any adjustment arising from this reconciliation shall not, however, result in any amendment to the total recorded export shipments of any member.
- (h) Any question raised by a member regarding the interpretation or application of paragraphs (a) to (g) of this Rule, or regarding the figures relating to that member shown in any statement of shipments, shall be referred to the Executive Director who shall, if the matter cannot be resolved satisfactorily, refer it to the Administrative Committee for decision.
- (i) The Executive Director shall send to members regular statements on the basis of reports made under paragraphs (d) to (g) of this Rule, supplemented, where necessary, by any other information available to the Secretariat. The statements shall show the source and destination of all grain shipments in the period concerned, indicating, in particular, those which were on commercial terms, and which were on special terms, as defined in Article 5 of the Convention.
- (j) As soon as possible after the end of each crop year the Executive Director shall prepare and distribute to members a draft record of shipments, showing details of all ascertained grain shipments that took place during the previous year. The reports, as approved by the Council, shall be made available to the public upon such conditions as the Council may decide.

## RULE 5

### Reports of prices

#### Article 7

- (a) Members exporting grain shall send to the Executive Director by the quickest possible method, not later than Tuesday in each week, a report giving the prices at which each of those grains was traded, or was on offer for sale, at the respective loading points during the preceding week.
- (b) The reports under paragraph (a) of this Rule shall:
- (i) cover all descriptions, classes, types, grades or qualities of grains or products which were exported or available for sale;
  - (ii) be on a f.o.b. basis (f.a.s. in the case of products) or on a c.i.f. or c. and f. basis;
  - (iii) indicate the corresponding shipment period; and
  - (iv) indicate, where appropriate, the importing countries or areas to which the prices refer.
- (c) Members importing grains shall, as far as possible, send regular reports to the Executive Director giving the prices (f.o.b., f.a.s., c.i.f. or c. and f.) at which they purchased the grain.
- (d) Members shall inform the Executive Director whenever changes are made in the official specifications, standards or descriptions, of the grains or products offered for export when prices are reported under this Rule.

## RULE 6

### Serious prejudice

#### Article 8

Any member wishing to make representations to the Council that its interests as a party to the Convention have been seriously prejudiced by the action of any one or more members affecting the operation of the Convention, shall do so in writing to the Executive Director. The Executive Director shall immediately arrange a meeting of the members concerned and shall notify the Administrative Committee that the matter has been raised. If the matter is not satisfactorily resolved either in consultation between the parties or thereafter with the Administrative Committee, it shall be referred to the Council and a special session shall be called for that purpose, if necessary.

**RULE 7**

**Designated representatives**

*Article 9*

Each member of the Council shall designate a representative resident at the seat of the Council, to whom notices and other communications related to the work of the Council shall normally be addressed. Other arrangements may be adopted by any member of the Council in agreement with the Executive Director.

**RULE 8**

**Chairman and Vice-Chairman of the Council**

*Article 9*

- (a) At the last statutory session held in each fiscal year, the Council shall elect a Chairman and a Vice-Chairman for the following fiscal year, who shall take office from the commencement of that fiscal year.
- (b) The Chairman and Vice-Chairman shall be elected, one from the delegations of the importing members and the other from among those of the exporting members. Each of these offices shall, as a general rule, alternate each year between the two categories of members, but in exceptional circumstances the Council may elect a Chairman or Vice-Chairman to serve a further consecutive term of office.
- (c) In addition to exercising the powers conferred upon him by the Rules of Procedure, the duties of the Chairman shall be:
  - (i) to preside at meetings of the Council;
  - (ii) to declare the opening and closing of each meeting and of each session of the Council;
  - (iii) to submit the draft agenda to the Council for adoption at the beginning of each session;
  - (iv) to direct the discussions in meetings and to ensure observance of the Rules of Procedure;
  - (v) to accord the right to speak and, subject to Rule 17, to decide all questions of order;
  - (vi) to put questions and announce decisions;
  - (vii) to call for votes and announce the result to the meeting; and
  - (viii) to supervise the voting procedures laid down in Rule 19(b)(i) and (ii).

- (d) If the Chairman of the Council is absent from a meeting or any part thereof, or is otherwise unable temporarily to fill his office, the Vice-Chairman shall act as Chairman. In the absence of the Chairman and Vice-Chairman, the Council shall elect a temporary Chairman.
- (e) If, for any reason, the Chairman of the Council is unable to continue to fill his office, his place shall be taken by the Vice-Chairman pending the election of a new Chairman by the Council.
- (f) The Vice-Chairman, when acting as Chairman of the Council, or the temporary Chairman, shall have the same powers and duties as the Chairman.
- (g) The Chairman and Vice-Chairman of the Council may attend any meeting of any Committee of the Council and take part in the proceedings without vote. They shall receive, as soon as available, the minutes of the meetings of Committees of the Council and such other information relating to the work of those Committees as they may desire.
- (h) When occupying the Chair of the Council, the Chairman, the Vice-Chairman or temporary Chairman shall not act as representative of any member of the Council and shall not vote.

## RULE 9

### Council documents

#### Article 9

- (a) The records of the Council shall be in the English, French, Russian and Spanish languages.
- (b) Records of Council meetings and other documents of the Council, the Executive Committee, the Administrative Committee, the Market Conditions Committee and other Committees or working groups, shall normally be marked "Restricted", signifying they are for official use only.
- (c) The following declassification procedure shall apply to Restricted documents:
  - (i) Minutes and records of the proceedings at Council, Committee and working group meetings shall remain "Restricted" for five years from the date of issue, but may be made available to responsible persons three years after the date of issue.
  - (ii) Other documents shall remain "Restricted" for three years from the date of issue, but may be made available to responsible persons one year after the date of issue.
- (d) Notwithstanding the provisions of paragraph (c) of this Rule, the Council or the Administrative Committee may decide that information contained in any document may be published or otherwise made available; and the Market Conditions

Committee may decide that information contained in any document for which it is responsible may be published or otherwise made available.

#### **RULE 10**

##### **Report of the Council for the fiscal year**

###### *Article 10*

As early as possible in each fiscal year, the Executive Director shall prepare a draft Report of the Council for the preceding fiscal year. The Report shall describe the activities of the Council and its Committees, and the working of the Grains Trade Convention, during that year. The draft shall be considered by the Administrative Committee and then submitted to the Council for approval of publication.

#### **RULE 11**

##### **Delegations of powers**

###### *Article 10*

- (a) Where in the Rules of Procedure any powers other than those conferred under the Convention are conferred on any Committee, or the Executive Director, these should be deemed delegations of powers by the Council under paragraph (4) of Article 10 of the Convention.
- (b) Any request by a member, that the Council review a decision made by any Committee under any powers and functions delegated by the Council under paragraph (4) of Article 10 of the Convention, shall be submitted to the Executive Director in writing not later than 30 days after the circulation of the approved minutes of the meeting of the Committee concerned containing the decision.

#### **RULE 12**

##### **Amendment or suspension of Rules**

###### *Article 10*

Any proposal to amend or suspend any of the Rules of Procedure with temporary effect may be decided by the Council. A proposal permanently to amend or suspend any of the Rules of Procedure may be decided by the Council, provided that notice has been circulated by the Executive Director not less than one month before the Council meeting at which the proposal can be considered.

RULE 13

Adjustments of votes

Article 11

- (a) When adjustments of votes of members of the Convention are made under paragraph (3) of Article 11, the methods shall be as follows:

For each member the votes shall be based on:

- (i) The simple average of

- the votes held by that member on 1st July 1994 under Article 11 of the Wheat Trade Convention 1986, and
- the share (expressed as parts of 2,000) which that members' trade in grains represents of the total trade in grains of all members, averaged over the period specified below:

for the initial votes taking effect in 1995/96, the period averaged is 1961/62 - 1990/91;

for an adjustment taking effect in 1998/99, the period averaged shall be 1970/71 - 1993/94;

for an adjustment taking effect in 2000/01, the period averaged shall be 1976/77 - 1995/96;

for an adjustment taking effect in 2002/03, the period averaged shall be 1982/83 - 1997/98;

for an adjustment taking effect in any other year, the period averaged shall be the period interpolated from the above schedule, except that in no case shall the period averaged be less than 10 years.

In the case of a country which was not a member of the 1986 Convention on 1st July 1994, the votes shall be based on the proportion which that country's trade in grains is of the total trade of all members, over the appropriate period indicated in this paragraph or such part of that period for which statistics of its trade can be obtained.

- (ii) The votes of countries members of the Food Assistance Convention, as calculated in accordance with paragraph (i) of this Rule, shall each be increased by 8%.
- (iii) The results of the calculations in paragraphs (i) and (ii) of this Rule shall be adjusted pro-rata, having regard to the provisions of Rule 15, so that the total votes of all members shall equal 2,000 (subject to the provisions of Rule 14).



- (b) Whenever the Council decides to add another grain or grain product to the definition of grain or grains under Article 2(1)(e), the trade in this grain or grain product shall be included in the totals used to calculate the shares of trade, as set out in paragraph (a) of this Rule.

#### **RULE 14**

##### **Votes for the assessment of financial contributions**

###### *Article 11*

- (a) Upon the entry into force of the Convention, the votes set out in the Annex of all governments which have deposited instruments of ratification, acceptance or approval or accession to the Convention, or declarations of provisional application of it, shall be totalled. If this total is
- (i) 2,000 votes or less, the votes of each member shall be as shown in the Annex,
  - (ii) more than 2,000 votes, the votes of all members shall be reduced pro-rata so that they total 2,000 votes, having regard to the provisions of Rule 15.

The votes of members shall thereafter remain unchanged until either there is a further change in the membership of the Convention, or votes are redistributed in accordance with paragraph (3) or paragraph (4) of Article 11.

- (b) After the Convention has entered into force,
- (i) whenever any government ceases to be a party to the Convention, the votes of the remaining members shall not be increased, and the total of their votes shall then remain unchanged until there is a further change of membership.
  - (ii) whenever any government becomes a party to the Convention, its votes shall be added to the votes of the other members. If the new total is:
    - (a) 2,000 votes or less, the votes of the other members shall not be changed.
    - (b) more than 2,000 votes, the votes of the other members shall be reduced pro-rata so that the total votes of all members shall be 2,000 votes.

#### **RULE 15**

##### **Redistribution of votes under Article 11**

###### *Article 11*

When votes are redistributed under Article 11, the following shall apply:

- (a) there shall be no fractional votes;
- (b) the minimum number of votes of any member shall be 5;

- (c) if, after 7th December 1994, any state accedes to any member which is a party to this Convention, the votes of the enlarged member shall be calculated as the sum of:
- (i) the votes held by the member at the time of that accession, together with
  - (ii) the votes held by the acceding state or states (or their votes, as determined by the Council, in the case of states which are not already parties to the Convention);
- (d) the maximum number of votes of any member shall be 475.

#### **RULE 16**

##### **Council sessions: notification and draft agenda**

###### *Article 13*

- (a) The draft agenda for each session of the Council shall be prepared by the Executive Director and approved by the Administrative Committee or the Chairman of the Council, and shall include any items submitted by members of the Council.
- (b) The Executive Director shall send a written notification of the date of the first meeting of each session of the Council, accompanied by the draft agenda, to members of the Council, and to any non-member countries or international organisations to be invited to be represented as observers at the session. Such notification shall be sent not less than 21 days and, whenever possible, 30 days in advance. When a session is convened in accordance with paragraph (3) of Article 13 of the Convention or, in the opinion of the Chairman, there are reasons of urgency which make it necessary to hold the first meeting of the session before the expiry of 21 days, a shorter period of notice may be given which shall not be less than 10 days, or 5 market days in the case of a session convened in accordance with paragraph (2) of Article 4 of the Convention.
- (c) After receiving notification of a session, members of the Council shall, as soon as possible, notify the Executive Director in writing of the names of their representatives.

#### **RULE 17**

##### **Council sessions: procedure**

###### *Article 13*

- (a) Meetings of the Council shall be held in private unless the Council decides otherwise, and its proceedings shall be confidential.
- (b) Proceedings at sessions of the Council shall normally be conducted in the English, French, Russian and Spanish languages and the Executive Director shall make such arrangements for interpretation as may be necessary.

- (c) No change in the agenda shall be made subsequent to its adoption by the Council, except that additional items may be included if the Council so decides.
- (d) During the discussion of any matter, any delegate may raise a point of order. In this case the Chairman shall immediately state his ruling. If it is challenged by any delegate, the Chairman shall forthwith submit his ruling to the meeting for decision and it shall stand unless overruled.
- (e) Except by permission of the Chairman, only a delegate of a member of the Council or an alternate shall take part in the discussions.
- (f) Unless the Council decides otherwise, the Executive Director shall circulate a summary of decisions and resolutions as soon as possible after each session of the Council.

#### **RULE 18**

##### **Council sessions: Credentials Committee**

###### *Article 13*

The Council shall appoint a Credentials Committee which shall examine and report on the credentials of the representatives at each session. The Credentials Committee, in its report to the Council, shall list:

- (a) any member which has authorized another member under paragraph (8) of Article 12 of the Convention to exercise its votes at any meeting or meetings at that session;
- (b) any member whose voting rights under the Convention have been suspended, because it is in arrears with its financial contributions under Article 21 of the Convention.

#### **RULE 19**

##### **Council sessions: voting**

###### *Article 12*

- (a) If a vote is required during a session, the Chairman shall as soon as possible announce to the Council the votes to be exercised by members on the basis of the report of the Credentials Committee, having regard to paragraph (9) of Article 12 of the Convention.
- (b) The procedure for taking a vote in the Council shall be as follows:
  - (i) voting on all matters may, at the discretion of the Chairman, be by a show of hands, except that if any delegate requests a vote by roll call or by ballot, it shall be so taken and the result of each such vote, including abstentions as well as affirmative and negative votes, shall be recorded;

- (ii) voting by roll call shall be conducted by the Executive Director calling upon delegates, starting with a member to be selected by the Chairman, in the English alphabetical order of the members which they represent. Only the delegate, or an alternate, of each member of the Council shall be entitled to vote; and
- (iii) when the Chairman, Vice-Chairman or temporary Chairman is presiding at a meeting of the Council, the votes of the member which he would otherwise have represented may be exercised, in the absence of any other representative of that member, by the delegate of another exporting member or of another importing member as may be appropriate.

## **RULE 20**

### **Administrative Committee**

#### *Articles 9 to 21*

- (a) The Council, with effect from 1 July 2012, shall establish an Administrative Committee consisting of not more than 16 members of the Council. Each fiscal year its composition will be determined using the following guidelines:
  - (i) all those members of the Council holding not less than 50 (2.5%) of the financial votes as established in accordance with Article 11 will automatically be entitled to election
  - (ii) the remaining membership will consist of any other members elected by the Council
- (b) The Committee shall meet at least twice a year, ahead of each Council Session. Unless the Council decides otherwise, its functions will include all those set out elsewhere in the Rules of Procedure and in particular:
  - (i) To consider the draft agenda for each Council Session and approve it for circulation to members of the Council in accordance with Rule 16 (a)
  - (ii) To consider the draft annual budget after its preliminary review by the Budget Committee, for recommendation to the Council for its approval in accordance with Rule 26(c)
  - (iii) To keep under regular review the Council's financial position, in accordance with the provisions of Rules 26 to 30 and recommend the Council to take appropriate action
  - (iv) To appoint the independent external auditors in accordance with the provisions of Rule 31 (a)
  - (v) To designate the authorised signatories to the Council's bank accounts in accordance with Rule 30 (d)

- (vi) To appoint the trustees to the end-of-service benefit and life assurance schemes in accordance with Rule 32(a)
  - (vii) To consider the draft Report of the Council in accordance with Rule 10.
  - (viii) To consider any other administrative matters and, if required, recommend appropriate action to the Council for its decision
  - (ix) To consider the Secretariat's annual economic work programme, before recommending this to the Council for its approval
  - (x) To consider, and recommend to the Council, applications for accession under paragraph (2) of Article 27 in accordance with Rule 33(d)
  - (xi) To assist in resolving any matter placed before it by the Executive Director with respect to any member's representation that its interests have been seriously prejudiced, in accordance with Rule 6
  - (xii) To exercise any other powers or functions delegated to it by the Council other than those listed in Article 10 (4), (a) to (k)
- (c) The Administrative Committee shall take all decisions by consensus.

#### **RULE 21**

##### **Administrative Committee: Chairman**

###### *Articles 9 to 21*

- (a) Each fiscal year the Council shall appoint a Chairman and Vice-Chairman of the Committee.
- (b) If the Chairman and the Vice-Chairman of the Administrative Committee are both unable to attend a meeting of the Committee, the Committee shall elect a temporary Chairman for that meeting.
- (c) The Chairman, the Vice-Chairman or temporary Chairman of the Committee shall perform his duties in accordance with the provisions laid down for the Chairman of the Council in Rule 8, paragraphs (c), (e), (f) and (h), as appropriate.

#### **RULE 22**

##### **Administrative Committee: procedure at meetings and minutes**

###### *Articles 9 to 21*

- (a) The proceedings of the Administrative Committee shall be conducted in accordance with the procedure laid down for meetings of the Council in Rule 17, paragraphs (a) and (c) to (e) inclusive, as appropriate.

- (b) (i) Unless the Council or the Administrative Committee decides otherwise, the Executive Director shall prepare provisional summary minutes of the proceedings of all meetings of the Administrative Committee. These shall normally be circulated within 5 working days, excluding the day of the meeting, to members of the Committee. Any corrections which a member wishes to propose shall reach the Executive Director within 5 working days of the date of circulation, excluding that date.
- (ii) If no corrections are received, the minutes shall be considered as approved.
- (iii) If corrections are received, the Executive Director shall circulate the revisions to members of the Committee. Subject to any further comment by any member of the Committee within a period of 3 working days of the date of circulation of these revisions, excluding that date, the revised minutes shall be considered as approved.
- (iv) As soon as the minutes are approved, they shall be circulated to members of the Council and brought forward to the next meeting of the Committee for confirmation of approval.

#### RULE 23

##### Executive Committee: voting

###### Article 15

- (a) The group of exporting members and the group of importing members on the Executive Committee shall each hold a total of 100 votes.
- (b) At any meeting of the Executive Committee, the presence of members with a majority of the votes held by the exporting members and a majority of the votes held by the importing members shall be necessary to constitute a quorum.
- (c) Voting in the Executive Committee shall be conducted in accordance with the procedure laid down for voting in the Council in paragraph (8) of Article 12 of the Convention and Rule 19.

#### RULE 24

##### Market Conditions Committee

###### Article 16

- (a) The proceedings of the Market Conditions Committee shall be conducted in accordance with the procedure laid down for meetings of the Council in Rule 17, paragraphs (a) to (e), as appropriate.
- (b) When presenting a report or giving advice to the Council, Executive Committee or the Administrative Committee, the Market Conditions Committee shall state whether the report or advice is unanimous or otherwise. The dissent of any member of the

Market Conditions Committee shall be recorded if that member so requests.

- (c) The Executive Director may invite suitable persons to address the Committee on matters relevant to its work.
- (d) Minutes of the proceedings at meetings of the Market Conditions Committee shall be circulated to members.

#### RULE 25

##### **Duties of the Executive Director**

###### *Article 17*

The Executive Director shall carry out the directions of the Council, the Executive Committee, the Administrative Committee, and the Market Conditions Committee, and shall perform such functions as are laid down for the Executive Director in the Convention and the Rules of Procedure.

#### RULE 26

##### **Finance: budget review and approval**

###### *Article 21*

- (a) Each fiscal year, the Council shall appoint a Budget Committee consisting of representatives of not more than ten members of the Council, representing at least 50% of the votes for the assessment of financial contributions. The Budget Committee shall carry out a preliminary review of the Secretariat's budget proposal for the following fiscal year and may advise the Council or the Administrative Committee, as required, on other budgetary and financial matters.
- (b) For each fiscal year, a preliminary budget proposal shall be presented by the Executive Director to the Budget Committee for review. It shall be sent to the members of the Budget Committee sufficiently in advance, either of the first meeting of the Budget Committee or, if other methods are established to request the opinion of Committee members, of the date fixed to this end. The preliminary budget proposal shall be accompanied by explanatory notes for each budget heading.
- (c) After its review by the Budget Committee, the Executive Director shall submit the budget proposal to the Administrative Committee for its consideration and for approval of its submission to the Council. Not less than 21 days or, whenever possible, 30 days in advance of the Council session at which the budget is to be discussed, the Executive Director shall send the budget proposal, as considered by the Administrative Committee, to the Council for its consideration and adoption.
- (d) The budget shall only be definitive after its adoption by the Council. The Council's adoption shall constitute an authorisation to the Executive Director to incur budgetary obligations and to make expenditure for the purposes for which they have been approved. This authorisation is subject to the provision that the

Executive Director may, with the approval of the Chairman of the Council and the Administrative Committee, exceed the estimated expenditure under any individual headings, provided the expenditure in aggregate is within the total budget.

- (e) If the Council has not approved the proposed budget before the new fiscal year, the Executive Director shall be authorised to commit operational expenses within the limits of the total proposed appropriations for the fiscal year concerned, but at a rate not exceeding one twelfth per month. In such a situation, and as soon as practicable in the new fiscal year in question, the Executive Director shall submit a revised budget proposal to the Council for its consideration and adoption.
- (f) When, in the judgment of the Executive Director, and with the approval of the Chairman of the Council, circumstances justify the need to draw up an amended budget, the Executive Director shall submit the proposed amended budget to the Council for approval following the procedures in paragraphs (c) and (d) above.

#### RULE 27

##### Finance: budget structure

###### *Article 21*

- (a) The fiscal year of the Council shall be the year from 1 July to the following 30 June.
- (b) The pound sterling shall be the unit of account of the Council and shall be used for members' contributions.
- (c) The budget shall be structured into individual headings, specific to the requirements of the Council. It shall include:
  - (i) A statement of receipts in the current fiscal year, showing members' contributions and other receipts, including a statement of members' outstanding contributions;
  - (ii) For each budget heading, a statement of estimated current fiscal year payments, compared with payments in the previous fiscal year;
  - (iii) An estimate of the amount of the current fiscal year surplus or deficit;
  - (iv) A statement of reserves, as estimated at the end of the current fiscal year and maintained in compliance with the provisions of Rule 29;
  - (v) A list of staff posts, for each category of employment for the current fiscal year;
  - (vi) Proposed expenditure in the following fiscal year;
  - (vii) An estimate of the total proposed assessment for the following fiscal year.



**RULE 28**

**Finance: member contributions**

*Article 21*

- (a) The contributions of members shall be calculated, for each fiscal year, on the basis of the total assessment approved by the Council under paragraph (3) of Article 21 of the Convention. The contributions shall be in proportion to the number of votes of members at the beginning of that fiscal year as determined in accordance with paragraph (2) of Article 11 of the Convention.
- (b) Initial contributions of any government acceding to the Convention, under the provisions of paragraph (2) of Article 27 of the Convention, shall be assessed in proportion to the number of complete months remaining in that fiscal year after the date of membership in accordance with the provisions of Rule 33 (e).

**RULE 29**

**Finance: reserves**

*Article 21*

- (a) The Council shall maintain financial reserves sufficient to meet working capital requirements in relation to regular annual Secretariat expenditure, and to meet contingency requirements, as agreed by the Council. The Council may also authorise the maintenance of any special reserve it considers appropriate for ensuring the sound longer-term financial administration of the organisation.
- (b) The Executive Director shall provide regular reports to the Administrative Committee on the levels of the reserves, having regard to the purposes for these reserves agreed by the Council.
- (c) In the event that the end-of-fiscal-year reserves, as shown in the audited accounts, have exceeded the levels agreed by the Council, and taking account of all available information with regard to the current fiscal year financial situation, the Administrative Committee may recommend to the Council that appropriate action be taken. This may include a refund to members with respect to the year in question, or an adjustment to members' contributions for the next fiscal year budget, as calculated in accordance with Rule 28 (a).
- (d) In the event that the end-of-fiscal-year reserves, as shown in the audited accounts, have fallen below the agreed levels, and taking account of all available information with regard to the current fiscal year financial situation, the Administrative Committee may recommend to the Council that measures be taken to rebuild the reserves to the levels agreed by the Council.

**RULE 30**

**Finance: accounts and banking arrangements**

*Article 21*

- (a) The Executive Director shall be responsible for keeping the accounts of the Council. The accounts shall be established in accordance with recognised international accounting standards. They shall comprise:
- (i) Cash accounts, recording all the expenditure operations effected by the Secretariat and all income. All expenditure shall be entered in the books of the Council on the basis of documents signed by an authorising Secretariat officer.
  - (ii) Records monitoring the quantity and value of any fixed assets or stocks held.
- (b) Internal monthly reporting shall be established, comprising reports of expenditure and income for each budget line. The Secretariat shall, at least once a month, reconcile its cash accounts with the budget, with a view to ensuring coherence in the management of its budget and detecting any errors of allocation or omission.
- (c) The Executive Director shall arrange to open a bank account into which the contributions of members and other receipts shall be paid.
- (d) The bank account shall be in the name of the International Grains Council. The Executive Director shall arrange, with the bank where the account is held, for withdrawals to be authorised by any two Secretariat officers designated by the Administrative Committee.
- (e) Subject to the approval of the Administrative Committee, the Executive Director may:
- (i) invest monies of the Council;
  - (ii) authorise, after full investigation, the writing off of losses of cash, stores and other assets;
  - (iii) make such ex gratia payments as are deemed necessary in the interests of the Council.
- (f) As soon as possible after the end of each fiscal year, the Executive Director shall prepare accounts in conformity with the provisions of paragraph (a) above, comprising a statement of income and expenditure for that fiscal year. These should include at least the following documents:
- (i) The financial accounts, including statements of receipts and payments and additional information statements;
  - (ii) Cash position