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Executive Committee

RENEGOTIATION OF THE INTERNATIONAL NATURAL RUBBER AGREEMENT, 1987

Articles 7 and 21 referred by the Executive Committee
to the Legal Drafting Committee

CHAPTER IV - THE INTERNATIONAL NATURAL RUBBER COUNCIL

Article 7

Powers and functions of the Council

1. The Council shall exercise all such powers and perform or arrange for the performance of all such functions as are necessary to carry out the provisions of this Agreement, but it shall not have the power, and shall not be taken to have been authorized by the members, to incur any obligation outside the scope of this Agreement. In particular, it shall not have the capacity to borrow money, without, however, limiting the application of article 41, nor shall it enter into any trading contract for natural rubber, except as provided for specifically in paragraph 5 of article 30. In exercising its capacity to contract the Council shall ensure that the terms of paragraph 4 of article 48 are brought by written notice to the attention of the other parties entering into such contracts, but any failure to do so shall not in itself invalidate such contracts, nor shall it be deemed to be a waiver of such limitation of liability of the members.

2. The Council shall, by special vote, adopt such rules and regulations as are necessary to carry out the provisions of this Agreement and are consistent therewith. These shall include its own rules of procedure and those of the committees referred to in article 18, rules for the administration and operation of the Buffer Stock, and the financial and staff regulations of the Organization. The Council may, in its rules of procedure, provide for a procedure whereby it may, without meeting, decide specific questions.

3. For the purposes of paragraph 2 of this article, the Council shall, at its first session after the entry into force of this Agreement, review the rules and regulations established under the International Natural Rubber Agreement, 1987, and adopt them with such modifications as it deems appropriate. Pending such adoption, the rules and regulations established under the International Natural Rubber Agreement, 1987, shall apply.

4. The Council shall keep such records as are required for the performance of its functions under this Agreement.

5. The Council shall publish an annual report on the activities of the Organization and such other information as it considers appropriate.

CHAPTER VI. ACCOUNTS AND AUDIT

Article 21

Financial accounts

1. For the operation and administration of this Agreement, there shall be established two accounts :

- (a) The Buffer Stock Account; and
- (b) The Administrative Account.

2. All the following receipts and expenditures in the creation, operation and maintenance of the Buffer Stock shall be brought into the Buffer Stock Account: contributions from members under article 27, revenue from sales of or expenditure in respect of acquisition of buffer stocks; interest on deposits of the Buffer Stock Account; and costs relating to purchase and sales commissions, storage, transportation and handling, maintenance and rotation, and insurance. The Council may, however, by special vote, bring any other type of receipts or expenditures attributable to buffer stock transactions or operations into the Buffer Stock Account.

3. All other receipts and expenditures relating to the operation of this Agreement shall be brought into the Administrative Account. Such expenditures shall normally be met by contributions from members assessed in accordance with article 24.

4. The Organization shall not be liable for the expenses of delegations or observers to the Council or to any committee established under article 18.