

Annex B**Financial Protocol of the Square Kilometre Array Observatory**

The Parties to the Convention,

AIMING to provide a policy framework under which all financial transactions and other such related financial matters will take place;

HAVE AGREED as follows:

ARTICLE 1**Definitions**

For the purposes of this Protocol:

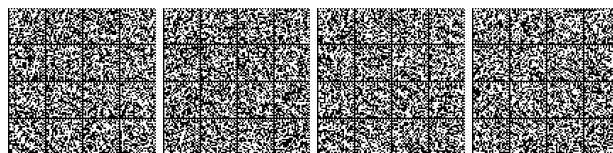
- (a) “Initial Funding Schedule” means the first Funding Schedule for the SKA Project;
- (b) “Financial Rules” means any rules, processes and procedures that implement the requirements of this Financial Protocol, and are approved by the Council from time to time.

ARTICLE 2**Financial Management**

The SKAO shall follow the principles of sound financial management, efficiency, transparency and accountability in the planning and management of financial resources.

ARTICLE 3**Funding Schedule**

1. Each Funding Schedule shall be approved by unanimous vote of the Council.
2. Each Member and Associate Member shall contribute in accordance with the relevant Funding Schedule.
3. An Initial Funding Schedule shall be approved by unanimous vote at the first Council meeting or as soon as appropriate thereafter.
4. Financial contributions made by Members and Associate Members shall be executed in accordance with a method as described in the relevant Funding Schedule.



5. A payment schedule, for the purposes of describing minimum cash contributions as well as terms and conditions for any other payments to be made by Members and Associate Members over a prescribed period, shall be submitted by the Director-General for approval by decision of the Council. Members and Associate Members shall be required to pay minimum cash contributions.

6. Where the financial contributions intended to be made by a Member or Associate Member in terms of the relevant Funding Schedule are not aligned with the payment schedule referred to in paragraph 5 of this Article, a suitable profile of contributions shall be agreed with the Director-General prior to approval of the payment schedule by decision of the Council. The Director-General shall take into consideration these arrangements in subsequent payment schedules.

7. Members and Associate Members may make voluntary contributions in addition to those provided for in the Funding Schedule.

ARTICLE 4

Reviews and Amendments of a Funding Schedule

1. The Council may undertake reviews of Funding Schedules for the purposes of amendment, if required, in accordance with the Financial Rules.

2. The Council, by unanimous vote, may amend a Funding Schedule at any time, but must do so before the expiry date of the relevant Funding Schedule.

3. The Council, by unanimous vote, may add new Members and Associate Members to a Funding Schedule, according to such terms as it prescribes.

4. No review or amendment of a Funding Schedule may result in a change in the financial contributions to be made by any Member or Associate Member, unless agreed by that Member or Associate Member.

ARTICLE 5

Project Participation

1. Further to Article 10, paragraph 4, of the Convention, rules and regulations concerning the share basis of project participation shall be approved by decision of the Council.

2. The proportion of financial contributions made by Members and Associate Members to operations, which includes the cost for operations, upgrades and decommissioning, shall be equal to the proportion of financial contributions towards construction. Financial contributions that cause the proportional share for construction



and operations to be unequal, and the manner in which they are made, shall only be allowed if agreed by decision of the Council.

ARTICLE 6

Approval of Budgets

1. A double majority shall be required for the approval of budgets by the Council.
2. A double majority is defined as when the same decision is approved by both a two-thirds majority according to weighted voting and a two-thirds majority according to the number of Members present and voting.
3. Weighted voting is defined to be the use of voting rights by each Member for decision making. A voting right is determined by each Member's current project share, as prescribed in the Funding Schedule.

ARTICLE 7

Host Countries

1. Assets and infrastructure made available by a Host Country in accordance with a host agreement entered into between a Host Country and the SKAO, and incorporated into SKA-1 or any subsequent phase of the SKA Project, shall be valued by a methodology agreed to between the Host Country and the SKAO, and approved by decision of the Council.
2. The value of assets and infrastructure made available, and incorporated, under paragraph 1 of this Article, shall be credited by the Council as a financial contribution towards the construction budget of a subsequent phase to SKA-1, unless otherwise agreed with that Host Country.

ARTICLE 8

Loans and Liabilities

1. The SKAO may, following Council approval by decision, obtain loans and incur debt, within the limits specified by the Financial Rules. No Member or Associate Member will incur any additional financial obligations to the SKA Observatory, as a result of a decision to obtain a loan or incur debt, without its explicit agreement to incur such a responsibility.



2. The SKAO may establish a fund for future liabilities associated with construction, operation, upgrade and decommissioning of any or all astronomical facilities to be established by the SKAO. Financial liabilities for Members and Associate Members may not exceed the financial commitments as prescribed in the relevant Funding Schedule, unless otherwise agreed by unanimous vote of the Council.



IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Convention.

OPENED for signature in Rome on 12 March 2019 in the English language, in one original.

 For the Government of Australia	Rome Place	12/3/19 Date
 For the Government of the People's Republic of China	Rome Place	2019.3.12 Date
For the Government of the Republic of India	Place	Date
 For the Government of the Italian Republic	Roma Place	12-03-19 Date
 For the Government of the Kingdom of the Netherlands	Roma Place	12-03-19 Date
For the Government of New Zealand	Place	Date
 For the Government of the Portuguese Republic	Roma Place	12/3/15 Date
 For the Government of the Kingdom of Sweden	Place	Date
For the Government of the Republic of South Africa	Rome Place	12/3/2019 Date
 For the Government of the United Kingdom of Great Britain and Northern Ireland	Rome Place	12/3/2019 Date



D'ORDINE DEL MINISTRO

Il Capo Ufficio Legislativo
Cons. Amb. Stefano Soliman

