

REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE NOVEMBER 12, 2025

Note: Specific recommendations from F&A to Governing Council are in blue:

The Finance and Administration (hereafter F&A) Committee met from 09:00-13:00 on November 12, 2025 at the Workpia Conference Center, Yokohama, Japan under the Chair-ship of Kristen Koch.

FA AGENDA ITEM 1 - OPENING REMARKS

The Chair called the meeting to order, welcomed the participants and requested an introduction of members for each delegation. All Contracting Parties were present at the meeting (*F&A Endnote 1*).

FA AGENDA ITEM 2 - ADOPTION OF AGENDA AND MEETING PROCEDURES

The Committee reviewed the provisional agenda and agreed to adopt it.
The agenda as adopted is included as *F&A Endnote 2*.

FA AGENDA ITEM 3 - FINANCIAL ACCOUNTS FOR FY 2024

Accepting the Financial Statements was deferred to the end of the Agenda Item allowing a more detailed review of accounts. (*F&A Endnote 3*)

A - ANNUAL CONTRIBUTIONS

As stated in *Regulation 5(ii)* of the PICES Financial Regulations, all national contributions to PICES “*shall be considered due as of the first day of the financial year (January 1) to which they relate*”. A request for payment of the 2025 annual fees was sent to all Contracting Parties between December 2-5, 2024 in accordance with Decision 2024/A/2/ii. The Committee reviewed the payment schedule. Five Contracting Parties met their financial obligations for FY 2025 at this time (*F&A Endnote 4*). The Committee noted the prompt payments made in 2025 that were helpful to the Secretariat, and reiterated the importance for all Contracting Parties to pay the Annual Fee promptly after January 1.

The Committee recommends that Council instruct the Executive Secretary to send letters to all Contracting Parties requesting payments of Annual Fees as soon as practical following the Annual Meeting.

B – VOLUNTARY CONTRIBUTIONS AND FUND-RAISING ACTIVITIES

The Committee reviewed the recent voluntary contributions.

The Committee recommends instructing the Executive Secretary to invite Contracting Parties to provide voluntary contributions to the Trust Fund to support the Intern Program and capacity building activities in 2026 and beyond, noting the increasing burden on the Trust Fund.

C - GENERAL FUND – IN 2024

The Committee reviewed the budget and expenditures in the General Fund for FY2024, noting that expenditures were within the budget tolerance for all categories and the budget was underspent overall.

D - WORKING CAPITAL FUND - IN 2024 AND 2025

The Executive Secretary provided information on the amount of funds in the Working Capital Fund designated for specific purposes (encumbered funds) for FY2024 and the estimated amount of the encumbered funds for the fiscal year end FY2025. The Committee recommends the following fund activities:

- i. That a year-end transfer from the Working Capital Fund to the Trust Fund to restore it to the level of \$110,000 is made (the regular practice). This is estimated to be \$10,000;
- ii. That the PICES-2024 Fund be closed. Note that the deficit was always intended to be covered by the Reserve Fund;
- iii. That the two Symposia Funds (MSEAS-2024 and Zooplankton Production 7) are now closed. The combined minor surplus of \$252 to be transferred to the Reserve Fund;
- iv. That the GlobalHAB Workshop Fund is now closed (the balance is \$0).

E – TRUST FUND

The Committee reviewed the status of the Trust Fund. Contributions from Canada, Republic of Korea and the USA are typically received each year and are a valuable source of support. It is unlikely that support from the USA will be contributed in 2026 but may later resume. The Committee noted that ongoing support for the intern program through such voluntary contributions is required and essential.

F – RELOCATION AND HOME LEAVE FUND - IN 2024

The Committee reviewed the status of the Relocation and Home Leave Fund noting that in accordance with Decision 2020/A/5 the liability for excess vacation and severance pay is now captured as a liability of this Fund and it must therefore maintain a balance at, or above, \$0 at year-end. No transfer was required at the FY 2024 year-end because the Fund ended the year with a small surplus (F&A Endnote 3) and this is expected to be the same for the end of 2025. The Committee discussed a timeline for transferring monies into the Fund in expectation of anticipated international recruitments in a few years' time.

The Committee recommends that, beginning in 2025, when there is a surplus at FY end, a transfer of up to \$15,000 from the GF to the HLRF be made to build sufficient funds to support future international recruitment.

G – SPECIAL PROJECT FUNDS IN 2024 – DETAILS

The Committee reviewed the Special Projects noting that:

- a. The KIOST SEAturtle project had a small amount of funds left in 2024/25 which were being used to present the project results at conferences and were exhausted during early 2025.
- b. The MAFF FishPhyto project ended March 31, 2024, apart from online lectures as an in-kind contribution.

This marked the end of the review of financial matters in **FY2024**.

The FY 2024 financial statements were submitted to the external chartered accountancy firm of MNP LLP and the audit was completed on June 17, 2025. The electronic copy of the Financial Statements for FY 2024 was circulated to all Contracting Parties on June 18, 2025. The Committee recommends accepting the Auditor's Report and Financial Statements.

FA AGENDA ITEM 4 – ESTIMATED ACCOUNTS FOR 2025

The Committee reviewed the material presented and noted that the General Fund in 2025 is projected to be within budget. The Working Capital Fund will be higher than in 2024, and is comprised of Encumbered Funds with an adequate Reserve. The Home Leave and Relocation Fund is expected to show a small surplus and the Trust Fund may require a transfer as indicated above under Item 3D.

FA AGENDA ITEM 5 – PROPOSED BUDGET FOR FY 2026 AND FORECAST BUDGET ESTIMATES FOR FY 2027

The Committee reviewed the two budgets prepared and circulated on September 10, 2025; "Return to Normal" and "Ongoing Austerity", noting that the austerity budget was not as sharply reduced as in 2025 because of planned activities in 2026, and that most of the budget is for staffing the Secretariat and cannot be reduced very much. China commented that since the GF budget is about 75% personnel services, more breakdown on how this figure was reached would be useful.

The Committee recommends that Council request the Executive Secretary to provide more information on the personnel budget category when sending a draft budget in future years, such as staff salary classifications, percentages for pension, medical plan and employment insurance, and the breakdown of staff and contractors, to show how the figure was reached.

The Russian Federation reiterated that they were pursuing solutions to paying the outstanding annual fees.

- i. The Committee recommends that Council approve the Ongoing Austerity budget of \$1,054,000. The alternative budget of \$1,121,000 should also be approved and will replace the Austerity budget if outstanding annual fees from the Russian Federation for both 2024 and 2025 have been received in the PICES bank account before December 31, 2025.
- ii. Irrespective of which budget applies in 2026, the Committee recommends that annual fees be set at \$165,100 per contracting party.
- iii. A transfer from the Working Capital Fund at the beginning of 2026 of \$228,500 or, in the case of the alternative budget, \$130,400 will be required to balance the budget.

The forecast budget for 2027 was reviewed. For planning of funding requests for annual contributions, Contracting Parties should continue to use the guideline generally accepted at PICES-1999 (Decision 1999/A/2(ii)), which states that the annual contributions will increase at the rate of inflation in Canada. It is estimated that annual fees will be set at approximately \$168,400 per Contracting Party for 2027, assuming approval of the 2026 Annual Fee at the level above (ii) plus 2% inflation.

FA AGENDA ITEM 6 – RESERVE FUND STATUS

The Committee discussed the Reserve Fund status noting that the payment of 2023 fees by the Russian Federation late in 2024, together with prudent spending, meant that the Reserve Fund was satisfactory at the end of 2024 (greater than 2xCP annual fees) and is projected to still be adequate at the end of 2025 because the Austerity budget was adopted for 2025.

FA AGENDA ITEM 7 – CONSIDERATION OF REVIEW ENGAGEMENT TOPIC

The Committee debated the potential topics for this first Review Engagement and concluded that a consideration of the financial procedures used would provide a good foundation.

The Committee recommends that Council request the Executive Secretary to instruct the Auditors to undertake a review of the procedures used by Secretariat staff in their management of financial aspects of the Organization.

FA AGENDA ITEM 8 -UNFUNDED PENSION LIABILITY

The Committee reviewed the Pension Plan information provided by the Executive Secretary as of December 2024 and noted that PICES currently has no unfunded liability. The next actuarial valuation will take place in January 2026.

FA AGENDA ITEM 9 - SCHEDULE, STRUCTURE AND FINANCING OF FUTURE ANNUAL MEETINGS, [DECISION 2021/A/6]

The Committee reviewed the schedule of upcoming annual meetings. Canada will host PICES-2026 in Nanaimo, October 24-31, 2026. China confirmed its intention to host PICES-2027, likely in Qingdao, with dates TBC but possibly mid-September. The Committee was reminded that fees for PICES-2024 were raised to help the Secretariat meet the costs of hosting PICES-2024 under exceptional circumstances, and kept at the same level for PICES-2025 in order to help replenish the Reserve Fund.

The Committee recommends that Council approve the proposal from China to hold the PICES-2027 Annual Meeting in Qingdao with dates TBC.

The Committee further recommends that Council request Korea to explore the possibility of hosting the 2028 Annual Meeting, and inform the Secretariat on this matter by March 31, 2026.

The Committee recommends that the fee structure for PICES-2026 revert to the lower amounts set for PICES-2023:

Type of registration fee	CDN \$
Regular	350
Early	250
Student	50
Spouse/guest	50
Absentee Presenter	75

FA AGENDA ITEM 10 - UPTAKE/IMPACT OF SCIENCE ACTIVITIES [DECISION 2020/A/9].

The Committee reviewed the metrics provided by the Executive Secretary commenting that it was good to see the indicators either stable or increasing. There was discussion on additional metrics that might capture the use of PICES information/products in policy or management, as an aid to strategic partnership development in light of the External Review Recommendations.

The Committee recommends that Council request the Executive Secretary explore mechanisms to capture the use of PICES outputs in policy or management actions, including seeking input from partner organizations, and to report to the Committee at PICES-2026.

FA AGENDA ITEM 11 - ADMINISTRATIVE MATTERS:

A. Tracking the activity of the PICES Secretariat

The Committee reviewed the graphical representation of the activity metrics provided in response to Decision 2019/A/8/ii. This decision already instructs the Executive Secretary to track them indefinitely.

B. Staffing in the PICES Secretariat

Staffing of the PICES Secretariat was reviewed.

C. Hosting of the PICES Secretariat

The hosting of the Secretariat was reviewed.

D. PICES Intern Program and Capacity Building

Capacity Building activities and the Intern program were reviewed. The Committee noted and reiterated the need for ongoing support for the Intern Program through voluntary contributions to the Trust Fund from member countries.

E. Preliminary Discussion of administrative issues raised by PICES External Review Report.

Recognizing that the Committee had not yet been tasked with this item, the issue of collaboration tools was discussed. The Committee would like to hear Science Board's views on internal communication and

collaboration tools or platforms, but suggested that other RFMO organizations could be approached for their experiences and successful practices.

FA AGENDA ITEM 12 - SCHEDULE FOR APPOINTMENT OF F&A COMMITTEE CHAIR

In accordance with Rule 19(iii), Kristen Koch will end her first two-year appointment as F&A Chair after PICES-2025 and agreed to serve a second two-year term.

The Committee recommends that Council appoint Kristen Koch for a second two-year term, beginning at the conclusion of PICES-2025 until the end of PICES-2027.

FA AGENDA ITEM 13. OTHER BUSINESS

There was no other business

FA AGENDA ITEM 14. 2025 F&A REPORT AND RECOMMENDATIONS TO GOVERNING COUNCIL

The F&A Chair and Executive Secretary have prepared this draft report for circulation.

F&A ENDNOTE 1

2025 F&A Participation list

<u>Canada</u> Andrew Thomson Bernard Vigneault	<u>Russian Federation</u> Aleksei Baitaliuk (GC member)(R) Vladimir Radchenko (Alternate)(R)
<u>Japan</u> Yutaka Hiroe Yasutaka Okamoto	<u>USA</u> Tia Brown (R) Evan Howell (USA GC member, Advisor)
<u>People's Republic of China</u> Li Li (Alternate) Rui Zheng (Alternate)	<u>Other</u> Kristen Koch (F&A Chair) Tetsuo Fujii (Chair) Sonia Batten (Executive Secretary)
<u>Republic of Korea</u> Tei Lee Joongho Moon (Advisor)	

(R) Remote participant

F&A ENDNOTE 2

Agenda as Adopted

1. Welcome and opening remarks
2. Adoption of agenda and meeting procedures
3. Financial accounts for FY 2024.
 - a. Annual contributions
 - b. Voluntary Contributions and Fund-raising activities
 - c. General Fund in 2024 – Details
 - d. Working Capital Fund in 2024–Details
 - i. Includes decisions on moving money within the WCF
 - e. Trust Fund in 2024 – Details
 - f. Relocation and Home Leave Fund in 2024 – Details and planning.
 - g. Special Project Funds in 2024 – Details
 - i. Korea SEATurtle Fund in 2024
 - ii. MAFF FishPhyto Fund in 2024
4. Estimated accounts for 2025
5. Proposed budgets for FY 2026 and forecast budget estimate for FY 2027
6. Reserve Fund Status [Decision 2024/A/7/iii]
7. Consideration of Review Engagement topic Decision 2024/A/8/iii
8. Unfunded Pension Liability [Decision 2023/A/9]
9. Schedule, structure and financing of future Annual Meetings [Decision 2021/A/6]
10. Uptake/impact of science activities [Decision 2020/A/9]
11. Administrative matters:
 - a. Tracking the activity of the PICES Secretariat [Decision 2020/A/7]
 - b. Staffing in the PICES Secretariat
 - c. Hosting of the PICES Secretariat
 - d. PICES Intern Program and Capacity Building
 - e. Preliminary discussion of administrative issues raised by PICES External Review Report.
12. Schedule for Appointment of F&A Committee Chair
13. Other business
14. 2025 F&A report and recommendations to Governing Council

F&A ENDNOTE 3 - FINANCIAL STATEMENTS FOR 2024

Provided as a separate PDF document as prepared by the Auditors

F&A ENDNOTE 4

Payment Schedule for Annual Fees 2005–2024

	<i>Canada</i>	<i>China</i>	<i>Japan</i>	<i>Korea</i>	<i>Russia</i>	<i>USA</i>
2005	Dec 24, 04	Sept 22, 05²	Mar 2, 05	Mar 30, 05	Mar 31, 05³	Jan 10, 05
2006	Dec 28, 05	Aug 1, 06	Dec 15, 05	Feb 8, 06	Feb 28, 06	Jan 30, 06
2007	Jan 23, 07	Jul 3, 07	Dec 5, 06	Apr 3, 07	Feb 13, 07	Jan 10, 07
2008	Jan 16, 08	May 15, 08	Dec 20, 07	Feb 15, 08	Feb 13, 08	Jan 7, 08⁴
2009	Jan 5, 09	Jun 3, 09	Dec 11, 08	Apr 1, 09	Mar 27, 09	Dec 24, 08
2010	Apr 1, 10	Aug 5, 10	Dec 14, 09	Mar 2, 10	Mar 26, 10	Dec 11, 09
2011	Feb 8, 11	Jun 30, 11	Dec 3, 10	Mar 25, 11⁵	Feb 9, 11	Dec 7, 10
2012	Jan 3, 12	Aug 31, 12	Nov 22, 11	Oct 11, 12	Mar 29, 12	Nov 16, 11
2013	Jan 7, 13	Oct 11, 13	Nov 21, 12	May 14, 13	Apr 12, 13	Dec 17, 12
2014	Feb 18, 14	Jul 11, 14	Dec 6, 13	Apr 11, 14	Mar 5, 14	Dec 20, 13
2015	Feb 16, 15	Nov 26, 14	Dec 8, 14	Mar 25, 15	May 1, 15⁶	Dec 31, 14
2016	Mar 30, 16	Nov 13, 15	Dec 4, 15	Jul 8, 16	Apr 8, 16	May 5, 16
2017	Mar 14, 17	Dec 15, 16	Dec 16, 16	Jul 5, 17	May 4, 17	Jan 9, 17
2018	Mar 28, 18	Aug 30, 17	Nov 21, 17	Jul 30, 18	Oct 24, 18	Apr 11, 18
2019	Apr 24, 19	Jul 19, 18	Jan 31, 19	Jan 17, 19	May 15, 19	Feb 28, 19
2020	May 22, 20	Dec 18, 19	Mar 11, 20	Mar 17, 20	Aug 28, 20	Jun 1, 20
2021	Feb 26, 21	Sep 27, 20	Mar 5, 21	May 31, 21	Mar 17, 21	Apr 20, 21
2022	April 12, 22	Aug 31, 21	Mar 10, 22	Jan 11, 22	Feb 10, 22	June 7, 22
2023	Mar 13 ⁷ , 23	Jun 29, 22	Mar 3, 23	Jun 23, 23	Nov 12⁸, 24	Mar 14, 23
2024	Mar 13, 24	Jun 26, 23	Jan 29, 24	Sept 6, 24		Jul 8, 24
2025	Mar 14, 25	Jun 21, 24	Jan 14, 25	May 27, 25		Dec 27, 24

Notes:

- 1 Late (after March 31) or partial payments are indicated in bold
- 2 Partial (86%) payment, remainder paid December 30, 2005
- 3 Partial (96.6%) payment, remainder paid April 25, 2005
- 4 Partial (92.3%) payment, remainder paid on May 22, 2009
- 5 Partial (88.1%) payment, remainder paid on September 20, 2011
- 6 Partial (62%) payment, remainder paid on July 24, 2015
- 7 Partial (95%) payment, remainder paid April 28, 2023
- 8 Included a 9.7% payment towards 2024 fees