

Proposed debt cap for IUPAP Territorial Members

Several countries have unpaid fees for more than 6 years (2x 3-year cycles). It is not reasonable for us to keep debt on our books for more than this 6-year period, the reason being that according to the statutes, if a country is not fully paid up after 2 cycles, we should, in principle, exclude them from the Union. However, as we well know, we don't apply our rules rigorously since we are making every effort to negotiate with each member country, depending on their situation, ways in which we can keep them in the Union even after this 6-year cycle. It is certainly in the interest of the Union that we do so.

It is with this in mind that it is proposed that we should cap the debt to a maximum of 6 x the annual rate, which for the current annual rate gives a total of 15 000 CHF. **This is obviously relevant for 1 unit. Most of the defaulting countries have 1 unit/share in the organization. If a country with more than 1 share is unable to pay their fees after 2x3 year cycles, then they should reduce their number of units in the organization to 1 after 2x3years cycles. Better to require 100% payment for 1 share than 50% payment for 2 shares. These are the types of decisions that we need to make during the negotiation process.**

So, in effect, we should keep careful track of the debt of any member country for the first six years. Thereafter, we should cap the debt at 6x the annual rate **for 1 unit, thereby effectively reducing the number of units that the territory has in the Union to 1 unit.** This shouldn't be a problem as a country in debt for more than 6 years does not really derive much benefit from the Union in terms of membership of commissions, working groups, etc. However, we should continue to communicate with countries in debt and invite them to the GA, etc. **and continue to negotiate with them to return to being a fully paid up member. The VP Membership and Development needs this flexibility to be able to keep the channels of communication open with the defaulting country.**