



INTERNATIONAL ELECTROTECHNICAL COMMISSION

CONFORMITY ASSESSMENT BOARD (CAB) Meeting **55**, Geneva , 2024-06-10&11

SUBJECT **Agenda item 5.2.2**
IECEX two years' outlook budget, 2026-2027

BACKGROUND

In accordance with CAB Decision 44/21 and 46/14, the two years' forecast for the 2025 and 2026 budgets is required for circulation to CAB for information and comments if necessary.

CAB Decision 44/21 — Budget and two years forecast
The CAB tasked the IEC CA Systems, starting with the 2022 budget, with providing an annual budget and an additional two years forecast when submitting yearly budgets in accordance with the format and requirements of the IEC FinCom, and to submit these in the normal way, in March, for approval by CAB.

CAB Decision 46/14 — clarification on CAB Decision 44/21
The CAB clarified CAB Decision 44/21 – Budget and two-years forecast, in the following ways:

- 1) The following year budgets will be submitted to CAB as usual in March for CAB approval.
- 2) The two-years forecasts will be submitted to CAB at the same time as the budget, but as a separate document, for information and comments, if necessary.

ACTION

The CAB is requested to note this document. Comments are not requested, but can be provided, using the [online commenting system](#), if desired, no later than **2024-05-24**.

Originator: IECEX Secretariat

INTERNATIONAL ELECTROTECHNICAL COMMISSION SYSTEM FOR CERTIFICATION TO STANDARDS RELATING TO EQUIPMENT FOR USE IN EXPLOSIVE ATMOSPHERES (IECEX SYSTEM)

Title: IECEX Financial Outlook to 2027

Circulated to: IECEX Management Committee, ExMC

INTRODUCTION

During March 2024, IECEX Management Committee approved the Draft 2025 IECEX Budget (IECEX ExMC/2035/DV) for presenting to CAB. At 26 April 2024 the CAB recorded their formal endorsement of the Draft 2025 IECEX Budget.

In line with the ExMC and CAB decisions, this document sets out the IECEX Financial Outlook to 2027 as prepared by the IECEX Treasurer and Executive Secretary, in line with the discussions taken during the January 2024 meeting of the IECEX Executive. This financial outlook includes Low/High values, using the values of past 2 year financial outlooks, previously approved by ExMC and CAB when preparing the annual IECEX budget and past decisions taken by the IECEX Executive and IECEX Management Committee.

In presenting the Financial Outlook, the following principles and issues have been applied:

- Maintain a revenue mix of Membership fees and user pay via Annual dues and Certificate Fees
- Maintain NO increase in annual dues
- Maintain a dedicated technical Secretariat
- Apply a modest annual increase in both income and expenditure to reflect growth in existing services
- Focus on growth in IECEX exiting service deliverables
- No new deliverables foreseen at this time and no extraordinary expenditure planned.
- Provision for Income and Cost amounts for IECEX Peer assessments, as this is now required by IEC Financial auditors, despite the past instructions from auditors to treat these amounts as “Transitional Funds” and not to include.

This 2 year financial Outlook is to be reviewed during the September 2024 annual IECEX Management Committee meeting, however is also planned for discussion by the newly created IECEX Finance Group, WG 20.

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| | 2025 Draft ExMC Approved Budget (ExMC approved) | 2026 Forecast Budget | | 2027 Forecast Budget | |
|--|---|----------------------|------------------|----------------------|------------------|
| | | Low | High | Low | High |
| Membership dues | 345,000 | 365,000 | 380,000 | 375,000 | 390,000 |
| Sales | 0 | 3,000 | 5,000 | 3,000 | 5,000 |
| Publications | 0 | 3,000 | 5,000 | 3,000 | 5,000 |
| CA systems operations | 2,183,000 | 2,026,000 | 2,446,000 | 2,106,000 | 2,546,000 |
| Surcharges | 65,000 | 65,000 | 75,000 | 65,000 | 75,000 |
| Test Report Forms | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| RTPP annual fees | 20,000 | 35,000 | 45,000 | 35,000 | 45,000 |
| Application fees | 15,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Certificate Fee Equipment Scheme | 1,100,000 | 1,250,000 | 1,400,000 | 1,250,000 | 1,400,000 |
| Certificate Fee Services Scheme | 120,000 | 120,000 | 135,000 | 120,000 | 135,000 |
| Certificate Fee Certified Persons Scheme | 400,000 | 235,000 | 350,000 | 310,000 | 400,000 |
| Other Income | 60,000 | 60,000 | 70,000 | 70,000 | 70,000 |
| Income from Assessments | 402,000 | 240,000 | 350,000 | 235,000 | 400,000 |
| TOTAL OPERATIONAL INCOME | 2,528,000 | 2,394,000 | 2,831,000 | 2,484,000 | 2,941,000 |
| Personnel expenses | 1,263,038 | 1,326,190 | 1,326,190 | 1,392,499 | 1,392,499 |
| Rent & maintenance | 110,000 | 130,000 | 145,000 | 145,000 | 155,000 |
| Rent, heating and cleaning | 110,000 | 130,000 | 145,000 | 145,000 | 155,000 |
| Maintenance | 0 | 0 | 0 | 0 | 0 |
| Office & administration | 748,474 | 528,308 | 680,808 | 545,808 | 760,808 |
| Office equipment | 10,000 | 7,500 | 10,000 | 10,000 | 15,000 |
| Contribution to IEC Overhead costs | 245,974 | 233,308 | 233,308 | 233,308 | 233,308 |
| Miscellaneous, legal and audit | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Website Maintenance and Development | 30,000 | 15,000 | 30,000 | 30,000 | 45,000 |
| Special projects | 55,000 | 30,000 | 55,000 | 35,000 | 65,000 |
| Costs to conduct assessments | 400,000 | 235,000 | 345,000 | 230,000 | 395,000 |
| Extraordinary Expenses | | | | | |
| Communication & printing | 90,000 | 90,000 | 100,000 | 90,000 | 100,000 |
| Meeting and travel | 190,000 | 200,000 | 250,000 | 195,000 | 250,000 |
| Special Events | 40,000 | 50,000 | 75,000 | 45,000 | 75,000 |
| Travel and meeting expenses | 150,000 | 150,000 | 175,000 | 150,000 | 175,000 |
| TOTAL OPERATIONAL EXPENDITURE | 2,401,512 | 2,274,498 | 2,501,998 | 2,368,308 | 2,658,308 |
| OPERATIONAL RESULT | 126,488 | 119,502 | 329,002 | 115,692 | 282,692 |
| Depreciation Trademark | -91,500 | -91,500 | -91,500 | -91,500 | -91,500 |
| Net financial revenue | 8,500 | 100 | 500 | 100 | 500 |
| ANNUAL RESULT BEFORE ALLOCATIONS | 43,488 | 28,102 | 238,002 | 24,292 | 191,692 |
| Allocation (to)/from capital & reserves | | | | | |
| Capital Fund IECEx | -43,488 | -28,102 | -238,002 | -24,292 | -191,692 |
| Capital Fund IECEx | 26,147 | | | | |
| Global Impact Fund | -26,147 | | | | |
| ANNUAL RESULT AFTER ALLOCATIONS | 0 | 0 | 0 | 0 | 0 |