

**Council****C/60/9****Sixtieth Ordinary Session  
Geneva, October 23, 2026****Original:** English  
**Date:** August 6, 2026

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**FINANCIAL STATEMENTS FOR 2025***Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. The Financial Statements of UPOV for the year ended December 31, 2025, are transmitted to the Council in accordance with Regulation 6.5 of the Financial Regulations and Rules of UPOV (document UPOV/INF/4/7), which requires that the Council examines and approves the financial statements. The Financial Statements for 2025 are presented in the Annex to this document. The Annex also includes UPOV's Statement on Internal Control signed by the Secretary-General. Document C/60/10 contains the audit report of the External Auditor.

2. The Financial Statements for 2025 have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). At its forty-fifth ordinary session, held in Geneva on October 20, 2011, the Council agreed to the adoption of IPSAS by UPOV, beginning with the financial period starting in 2012 (see document C/45/18 "Report", paragraph 9(b)).

3. *The Council is invited to examine and approve the Financial Statements for 2025.*

[Annex follows]

**INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS**

Financial Statements for the year ended December 31, 2025

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## APPENDIX – EX GRATIA PAYMENTS (audited information)

## INTRODUCTION

1. The financial statements of the International Union for the Protection of New Varieties of Plants (UPOV) for the year ended December 31, 2025, are submitted to the Council of UPOV in accordance with Regulation 6.5 of the Financial Regulations and Rules of UPOV (document UPOV/INF/4/7):

### Regulation 6.5

- (1) The annual financial statements for each calendar year of the financial period shall be submitted by the Secretary-General to the External Auditor no later than March 31 following the end of the calendar year to which they relate.
  - (2) Within eight months after the end of each calendar year the Secretary-General shall submit the annual financial statements and the audit report of the External Auditor to the Council.
  - (3) The Council shall examine the annual financial statements. It may identify adjustments to the share of UPOV in common expenditures, if it finds that this share has not been correctly estimated and assessed by the Secretary-General. In such a case, after having consulted the Coordination Committee of WIPO, the Council shall establish the final allocation.
  - (4) The Council shall approve the annual financial statements, after they have been audited in accordance with Article 24 of the 1961 Convention, Article 25 of the 1978 Act and Article 29(6) of the 1991 Act.
2. The report of the External Auditor on the audit of the 2025 financial statements, together with his opinion on the financial statements, is also submitted to the Council of UPOV as prescribed under Regulation 6.5 and Annex II of the Financial Regulations and Rules of UPOV.
  3. The 2025 financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS).

## FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

### 2025 Financial Reporting

4. IPSAS requires the application of the full accrual basis of accounting. Accrual basis accounting means the recognition of transactions and events when they occur. As such, they are recorded in the accounting records and reported in the financial statements of the financial periods to which they relate, and not only when cash or its equivalent is received or paid.
5. Under IPSAS, revenue for both contributions and extrabudgetary funds (funds in trust) is recognized when UPOV has a right to receive the contribution. Where contributions due to UPOV from any member are dated prior to the last biennium, an allowance for contributions receivable is made in full. Extrabudgetary fund arrangements are analyzed to see if UPOV needs to meet performance conditions, and if these are present, revenue is only recognized when the conditions are fulfilled.
6. The value of future employee benefits (for example, accumulated annual leave, repatriation grants and After-Service Health Insurance (ASHI)) that UPOV staff have earned but not yet received is recorded to capture the full cost of employing staff.
7. The application of IPSAS does not currently impact the preparation of the Program and Budget, which is still presented on a modified accrual basis. As this basis differs from the full accrual basis applied to the financial statements, a reconciliation between the budget and the principal financial statements is provided in accordance with the requirements of IPSAS.
8. IPSAS requires more detailed disclosures to be included in the notes to the financial statements in the interests of transparency. As such, UPOV provides information on the remuneration of key management personnel.
9. Pursuant to the endorsement by the UPOV Consultative Committee at its 101<sup>st</sup> session in October 2023, the Assemblies of the Member States of WIPO approved, in July 2024, the creation of a separate entity, to be established as a multi-employer plan, responsible for managing the funds set aside to finance After Service Health Insurance (ASHI). The WIPO/UPOV After Service Health Insurance Plan (ASHIP) was subsequently established as from January 1, 2025. Both WIPO and UPOV participate in ASHIP, and the impacts on presentation in UPOV's financial statements are disclosed in Note 2 of this document.

## Financial Performance

10. UPOV's results showed a deficit for the year of 131,982 Swiss francs, with total revenue of 4,004,004 Swiss francs and total expenses of 4,135,986 Swiss francs, compared to a surplus of 260,433 Swiss francs in 2024. This difference in result is mainly due to a decrease in voluntary contributions and an increase in personnel expenditure and contractual services, partially offset by a decrease in travel costs. The financial performance of UPOV by source of funding is summarized as follows:

**Table 1. Summary Financial Performance by source of funding**

|                                           | Regular<br>Program and<br>Budget<br>2025 | Funds in<br>Trust<br>2025 | Inter-Segment<br>Transactions<br>2025 | TOTAL<br>UPOV<br>2025 | TOTAL<br>UPOV<br>2024 |
|-------------------------------------------|------------------------------------------|---------------------------|---------------------------------------|-----------------------|-----------------------|
| <i>(in Swiss francs)</i>                  |                                          |                           |                                       |                       |                       |
| <b>TOTAL REVENUE</b>                      | 3,752,111                                | 297,631                   | -45,738                               | 4,004,004             | 4,210,087             |
| <b>TOTAL EXPENSES</b>                     | 3,884,093                                | 297,631                   | -45,738                               | 4,135,986             | 3,949,654             |
| <b>SURPLUS/(DEFICIT) FOR THE<br/>YEAR</b> | <b>-131,982</b>                          | <b>-</b>                  | <b>-</b>                              | <b>-131,982</b>       | <b>260,433</b>        |

11. UPOV's activities are financed mainly from three sources – contributions, extrabudgetary funds (funds in trust) and UPOV PRISMA fee income. Contributions of 3,623,438 Swiss francs, including the impact of the movements in the allowances, represent 90.5 per cent of UPOV's total revenue for 2025. Contributions remained consistent with those of 2024. In 2025 UPOV received extrabudgetary funds from the Government of Japan for the development, upgrade and coverage expansion of UPOV e-PVP services and training and assistance activities. Additional support was received from the Ministry of Agriculture, Forestry and Fisheries of Japan through the "Funds-in-Trust for UPOV Communication and Awareness Raising Activities." The China National Intellectual Property Administration also contributed through the establishment of a Funds-in-Trust to support staff recruitment for the collection of PVP data, support the work in the technical area and the development of PVP training programs. Revenue recognized from extrabudgetary funds (funds in trust) totaled 297,631 Swiss francs for the year, representing 7.4 per cent of total revenue. UPOV also has balances of 618,784 Swiss francs relating to contributions received in advance. These balances remained consistent with those of 2024. They are currently shown as liabilities and will be recorded as revenue in the year that the corresponding obligations have been satisfied.
12. During 2017, UPOV launched the UPOV PRISMA PBR application tool. This online application tool enables applicants to submit application data to participating Plant Variety Protection Offices of members of the Union. The application tool was free of charge for an introductory period until December 31, 2019. At its fifty-third ordinary session, the Council decided to introduce a UPOV PRISMA fee per submission of 90 Swiss Francs, starting in January 2020. The revenue recognized from UPOV PRISMA fees amounted to 124,650 Swiss francs for 2025 (134,190 Swiss francs for 2024), representing 3.1 per cent of UPOV's total revenue for the year. Starting in 2024, UPOV members agreed where the same variety is submitted for both plant breeders' rights and national listing in the same participating member of the Union, a single fee would be charged at the time of the first submission for the variety. The number of paying submissions via UPOV PRISMA decreased by 7.1% in 2025 (1,385 paying submissions in 2025 compared to 1,491 paying submissions in 2024).
13. Personnel expenditure of 2,581,550 Swiss francs represents 62.4 per cent of the total expenses of 4,135,986 Swiss francs for the year 2025. This expenditure increased by 282,064 Swiss francs compared to the 2024 figure of 2,299,485 Swiss francs, driven by higher salary costs and post adjustments resulting from vacant positions becoming occupied and the recruitment of a junior professional officer as compared to 2024.
14. Travel, training and grants expenditure decreased significantly in 2025, amounting to 84,141 Swiss francs in 2025, compared to 234,565 Swiss francs in 2024. Staff missions remained stable (62,207 Swiss francs in 2025, compared to 57,618 Swiss francs in 2024), however third-party travel costs were much

lower than the prior year (21,934 Swiss francs in 2025, compared to 176,946 Swiss francs in 2024) This change was due to two events organized in 2024 with the support of the Funds-in-Trust with USPTO; one Executive Program focused on plant variety protection for the development of agriculture and a regional workshop on the protection of plant breeders' rights (PBRs) for ARIPO Member States. Corresponding programs were not organized in 2025 as the voluntary contribution from the USPTO in 2025 did not materialize as expected.

15. Contractual services of 830,834 Swiss francs represent 20.1 per cent of UPOV's total expenses for 2025 (791,349 Swiss francs in 2024). The increase compared to 2024 is mainly attributed to maintenance and development work on UPOV e-PVP services (UPOV PRISMA, DUS Exchange Module and Administrative Module), and work on the UPOV website, document generation APIs for UPOV Test Guidelines (TG), and dashboards to retrieve data from the PLUTO and GENIE databases to monitor and produce indicators for the UPOV Performance Report.

### Financial Position

16. UPOV had a negative net asset position of 579,953 Swiss francs as at December 31, 2025, compared to a negative net asset position of 1,158,850 Swiss francs at the end of 2024. The reduction in the negative net asset position is primarily due to actuarial gains of 709,212 Swiss francs, resulting from the valuation of UPOV's liability for After-Service Health Insurance (ASHI). This gain is partially offset by the deficit for the year of 131,982 Swiss francs. The Working Capital Fund increased by 1,667 Swiss francs, reflecting a one-off payment following the accession of a new UPOV member country. The financial position of UPOV by source of funding can be summarized as follows:

**Table 2. Summary Financial Position by source of funding**

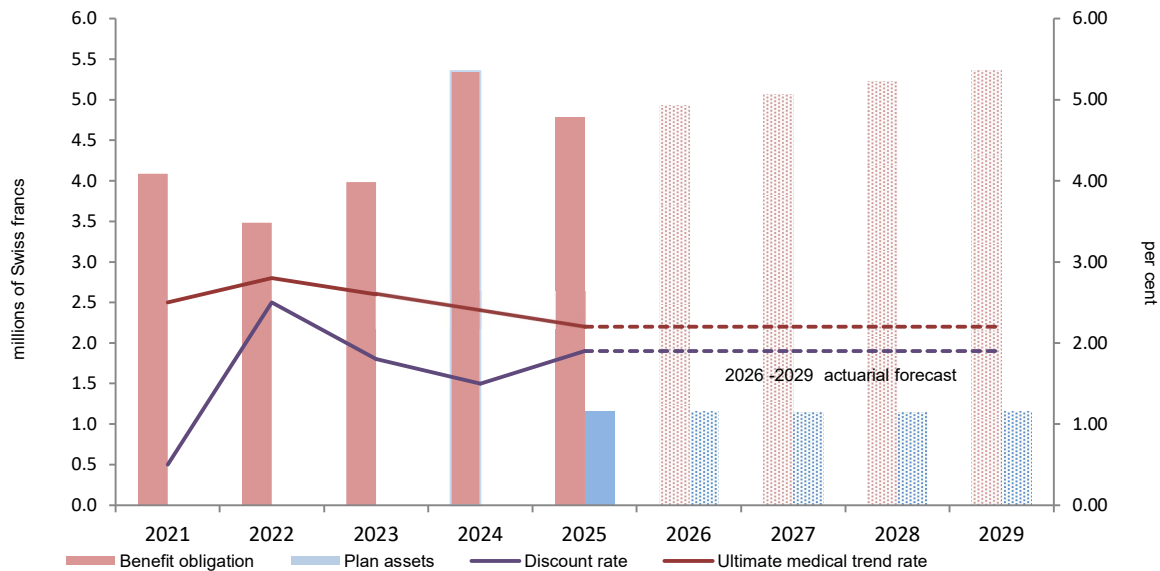
|                          | Regular Program<br>and Budget<br>2025 | Funds in<br>Trust<br>2025 | Inter-<br>Segment<br>Balances<br>2025 | TOTAL<br>UPOV<br>2025 | TOTAL UPOV<br>2024 |
|--------------------------|---------------------------------------|---------------------------|---------------------------------------|-----------------------|--------------------|
| <i>(in Swiss francs)</i> |                                       |                           |                                       |                       |                    |
| <b>TOTAL ASSETS</b>      | 4,616,117                             | 701,508                   | -106,241                              | 5,211,384             | 5,920,031          |
| <b>TOTAL LIABILITIES</b> | 5,196,070                             | 701,508                   | -106,241                              | 5,791,337             | 7,078,881          |
| <b>NET ASSETS</b>        | <b>-579,953</b>                       | <b>-</b>                  | <b>-</b>                              | <b>-579,953</b>       | <b>-1,158,850</b>  |

17. The net working capital (current assets less current liabilities) of UPOV was 3,048,301 Swiss francs as at December 31, 2025 (4,200,686 Swiss francs as at December 31, 2024). Cash and cash equivalent balances decreased from 5,819,625 Swiss francs as at December 31, 2024 to 5,016,551 Swiss francs as at December 31, 2025. Following the creation of ASHIP, UPOV's funds allocated for ASHI financing are reclassified from cash to net it against long-term employee liabilities in the Statement of Financial Position.
18. Total accounts receivable on December 31, 2025, were 194,833 Swiss francs, compared to 100,406 Swiss francs as at December 31, 2024. The accounts receivable balance at the end of 2025 includes contributions of 179,560 Swiss francs, uncollected fee balances for the UPOV PRISMA paying submissions and PLUTO Premium service database of 9,010 Swiss francs and miscellaneous debtors of 6,263 Swiss francs.
19. UPOV recognized total employee benefit liabilities of 3,916,048 Swiss francs as at December 31, 2025, compared to 5,581,482 Swiss francs as at December 31, 2024. From 2025, following the creation of ASHIP, the ASHI gross liability (defined benefit obligation) of 4,782,722 Swiss francs is presented net of plan assets totaling 1,159,060 Swiss francs. The defined benefit obligation at December 31, 2025, fell by 570,213 Swiss francs compared to the 2024 balance of 5,352,935 Swiss francs. The calculation of the ASHI liability is performed by an independent actuary. In accordance with IPSAS requirements, the ASHI liability recognized in the financial statements represents the present value of all expected future benefits to existing retirees and their dependents, and all accrued post-employment benefits of active staff. On average, medical costs increase with age, so the most significant expected medical costs

remain to be paid in the future. UPOV staff and retirees participate in WIPO's medical insurance plan. To manage the cost and risk of the medical insurance plan, WIPO has secured an insurance contract that allows a level per person premium to be paid for all existing retirees and active staff, thus reducing the cash paid on behalf of older retirees relative to their incurred medical cost.

20. The ASHI net liability calculation incorporates a number of actuarial assumptions. These include the discount rate, medical cost trend rates, annual medical claims cost, retirement rates and mortality rates. Changes to these assumptions year on year lead to actuarial gains and losses, which are recognized as part of the liability in the Statement of Financial Position. A breakdown of the movement in liability due to actuarial gains and losses is provided in Note 6 of these financial statements. The decrease in liability in 2025 was partly due to an increase in the discount rate, which rose from 1.50 per cent to 1.90 per cent. The discount rate was determined using AA corporate bond yield curves. In addition, for the 2025 valuation there was a decrease in the medical cost trend rate from 2.40 per cent to 2.20 per cent. The following graph shows how the ASHI liability has developed since 2021 and includes actuarial forecasts for 2026-2029 (applying the same assumptions as for the 2025 calculation). The graph also shows how discount rates and medical cost trend rates have changed since 2021, and from 2025 onwards presents the balance and forecast of plan assets :

***Movement in ASHI liability and plan assets 2021-2029 (December 31)***



21. The projections of the ASHI liability for 2026-2029 are calculated based on actuarial assumptions and census data applied for the 2025 valuation, and do not consider gains or losses from possible future changes in actuarial assumptions or plan demographics, which could significantly impact calculations in subsequent years.
22. At its thirty-third extraordinary session on March 17, 2016, the Council decided to hold in a separate account the funds allocated for the future financing of UPOV's ASHI liability. As at December 31, 2025, the total balance of these funds was 1,159,060 Swiss francs (1,105,527 Swiss francs as at December 31, 2024). Following the creation of ASHIP in 2025, these funds are designated as ASHI plan assets and are reclassified from cash to employee benefit liabilities in the financial statements. The funds are held in one of UPOV's principal bank accounts but are managed separately from operating funds through a blocking instruction currently in place with the bank.

## STATEMENT ON INTERNAL CONTROL 2025

### Scope of responsibility

As Secretary-General of the International Union for the Protection of New Varieties of Plants (UPOV), I am accountable, in accordance with the responsibility assigned to me, in particular, by Regulation 5.8 (d) of the Financial Regulations and Rules (FRR) of UPOV, for maintaining a system of internal financial control that ensures:

- (i) the regularity of the receipt, custody and disposal of all funds and other financial resources of UPOV;
- (ii) the conformity of obligations and expenditures with appropriations or other financial provisions approved by the Council or with the purposes and rules relating to specific trust funds; and
- (iii) the effective, efficient and economic use of the resources of UPOV.

In signing this statement, I rely in particular on assurance provided to me in the form of the Management Representation Letter (MRL) from the Vice Secretary-General, the UPOV Assurance Summary and from WIPO's assurance functions that contribute as per the Agreement between the World Intellectual Property Organization (WIPO) and UPOV ("WIPO/UPOV Agreement")<sup>1</sup>.

### Purpose of the system of internal control

Our system of internal control is a process, effected by the Council, the Consultative Committee, the Secretary General, Vice Secretary-General and other key officials, designed to provide reasonable assurance of UPOV's ability to reach its aims, objectives and related policies. The aim of this system of internal control is to manage risk to a tolerable level rather than to eliminate it entirely. As such, it sets out to provide reasonable assurance over the following three areas:

- Reliability of financial reporting – transactions authorized and properly recorded and material errors or irregularities either prevented or detected in a timely manner;
- Effectiveness and efficiency of business processes, the safeguarding of assets, and the exercise of economy; and
- Compliance with UPOV's regulatory framework.

Thus, on an operational level, UPOV's internal control system is not solely a policy or procedure that is performed at certain points in time, but rather continually operated at all levels within UPOV through internal control processes to ensure the above objectives.

This statement is presented in line with the seven components of UPOV's Accountability Framework (document CC/98/13), which itself is aligned to the COSO<sup>2</sup> Internal Control framework and Three Lines Model<sup>3</sup>.

My current statement on UPOV's internal control processes, as described above, applies for the financial year ended December 31, 2025, and as at the date of the approval of UPOV's 2025 financial statements.

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<sup>1</sup> Section 7 of this document provides more details

<sup>2</sup> Committee of Sponsoring Organizations of the Treadway Commission

<sup>3</sup> <https://www.theiia.org/globalassets/site/about-us/advocacy/three-lines-model-updated.pdf>

## 1. Results based planning

UPOV has in place results-based management processes, guided by the Strategic Business Plan and embodied in a biennial Program and Budget approved by the Council of UPOV. Consideration and approval of UPOV's Program and Budget includes the approval of the work program as outlined in the UPOV Strategy House and the associated resources linked to the expected results.

## 2. Performance and risk management

Comprehensive and detailed reporting to members is provided in the UPOV Performance Report in accordance with UPOV's FRRs, providing clarity and transparency in the financial and programmatic performance of UPOV.

UPOV continued to monitor its key risks throughout 2025, which are recorded in the WIPO Enterprise Risk Management system and will continue to be managed and re-assessed over time. Key risks and appropriate risk responses were reviewed regularly. These include the following key risks that we faced in 2025 and face beyond:

| Strategic Pillar                                                                                                                                                  | Risk Description                                                                                                                                                      | Control and Mitigation                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Pillar 1 - Bring together stakeholders to help shape the UPOV system</b>                                                                                       | Policy and legislative developments delay or prevent accession to, or ratification of, the 1991 Act of the UPOV Convention.                                           | Strengthen legislative guidance and outreach activities demonstrating UPOV benefits while supporting countries' development goals through engagement programs and fora to demonstrate how UPOV membership contributes to agricultural development.                                                                                                      |
| <b>Pillar 2 - Provide guidance and assistance and facilitate cooperation for implementing the UPOV system</b>                                                     | Reduced visibility and understanding of UPOV's role and benefits impacts expansion of UPOV.                                                                           | Implement a targeted communication strategy through multiple channels (website, social media, events), developing engaging content to demonstrate UPOV system benefits through case studies and success stories.                                                                                                                                        |
| <b>Pillar 3 - Provide high quality services for UPOV members and users of the UPOV system</b>                                                                     | Technical complexity and resource limitations impact development and implementation of UPOV e-PVP services.                                                           | Prioritize UPOV e-PVP service components (UPOV PRISMA, Administration Module, DUS Report Exchange Platform, PLUTO) based on member needs and available resources, implementing incremental development to manage complexity. Support member usage through assistance and training and incorporate user feedback to guide system development priorities. |
| <b>Foundation - Empower our people to work effectively, collaboratively and innovatively by providing them with the right resources, training and environment</b> | Uncertain economic conditions and a decrease in resources affect UPOV's ability to maintain and enhance its operational capacity and meet members' increasing demand. | Diversify income through expanding fee-based services, Funds-in-Trusts and multi-donor initiatives. Assess the value of the contribution unit. Continuously monitor income against forecasts and adjust operational plans accordingly, focusing on core services and strategic priorities.                                                              |

### 3. Monitoring, Oversight, Complaints and Response Mechanisms

As Secretary-General of UPOV, I am ultimately accountable for the effectiveness of the system of internal controls. My assertion, structured by the “Three Lines” below, is supported and informed by:

| First Line                                                                                                                                                                                                                                                                                                                                                                                                                | Second Line                                                                                                                                                                                                                                                                                                                                                                                                  | Third Line                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UPOV's Vice Secretary-General is accountable for achieving expected results, implementing UPOV's mandated activities, and managing the entrusted resources. The Vice Secretary-General's Management Representation Letter, confirms her responsibility for having and maintaining well-functioning systems and a mechanism for internal control aimed at presenting and/or detecting instances of fraud and major errors. | Management's role to address enterprise risks, including compliance with our regulatory framework, ethical behavior, internal control, information and technology security, sustainability, and quality assurance. The assurance provided is underpinned by a systematic process of self-assessment and internal validation of entity level controls as well as key process level controls in place in WIPO. | The WIPO Internal Oversight Division (IOD), on whose assurance and advisory services I rely through the WIPO annual report by the Director of IOD, reports of internal audit and evaluation, management implication reports resulting from investigations, as well as through IOD reports, if any, on UPOV. My assurance is informed by the independent overall opinion of the Director of IOD on governance, risk management and internal controls at WIPO. This opinion is based on the assurance work undertaken by IOD in 2025, as well as a comprehensive review of governance, risk management, and control processes. |

My assertion is also supported and informed by:

| Governance                                                                                                                                                                                                                                                                           |                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>External Auditor</b><br><br>The External Auditor, whose Report, containing their opinion, observations and comments, is submitted to the Consultative Committee and the Council of UPOV; I take into account the External Auditor's recommendations and am assured by their work. | <b>Consultative Committee and the Council of UPOV</b><br><br>The observations of the Consultative Committee and the Council of UPOV. |

I further ensure that feedback mechanisms are in place for members, customer complaint resolution services are provided through the UPOV Office, and that for UPOV staff, a number of formal and informal conflict resolution mechanisms are relevant, through WIPO.

### 4. Control Activities

UPOV benefits from continuous improvement of WIPO assurance processes, and the internal control framework has been strengthened through a systematic review of key controls in 2025. The review focused on identifying and rationalizing key controls that are critical to managing key risks.

The main outcomes of the key controls review include:

- (i) Enhanced alignment of key controls to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) principles, ensuring comprehensive coverage across all five COSO components and principles;
- (ii) Improved control descriptions focused on control activities rather than process descriptions, resulting in a more focused control framework;
- (iii) Strengthened linkages between key controls and key risks, improving risk management effectiveness.

## **5. Information and Communication**

WIPO's Chief Data Officer and Data Protection Officer oversees the continually evolving issues of data governance and privacy that continue to be strengthened through a data governance strategy and a heightened focus on data protection.

The portfolio of Enterprise Resource Planning (ERP) solutions provides a high level of control, including transactional level system controls and data analytics. An ERP transformation project is underway to upgrade the ERP system to a new cloud-based Software-as-a-Service solution, providing the opportunity to streamline administrative business processes. UPOV maintains a record of key risks, and WIPO records controls in the WIPO Enterprise Risk Management system.

## **6. Ethical Standards and Integrity**

WIPO's Ethics Office which enjoys functional and operational independence from management, assists me in helping to ensure that all UPOV personnel perform their functions consistent with the highest standards of integrity, as required by WIPO's regulatory framework, including the WIPO Convention, the WIPO Staff Regulations and Rules, the ICSC Standards of Conduct, and the WIPO Code of Ethics.

As per its mandate, and in relation to ethics and integrity, the Ethics Office administers mandatory training; develops outreach programs; provides confidential guidance to all WIPO and UPOV members of personnel; manages the disclosure of financial and other interests program and, receives, reviews and makes objective determinations and recommendations on complaints of retaliation.

## **7. Control Environment**

The UPOV Accountability Framework lays out the components that ensure good governance through reasonable assurance regarding the reliability of reporting, the effectiveness and efficiency of operations, compliance with applicable policies, regulations and rules, and the safeguarding of resources. The Control Environment includes a set of Key Controls that are those Entity Level Controls and Process Level Controls that provide ultimate control over all areas of the COSO framework.

With regard to the financial administration of UPOV, the "WIPO/UPOV Agreement", signed on November 26, 1982, states the following:

"Article 1: "Requirements of UPOV

"(1) WIPO shall satisfy the requirements of UPOV as regards

[...]

"(iv) financial administration of UPOV (receiving and disbursing funds, bookkeeping, internal financial control, etc.),

[...]

"(2) The requirements of UPOV shall be met on a basis of strict equality with the requirements of the various Unions administered by WIPO."

"Article 8: "Administrative and Financial Regulations of UPOV

"(1) Subject to the other Articles of this Agreement and to paragraphs (2) and (3) of this Article, the provisions of the Staff Regulations and Staff Rules of WIPO and the provisions of the Financial Regulations and Rules of WIPO, including future modifications thereof, shall, mutatis mutandis, apply also in respect of the staff of the Office of UPOV and the finances of UPOV, provided that the Council of UPOV may agree with the Director General of WIPO to any exceptions and additions to the same in which case such agreed exceptions and additions shall prevail. The said texts shall be considered to constitute the administrative and financial regulations of UPOV referred to in Article 201 of the UPOV Convention.

[...]

"(3) In all financial matters concerning UPOV, the Controller of WIPO shall be responsible to the Council of UPOV."

## **Conclusion**

Based on the contents of this statement and the evidence that underpins it, I conclude that, to the best of my knowledge and belief, and based upon the information I have, there have been no material weaknesses that would affect the reliability of the Organization's financial statements, nor are there significant matters arising that would need to be raised in the present document for the reporting period.

Daren Tang  
Secretary-General

Date: July 2, 2026

**STATEMENT I: STATEMENT OF FINANCIAL POSITION**  
**as at December 31, 2025**  
*(in Swiss francs)*

|                                             |             | <b>December 31,<br/>2025</b> | <b>December 31,<br/>2024</b> |
|---------------------------------------------|-------------|------------------------------|------------------------------|
| <b>ASSETS</b>                               | <b>Note</b> |                              |                              |
| <b>Current assets</b>                       |             |                              |                              |
| Cash and cash equivalents                   | 3           | 5,016,551                    | 5,819,625                    |
| Accounts receivable                         | 4           | 194,833                      | 100,406                      |
|                                             |             | <u>5,211,384</u>             | <u>5,920,031</u>             |
| <b>Non-current assets</b>                   |             | <u>-</u>                     | <u>-</u>                     |
| <b>TOTAL ASSETS</b>                         |             | <u><b>5,211,384</b></u>      | <u><b>5,920,031</b></u>      |
| <b>LIABILITIES</b>                          |             |                              |                              |
| <b>Current liabilities</b>                  |             |                              |                              |
| Accounts payable                            | 5           | 5,988                        | -                            |
| Employee benefits                           | 6           | 287,792                      | 221,946                      |
| Advance receipts                            | 7           | 1,159,304                    | 792,429                      |
| Other current liabilities                   | 8           | 709,997                      | 704,970                      |
|                                             |             | <u>2,163,081</u>             | <u>1,719,345</u>             |
| <b>Non-current liabilities</b>              |             |                              |                              |
| Employee benefits                           | 6           | <u>3,628,256</u>             | <u>5,359,536</u>             |
|                                             |             | <u>3,628,256</u>             | <u>5,359,536</u>             |
| <b>TOTAL LIABILITIES</b>                    |             | <u><b>5,791,337</b></u>      | <u><b>7,078,881</b></u>      |
| <br>Reserve Fund                            | 11          | 995,895                      | 1,127,877                    |
| Actuarial gains/(losses) through Net Assets | 11          | -2,155,860                   | -2,865,072                   |
| Working Capital Fund                        | 11          | <u>580,012</u>               | <u>578,345</u>               |
| <b>NET ASSETS</b>                           |             | <u><b>-579,953</b></u>       | <u><b>-1,158,850</b></u>     |

*The accompanying notes form an integral part of these financial statements.*

*Secretary-General*

**STATEMENT II: STATEMENT OF FINANCIAL PERFORMANCE**  
**for the year ended December 31, 2025**  
*(in Swiss francs)*

|                                       | Note | 2025             | 2024             |
|---------------------------------------|------|------------------|------------------|
| <b>REVENUE</b>                        | 13   |                  |                  |
| Contributions                         |      | 3,623,438        | 3,526,886        |
| Extrabudgetary funds (funds in trust) |      | 297,631          | 509,393          |
| UPOV PRISMA and PLUTO Fees            |      | 142,650          | 139,440          |
| Other/miscellaneous revenue           |      | -59,715          | 34,368           |
| <b>TOTAL REVENUE</b>                  |      | <b>4,004,004</b> | <b>4,210,087</b> |
| <b>EXPENSES</b>                       | 14   |                  |                  |
| Personnel expenditure                 |      | 2,581,550        | 2,299,485        |
| Internships and Fellowships           |      | 3,315            | -                |
| Travel, Training and Grants           |      | 84,141           | 234,565          |
| Contractual services                  |      | 830,833          | 791,349          |
| Operating expenses                    |      | 636,054          | 624,115          |
| Supplies and materials                |      | 93               | 140              |
| <b>TOTAL EXPENSES</b>                 |      | <b>4,135,986</b> | <b>3,949,654</b> |
| <b>SURPLUS/(DEFICIT) FOR THE YEAR</b> |      | <b>-131,982</b>  | <b>260,433</b>   |

**STATEMENT III: STATEMENT OF CHANGES IN NET ASSETS**  
**for the year ended December 31, 2025**  
*(in Swiss francs)*

|                                                                         | Note | Reserve Fund     | Actuarial<br>gains/(losses)<br>through Net<br>Assets | Working<br>Capital Fund | Net Assets<br>Total |
|-------------------------------------------------------------------------|------|------------------|------------------------------------------------------|-------------------------|---------------------|
| <b>Net Assets at<br/>January 1, 2024</b>                                |      | <b>867,444</b>   | <b>-1,500,800</b>                                    | <b>578,345</b>          | <b>-55,011</b>      |
| Opening balance<br>adjustment,<br>experience loss                       |      | -                | -516,643                                             | -                       | -516,643            |
| Actuarial<br>gains/(losses)                                             |      | -                | -847,629                                             | -                       | -847,629            |
| <b>Total of items<br/>recognized directly in<br/>Net Assets in 2024</b> |      | <b>-</b>         | <b>-1,364,272</b>                                    | <b>-</b>                | <b>-1,364,272</b>   |
| Surplus/(deficit) for<br>the current year 2024                          |      | 260,433          | -                                                    | -                       | 260,433             |
| <b>Net Assets at<br/>December 31, 2024</b>                              | 11   | <b>1,127,877</b> | <b>-2,865,072</b>                                    | <b>578,345</b>          | <b>-1,158,850</b>   |
| Actuarial<br>gains/(losses)                                             |      | -                | 709,212                                              | -                       | 709,212             |
| <b>Total of items<br/>recognized directly in<br/>Net Assets in 2025</b> |      | <b>-</b>         | <b>709,212</b>                                       | <b>1,667</b>            | <b>710,879</b>      |
| Surplus/(deficit) for<br>the current year 2025                          |      | -131,982         | -                                                    | -                       | -131,982            |
| <b>Net Assets at<br/>December 31, 2025</b>                              | 11   | <b>995,895</b>   | <b>-2,155,860</b>                                    | <b>580,012</b>          | <b>-579,953</b>     |

**STATEMENT IV: STATEMENT OF CASH FLOW**  
**for the year ended December 31, 2025**  
*(in Swiss francs)*

|                                                                             | Note         | 2025              | 2024              |
|-----------------------------------------------------------------------------|--------------|-------------------|-------------------|
| <b>Cash flows from operating activities</b>                                 |              |                   |                   |
| Surplus/(deficit) for the year                                              | Statement II | -131,982          | 260,433           |
| Increase (decrease) in employee benefits                                    | 6            | -1,665,434        | 1,350,317         |
| (Increase) decrease in receivables                                          | 4            | -94,427           | 93,484            |
| Increase (decrease) in advance receipts                                     | 7            | 366,875           | 32,153            |
| Increase (decrease) in other liabilities                                    | 8            | 11,015            | 9,934             |
| <b>Net cash flows from operating activities</b>                             |              | <b>-1,513,953</b> | <b>1,746,321</b>  |
| <b>Cash flows from financing activities</b>                                 |              |                   |                   |
| Contributions to Working Capital Fund                                       | 11           | 1,667             | -                 |
| <b>Net cash flows from financing activities</b>                             |              | <b>1,667</b>      | <b>-</b>          |
| <b>Effect of recognition of actuarial gains/(losses) through Net Assets</b> |              |                   |                   |
|                                                                             | 6            | <b>709,212</b>    | <b>-1,364,272</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>                 |              | <b>-803,074</b>   | <b>382,049</b>    |
| <b>Cash and cash equivalents at beginning of year</b>                       | 3            | <b>5,819,625</b>  | <b>5,437,576</b>  |
| <b>Cash and cash equivalents at end of year</b>                             | 3            | <b>5,016,551</b>  | <b>5,819,625</b>  |

**STATEMENT V: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS 2025**  
**for the year ended December 31, 2025**  
*(in thousands of Swiss francs)*

|                                                      | Original Budget<br>2025 | Final Budget<br>2025 | Actual Amounts on<br>comparable basis<br>2025 | Difference<br>2025 |
|------------------------------------------------------|-------------------------|----------------------|-----------------------------------------------|--------------------|
|                                                      | (1)                     |                      |                                               | (2)                |
| <b>Income</b>                                        |                         |                      |                                               |                    |
| Contributions                                        | 3,596                   | 3,596                | 3,581                                         | -15                |
| UPOV IT Tools and Services Fees                      | 254                     | 254                  | 142                                           | -112               |
| Other                                                | 100                     | 100                  | -14                                           | -114               |
| <b>Total income</b>                                  | <b>3,950</b>            | <b>3,950</b>         | <b>3,709</b>                                  | <b>-241</b>        |
| <b>Expenditure</b>                                   |                         |                      |                                               |                    |
| Personnel resources                                  | 2,877                   | 2,877                | 2,371                                         | -506               |
| Internships and Fellowships                          | 15                      | 15                   | 3                                             | -12                |
| Travel, Training and Grants                          | 75                      | 75                   | 46                                            | -29                |
| Contractual services                                 | 357                     | 357                  | 703                                           | 346                |
| Operating expenses                                   | 626                     | 626                  | 636                                           | 10                 |
| <b>Total expenditure</b>                             | <b>3,950</b>            | <b>3,950</b>         | <b>3,759</b>                                  | <b>-191</b>        |
| <b>Result</b>                                        | <b>-</b>                | <b>-</b>             | <b>-50</b>                                    | <b>-50</b>         |
| Funds in Trust (before IPSAS adjustments)            |                         |                      | 377                                           |                    |
| IPSAS adjustments to Regular Program and Budget (3)  |                         |                      | -82                                           |                    |
| IPSAS adjustments to Funds in Trust (3)              |                         |                      | -377                                          |                    |
| <b>Adjusted net surplus per IPSAS (Statement II)</b> |                         |                      | <b>-132</b>                                   |                    |

- (1) Original Budget represents the budget of the second year of the approved Program and Budget for the 2024/25 biennium.  
(2) Represents the difference between the final budget and actual income and expense on a comparable basis (before IPSAS adjustments) for the year ended December 31, 2025.  
(3) The IPSAS adjustments to the surplus are detailed in Note 12 of these financial statements.

**STATEMENT V: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS 2024/25**  
**for the biennium ended December 31, 2025**  
*(in thousands of Swiss francs)*

|                                                      | Original Budget<br>2024-2025<br>(1) | Final Budget<br>2024-2025 | Actual Amounts<br>on comparable<br>basis<br>2024-2025 | Difference<br>2024-2025<br>(2) |
|------------------------------------------------------|-------------------------------------|---------------------------|-------------------------------------------------------|--------------------------------|
| <b>Income</b>                                        |                                     |                           |                                                       |                                |
| Contributions                                        | 7,193                               | 7,193                     | 7,151                                                 | -42                            |
| UPOVIT Tools and Services Fees                       | 508                                 | 508                       | 282                                                   | -226                           |
| Other                                                | 200                                 | 200                       | 72                                                    | -128                           |
| <b>Total income</b>                                  | <b>7,901</b>                        | <b>7,901</b>              | <b>7,505</b>                                          | <b>-396</b>                    |
| <b>Expenditure</b>                                   |                                     |                           |                                                       |                                |
| Personnel resources                                  | 5,754                               | 5,754                     | 4,616                                                 | -1,138                         |
| Internships and Fellowships                          | 30                                  | 30                        | 3                                                     | -27                            |
| Travel, Training and Grants                          | 150                                 | 150                       | 103                                                   | -47                            |
| Contractual services                                 | 715                                 | 715                       | 1,214                                                 | 499                            |
| Operating expenses                                   | 1,250                               | 1,250                     | 1,261                                                 | 11                             |
| Supplies and materials                               | 1                                   | 1                         | -                                                     | -1                             |
| Furniture and equipment                              | 1                                   | 1                         | -                                                     | -1                             |
| <b>Total expenditure</b>                             | <b>7,901</b>                        | <b>7,901</b>              | <b>7,197</b>                                          | <b>-704</b>                    |
| <b>Result</b>                                        | <b>-</b>                            | <b>-</b>                  | <b>308</b>                                            | <b>308</b>                     |
| Funds in Trust (before IPSAS adjustments)            |                                     |                           | 304                                                   |                                |
| IPSAS adjustments to Regular Program and Budget (3)  |                                     |                           | -180                                                  |                                |
| IPSAS adjustments to Funds in Trust (3)              |                                     |                           | -304                                                  |                                |
| <b>Adjusted net surplus per IPSAS (Statement II)</b> |                                     |                           | <b>128</b>                                            |                                |

- (1) Original Budget represents the budget of the approved Program and Budget for the 2024/25 biennium.  
(2) Represents the difference between the final budget and actual income and expense on a comparable basis (before IPSAS adjustments) for the biennium ended December 31, 2025.  
(3) The IPSAS adjustments to the surplus are detailed in Note 12 of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: OBJECTIVES, GOVERNANCE AND BUDGET OF UPOV

The International Union for the Protection of New Varieties of Plants (UPOV) is an intergovernmental organization with headquarters in Geneva. UPOV's mission is to provide and promote an effective system of plant variety protection, with the aim of encouraging the development of new varieties of plants, for the benefit of society.

UPOV was established by the International Convention for the Protection of New Varieties of Plants (the UPOV Convention), which was signed in Paris in 1961. The Convention entered into force in 1968. It was revised in Geneva in 1972, 1978 and 1991. The 1991 Act entered into force on April 24, 1998. The main objectives of UPOV are, in accordance with the UPOV Convention, to:

- provide and develop the legal, administrative and technical basis for international cooperation in plant variety protection;
- assist States and organizations in the development of legislation and the implementation of an effective plant variety protection system; and
- enhance public awareness and understanding of the UPOV system of plant variety protection.

In accordance with Article 25 of the 1991 Act and Article 15 of the 1978 Act, the Council and the Office of the Union are the permanent organs of UPOV.

The Council governs UPOV, and consists of the representatives of the members of the Union. The Council is responsible for safeguarding the interests and encouraging the development of UPOV, for adopting its program and budget and for taking all necessary decisions to ensure the efficient functioning of UPOV. The Council meets once a year in ordinary session. If necessary, it is convened to meet in extraordinary session. The Council has established a number of bodies, which meet once a year.

The Office of the Union is the Secretariat of UPOV, and is under the direction of the Secretary-General. The staff of the Office of UPOV, other than the Vice Secretary-General, is under the direction of the Vice Secretary-General of UPOV. In 1982 a cooperation agreement (the WIPO/UPOV Agreement) was signed between UPOV and the World Intellectual Property Organization (WIPO), a Specialized Agency of the United Nations. Under this Agreement, the Council of UPOV appoints as Secretary-General of UPOV the Director General of WIPO. The Vice Secretary-General is responsible for the delivery of the results indicated in the approved program and budget. Under the Agreement, WIPO satisfies the requirements of UPOV with regard to provision of space, personnel administration, financial administration, procurement services and other administrative support. UPOV indemnifies WIPO for any service rendered to, and any expenditure incurred on behalf of, UPOV.

UPOV is predominantly funded by contributions and extrabudgetary funds (funds in trust) from members of the Union. UPOV operates within the framework of a biennial program and budget. The proposed program and budget covers estimates for income and expenditure for the financial period to which it relates. It is submitted by the Secretary-General to the Consultative Committee for discussion, comments and recommendations, including possible amendments. The Council adopts the program and budget after consideration of the proposed program and budget and the recommendations of the Consultative Committee.

## **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Preparation**

These financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Swiss francs, which is the reporting and functional currency of UPOV. The accounting policies have been applied consistently to all years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The statement of cash flow is prepared using the indirect method. The financial statements are prepared on an accrual and going-concern basis. As at December 31, 2025, the statement of financial position shows a net asset balance which is negative due to long-term employee benefit liabilities. This does not affect UPOV's ability to continue as a going concern. UPOV's Council has approved the Program and Budget of the Union for the 2026-2027 Biennium and there is no intention to change UPOV's activities.

IPSAS 47 *Revenue*, was published in May 2023 with an implementation date of January 1, 2026. This standard has been applied by UPOV in 2025 and does not materially impact its financial statements.

IPSAS 48 *Transfer Expenses*, was published in May 2023 with an implementation date of January 1, 2026. This standard has been applied by UPOV in 2025 and does not materially impact its financial statements.

IPSAS 49 *Retirement Benefit Plans*, was published in November 2023 with an implementation date of January 1, 2026. It is not expected that this standard will impact UPOV's financial statements.

IPSAS 50 *Exploration for and Evaluation of Mineral Resources*, was published in November 2024 with an implementation date of January 1, 2027. It is not expected that this standard will impact UPOV's financial statements.

IPSAS 51 *Tangible Natural Resources Held for Conservation*, was published in January 2026 with an implementation date of January 1, 2028. It is not expected that this standard will impact UPOV's financial statements.

Amendments to IPSAS 43, IPSAS 47 and IPSAS 48, *Concessionary Leases and Other Arrangements Conveying Rights Over Assets*, were published in October 2024 with an implementation date of January 1, 2027. UPOV is currently analyzing the impacts of these amendments.

### **Foreign Currency**

The functional currency of UPOV is the Swiss franc and these financial statements are presented in that currency. All transactions occurring in other currencies are translated into Swiss francs using the United Nations Operational Rates of Exchange (UNORE) which represent those prevailing at the date of the transactions. Both realized and unrealized gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of assets and liabilities denominated in currencies other than UPOV's functional currency are recognized in the Statement of Financial Performance.

### **Segment Reporting**

A segment is a distinguishable activity or group of activities for which it is appropriate to separately report financial information. At UPOV, segment information is based on the principal activities and sources of financing of UPOV. As such, UPOV reports separate financial information for two segments: (1) the Regular Program and Budget and (2) Funds in Trust. The UPOV performance by segment is presented in Notes 13 and 14. As the UPOV assets and liabilities are not managed by segment this information is not presented in the notes to the financial statements.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, deposits held up to 90 days and other short-term highly liquid investments that are readily convertible to cash and subject to insignificant risk of changes in value.

## **Receivables**

Contributions are recognized as revenue at the beginning of the financial year. An allowance for receivables is made in full for any member who has contributions receivable where an element of the arrears is dated prior to the last biennium.

## **Equipment**

Equipment is valued at cost less accumulated depreciation and impairment. Equipment is recognized as an asset if it has a cost of 10,000 Swiss francs or more per unit. As at December 31, 2025, no items are capitalized as equipment.

## **Intangible Assets**

Intangible assets are carried at cost less accumulated amortization and impairment. Acquired computer software licenses are capitalized based on costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for use by UPOV are capitalized as an intangible asset if the recognition criteria under IPSAS 31 are met. Direct costs include the software development employee costs. As at December 31, 2025, no costs have been capitalized as intangible assets.

## **Employee Benefits**

Liabilities are established for After-Service Health Insurance (ASHI), repatriation grants and travel, and long-term accumulated annual leave as determined by an independent actuary on an annual basis utilizing the projected unit credit methodology of valuation. The ASHI liability is stated net of the fair value of plan assets, and actuarial gains and losses are recognized in net assets. In addition, liabilities are established for the value of short-term accumulated annual leave, home leave not taken, overtime earned but unpaid, separation benefits, rewards for recognition of staff performance, and for education grants payable at the reporting date that have not been included in current expenditure. Advances for education grants paid to UPOV staff are recognized by WIPO and charged to UPOV over the course of the school year. As at December 31, 2025, WIPO had advanced 102,353 Swiss francs to UPOV staff for education grants concerning the 2025-2026 school year.

In accordance with the WIPO/UPOV Agreement signed on November 26, 1982, UPOV is a member organization participating in the United Nations Joint Staff Pension Fund (the "Fund"), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Fund collectively exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. UPOV and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify UPOV's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, UPOV has treated contributions to the Fund as if they were to a defined contribution plan in line with the requirements of IPSAS 39, Employee Benefits. UPOV's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

## **Provisions**

Provisions are recognized when UPOV has a legal or constructive obligation as a result of a past event, whereby it is probable that an outflow of resources will be required to settle the obligation and where a reliable estimate of the amount of the obligation can be made.

## **Revenue Recognition**

In accordance with IPSAS 47, contributions are identified as revenue arising from transactions with binding arrangements, whereas all other categories of revenue, including fees and extrabudgetary funds (funds in trust), are identified as revenue arising from transactions without binding arrangements.

Revenue from extrabudgetary funds (funds in trust) is recognized as revenue at the time of receipt of cash unless the agreement includes obligations related to specific performance. Such agreements require initial recognition of a liability to defer revenue recognition and then revenue is recognized as the obligation is satisfied through performance based on expenditures incurred.

Contributions are recognized as revenue at the beginning of each year of the budget period to which the contribution relates. UPOV PRISMA fees are recognized as revenue at the point of submission of the plant variety protection application. UPOV PLUTO fees are recognized as revenue at the point of invoicing following subscription. In-kind contributions of services are not recognized in the financial statements.

### Expense Recognition

Expenses are recognized as goods are received and services delivered.

### Financial Instruments

#### *Financial Assets*

Financial assets are recognized initially at fair value, normally being the transaction price. After initial recognition, UPOV classifies its financial assets as measured at amortized cost. The classification depends on UPOV's management model for the financial assets and the contractual cash flow characteristics of the financial assets. UPOV assesses on a forward-looking basis the expected credit losses associated with its financial assets classified as measured at amortized cost.

#### *Financial Liabilities*

UPOV initially recognizes its financial liabilities at fair value. After initial recognition, financial liabilities are subsequently measured at amortized cost.

### Use of Estimates

The financial statements necessarily include amounts based on estimates and assumptions by management. Estimates include but are not limited to: ASHI and repatriation grant and travel (the value of which is calculated by an independent actuary), other employee benefit liabilities, financial risk on accounts receivable and accrued charges. Actual results could differ from these estimates. Changes in estimates are reflected in the period in which they become known.

### Change in Presentation

Pursuant to the endorsement by the UPOV Consultative Committee at its 101st Session in October 2023, the Assemblies of the Member States of WIPO approved, in July 2024, the creation of a separate entity, to be established as a multi-employer plan, with responsibility for the funds set aside to finance ASHI. As a result, the WIPO/UPOV After Service Health Insurance Plan (ASHIP) was established as from January 1, 2025. Holding these funds in a separate entity allows them to be designated as plan assets, as stipulated in IPSAS 39, and the financial statement presentation is modified to present the ASHI liability net of accumulated funds, reclassifying a portion of UPOV's cash to employee benefit liabilities. In addition, investment gains relating to these plan assets are reclassified to personnel expenditure and actuarial gains or losses through net assets based on calculations performed by an external actuary. The total of UPOV's strategic cash and net ASHI liability recognized in the Statement of Financial Position as at December 31, 2025, is detailed below:

|                                                     | December 31,<br>2025     | December 31,<br>2024 |
|-----------------------------------------------------|--------------------------|----------------------|
|                                                     | <i>(in Swiss francs)</i> |                      |
| Deposits with banks - funds held for ASHI liability | -                        | 1,105,527            |
| <b>Total strategic cash</b>                         | <b>-</b>                 | <b>1,105,527</b>     |
| ASHI Defined benefit obligation                     | 4,782,722                | 5,352,935            |
| ASHI Plan assets                                    | 1,159,060                | -                    |
| <b>Net ASHI liability</b>                           | <b>3,623,662</b>         | <b>5,352,935</b>     |

**NOTE 3: CASH AND CASH EQUIVALENTS**

|                                                     | December 31,<br>2025     | December 31,<br>2024 |
|-----------------------------------------------------|--------------------------|----------------------|
|                                                     | <i>(in Swiss francs)</i> |                      |
| Deposits with banks                                 | 3,847,265                | 3,918,626            |
| <b>Total unrestricted cash</b>                      | <b>3,847,265</b>         | <b>3,918,626</b>     |
| Deposits with banks - working capital funds         | 580,012                  | 578,345              |
| Deposits with banks - funds in trust                | 589,274                  | 217,127              |
| <b>Total restricted cash</b>                        | <b>1,169,286</b>         | <b>795,472</b>       |
| Deposits with banks - funds held for ASHI liability | -                        | 1,105,527            |
| <b>Total strategic cash</b>                         | <b>-</b>                 | <b>1,105,527</b>     |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b>              | <b>5,016,551</b>         | <b>5,819,625</b>     |

Cash deposits are generally held in instant access bank accounts.

Working Capital Fund balances are considered as restricted, although interest received on Working Capital Fund balances is credited to the general fund of UPOV. Funds in trust held on behalf of donors of extrabudgetary funds are deposited in the currency in which expenditures will be reported, based upon agreements with donors. Following the creation of ASHIP, funds held to finance the ASHI liability are reclassified to employee benefit liabilities.

**NOTE 4: ACCOUNTS RECEIVABLE**

|                                  | December 31,<br>2025     | December 31,<br>2024 |
|----------------------------------|--------------------------|----------------------|
|                                  | <i>(in Swiss francs)</i> |                      |
| Contributions                    | 179,560                  | 88,316               |
| Other debtors                    | 15,273                   | 12,090               |
| <b>TOTAL ACCOUNTS RECEIVABLE</b> | <b>194,833</b>           | <b>100,406</b>       |

Contributions represent uncollected revenue related to the UPOV contribution system. The amount of the annual contribution of each member of the Union is calculated on the basis of the number of contribution units applied to the member (Article 26 of the 1978 Act and Article 29 of the 1991 Act of the Convention). When applicable, an allowance is established to offset the value of receivables due from contributions. The allowance covers amounts due from periods prior to the last biennium.

**NOTE 5: PAYABLES AND ACCRUALS**

|                                      | December 31,<br>2025     | December 31,<br>2024 |
|--------------------------------------|--------------------------|----------------------|
|                                      | <i>(in Swiss francs)</i> |                      |
| Miscellaneous transitory liabilities | 5,988                    | -                    |
| <b>Total payables and accruals</b>   | <b>5,988</b>             | <b>-</b>             |

Payables and accruals include invoices received from suppliers not yet settled including the revaluation of invoices payable in currencies other than the Swiss franc.

**NOTE 6: EMPLOYEE BENEFITS**

|                                                       | December 31,<br>2025     | December 31,<br>2024 |
|-------------------------------------------------------|--------------------------|----------------------|
|                                                       | <i>(in Swiss francs)</i> |                      |
| Accumulated leave                                     | 4,425                    | 11,450               |
| Accumulated leave - temporary positions               | 6,782                    | -                    |
| Repatriation grant and travel                         | 73,254                   | 50,685               |
| Home leave                                            | 26,165                   | 4,790                |
| Overtime                                              | 100                      | 25                   |
| Performance rewards                                   | 6,000                    | -                    |
| After-Service Health Insurance                        | 171,066                  | 154,996              |
| <b>Total current employee benefit liabilities</b>     | <b>287,792</b>           | <b>221,946</b>       |
| Accumulated leave                                     | 70,334                   | 72,137               |
| Repatriation grant and travel                         | 105,326                  | 89,460               |
| After-Service Health Insurance                        | 3,452,596                | 5,197,939            |
| <b>Total non-current employee benefit liabilities</b> | <b>3,628,256</b>         | <b>5,359,536</b>     |
| <b>TOTAL EMPLOYEE BENEFIT LIABILITIES</b>             | <b>3,916,048</b>         | <b>5,581,482</b>     |

Long-term employee benefits include After Service Health Insurance (ASHI), repatriation grant and travel, and accumulated leave (posts):

**ASHI:** Staff members (and their spouses, dependent children and survivors) retiring from service are eligible for ASHI coverage if they continue to participate in the medical insurance plan after separation from service. In accordance with the Staff Regulations and Rules, a share of 65 per cent of the monthly medical insurance premium is paid by UPOV.

**Repatriation grant and travel:** UPOV has a contractual obligation to provide benefits such as repatriation grants, travel and removal for certain internationally recruited staff members at the time of their separation from service.

**Accumulated leave (posts):** Accumulated annual leave is classified as a long-term employee benefit for staff members holding permanent, continuing or fixed term contracts. Staff in posts may accrue up to 15 days of annual leave in a given year, and a total accumulated balance of 60 days. On separation from service, staff in posts who have accumulated annual leave can receive a payment in lieu of an amount equivalent to their salary for the period of accumulated annual leave, up to a maximum of 60 days.

Employee benefit liabilities for ASHI, repatriation grant and travel, and accumulated leave (posts) are calculated by an independent actuary. The present value of the liabilities is determined using the projected unit credit method including discounting the estimated future cash outflows. Actuarial assumptions have a significant effect on the amounts calculated for employee benefit liabilities. A description of the factors which impact the size of the ASHI liability is included in the financial statement discussion and analysis which precedes these financial statements. The principal actuarial assumptions applied in determining long-term employee benefits liabilities are detailed below. Discount rates were determined using AA Corporate Bond Yield Curves:

|                                       | December 31,<br>2025      | December 31,<br>2024      |
|---------------------------------------|---------------------------|---------------------------|
| <b>After-Service Health Insurance</b> |                           |                           |
| Discount rate                         | 1.90%                     | 1.50%                     |
| Discount rate currency                | CHF, EUR, USD (w eighted) | CHF, EUR, USD (w eighted) |
| Medical cost trend rate - initial     | 2.20%                     | 2.40%                     |
| Medical cost trend rate - ultimate    | 2.20%                     | 2.40%                     |
| Annual medical claims cost (by age):  | Claims cost CHF           | Claims cost CHF           |
| 50                                    | 6,317                     | 6,169                     |
| 55                                    | 7,111                     | 6,944                     |
| 60                                    | 8,486                     | 8,287                     |
| 65                                    | 10,324                    | 10,082                    |
| 70                                    | 12,558                    | 12,264                    |
| 75                                    | 14,138                    | 13,807                    |
| 80                                    | 19,441                    | 18,985                    |
| 85+                                   | 20,229                    | 19,755                    |
| <b>Repatriation Grant and Travel</b>  |                           |                           |
| Discount rate                         | 5.20%                     | 5.40%                     |
| Discount rate currency                | USD                       | USD                       |
| Rate of Salary increase               | 3.49%                     | 3.46%                     |
| <b>Accumulated leave (posts)</b>      |                           |                           |
| Discount rate                         | 1.10%                     | 0.80%                     |
| Discount rate currency                | CHF                       | CHF                       |
| Rate of salary increase               | Comprised of:             | Comprised of:             |
|                                       | Inflation 0.70%           | Inflation 1.00%           |
|                                       | Productivity 0.50%        | Productivity 0.50%        |
|                                       | Merit scale 0.97%-6.07%   | Merit scale 0.97%-6.07%   |

The table below details the expense for ASHI recognized in the Statement of Financial Performance:

|                                                                     | December 31,<br>2025 | December 31,<br>2024 |
|---------------------------------------------------------------------|----------------------|----------------------|
| <i>(in Swiss francs)</i>                                            |                      |                      |
| Net interest cost                                                   | 62,846               | 70,821               |
| Current service cost                                                | 159,269              | 946                  |
| <b>Expense recognized in the statement of financial performance</b> | <b>222,115</b>       | <b>71,767</b>        |

The following table details the changes in the ASHI net liability, including the impact of actuarial gains/(losses) recognized in the Statement of Financial Position:

|                                                                        | December 31,<br>2025     | December 31,<br>2024 |
|------------------------------------------------------------------------|--------------------------|----------------------|
|                                                                        | <i>(in Swiss francs)</i> |                      |
| <b>Defined benefit obligation at beginning of year</b>                 | 5,352,935                | 3,986,843.00         |
| Opening balance adjustment, experience loss                            | -                        | 516,643              |
|                                                                        | 5,352,935                | 4,503,486            |
| <b>Revised defined benefit obligation at beginning of year</b>         |                          |                      |
| Interest cost                                                          | 79,132                   | 70,821               |
| Current service cost                                                   | 159,269                  | 946                  |
| Benefits paid                                                          | -82,852                  | -69,947              |
| Actuarial (gain)/loss on obligation:                                   |                          |                      |
| Experience (gain)/loss                                                 | -152,294                 | 500,273              |
| <i>Medical cost trend rate</i>                                         | -173,299                 | -235,070             |
| <i>Discount rate</i>                                                   | -336,928                 | 277,185              |
| <i>Other</i>                                                           | -3,169                   | -1,953               |
| (Gain)/loss on change in financial assumptions                         | -513,396                 | 40,162               |
| <i>Medical claims cost</i>                                             | -                        | 300,377              |
| <i>Mortality adjustment</i>                                            | -62,297                  | -                    |
| <i>Other demographic assumptions</i>                                   | 2,225                    | 6,817                |
| (Gain)/loss on change in demographic assumptions                       | -60,072                  | 307,194              |
|                                                                        | 4,782,722                | 5,352,935            |
| <b>Defined benefit obligation recognized at end of year</b>            |                          |                      |
| <b>Initial recognition of plan assets at beginning of year</b>         | 1,105,527                | -                    |
| Interest revenue                                                       | 16,286                   | -                    |
| Return on plan assets excluding interest revenue                       | -16,551                  | -                    |
| UPOV contributions                                                     | 136,650                  | -                    |
| Benefits paid                                                          | -82,852                  | -                    |
| <b>Plan assets recognized at end of year</b>                           | 1,159,060                | -                    |
| <b>Net liability recognized in the Statement of Financial Position</b> | 3,623,662                | 5,352,935            |

As can be seen in the table above, the most significant actuarial gains impacting the defined benefit obligation in 2025 occurred due to an increase in the discount rate, which moved from 1.50 per cent to 1.90 per cent, and also a decrease in the medical cost trend rate, which fell from 2.40 percent to 2.20 percent. The weighted average duration of the defined benefit obligation as at December 31, 2025 was 17 years.

Contributions, representing the premium share paid by UPOV for ASHI, totaled 82,852 Swiss francs for 2025 (69,947 Swiss francs in 2024). The following table details the present value of the defined benefit obligation and experience adjustments arising on the ASHI liability for 2025 and the previous four years:

|  | 2025                     | 2024 | 2023 | 2022 | 2021 |
|--|--------------------------|------|------|------|------|
|  | <i>(in Swiss francs)</i> |      |      |      |      |

|                                                      |           |           |           |           |           |
|------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Defined benefit obligation                           | 4,782,722 | 5,352,935 | 3,986,843 | 3,480,559 | 4,085,020 |
| Experience (gain)/loss adjustments on plan liability | -152,294  | 500,273   | -22,870   | -3,468    | 10,890    |

The WIPO/UPOV After Service Health Insurance Plan (ASHIP) was created on January 1, 2025, a separate entity established as a multi-employer plan, in which WIPO and UPOV participate. ASHIP is responsible for the management of the funds provided by the Member States of WIPO and members of UPOV to finance each organization's ASHI liability. The ASHI liability remains a liability of WIPO and UPOV respectively, not of the ASHIP which is responsible only for the management of funds. In accordance with IPSAS 39, from the date of creation of ASHIP, UPOV's funds to finance ASHI meet the requirements for recognition as plan assets, and for 2025 UPOV's ASHI liability is presented net of these funds.

UPOV's contributions to plan assets are based on a percentage of actual staff costs, which during 2025 was fixed at six per cent, less the premium share paid by the Union for ASHI. The asset class and fair value of plan assets as at December 31, 2025, is shown in the following table:

| Asset Class               | December 31, 2025        |                        |
|---------------------------|--------------------------|------------------------|
|                           | Fair Value               | % of Total Plan Assets |
|                           | <i>(in Swiss francs)</i> |                        |
| Cash and cash equivalents | 1,159,060                | 100.0%                 |
| <b>Total plan assets</b>  | <b>1,159,060</b>         | <b>100.0%</b>          |

The following sensitivity analysis shows how the defined benefit obligation would have been affected by changes in significant actuarial assumptions, the discount rate and the medical cost trend rate. The per cent changes used in the analysis are considered reasonable based on historical movements:

|                                                               | 1 per cent<br>decrease in discount<br>rate<br><i>(0.9%)</i> | Discount rate as<br>applied<br><i>(1.90%)</i> | 1 per cent<br>increase in discount<br>rate<br><i>(2.9%)</i> |
|---------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
|                                                               | <i>(in Swiss francs)</i>                                    |                                               |                                                             |
| Defined benefit obligation recognized at<br>December 31, 2025 | 5,696,754                                                   | 4,782,722                                     | 4,076,063                                                   |
| Per cent variation                                            | 19.1%                                                       |                                               | -14.8%                                                      |

|                                                               | 1 per cent decrease in<br>medical cost<br>trend rate<br><i>(1.2%)</i> | Medical cost trend<br>rate as applied<br><i>(2.2%)</i> | 1 per cent increase in<br>medical cost<br>trend rate<br><i>(3.2%)</i> |
|---------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------|
|                                                               | <i>(in Swiss francs)</i>                                              |                                                        |                                                                       |
| Defined benefit obligation recognized at<br>December 31, 2025 | 4,100,169                                                             | 4,782,722                                              | 5,645,800                                                             |
| Per cent variation                                            | -14.3%                                                                |                                                        | 18.0%                                                                 |

## **United Nations Joint Staff Pension Fund**

The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Fund's Consulting Actuary. The practice of the Pension Board has usually been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities into perpetuity. The Fund's published funding policy (available on the Fund's website) sets out the methods, processes and targets that are used to monitor the funding position and associated risks. This also includes the practice of utilizing an actuarial value of assets, which smooths short-term investment gains and losses for the purpose of reporting long-term solvency.

UPOV's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9 per cent of pensionable remuneration for participants and 15.8 per cent for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date. It has never been necessary to invoke Article 26, and no deficiency payments have ever been requested.

The latest actuarial valuation for the Fund was completed as at 31 December 2023, and the valuation as of December 31, 2025 is currently being performed. A roll forward of the participation data as of December 31, 2023 to December 31, 2024 was used by the Fund for its 2024 financial statements.

The actuarial valuation as at December 31, 2023, reported a funded ratio of actuarial assets to actuarial liabilities of 111.0 per cent when future expected pension adjustments (cost-of-living indexation on benefits) were taken into account. The reported funded ratio was 152.0 per cent when the current system of pension adjustments was not taken into account and would be the measure by which actuarial sufficiency is established under Article 26.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as at December 31, 2023, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. At the time of this report, the General Assembly has not invoked the provision of Article 26.

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2022, 2023 and 2024) amounted to 10,191.93 million US dollars, of which 0.016 per cent was contributed by UPOV (including participants and UPOV contributions).

During 2025, contributions (including UPOV contributions only) paid to the Fund amounted to 326,950 Swiss francs (301,445 Swiss francs in 2024). Expected contributions due in 2026 are approximately 337,557 Swiss francs.

Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities is included in the amount.

The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund provides weekly information on its investments, and it can be viewed by visiting the Fund at [www.unjspf.org](http://www.unjspf.org).

**NOTE 7: ADVANCE RECEIPTS**

|                                      | December 31,<br>2025     | December 31,<br>2024 |
|--------------------------------------|--------------------------|----------------------|
|                                      | <i>(in Swiss francs)</i> |                      |
| Advance payment of contributions     | 618,784                  | 625,543              |
| Deferred revenue from Funds in Trust | 540,520                  | 166,886              |
| <b>TOTAL ADVANCE RECEIPTS</b>        | <b>1,159,304</b>         | <b>792,429</b>       |

Contributions received in advance are recorded as advance receipt liabilities and are recognized as revenue in the year to which they relate. Extrabudgetary funds from donors to Funds in Trust containing conditions requiring UPOV to provide services to recipient governments or other third parties are treated as deferred revenue until the services covered by the extrabudgetary funds (funds in trust) are performed, whereupon revenue is recognized.

**NOTE 8: OTHER CURRENT LIABILITIES**

|                                        | December 31,<br>2025     | December 31,<br>2024 |
|----------------------------------------|--------------------------|----------------------|
|                                        | <i>(in Swiss francs)</i> |                      |
| Amounts payable to WIPO                | 709,997                  | 704,970              |
| <b>TOTAL OTHER CURRENT LIABILITIES</b> | <b>709,997</b>           | <b>704,970</b>       |

Other current liabilities are amounts payable to WIPO, which relate to services provided under the WIPO/UPOV Agreement.

**NOTE 9: CONTINGENT LIABILITIES**

UPOV has no contingent liabilities as at December 31, 2025.

**NOTE 10: RELATED PARTY TRANSACTIONS**

The Council consists of the representatives of the members of the Union. They do not receive remuneration from UPOV.

UPOV has no ownership interest in associates or joint ventures and no controlled entities. In 1982, a cooperation agreement (the WIPO/UPOV Agreement) was signed between UPOV and WIPO. Under this Agreement, the Council of UPOV appoints as Secretary-General of UPOV the Director General of WIPO. Under the Agreement, WIPO satisfies the requirements of UPOV as regards to provision of space, personnel administration, financial administration, procurement services and other administrative support. UPOV indemnifies WIPO for the cost of such services in accordance with the terms of said agreement. In 2025, UPOV paid 618,000 Swiss francs to WIPO to cover the cost of these services, which UPOV recognized in operating expenses for the year. In addition, UPOV reimbursed WIPO for funds disbursed on its behalf. In accordance with the Agreement, the Office of the Union exercises its functions in complete independence of WIPO. UPOV and WIPO are participants in a multi-employer employee benefits plan, the WIPO/UPOV After Service Health Insurance Plan (ASHIP), established to manage the funds set aside to finance ASHI. The ASHIP Advisory Committee is established to advise the Director General of WIPO and the Vice Secretary-General of UPOV on the management and operations of the ASHIP. The ASHIP Advisory Committee is composed of two members from the WIPO Program and Budget Committee, three staff members from WIPO and/or UPOV, one former staff member of WIPO or UPOV, the WIPO Assistant Director General for the Administration, Finance and Management Sector and the WIPO Controller.

The key management personnel of UPOV are the Secretary-General, the Vice Secretary-General and officers in posts. The current Director General of WIPO has declined any salary or allowance from his function as Secretary-General of UPOV. The other key management personnel are remunerated by UPOV. The aggregate remuneration paid to key management personnel includes salaries, allowances, statutory travel and other

entitlements paid in accordance with the Staff Regulations and Rules. Key management personnel are members of the UN Joint Staff Pension Fund (UNJSPF) to which the personnel and UPOV contribute and are also eligible for participation in the collective medical insurance plan.

Key management personnel and their aggregate remuneration were as follows (note that the table does not include the Secretary-General as he does not receive remuneration from UPOV):

|                          | 2025                                         |                           | 2024                                         |                           |
|--------------------------|----------------------------------------------|---------------------------|----------------------------------------------|---------------------------|
|                          | Number of<br>Individuals                     | Aggregate<br>remuneration | Number of<br>Individuals                     | Aggregate<br>remuneration |
|                          | <i>(on a full-time<br/>equivalent basis)</i> | <i>(in Swiss francs)</i>  | <i>(on a full-time<br/>equivalent basis)</i> | <i>(in Swiss francs)</i>  |
| Key management personnel | 4.00                                         | 1,078,610                 | 4.50                                         | 1,206,263                 |

There was no other remuneration or compensation to key management personnel or to their close family members.

#### NOTE 11: NET ASSETS

|                                              | December<br>31, 2024 | Working<br>Capital<br>Fund<br>contribu-<br>tions | Program and<br>Budget Deficit<br>for the Year<br>(before IPSAS<br>adjustments) | Funds In Trust<br>Surplus for<br>the Year<br>(before IPSAS<br>adjustments) | IPSAS<br>adjustments<br>for the year | Transfer to<br>Reserve<br>Fund | December 31,<br>2025 |
|----------------------------------------------|----------------------|--------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------|--------------------------------|----------------------|
| <i>(in Swiss francs)</i>                     |                      |                                                  |                                                                                |                                                                            |                                      |                                |                      |
| Program and Budget<br>Surplus/(Deficit)      | -                    | -                                                | -49,966                                                                        | -                                                                          | -82,016                              | 131,982                        | -                    |
| Funds in Trust<br>Surplus/(Deficit)          | -                    | -                                                | -                                                                              | 376,837                                                                    | -376,837                             | -                              | -                    |
| Reserve Fund                                 | 1,127,877            | -                                                | -                                                                              | -                                                                          | -                                    | -131,982                       | 995,895              |
| Actuarial gains/losses<br>through Net Assets | -2,865,072           | -                                                | -                                                                              | -                                                                          | 709,212                              | -                              | -2,155,860           |
| Working Capital Fund                         | 578,345              | 1,667                                            | -                                                                              | -                                                                          | -                                    | -                              | 580,012              |
| <b>NET ASSETS</b>                            | <b>-1,158,850</b>    | <b>1,667</b>                                     | <b>-49,966</b>                                                                 | <b>376,837</b>                                                             | <b>250,359</b>                       | <b>-</b>                       | <b>-579,953</b>      |

In accordance with Regulation 4.2 of the UPOV Financial Regulations and Rules, UPOV has a Working Capital Fund. As at December 31, 2025, the Working Capital Fund stands at 580,012 Swiss francs. As per Regulation 4.2, the purposes for which the Working Capital Fund is utilized are:

- (a) to meet budgeted expenditure pending the receipt of the contributions of members of the Union;
- (b) to meet unavoidable unforeseen expenses arising from the execution of the approved program;
- (c) to meet such other expenses as may be determined by the Council.

Advances made from the Working Capital Fund to meet the expenditure requirements listed above are to be reimbursed in accordance with Regulation 4.2.

The Reserve Fund represents the accumulated surpluses and deficits of UPOV. In accordance with Regulation 4.6 of the UPOV Financial Regulations and Rules, revised by the Council in October 2020: the use, other than for the covering of any deficits, of the reserve fund is a matter for the decision of the Council. If after the closure of the financial period, the amount of the reserve fund exceeds 15 percent of the total income for the financial period, the Council shall decide on the use of the income in excess of the expenditure for the financial period.

Following the implementation of IPSAS 39 in 2017, actuarial gains and losses for ASHI have to be recognized directly through net assets. The amount of actuarial losses in net assets at December 31, 2025 equals 2,155,860 Swiss francs due to actuarial gains of 709,212 Swiss francs recognized in 2025.

**NOTE 12: RECONCILIATION OF STATEMENT OF BUDGETARY COMPARISON (STATEMENT V) AND STATEMENT OF FINANCIAL PERFORMANCE (STATEMENT II)**

The UPOV Program and Budget is established on a modified accrual basis in accordance with the UPOV Financial Regulations and Rules and is approved by the Council. The Regular Program and Budget for the 2024-2025 Biennium established a budget estimate of income and expenditure for the biennium of 7,901,307 Swiss francs.

UPOV's budget and financial accounts are prepared using two different bases. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cash Flow are prepared on a full accrual basis, whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared on a modified accrual basis.

As required by IPSAS 24, a reconciliation is provided between the actual amounts on a comparable basis with the budget as presented in Statement V and the actual amounts in the financial accounts identifying separately any basis, timing and entity differences.

**Reconciliation for the year 2025**

|                                                                               | Operating                | Investing | Financing | Total           |
|-------------------------------------------------------------------------------|--------------------------|-----------|-----------|-----------------|
|                                                                               | <i>(in Swiss francs)</i> |           |           |                 |
| <b>Actual amount on comparable basis (Statement V)</b>                        | <b>-49,966</b>           | -         | -         | <b>-49,966</b>  |
| Changes in accounts receivable                                                | 42,912                   | -         | -         | 42,912          |
| Changes in employee benefit liabilities                                       | -124,928                 | -         | -         | -124,928        |
| Deferral of revenue Funds in Trust                                            | -376,837                 | -         | -         | -376,837        |
| <b>Total Basis differences</b>                                                | <b>-458,853</b>          | -         | -         | <b>-458,853</b> |
| Funds in Trust                                                                | 376,837                  | -         | -         | 376,837         |
| <b>Total Entity differences</b>                                               | <b>376,837</b>           | -         | -         | <b>376,837</b>  |
| <b>Actual amount in the Statement of Financial Performance (Statement II)</b> | <b>-131,982</b>          | -         | -         | <b>-131,982</b> |

**Reconciliation for the biennium 2024/2025**

|                                                                               | Operating                | Investing | Financing | Total           |
|-------------------------------------------------------------------------------|--------------------------|-----------|-----------|-----------------|
|                                                                               | <i>(in Swiss francs)</i> |           |           |                 |
| <b>Actual amount on comparable basis (Statement V)</b>                        | <b>308,019</b>           | -         | -         | <b>308,019</b>  |
| Changes in employee benefit liabilities                                       | -179,568                 | -         | -         | -179,568        |
| Deferral of revenue Funds in Trust                                            | -303,853                 | -         | -         | -303,853        |
| <b>Total Basis differences</b>                                                | <b>-483,421</b>          | -         | -         | <b>-483,421</b> |
| Funds in Trust                                                                | 303,853                  | -         | -         | 303,853         |
| <b>Total Entity differences</b>                                               | <b>303,853</b>           | -         | -         | <b>303,853</b>  |
| <b>Actual amount in the Statement of Financial Performance (Statement II)</b> | <b>128,451</b>           | -         | -         | <b>128,451</b>  |

# NOTE 13: REVENUE

|                                       | Regular<br>Program and<br>Budget<br>2025 | Funds in Trust<br>2025 | Inter-Segment<br>Transactions<br>2025 | TOTAL<br>2025    | TOTAL<br>2024    |
|---------------------------------------|------------------------------------------|------------------------|---------------------------------------|------------------|------------------|
|                                       | <i>(in Swiss francs)</i>                 |                        |                                       |                  |                  |
| <b>REVENUE</b>                        |                                          |                        |                                       |                  |                  |
| Contributions                         | 3,623,438                                | -                      | -                                     | 3,623,438        | 3,526,886        |
| Extrabudgetary funds (funds in trust) | -                                        | 297,631                | -                                     | 297,631          | 509,393          |
| PRISMA and PLUTO Fees                 | 142,650                                  | -                      | -                                     | 142,650          | 139,440          |
| Other/miscellaneous revenue           | -59,715                                  | -                      | -                                     | -59,715          | 34,368           |
| Program support charges               | 45,738                                   | -                      | -45,738                               | -                | -                |
| <b>TOTAL REVENUE</b>                  | <b>3,752,111</b>                         | <b>297,631</b>         | <b>-45,738</b>                        | <b>4,004,004</b> | <b>4,210,087</b> |

Contributions under the Regular Program and Budget represent amounts payable in January 2025. Extrabudgetary funds under Funds in Trust represent revenue received in connection with contributions made by donors to individual projects not included in the Regular Program and Budget. Revenue from extrabudgetary funds (funds in trust) is deferred until earned through the satisfaction of the specific services provided in the plan of work agreed with the donor.

# NOTE 14: EXPENSES

|                             | Regular<br>Program and<br>Budget<br>2025 | Funds in<br>Trust<br>2025 | Inter-Segment<br>Transactions<br>2025 | TOTAL<br>2025    | TOTAL<br>2024    |
|-----------------------------|------------------------------------------|---------------------------|---------------------------------------|------------------|------------------|
|                             | <i>(in Swiss francs)</i>                 |                           |                                       |                  |                  |
| <b>EXPENSES</b>             |                                          |                           |                                       |                  |                  |
| Personnel expenditure       | 2,496,285                                | 85,265                    | -                                     | 2,581,550        | 2,299,485        |
| Internships and Fellowships | 3,315                                    | -                         | -                                     | 3,315            | -                |
| Travel, Training and Grants | 46,137                                   | 38,004                    | -                                     | 84,141           | 234,565          |
| Contractual services        | 702,269                                  | 128,564                   | -                                     | 830,833          | 791,349          |
| Operating expenses          | 635,994                                  | 60                        | -                                     | 636,054          | 624,115          |
| Supplies and materials      | 93                                       | -                         | -                                     | 93               | 140              |
| Program support costs       | -                                        | 45,738                    | -45,738                               | -                | -                |
| <b>TOTAL EXPENSES</b>       | <b>3,884,093</b>                         | <b>297,631</b>            | <b>-45,738</b>                        | <b>4,135,986</b> | <b>3,949,654</b> |

Personnel expenditure includes short-term employee benefits such as base salary, post adjustment, dependents' allowance, pension contribution, health and other insurance contributions, home leave and other entitlements for posts and temporary positions. As a result of the implementation of IPSAS, personnel expenditure also includes amounts for the movements in employee benefit liabilities. Internships and Fellowships include payments to interns and fellows, as well as travel-related expenses.

Travel, training and grants include the costs of airfare, daily subsistence allowances, terminal allowances and other travel costs for staff on official business and travel for participants and lecturers in connection with training activities.

Contractual services include translators, interpreters and other non-staff service agreements.

Operating expenses include payments under the WIPO/UPOV agreement such as premises maintenance, personnel administration, financial administration, procurement services and other administrative support.

## NOTE 15: FINANCIAL INSTRUMENTS

UPOV is exposed to certain liquidity, interest rate, foreign currency exchange and credit risks which arise in the normal course of its operations.

The Union manages its investments in accordance with its Policy on Investments. The Secretary-General may make short-term investments of money not needed for immediate requirements in accordance with UPOV's investment policy. Unless otherwise agreed by the Council, UPOV's investment policy shall be the same as WIPO's investment policy for operating cash. The Secretary-General may seek the advice of the Advisory Committee on Investments of WIPO for matters relating exclusively to UPOV. The Secretary-General shall inform the Consultative Committee regularly of any investments.

### Financial Instruments Overview

Financial instruments are categorized as follows:

| Financial Assets and Liabilities | Category       |
|----------------------------------|----------------|
| Cash and cash equivalents        | Amortized cost |
| Receivables                      | Amortized cost |
| Payables and accruals            | Amortized cost |

The carrying amounts of the categories of financial assets and liabilities are as follows:

|                              | December 31,<br>2025     | December 31,<br>2024 |
|------------------------------|--------------------------|----------------------|
|                              | <i>(in Swiss francs)</i> |                      |
| <b>Financial assets</b>      |                          |                      |
| Amortized cost               | 5,211,384                | 5,920,031            |
| <b>Total carrying value</b>  | <b>5,211,384</b>         | <b>5,920,031</b>     |
| <b>Financial liabilities</b> |                          |                      |
| Amortized cost               | 715,985                  | 704,970              |
| <b>Total carrying value</b>  | <b>715,985</b>           | <b>704,970</b>       |

### Fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Cash and short-term deposits, receivables, accounts payable and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. When applicable, an allowance is established to offset the value of receivables due from contributions. The allowance covers amounts of contributions with arrears dated prior to the last biennium. For UPOV's financial assets and liabilities at the reporting date, the carrying amount is equivalent to the fair value.

### Credit risk

Credit risk is the risk of financial loss to UPOV if counterparties to financial instruments fail to meet their contractual obligations and it arises principally from receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. For the purposes of financial reporting, UPOV calculates expected credit losses allowances associated with its financial assets.

UPOV's accounts receivable are almost exclusively from members of the Union representing sovereign States and relevant Intergovernmental Organizations, and therefore risks related to credit are considered minor.

Cash and cash equivalents may only be held with institutions with a minimum short-term credit rating of A-2/ P-2 or a minimum long-term credit rating of A/A2. Accordingly, the credit ratings attached to cash and cash equivalents as at December 31, 2025 are as detailed on table on the following page:

| Credit Rating                    | A-2       | Total     |
|----------------------------------|-----------|-----------|
| <i>(in Swiss francs)</i>         |           |           |
| <b>Cash and Cash Equivalents</b> | 5,016,551 | 5,016,551 |
| Per cent                         | 100.0%    | 100.0%    |

#### Liquidity risk

Liquidity risk is the risk of UPOV not being able to meet its obligations as they fall due. UPOV does not have significant exposure to liquidity risk as it has substantial unrestricted cash resources. The investment policy requires that operating and core cash are invested in such a way to ensure the liquidity necessary to meet UPOV's cash flow requirements. Operating cash balances are invested over the short term (periods not exceeding twelve months to maturity) in low-risk asset classes which are easily liquidated at little or no cost. Core cash will be invested over the medium term (periods exceeding twelve months), in such a way that occasional access to a portion of the cash is possible thus facilitating scheduled large payments. Strategic cash is to be invested over the long term and currently has no short or medium term liquidity requirements.

#### Currency risk

UPOV may receive revenue from extrabudgetary funds (funds in trust) in currencies and incur expenses in currencies other than its functional currency, the Swiss franc, and as a result is exposed to foreign currency exchange risk arising from fluctuations of currency exchange rates. UPOV does not use derivative financial instruments to hedge exchange risk.

#### Market risk

Market risk is the risk of changes in market prices, such as interest rates, affecting income or the value of financial instrument holdings. UPOV is not subject to market risk.

#### NOTE 16: EVENTS AFTER THE REPORTING DATE

UPOV's reporting date is December 31, 2025 and its financial statements were authorized for issue on the same date as the External Auditor's opinion.

There have been no material events, favorable or unfavorable, that occurred between the reporting date and the date when the financial statements were authorized for issue that would have had a material impact on these financial statements.

[Appendix follows]

APPENDIX

EX GRATIA PAYMENTS  
(audited information)

Financial Regulation 5.10 states that a summary statement of ex gratia payments for the calendar year shall be included in the annual financial statements of UPOV. There were no such payments made during 2025 and therefore no summary statement is required.

[End of Appendix and of document]