UNASUR/CMRE/RESOLUTION N° 13/2016
WHEREBY THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS OF THE UNION OF SOUTH AMERICAN NATIONS STIPULATES THE REGISTRATION OF INCOME THAT COMES FROM INTERESTS AND TAX RETURNS OF THE ANNUAL BUDGET OF UNASUR

GIVEN THAT:

Article 8 of the Constitutive Treaty of UNASUR, paragraph i) which grants the power to the Council of Ministers of Foreign Affairs to "Adopt resolutions and regulations of an institutional nature or on other topics that are within its jurisdiction."

Article 11 paragraph 4 of the Constitutive Treaty of UNASUR which establishes as one of the legal sources of UNASUR the Resolutions of the Council of Ministers of Foreign Affairs.

Resolution UNASUR//CMRE/RESOLUTION N° 019/2015 of December 9, 2015 through which the Council of Ministers of Foreign Affairs of the Union of South American Nations approves the Regulation of Administration and Financial Management of UNASUR.

WHEREAS:

That the General Secretariat and the Permanent Institutional Instances can receive income that comes from interest generated in the bank accounts and tax refunds;

That, Article 6 of the Headquarters Agreement signed between the Republic of Ecuador and the General Secretariat of UNASUR provides that: "The General Secretariat of UNASUR, in accordance with the legal provisions in force in the Republic of Ecuador (…), may request to the competent organ of the State the refund of the value added tax or to return the tax which in its default has the same purpose".

That Article V of the Headquarters Agreement between the Argentine Republic and the Union of South American Nations for the Center for Strategic Defense Studies CEED of the South American Defense Council states that: "(…) The exemption from
value added tax shall be granted by means of the reimbursement of the amount paid by the Center in the concept of said tax (…)"

That article 7 of the Headquarters Agreement between the Federative Republic of Brazil and the Union of South American Nations for the operation of the South American Institute of Government in Health, ISAGS states that the "Institute and its property shall be exempt from taxes in goods in services (ICMS) and the Tax on Industrialized Products (IPI) (…), and also that "(…) The competent authorities of the Government may provide, if they consider relevant, that the exemption is replaced by tax refund at issue.”

That Article 9.5 of the Regulations of Administration and Financial Management of UNASUR provides that the tax returns that originate in privileges and immunities, with independence of the year in which they originate, will be accounted as income under the classifier for resources;

That in Appendix I of the Regulations of Administration and Financial Management of UNASUR the "Budgetary Classifier of Resources and Expenditures" includes the headings 1.01.09 "Interest on securities and values" and 1.01.10 "Refund of the value added tax".

That the Technical Committee on Budgetary Matters (CT) in its virtual meeting of September 9, agreed to recommend to the Council of Delegates to standardize the procedure by which these revenues are incorporated into the budget of the Union;

That the Council of Delegates of UNASUR agreed to raise to the Council of Ministers of Foreign Affairs the registration and allocation of these revenue in the budget of the Union.

THE COUNCIL OF FOREIGN AFFAIRS MINISTERS OF THE UNION OF SOUTH AMERICAN NATIONS,
HEREBY RESOLVES:

Article 1.- To provide that the income received from interest generated in the bank accounts of the General Secretariat or the permanent bodies, or of reimbursement or refund of taxes, according to the national legislation of the host country and the Headquarters Agreement in each case, be recorded as income in the headings 1.01.09 "Interests of titles and values" and 1.01.10"Refund of the value added tax" or 1.01.11, "Tax reimbursements", respectively as appropriate, with the counterpart to reflect the expenditure under the heading 2.98.01 "Contingency expenses and other", regardless of the fiscal period to which they belong.

The heading 2.98.01 "Contingency expenses" will maintain its nature and availability as compared to the approved budget, in the corresponding year. The use of the amounts that increase this heading by effect of what is provided for in
the preceding paragraph shall require the authorization of the Council of Delegates, through the corresponding normative act in relation to the powers of this body.

The General Secretariat and the Permanent Institutional Instance, upon justified request to the Council of Delegates through the Technical Committee on Budgetary Matters (CT), may require authorization, to use these resources, together with the quarterly accountability.

**Article 2.** - To instruct the General Secretariat and to the Permanent institutional instances of UNASUR, to apply, where appropriate, on a compulsory basis the specific items in the present resolution, which form part of the Budget Classifier of Resources and Expenditures of the Regulations of Administration and Financial Management of UNASUR.

**Article 3.** - Enable the Council of Delegates of UNASUR to authorize through provision, the use of resources from interests or tax refunds, according to what is established in Article 1 of the present resolution.

**Article 4.** - Reform the description of the heading 1.01.10 "Refund of the Value Added Tax" of the Budget Classifier of Resources and Expenditures that is in Appendix I of the Regulations of Administration and Financial Management according to the following:

"Income from the refund of the value added tax in accordance with Article 6 of the Headquarters Agreement signed between the Republic of Ecuador and the General Secretariat of UNASUR, and the reimbursement of Value Added Tax, in accordance with article V of the Headquarters Agreement signed between the Argentine Republic and the Union of South American Nations for the Center for Strategic Defense Studies CEED, of the South American Defense Council."

**Article 5.** - Heading 1.01.11 is created as "Refund of the Value Added Tax" on the Budget Classifier of Resources and Expenditures that is in Appendix I of the Regulations of Administration and Financial Management with the following description:

"Revenues from the tax refund, in accordance with Article 7 of the Headquarters Agreement between the Federative Republic of Brazil and the Union of South American Nations for the operation of the South American Institute of Government in Health, ISAGS."

**Article 6.** - The present resolution will enter into force on January 1, 2017.

Caracas, October 28, 2016