

# WIPO



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WORLD INTELLECTUAL PROPERTY ORGANIZATION  
UNITED INTERNATIONAL BUREAUX FOR THE PROTECTION OF INTELLECTUAL PROPERTY

GENEVA

## BIRPI

WORLD INTELLECTUAL PROPERTY ORGANIZATION  
COORDINATION COMMITTEE

First Ordinary Session  
Geneva, September 21 to 29, 1970

ADDENDUM TO DOCUMENT WO/CC/I/3

presented by the Director of BIRPI

SUMMARY

This document contains a proposal by the Director of BIRPI to the Coordination Committee of WIPO to amend the Staff Rules of WIPO with a view to introducing a system of internal taxation.

Staff Rules: Establishment of an Internal Taxation System

1. The United Nations and the UN Specialized Agencies which follow the "common system" for matters of staff administration have an internal taxation system. In that system, salaries are expressed in figures called "gross" and figures called "net." The difference between the two constitutes the tax.
2. The rate of the tax is progressive as in most national systems for taxing income. For example, the internal taxation represents 12½% when the gross annual salary is 17,280 Swiss francs, 20% when it is 43,200 Swiss francs, 25% when it is 77,760 Swiss francs, 30% when it is 129,600 Swiss francs.

3. The internal tax is withheld at the time when the salary is paid to the employee. The latter receives the net salary. However, it is the gross amount which is the basis for calculating the contributions of the employer and employee to the Pension Fund. The gross salary also allows comparison between salaries paid by international organizations and the salaries of the employees of national governments. What counts in practice for each employee is the amount which remains after deduction of the tax, that is, the take home salary or the net amount. This is so both for international and national civil servants.

4. The gross salary has been, since January 1, 1967, the basis for calculating contributions to the BIRPI Pension Fund (see Article 3.15 of the Staff Rules).

5. At the time of the entry into force of the WIPO Convention and of the beginning of the application of a system even more closely resembling that of the United Nations and the Specialized Agencies, it seems to be logical to follow, in this matter also, the so-called common system. Furthermore, in the course of negotiations with the Swiss Government concerning the Headquarters Agreement (see document WO/CC/I/6), that Government recommended the establishment of an internal taxation system.

6. It is therefore proposed to include in the Staff Rules of WIPO provisions concerning internal taxation. The table of the rates given hereinbelow is the same as that applied in the "common system."

7. The following two amendments are proposed:

(a) to insert a new article in the Staff Rules, which would have the number 3.16bis, and would read as follows:

"Internal Taxation

"Each employee is subject to the payment of an internal tax to be calculated on the gross salary according to the following scales:

5%	on the first	4,320	Swiss francs
10%	on the next	4,320	Swiss francs
15%	" " "	4,320	Swiss francs
20%	" " "	4,320	Swiss francs
25%	" " "	25,920	Swiss francs
30%	" " "	25,920	Swiss francs
35%	" " "	34,560	Swiss francs
40%	" " "	34,560	Swiss francs
45%	" " "	34,560	Swiss francs
50%	on the remainder."		

(b) to replace the first sentence of Article 3.1 of the Staff Rules ("Employees are paid according to the salary tables set out hereinbelow") by the following provisions:

"Employees are remunerated by salaries whose "gross" amounts correspond to such amounts as, after the deduction for internal taxation specified in Article 3.16bis, equal the "net" salary figures indicated in the present Article. Unless expressly stated otherwise, the expression "salary" in these Rules and Regulations means net salary.

"The amounts of the salaries are fixed as follows:  
/follows the remainder of Article 3.1 without change/."

/End of document/

