

ANNEX 3 (8 pages)

Financial Regulations

Approved by CC 1975, Amended by GA 1976, 1978, 1980, 1986, 1987, 1989, 1990, 1991, 1993, 1994, 1995, 1996, 1997 and 1998 and EB 1999 and 2001 and GA 2002

Financial Regulations can only be amended by a majority vote of the General Assembly. The exception to this is **the annual membership fee** for members, which requires a 2/3 majority.

1. Introduction

- 1.1 The financial year of FIDE begins on January 1st and ends on December 31st of each year.
- 1.2 The budget of FIDE is handled on the basis of the **Euro** monetary system. In exceptional cases the Treasurer is entitled, in agreement with the **Presidential Board**, to change to another monetary system. In exceptional cases he is also authorized to transfer the financial administration to another country. All FIDE bank accounts and investment accounts must at all times be held in FIDE's name.
- 1.3 The financial management must be conducted on the basis of an annual budget set up by the Treasurer and approved by the General Assembly.
- 1.4 The Treasurer submits to the General Assembly the balance-sheet and the income and expenditure accounts, accompanied by the necessary documentation, when required, together with the audit report of a registered accountant. **To complete his report**, the Treasurer will give to the General Assembly the latest financial **information**.
- 1.5 After examination and approval of the documentation listed under rule 1.4 the General Assembly will discharge the Treasurer of his obligations for the financial year in question.
- 1.6 All expenses of FIDE should be paid by bank cheques or **bank transfer. A petty cash account will be operated by the FIDE Secretariat which will be reconciled with the Treasurer on a monthly basis.**
- 1.7 **Financial transactions shall be signed by any two of three persons appointed by the Presidential Board; one of whom must be the Treasurer.**
- 1.8 The Treasurer shall nominate a permanent accountant to handle FIDE accounts, with the approval of the Presidential Board.
- 1.9 **The accountant shall maintain the accounts and financial records of FIDE.**
- 1.10 The official bank statements shall be sent to the Treasurer for information and comment.
- 1.11 **The Treasurer shall make available to the Auditor any available documents requested in relation to FIDE's financial management.**

B. Costs

2. The expenses of the President, the *Honorary President*, the Deputy President, the Vice Presidents, the General Secretary and the Treasurer necessary to exercise their function as well as the other costs of the Secretariat are paid by FIDE.

However, their travelling, hotel and boarding expenses for meetings of the General Assembly, Executive Board and Presidential Board are borne by the organizing federation. *Hotel and*

boarding expenses for Continental Presidents are borne by the organizing federation. When the host federation does not pay such expenses then FIDE shall pay these expenses.

3. **FIDE will only reimburse economy class tickets unless indicated in specific regulations.**
4. **Expense records will be submitted to the Treasurer with original receipts using the appropriate form provided by the Treasurer.**

C. Revenues

6. The revenues of FIDE accrue from:
 - a. Membership fees to be paid by the affiliated federations.
 - b. Entry fees to be paid by the affiliated federations for the participation in FIDE *world-level* competitions.
 - c. Contributions by the affiliated federations for services rendered or rights granted by FIDE.
 - d. Contributions by third parties for services rendered or rights granted by FIDE.
 - e. Other contributions.

7. Membership Fees

- 7.1 **The amounts of the annual membership fees to be invoiced will be decided and reviewed at the General Assembly every four years.**
- 7.2 Affiliated International Chess Organizations shall pay a fee of 670 Euro on affiliation.

8. Entry Fees for Participation

- 8.1 ***The entry fees amount to:
World Team Championship
€270 for each team***

***Chess Olympiad
€270 for each team***

***World Cities Team Championship
€500 for each team +***

***World Junior U-20 Team Championship
€100 for each team***

***World Youth U-16 Team Championship
€100 for each team***

World Individual Championship/World Cup

***- Men
USD 150 for each player***

- Women

USD 100 for each player

World Seniors Championship

€70 for each player +

World Junior/Youth Championships

*€70 for each player **

- for additional players

€140 for each player

World Youth Rapid Chess Championship

*€70 for each player **

World Amateur Championship

€30 for each player +

- first two nominees of each federation

free

** except defending champion*

+ collected by organizing federation

8.2 *Continental Presidents shall inform the Treasurer of the names of those who have a personal right to enter another event as a result of their performance in a Continental Junior/Youth Championship. Continental Presidents shall issue to such players a document that can be handed to the organizers confirming their personal right of entry.*

8.3 *The entry fees must be paid to FIDE at the time the participant (participating team) is entered for the competition.*

Twenty percent (20%) of the entry fees for FIDE events (except World Individual Championship, World Cup and Olympiad) will go to the credit of the organizing federation (50% in case of CACDEC federations).

8.4 *If a player (team) has enrolled for participation in a FIDE competition and later withdraws his/her (its) entry less than 14 days before the beginning of the competition or does not appear at the first round of the competition, the entry fee is forfeited unless the player (team) concerned gives acceptable reasons for this default.*

8.5 *For the organizing federation for world youth competitions, entry fees for its participants are waived. **A maximum of seven per category is established.***

8.6 *In the case of a world event organised by a federation in the 1st and 2nd category of a chess developing country, the entry fees for the participants of the organising federation shall be waived.*

9. **Arrears**

9.1 *A federation that is one year in arrears shall not receive services from the Secretariat and shall not bid for or organize any FIDE event.*

9.2 *A federation that is two years in arrears shall be temporarily excluded.*

9.3 *For no-service federations, all entries fees to FIDE Individual Competitions (World and Continental) shall be doubled. This will permit players from federations, which are not receiving services, to play in FIDE individual events*

10. **Rating Fees**

10.1 Rating fees shall be charged to the national federations on the basis of the number of their **“active”** rated players included in the last published FIDE Rating List.

10.2 Annual rating fees amount to **€3** per player. If 75 % of the tournament reports are sent by format approved electronic data, the federation will have a 50% discount. **The maximum each year is €2,700 (before discount).** The first one hundred players per federation shall be exempted from rating fees.

11. **Invoices to Federations**

11.1 Annually in January and July the Secretariat shall bill all the federations for the services of the previous six months and additionally in January shall include the annual membership fees. Any Federation settling all outstanding amounts by the following 15 March or 15 September respectively shall be entitled to deduct 5% from the amount due.

11.2 ***CACDEC countries in level 1 and 2 will have FIDE tournaments fees, title fees, rating fees and entry fees to World events offset up to the amount of the annual membership fee.***

11.3 A ten percent (10%) per annum interest fee shall be charged for late payments, effective one year from date of invoice.

12. **Application Fees for Titles**

12.1 For the application of titles the following amounts will be charged to the federations of the players concerned **provided these applications are filed at least 60 days before the start of Congress:**

(*Woman*) Grandmaster €30

(*Woman*) International Master €165

(*Woman*) FIDE Master
€70

(*Woman*) Candidate Master
€50

(*Woman*) Category Player
€50

International Arbiter
€100

FIDE Arbiter
€50

International Organizer
€100

FIDE Instructor
€100

FIDE Trainer
€200

FIDE Senior Trainer
€300

12.2 Title applications received at the FIDE Secretariat after the 60-day deadline shall be charged a supplement of 50% while those arriving at the Congress site **after the commencement of the Titles & Ratings Committee** shall be charged double the standard fee.

12.3 **Every two years, holders of the titles FIDE Instructor, FIDE Trainer and FIDE Senior Trainer, must apply for a renewal licence. The licence fee shall be:**

FIDE Instructor €60

FIDE Trainer €120

FIDE Senior Trainer €180

13. **Registration Fees for Organization of Tournaments**

13.1 Registration fees will be charged annually to the national federations in whose territories registered international chess competitions **are** held.

13.2 The registration fee is calculated on the basis of the following division:

Tournaments of categories 0 to 3:

€30

Tournaments of categories 4 and 5:

€60

Tournaments of categories 6 and 7:

€90

Tournaments of categories 8 to 10:

€120

Other categories -

multiply €30 by the category.

Swiss Tournaments -

Number of players **multiplied by €1**

Team Tournaments

€1 per player, no maximum

Matches -

according to category above.

Scheveningen Tournaments -

shall be charged as team event.

13.3 The annual tournament registration fees payable by a Federation shall be a maximum of **€5200**. *Any late report service* charges shall be in addition to the maximum.

13.4 *Late report service charge of €70 for each report and invoices to be submitted to federations every **six months**.*

13.5 **Tournaments submitted for rating by non-service Federation shall be returned to the Federation. There will be a delay of three months from the time a federation no longer receives service to the implementation of this regulation.**

14. Publications

14.1 FIDE publications of a general nature are for sale to the affiliated federations and to third

parties. Enquiries to the Secretariat about prices.

15. ***Options and Bids to Organize FIDE events.***

- 15.1 An application to organize a FIDE event (meeting or competition) shall be made on the prescribed form, accompanied by the deposit fee, to the General Assembly two years before the event. (Exceptions: Olympiad (4 years before) and World Championship, (which have specific regulations.)
 - 15.2 The federation granted the first option shall pay the appropriate deposit fee before the conclusion of the General Assembly granting the option; otherwise, it shall be deemed to have abandoned the option and the option fee shall be forfeited. The option then passes to the next federation.
 - 15.3 The federation granted an option shall submit to the President an offer to organize the event for which the option was granted within the specified time limit; otherwise it shall be deemed to have abandoned the option and the deposit fee forfeited.
 - 15.4 An offer not in accordance with regulations shall not be considered.
 - 15.5 An offer to organize a FIDE event (meeting or competition) shall be submitted on the prescribed form accompanied by the appropriate deposit fee unless the deposit fee has been paid in relation to an option. If the offer is rejected the deposit fee shall be credited to the federation`s account or refunded forthwith.
 - 15.6 When the offer has been accepted the federation concerned must organize the event as stipulated or forfeit the deposit fee.
 - 15.7 When the event has been **successfully concluded** the deposit fee shall be credited to the account of the organizing federation or refunded.
16. **Deposit Fees for Organization of FIDE Events**
- 16.1 Every two years the General Assembly determines the amount to be paid to FIDE by the organizing federation for the right to host FIDE tournaments and matches.
 - 16.2 ***Schedule of deposit fees (in Euro)***

a.

FIDE Congress (General Assembly/Executive Board)

10,000

b.

Presidential Board Meeting

5,000

c.

World Team Championship

10,000

d.

Olympiad (see rule 17)

10,000

e.

World Youth Under-8, 10, 12 ,14, 16, 18 Championships

30,000

f.

World Junior Championship

10,000

g.

World Senior Championship

10,000

h.

World Junior Under-20 Team Championship

5,000

i.

World Rapid Championship

10,000

j.

World Amateur Championship

5,000

17. Olympiad

17.1 Acceptance of an offer by the General Assembly is conditional on payment of a deposit of 10,000 Euro to FIDE before the close of the session of the General Assembly where the bid was accepted, by the federation making the offer. A bank guarantee or deposit in escrow in the total sum of €1,000,000 (One Million Euro) must be issued in favour of FIDE based on the following payment schedules:

- a. issuance of the first tranche of the bank guarantee or deposit in escrow in the sum of €150,000 (One Hundred Fifty Thousand Euro) in favour of FIDE not later than thirty days after the acceptance of the bid by the General Assembly;**
- b. issuance of the second tranche of the bank guarantee or deposit in escrow in the sum of €300,000 (Three Hundred Thousand Euro) within the period of one year after the acceptance of the bid by the General Assembly, but before the beginning of the next session of the General Assembly;**
- c. issuance of the third tranche of the bank guarantee or deposit in escrow in the sum of €300,000 (Three Hundred Thousand Euro) within the period of two years after the acceptance of the bid by the General Assembly, but before the beginning of the next session of the General Assembly;**
- d. issuance of the fourth tranche of the bank guarantee or deposit in escrow in the sum of €250,000 (Two Hundred Fifty Thousand Euro) bringing the total sum of the bank guarantee or deposit in escrow to €1,000,000 (One Million Euro) within the period of three years after the acceptance of the bid by the General Assembly, but before the end of the next session of the General Assembly.**

17.2 The bank guarantee or deposit in escrow issued to FIDE under and by virtue of rule 17.1 above, must be accepted as valid by FIDE's bankers UBS, Switzerland.

17.3 At any time, the deposit fee, the bank guarantee or deposit in escrow, or any portion of the

bank guarantee or deposit in escrow issued in favour of FIDE shall be forfeited to FIDE if the applicant is in breach of the schedule of payments in rule 17.1 above or fail to meet their obligations as Organisers of the Olympiad.

18. **World Youth & Junior Events**

18.1 *The FIDE President, or a designated representative, shall inspect the proposed venue (at the expense of the organizers for travel and full board) to obtain full guarantees from the national federation and sponsor(s) before awarding the hosting rights for the event. The guarantees shall address the following specific matters:*

a. Costs of hotel accommodation and meals;

b. Specific types of meals to be served to participants bearing in mind the need for a balanced diet and quantity of food;

c. Arrangement made and costs of local transportation;

d. Facilities provided for the comfort of participants at the playing hall and hostels/hotels.

18.2 At any time, after the award of the hosting rights for a Youth/Junior event, the FIDE President may take specific measures to rescind the hosting rights if there is sufficient evidence to show that the guarantees given by the host federation and sponsor(s) are being violated. Such measures may include the forfeiture of the deposit fees to FIDE.

18.3 **Organising Federations of the World Youth Championships must guarantee entry fees to FIDE of €60,000, this obligation can be covered by increasing the deposit fee to €60,000 or providing an acceptable bank guarantee. Any shortfall in entry fees will be recovered by FIDE from the deposit fee and bank guarantee.**

19. **Fees for Continental Events**

19.1 *The Continental Assembly or the Continental President takes all decisions on any fees for continental events.*

20. **Permanent Fund**

20.1 According to a deed dated May 9, 1927, a Permanent Fund of FIDE has been instituted, which is administered independently from the finances of FIDE. The assets and liabilities of the Permanent Fund are not to be mixed with the finances of FIDE. The administrative work is handled by three administrators, as follows: by an administrator appointed by the Swiss Chess Federation, who is the manager of the Fund, and two administrators to be appointed, one by the Italian Chess Federation, and one by the British Chess Federation.

The interest of the capital of the Permanent Fund accrues to FIDE **towards** its general expenses.

20.2 Donations to FIDE explicitly made to the Permanent Fund are to be paid into the Fund.