



# UPC Budget Committee

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Decision

Adopting the budget of the Unified Patent Court  
for the year 2024

Luxembourg, 24 November 2023

**DECISION OF THE BUDGET COMMITTEE**

of 24 November 2023

adopting the budget of the Unified Patent Court for the Year 2024.

THE BUDGET COMMITTEE OF THE UNIFIED PATENT COURT,

Having regard to the Agreement on a Unified Patent Court, in particular Articles 36 and 37 thereof,

Having regard to the Statute of the Unified Patent Court, in particular Article 26 thereof,

Considering the need for the Unified Patent Court to fulfil its commitments for the year 2024,

Considering the urgency to provide the budget and financial resources thereof to the Court,

HAS DECIDED AS FOLLOWS:

Pursuant to Articles 21 to 29 of the Decision of the Administrative Committee of the Unified Patent Court governing the financial management of the Court,

the following are

1. adopted:

the budget for the year 2024 of the Unified Patent Court, totalling EUR 20 343 940 including the budget of the Pension and Social Security Schemes, totalling EUR 2 492 021;

2. approved:

the provisional contribution key, as set out in Annex 2;

This decision shall enter into force on 24 November 2023.

Done at Luxembourg, on 24 November 2023.

For the Budget Committee

Signed Bruno Leboullenger

The Chairman

## EXECUTIVE SUMMARY

*This document contains the draft budget applicable to the year 2024 of the Unified Patent Court (UPC) pursuant to Section 2 Articles 21 to 26 of the Financial Regulations of the Unified Patent Court (UPC) adopted 22 February 2022 by the Administrative Committee and as amended.*

*In the absence of historical and statistical data, the present draft budget relies on assumptions considered by the Court from old surveys and updated through the experience and knowledge acquired during the Provisional Application Period (PAP) and the First Accounting Period (FAP).*

*It contains the necessary financial processes for the UPC to perform operational duties and to facilitate adaptability by its human, technical and organisational resources in order to deal with the challenges and uncertainties inherent to the first years of operation.*

*It also contains the information and estimates required by Article 23 of the Financial Regulations, such as plan statements of comprehensive income and financial position, the table of posts and recruitment plan, and estimates regarding the key financial data for the next four years pursuant to Article 23.3.c of the Financial Regulations of the UPC from 2025 to 2028.*

*The call for contributions of the Contracting Member States, including the contributions to the Working Capital Fund expected from each Contracting Member State, is detailed in Annex 2.*

*The Budget Committee is kindly requested to adopt the 2024 budget and approve the application of the contribution key related to the present budget.*

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## 1. Draft of the 2024 UPC's Budget year Introduction

### Introduction

This document presents the draft of the UPC 2024 Budget.

It is to be noted that as the UPC started its activity in June of this year (2023) and, in the absence of historical and statistical data, the budget estimations have been drawn based on estimations and by taking into account the number of cases that have been filed with the court as of the end of September 2023, in order to arrive at the final estimates for the 2024 budget of the UPC.

The assumptions relating to the caseload of the UPC, the number of judges needed to deal with the caseload and the number of opt-outs are very difficult to predict during the first years of operation and shall be subject to close review and monitoring.

Annex 1 sets out the UPC's operating and financial expenditure as well as the income estimations for the 2024 budgetary year, and also preliminary assumptions for the next four years.

	PAP	FAP ( as amended)	Budget 2024
Staff expenditure (salaries and PSSS contributions):	1 329 653 EUR	4 672 738 EUR	8 838 176 EUR
Non-staff operating expenditure:	7 004 744 EUR	4 839 031 EUR	6 516 916 EUR
Working Capital expenditure:	1 000 000 EUR	2 410 637 EUR	2 707 848 EUR
IT capital expenditure:	798 460 EUR	725 608 EUR	2 281 000 EUR
<b>Total expenditure:</b>	<b>10 132 857 EUR</b>	<b>12 648 014 EUR</b>	<b>20 343 940 EUR</b>

	PAP	FAP ( as amended)	Budget 2024
Court Fee income:	nil	1 050 000 EUR	4 500 000 EUR
Internal tax:	243 794 EUR	723 836 EUR	1 572 490 EUR
Contributions from Contracting Member States:	9 889 063 EUR	10 874 178 EUR	14 271 450 EUR
<b>Total income:</b>	<b>10 132 857 EUR</b>	<b>12 648 014 EUR</b>	<b>20 343 940 EUR</b>

## 2. Main planning principles and assumptions

The 2024 budget of the UPC contained in this document are based on the following main preliminary assumptions:

### A. INCOME:

#### 1) Chapter 51 Court Fees

In the absence of reliable and historical data and given the uncertainty during the first years for estimating the number of cases, the following estimates are based on old surveys and recent estimates based on the number of cases received up to 24 October 2023, being:

Up to 24 October 2023

Category	Number
Infringement	47
Revocation	20
Application for provisional measures	8
Appeal	2

The present draft budget has adopted a prudent approach regarding the expected incomes related to Court fees, considering the uncertainties in the ramp-up of activity, and the nature of the first cases.

It is assumed on the basis of the current cases and projection up to 2023 year-end that the following number of cases will be lodged at the UPC during the year 2024:

Category	2024	
	Number	Estimated Income (EUR)
Infringement	75	2 465 000
Revocation	25	465 000
Application for provisional measures	30	330 000
Other Action/Application of Court of First Instance	425	560 000
Appeal	30	680 000
<b>Total</b>	<b>585</b>	<b>4 500 000</b>

*(The estimated income for 2024 includes the estimation of the variable fees, which is based on the actual data regarding the declared patent values. However, this budget does not include the impact of potential increases in workload due to the complexity and importance of cases based on their estimated patent values. An assessment of the potential increase in workload will be carried out in 2024 and the Court might ask the member states to finance the increase in working time or the appointment of new judges to deal with the additional workload).*

The UPC is conducting its proceedings in a way which will normally allow the final oral hearing on infringement and validity at first instance to take place within one year and judgment six weeks thereafter.

Parties to proceedings will pay in advance fixed fees and value-based fees to the UPC, according to the Rules on Court fees as adopted by decision of the Administrative Committee on 08.07.2022.

Some parties may obtain fee reductions (in particular SMEs, natural persons). In some circumstances, fees may be reimbursed to the parties (early settlement, single judge).

☐ The resulting estimate for the UPC's Gross fee income for the 2024 Budget year is EUR 4 500 000 (Net: EUR 3 900 000)

<b>Court fees</b>		<b>TOTAL</b>
Procedural fees	€	4 500 000
./. SME reductions	-€	300 000
./. Single-judge reimbursements	-€	200 000
./. Early-settlement reimbursements	-€	100 000
<b>Total court fees</b>	€	<b>3 900 000</b>

*(No income is expected to be generated from either the Patent Mediation and Arbitration Centre or from the Training Centre).*

## 2) Chapter 52: Contribution from Member States

The present draft budget relies on the **provisional contribution key** for initial and amended PAP budgets, notwithstanding the update of the contribution key to be carried out in parallel after gathering the relevant data from the years 2020, 2021 and 2022. These contributions are calculated pursuant to Art 6.1 a to c of the Financial Regulations for the provisional application period.

All these contributions will be revised in due time according to the updated contribution key and implemented at the appropriate accounting period (likely budget for year 2025).

On the other hand, no incoming Contracting Member State has been recorded at the date of presenting this draft budget and the present draft budget does not include any change in this regard.

Preliminary Assumptions regarding changes to the contributions from Contracting Member States for the years 2025 to 2028 have to be considered as theoretical at this stage. It is recalled that adopting the present draft budget does not commit either the UPC or the Member States regarding those preliminary assumptions.

The Presentation of the contributions due by Contracting Member States is split up into different tables in Annex 2 (2.1. & 2.2) taking into consideration the option of compensation of the unused PAP Working capital fund.

## 3) Chapter 53: Other Operating Income

### *Internal Tax*

Income from internal tax scheduled for 2024 records the income tax to be paid by UPC staff.

It is to be noted that the Internal Taxes do not include an adjustment of internal tax brackets. In accordance with Annex III to the Regulations Governing the Conditions of Service of Judges, the Registrar and the Deputy-Registrar of the Unified Patent Court and to the Staff Regulations of the Unified Patent Court (Internal tax), the first review of the internal tax brackets shall take place at the latest 12 months after the entry into force of the Agreement on a Unified Patent Court. The decision of the Committees is required in that regard.

***(Unchanged since BC decision of 07/09/2022):***

**Tax rate**

monthly	from	to	%
Tax 1	€ 127	€ 2 234	8.0%
Tax 2	€ 2 234	€ 3 077	10.0%
Tax 3	€ 3 077	€ 3 526	12.5%
Tax 4	€ 3 526	€ 4 004	15.0%
Tax 5	€ 4 004	€ 4 453	17.5%
Tax 6	€ 4 453	€ 4 889	20.0%
Tax 7	€ 4 889	€ 5 338	22.5%
Tax 8	€ 5 338	€ 5 774	25.0%
Tax 9	€ 5 774	€ 6 223	27.5%
Tax 10	€ 6 223	€ 6 659	30.0%
Tax 11	€ 6 659	€ 7 108	32.5%
Tax 12	€ 7 108	€ 7 544	35.0%
Tax 13	€ 7 544	€ 7 993	40.0%
Tax 14	€ 7 993	€ -	45.0%

## 4) Chapter 61: PSSS Expenditure and incomes:

The budget reflects PSSS Expenditure, which for planning purposes is considered equivalent to the Contributions of the Court and the Staff (assumption that expenditure is equivalent to income).

The budget reflects PSSS Income, which is equivalent to the Contributions of the Court and the Staff.

**B. EXPENDITURE AND INVESTMENTS:**

The following assumptions were taken into consideration:

## 5) Chapter 31: Salaries

To deal with the expected caseload during 2024, it is assessed that 31 full-time equivalent Judges (FTE) will be needed at the UPC:

- 5 FTE at the Court of Appeal (1 President and 6 other legally qualified judges),
- 26 FTE at the Court of First Instance (1 President, 29 legally qualified judges and 67 UPC technically qualified judges who will serve either on a part time-basis or on a case-by-case basis for both the Court of Appeal and the Court of First Instance .

In addition, the UPC employs the Registrar and a Deputy-Registrar: 2 FTE.

Staff will be employed for the Training Centre and the Patent Mediation and Arbitration Centre: 7 FTE [2 Heads, 3 Secretaries and 2 case managers].

In addition, the Staff will also include 2 **new** FTE who will be employed as Legal Assistants [1 Legal Assistant for President of the Court of Appeal and 1 Legal Assistant for President of the Court of First Instance].



Compared to the former budgets for the First Accounting Period (FAP) adopted by the Budget Committee, the present 2024 budget estimations present only an *increase of working time* for the already-appointed Judges. (Except for the 2 FTEs new Legal Assistants)

The timing for the increase of the working time of the judges is planned as following:

- For the Court of Appeal: In July 2024.
- For the Court of First Instance: 1 March 2024, 1 June 2024, 1 September 2024 and 1 December 2024.

### Number of staff (FTE)

Period	Net Salary	PAP	Amended FAP	New 2024
President Court of Appeal	13 129	1.0	1.0	1.0
Court of Appeal - Judges	12 604	1.0	2.7	4.1
President Court of First Instance	12 046	1.0	1.0	1.0
Court of First Instance - Judges	11 572	3.0	16.2	25.1
Registrar	12 604	1.0	1.0	1.0
Deputy Registrar	11 572	1.0	1.0	1.0
<i>Total judges and registrars</i>		<b>8.0</b>	<b>22.9</b>	<b>33.2</b>
Director Arbitration Centre	7 650	0.0	1.0	1.0
Director Training Centre	7 650	1.0	1.0	1.0
Secretary Arbitration Centre	4 165	0.0	2.0	2.0
Secretary Training Centre	4 165	0.0	1.0	1.0
IT engineers	4 165	0.0	0.0	0.0
Case managers	4 165	0.0	2.0	2.0
Clerks	3 635	0.0	0.0	0.0
Head of President Office	7 074	0.0	0.0	2.0
Accountants	3 109	0.0	0.0	0.0
<b>Total no. of staff (FTE)</b>		<b>9.0</b>	<b>29.9</b>	<b>42.2</b>

### Gross salaries and allowances per Job type

Period	2 024
President Court of Appeal	€ 260 531
Court of Appeal - Judges	€ 903 329
President Court of First Instance	€ 235 533
Court of First Instance - Judges	€ 4 564 546
Registrar	€ 248 425

Deputy Registrar	€	224 617
<b>Total judges and registrars</b>	€	<b>6 436 982</b>
Director Arbitration Centre	€	105 611
Director Training Centre	€	72 074
Secretary Arbitration Centre	€	113 262
Secretary Training Centre	€	39 421
IT engineers	€	-
Case managers	€	147 682
Clerks	€	-
Head of President Office	€	252 719
Accountants	€	-
<b>Total salaries: EUR 7 167 750</b>	<b>€</b>	<b>7 167 750</b>

☑ **The total staff in the UPC's 2024 Budget year is 42 FTE resulting in the following estimate for staff (including pension and social security) costs: EUR 8 838 176.**

*In the absence of an updated actuarial study, it is to be noted that the Pension Plan expenses do not consider the potential impact of change from the actuarial assumptions for the year 2023 and 2024 and their impact on any additional required pension costs. An update of the pension cost will be taken into account in the amended 2024 budget, including any retrospective impact (Total cost estimated at 2.1 million EUR). The decision of the Committees is necessary regarding the timing for funding the potential pension's additional liabilities.*

*It is also to be noted that the salary cost does not include an adjustment of the salaries. In accordance with Article 33 of the Service Regulation the Administrative Committee, on a proposal from the Budget Committee, shall decide each year on the adjustment of the remuneration of the judges and the Registrar and the Deputy-Registrar. This decision will impact the budget of 2024. Input from the Committees is necessary to appreciate the extent of the impact.*

*Until a decision has been taken, we estimate a potential impact of 1.3 million EUR and this is taken into account in the estimation of the 2024 Working capital fund amount.*

## 6) Chapter 32 Pension and Social security schemes

### *Pension Plan*

The present 2024 budget is built on the principles and rates already recorded for the previous budgets according to the decisions of the Administrative Committee meeting held on 8 July 2022.

### *Medical and social scheme*

The present 2024 budget is inclusive of the approved proposal for a medical and social scheme. The detailed rates included within the Budget are:

- 3.80% for medical and social coverage, 1/3 from the salary (1.73%) and 2/3 (2.37%) paid by the Court.
- 0.3% for management fees, borne in full by the UPC applying the general principle that management costs are borne by the employer.
- 35% discount for entitled part time judges (50%) who are encouraged to rely on their national scheme for primary coverage.
- 5.5% for invalidity/death risk, applied to all UPC staff and borne in full by the Court.

Scheme	Staff Contribution	UPC Contribution %
Pension	10.80%	16.20%
Health	1.27%	2.83%
Invalidity/Death	0.00%	5.50%
Long-term care	0.00%	0.00%

All contributions are calculated on the gross salary.

## 7) Chapter 33 to 37: General operating expenditure, Working capital fund, repayments to Member states and other expenditures

### *IT operating expenditure databases and e-library:*

IT Operating Expenditure, databases and e-library will amount respectively to EUR 872 950 and EUR 300 000.

Please refer to Annex 3 (Memo on Information Technology expenses)

### *Patent Mediation and Arbitration Centre*

The Centre shall provide facilities for mediation and arbitration of patent disputes falling within the scope of the Agreement on the UPC.

The Centre's budget is part of the budget of the UPC. However, the director of the Centre shall prepare the draft annual budget for approval by the Budget Committee of the UPC.

As the director of the centre has not been appointed yet, the operating costs of the Centre have been included in the present Budget.

### *Meetings of Administrative Committee, Budget Committee and Advisory Committee*

It is forecasted that there will be 13 physical meetings in 2024 (4 meetings of the UPC Administrative Committee, 4 meetings of the UPC Budget Committee and 3 meetings of the UPC Advisory Committee).

### *Meetings of Presidium and Registrar/(Deputy)-Registrar*

It is forecasted that there will be 17 physical meetings in 2024 (5 meetings of the UPC's Presidium, 12 meetings of the UPC's Registrar (Deputy)-Registrar).

### *Duty Travel*

The present 2024 draft Budget shows a strong increase in those expenses. It reflects the incoming additional need for duty travel according to the judicial activity of the Court (travel of judges who are part-time, up to 50% working time, or case-by-case judges who are not domiciled at the place of the division they are allocated to, as provided for by the UPC Agreement).

Duty travel costs of Member State delegates and of UPC staff provided by the Member States pursuant to the Agreement for the transition period are still borne by Member States.

EUR 61 500	Duty travel for the Advisory Committee
EUR 50 840	Duty travel for the Presidium
EUR 599 660	Duty travel Judges
EUR 32 672	Duty travel Registrar/Deputy-Registrar
EUR 20 336	Duty travel of Training Centre Staff
EUR 30 504	Duty travel of Mediation & Arbitration Centre Staff
<u>EUR 795 512</u>	

### *Training*

The present 2024 draft Budget takes into consideration the continuing need for training expenses during 2024 for judges and staff of the UPC, as provided for in Art. 11 UPC Agreement and Art. 11 UPC Statute.

The present draft confirms the strong expected training program for judges and staff after entry into force and following years.

The expenditure for the training centre represents the full training costs for the appointed judges and UPC Staff (including travel cost and daily allowance for the trainees) and team-building/Training for the Member States' supporting staff (excluding travel cost and daily allowance).

EUR 361 300	2 3-day symposia for all judges (LQ&TQ) ;
EUR 148 133	2 3-day training sessions/workshops for LQJs;
EUR 36 130	2 3-day internships for less experienced judges (approx. 10 judges);
EUR 121 036	1 3-day training session for TQJs only;
EUR 25 291	2 3-day training sessions for UPC administrative staff;
EUR 50 000	Team-Building and training for member states' supporting staff (2 training)
EUR 150 000	CMS trainings (Trainers fees)
EUR 10 000	Management courses
EUR 159 840	Language courses
EUR 228 335	Setup and Furniture cost for Training centre
<u>EUR 1 290 065</u>	

*It is to be noted that that the estimation for Setup and Furniture costs for the Training centre is based on theoretical assumptions. Input from the Administrative Committee regarding the place and timing of the establishment of the training centre is necessary to appreciate the extent of the financial impact.*

### *Repayment to Member States*

The budgeted amount is related to the UK's advances in relation the Pre-PAP and will be dealt with in a separate decision.

### *Working Capital Fund*

The calculation of the amount of EUR 2 707 849 for the Working Capital Fund is based on standard ratios that were updated and reviewed for the 2024 Budget.

Specifically regarding the UPC, the Working Capital Fund aims in particular to:

- Cover the Short Term Liquidity of the Court: (Equivalent of 2 months amounting to EUR 890 708 for covering salaries and general operating expenses but reduced by the payable advances by the UK, amounting to EUR 544 613, which is presented in a separate caption in the 2024 budget).
- meet unavoidable and legitimate expenses that cannot be accurately estimated at the time of adopting the Budget (Equivalent of 10% of the estimated general operating expenses and amounting to EUR 522 014)
- provide funds for unexpected needs of increasing budget lines without requiring additional contributions from Member States, based on decisions of the Presidium pursuant to the financial rules. (Estimated at EUR 1 295 127 to cover salary adjustments).

### *Other expenditures*

The following other expenditures are forecasted as following:

EUR 791 200	Translation, publication & communication costs
EUR 718 000	Consultancy (Legal and compliance advice, Accounting advice, Pension
EUR 100 000	Board of Auditors
EUR 245 426	CMS maintenance fees and charges
EUR 650 000	Legal aid and reimbursement to third parties
EUR 75 000	Other costs
EUR 2 156	Bank Charges

### 8) Chapter 41: IT Capital Expenditure

IT Capital Expenditure (in particular SAGE, EDUCOS, CMS, UPC Website) will amount to EUR 2 281 000.

This amount reflects the necessity for finalizing, correcting and improving the case management system, CMS (by adding workflows that have not yet been configured, correcting workflows that are not correctly configured as well as fixing bugs and by additional features) given its importance for users and court operations.

Please refer to Annex 3 (Memo on Information Technology expenses) for detailed information.



## Annex 1: Budget of the Unified Patent Court

### Annex 1.1: budget of the Unified Patent Court: appropriations

Section	Title	PAP	Actual PAP as of 31.05.2023 (cash Basis)	FAP	Amended FAP 06 2023	Draft Budget 2024
<b>3</b>	<b>Operating and Financial Expenditure</b>	€ 9 334 397	€ 4 775 051	€ 9 452 154	€ 11 922 406	€ 18 062 940
<b>31</b>	<b>Salaries</b>	€ 1 083 293	€ 865 840	€ 2 983 010	€ 3 498 400	€ 7 167 750
311	Court of Appeal	€ 306 891	€ 233 787	€ 401 831	€ 539 202	€ 1 163 860
312	Court of first instance	€ 550 474	€ 459 213	€ 1 917 946	€ 2 275 615	€ 4 800 080
313	Registrar & deputy registrar	€ 187 391	€ 172 839	€ 275 941	€ 296 291	€ 473 042
314	Other staff directly employed by the Court	€ 38 537	€ -	€ 387 292	€ 387 292	€ 730 768
<b>32</b>	<b>Pension and social security contributions</b>	€ 246 360	€ 218	€ 683 894	€ 1 174 338	€ 1 670 426
321	Court of Appeal	€ 70 629	€ -	€ 94 746	€ 222 696	€ 274 641
322	Court of first instance	€ 125 815	€ 218	€ 442 684	€ 731 958	€ 1 127 234
323	Registrar & deputy registrar	€ 42 119	€ -	€ 65 519	€ 138 738	€ 112 318
324	Other staff directly employed by the Court	€ 7 797	€ -	€ 80 946	€ 80 946	€ 156 233
325	Pension and social security contributions to national systems	€ -	€ -	€ -	€ -	€ -
<b>33</b>	<b>General operating expenses</b>	€ 3 707 993	€ 1 162 783	€ 2 951 604	€ 4 416 023	€ 5 220 147
331	IT Operating Expenditure, databases and eLibrary	€ 679 547	€ 392 405	€ 445 100	€ 677 719	€ 1 172 950
332	Meetings of the Committees	€ 20 615	€ 908	€ 9 660	€ 9 660	€ 9 555
333	Translation, publication & communication costs	€ 316 500	€ 74 337	€ 425 400	€ 465 927	€ 791 200
334	Training centre	€ 899 047	€ 483 179	€ 760 758	€ 909 735	€ 1 290 065
335	Mediation and arbitration centre	€ -	€ -	€ 143 750	€ 143 750	€ 110 733
336	Duty travel	€ 418 800	€ 93 929	€ 313 494	€ 313 824	€ 795 512
337	Consultancy and audit	€ 264 167	€ 25 860	€ 562 667	€ 780 473	€ 718 000
338	Charges for Cases and Applications	€ 1 000 000	€ -	€ 220 776	€ 1 039 936	€ 257 132
339	Others	€ 109 317	€ 92 165	€ 70 000	€ 75 000	€ 75 000
<b>34</b>	<b>Working Capital Fund</b>	€ 1 000 000	€ -	€ 2 410 637	€ 2 410 637	€ 2 707 848
341	Working Capital Fund	€ 1 000 000	€ -	€ 2 410 637	€ 2 410 637	€ 2 707 848
<b>35</b>	<b>Repayments to MS</b>	€ 3 280 689	€ 2 736 076	€ 100 000	€ 100 000	€ 544 613
351	Asset-related repayments	€ -	€ -	€ -	€ -	€ 544 613
352	Other repayments	€ 3 280 689	€ 2 736 076	€ 100 000	€ 100 000	€ -
<b>36</b>	<b>Legal aid and reimbursement to third parties</b>	€ -	€ -	€ 317 500	€ 317 500	€ 750 000
361	Legal aid	€ -	€ -	€ 87 500	€ 87 500	€ 150 000
362	Reimbursements to third parties	€ -	€ -	€ 230 000	€ 230 000	€ 600 000
<b>37</b>	<b>Other general operating expenses</b>	€ 3 063	€ 364	€ 5 508	€ 5 508	€ 2 156
371	Non-refundable taxes & public levies	€ -	€ -	€ -	€ -	€ -
374	Foreign currency losses	€ -	€ -	€ -	€ -	€ -
375	Damages/internal appeals Damages, internal appeals	€ -	€ -	€ -	€ -	€ -
376	Bank charges	€ 3 063	€ 364	€ 5 508	€ 5 508	€ 2 156
<b>38</b>	<b>Depreciation and amortization expense</b>	€ -	€ -	€ -	€ -	€ -
381	Depreciation of fixed assets	€ -	€ -	€ -	€ -	€ -
382	Amortisation of intangible assets	€ -	€ -	€ -	€ -	€ -
<b>39</b>	<b>Financial expenses</b>	€ 13 000	€ 9 771	€ -	€ -	€ -
<b>4</b>	<b>Capital expenditure</b>	€ 798 460	€ 308 736	€ 290 500	€ 725 608	€ 2 281 000
<b>41</b>	<b>IT Capital expenditure</b>	€ 798 460	€ 308 736	€ 290 500	€ 725 608	€ 2 281 000
411	IT Capital expenditure	€ 798 460	€ 308 736	€ 290 500	€ 725 608	€ 2 281 000
<b>5</b>	<b>Revenue</b>	€ 10 132 857	€ 9 976 403	€ 9 742 654	€ 12 648 014	€ 20 343 940
<b>51</b>	<b>Revenue from court fees</b>	€ -	€ -	€ 1 050 000	€ 1 050 000	€ 4 500 000
511	Court fees	€ -	€ -	€ 1 050 000	€ 1 050 000	€ 4 500 000
512	Income from mediation centre	€ -	€ -	€ -	€ -	€ -
513	Income from arbitration centre	€ -	€ -	€ -	€ -	€ -
<b>52</b>	<b>Contributions by participating Member States</b>	€ 9 889 063	€ 9 763 552	€ 8 059 015	€ 10 874 178	€ 14 271 450
522	Contribution to assets and operating expenses	€ 8 889 063	€ 8 776 244	€ 5 648 378	€ 8 463 540	€ 11 563 602
523	Contributions to the Working Capital	€ 1 000 000	€ 987 308	€ 2 410 637	€ 2 410 637	€ 2 707 848
<b>53</b>	<b>Other operating income</b>	€ 243 794	€ 212 851	€ 633 638	€ 723 836	€ 1 572 490
531	Other court fees	€ -	€ -	€ -	€ -	€ -
532	Income from training centre	€ -	€ -	€ -	€ -	€ -
533	Internal tax	€ 243 794	€ 212 851	€ 633 638	€ 723 836	€ 1 572 490
535	Foreign currency gains	€ -	€ -	€ -	€ -	€ -
<b>54</b>	<b>Work performed and capitalised</b>	€ -	€ -	€ -	€ -	€ -
541	Work performed and capitalised	€ -	€ -	€ -	€ -	€ -
<b>55</b>	<b>Financial income</b>	€ -	€ -	€ -	€ -	€ -
551	Financial income	€ -	€ -	€ -	€ -	€ -
<b>6</b>	<b>PSSS Expenditure</b>	€ 367 532	€ -	€ 1 020 266	€ 1 629 488	€ 2 492 021
610	Payments from Social Security Schemes	€ 367 532	€ -	€ 1 020 266	€ 1 629 488	€ 2 492 021
<b>7</b>	<b>PSSS Income</b>	€ 367 532	€ -	€ 1 020 266	€ 1 629 488	€ 2 492 021
710	Income Social Security Schemes	€ 367 532	€ -	€ 1 020 266	€ 1 629 488	€ 2 492 021

## Annex 1.2: preliminary assumptions for the next four years:

Section	Title	assumptions 2025	assumptions 2026	assumptions 2027	assumptions 2028
<b>3</b>	<b>Operating and Financial Expenditure</b>	<b>€ 20 517 367</b>	<b>€ 24 273 826</b>	<b>€ 25 921 967</b>	<b>€ 26 434 810</b>
<b>31</b>	<b>Salaries</b>	<b>€ 7 988 000</b>	<b>€ 9 439 264</b>	<b>€ 9 407 764</b>	<b>€ 9 407 764</b>
311	Court of Appeal	€ 2 163 507	€ 2 617 595	€ 2 608 145	€ 2 608 145
312	Court of first instance	€ 4 496 231	€ 5 493 407	€ 5 471 357	€ 5 471 357
313	Registrar & deputy registrar	€ 473 042	€ 473 042	€ 473 042	€ 473 042
314	Other staff directly employed by the Court	€ 855 220	€ 855 220	€ 855 220	€ 855 220
<b>32</b>	<b>Pension and social security contributions</b>	<b>€ 1 878 188</b>	<b>€ 2 224 672</b>	<b>€ 2 224 672</b>	<b>€ 2 224 672</b>
321	Court of Appeal	€ 508 529	€ 620 157	€ 620 157	€ 620 157
322	Court of first instance	€ 1 062 441	€ 1 297 296	€ 1 297 296	€ 1 297 296
323	Registrar & deputy registrar	€ 112 318	€ 112 318	€ 112 318	€ 112 318
324	Other staff directly employed by the Court	€ 194 901	€ 194 901	€ 194 901	€ 194 901
325	Pension and social security contributions to national systems	€ -	€ -	€ -	€ -
<b>33</b>	<b>General operating expenses</b>	<b>€ 6 174 243</b>	<b>€ 7 178 022</b>	<b>€ 8 153 363</b>	<b>€ 8 479 098</b>
331	IT Operating Expenditure, databases and eLibrary	€ 1 385 720	€ 1 450 000	€ 1 477 929	€ 1 491 507
332	Meetings of the Committees	€ 10 140	€ 10 179	€ 10 881	€ 11 583
333	Translation, publication & communication costs	€ 818 400	€ 944 000	€ 1 069 600	€ 1 119 600
334	Training centre	€ 1 203 928	€ 1 334 170	€ 1 388 870	€ 1 443 919
335	Mediation and arbitration centre	€ 113 247	€ 120 681	€ 128 634	€ 137 145
336	Duty travel	€ 1 928 180	€ 2 597 336	€ 3 344 437	€ 3 513 987
337	Consultancy and audit	€ 522 629	€ 529 656	€ 536 837	€ 544 175
338	Charges for Cases and Applications	€ 120 000	€ 120 000	€ 124 175	€ 145 182
339	Others	€ 72 000	€ 72 000	€ 72 000	€ 72 000
<b>34</b>	<b>Working Capital Fund</b>	<b>€ 3 224 453</b>	<b>€ 3 778 948</b>	<b>€ 4 033 002</b>	<b>€ 4 119 864</b>
341	Working Capital Fund	€ 3 224 453	€ 3 778 948	€ 4 033 002	€ 4 119 864
<b>35</b>	<b>Repayments to MS</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>
351	Asset-related repayments	€ -	€ -	€ -	€ -
352	Other repayments	€ -	€ -	€ -	€ -
<b>36</b>	<b>Legal aid and reimbursement to third parties</b>	<b>€ 1 250 000</b>	<b>€ 1 650 000</b>	<b>€ 2 100 000</b>	<b>€ 2 200 000</b>
361	Legal aid	€ 150 000	€ 150 000	€ 300 000	€ 300 000
362	Reimbursements to third parties	€ 1 100 000	€ 1 500 000	€ 1 800 000	€ 1 900 000
<b>37</b>	<b>Other general operating expenses</b>	<b>€ 2 483</b>	<b>€ 2 921</b>	<b>€ 3 167</b>	<b>€ 3 413</b>
371	Non-refundable taxes & public levies	€ -	€ -	€ -	€ -
374	Foreign currency losses	€ -	€ -	€ -	€ -
375	Damages/internal appeals Damages, internal appeals	€ -	€ -	€ -	€ -
376	Bank charges	€ 2 483	€ 2 921	€ 3 167	€ 3 413
<b>38</b>	<b>Depreciation and amortization expense</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>
381	Depreciation of fixed assets	€ -	€ -	€ -	€ -
382	Amortisation of intangible assets	€ -	€ -	€ -	€ -
<b>39</b>	<b>Financial expenses</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>
<b>4</b>	<b>Capital expenditure</b>	<b>€ 1 423 150</b>	<b>€ 450 109</b>	<b>€ 387 036</b>	<b>€ 396 212</b>
<b>41</b>	<b>IT Capital expenditure</b>	<b>€ 1 423 150</b>	<b>€ 450 109</b>	<b>€ 387 036</b>	<b>€ 396 212</b>
411	IT Capital expenditure	€ 1 423 150	€ 450 109	€ 387 036	€ 396 212
<b>5</b>	<b>Revenue</b>	<b>€ 21 940 517</b>	<b>€ 24 723 935</b>	<b>€ 26 309 003</b>	<b>€ 26 831 022</b>
<b>51</b>	<b>Revenue from court fees</b>	<b>€ 8 700 000</b>	<b>€ 11 400 000</b>	<b>€ 14 200 000</b>	<b>€ 14 200 000</b>
511	Court fees	€ 8 700 000	€ 11 400 000	€ 14 200 000	€ 14 200 000
512	Income from mediation centre	€ -	€ -	€ -	€ -
513	Income from arbitration centre	€ -	€ -	€ -	€ -
<b>52</b>	<b>Contributions by participating Member States</b>	<b>€ 11 472 192</b>	<b>€ 11 212 006</b>	<b>€ 9 997 074</b>	<b>€ 10 519 093</b>
522	Contribution to assets and operating expenses	€ 8 247 739	€ 7 433 058	€ 5 964 072	€ 6 399 228
523	Contributions to the Working Capital	€ 3 224 453	€ 3 778 948	€ 4 033 002	€ 4 119 864
<b>53</b>	<b>Other operating Income</b>	<b>€ 1 768 325</b>	<b>€ 2 111 929</b>	<b>€ 2 111 929</b>	<b>€ 2 111 929</b>
531	Other court fees	€ -	€ -	€ -	€ -
532	Income from training centre	€ -	€ -	€ -	€ -
533	Internal tax	€ 1 768 325	€ 2 111 929	€ 2 111 929	€ 2 111 929
535	Foreign currency gains	€ -	€ -	€ -	€ -
<b>54</b>	<b>Work performed and capitalised</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>
541	Work performed and capitalised	€ -	€ -	€ -	€ -
<b>55</b>	<b>Financial income</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>
551	Financial income	€ -	€ -	€ -	€ -
<b>6</b>	<b>PSSS Expenditure</b>	<b>€ 2 801 971</b>	<b>€ 3 318 872</b>	<b>€ 3 318 872</b>	<b>€ 3 318 872</b>
610	Payments from Social Security Schemes	€ 2 801 971	€ 3 318 872	€ 3 318 872	€ 3 318 872
<b>7</b>	<b>PSSS Income</b>	<b>€ 2 853 050</b>	<b>€ 3 911 873</b>	<b>€ 4 811 799</b>	<b>€ 5 879 286</b>
710	Income Social Security Schemes	€ 2 853 050	€ 3 911 873	€ 4 811 799	€ 5 879 286

**\*2025-2028 budgets are estimates based on theoretical assumptions and should not be binding on the Court**



**Annex 2 Contributions due by the Contracting Member States for the year 2024:****Annex 2.1 Contributions due by the Contracting Member States for the year 2024:**

Member State	Contribution key (PC/02/041114)	Ratification Yes=1, No=0	Distribution key for accessing states	Contributions to Working Capital Fund 2024 (1)	Contributions to operating Expenses and IT Capex	Total contribution due	Total contribution due before February 15th 2024 (1) &(2)	Total contribution due before February June 1. 2024(2)
AT	2.66	1.00	3.22	€ 87 065	€ 371 802	€ 458 867	272 966€	185 901€
BE	3.39	1.00	4.10	€ 110 959	€ 473 838	€ 584 797	347 878€	236 919€
BG	0.14	1.00	0.17	€ 4 582	€ 19 569	€ 24 151	14 367€	9 784€
CY	0.24	0.00	0.00	€ -	€ -	€ -	- €	- €
CZ	0.50	0.00	0.00	€ -	€ -	€ -	- €	- €
DE	38.77	1.00	46.86	€ 1 268 987	€ 5 419 084	€ 6 688 071	3 978 529€	2 709 542€
DK	1.62	1.00	1.96	€ 53 024	€ 226 436	€ 279 460	166 242€	113 218€
EE	0.11	1.00	0.13	€ 3 600	€ 15 375	€ 18 976	11 288€	7 688€
FI	1.07	1.00	1.29	€ 35 022	€ 149 559	€ 184 582	109 802€	74 780€
FR	17.02	1.00	20.57	€ 557 084	€ 2 378 974	€ 2 936 058	1 746 571€	1 189 487€
GR	0.85	0.00	0.00	€ -	€ -	€ -	- €	- €
HU	0.60	0.00	0.00	€ -	€ -	€ -	- €	- €
IE	1.18	0.00	0.00	€ -	€ -	€ -	- €	- €
IT	6.44	1.00	7.78	€ 210 789	€ 900 152	€ 1 110 941	660 865€	450 076€
LT	0.10	1.00	0.12	€ 3 273	€ 13 978	€ 17 251	10 262€	6 989€
LU	0.63	1.00	0.76	€ 20 621	€ 88 058	€ 108 679	64 650€	44 029€
LV	0.04	1.00	0.05	€ 1 309	€ 5 591	€ 6 900	4 105€	2 796€
MT	0.01	1.00	0.01	€ 327	€ 1 398	€ 1 725	1 026€	699€
NL	6.66	1.00	8.05	€ 217 989	€ 930 903	€ 1 148 892	683 441€	465 451€
PL	1.05	0.00	0.00	€ -	€ -	€ -	- €	- €
PT	1.04	1.00	1.26	€ 34 040	€ 145 366	€ 179 407	106 724€	72 683€
RO	0.38	0.00	0.00	€ -	€ -	€ -	- €	- €
SE	2.83	1.00	3.42	€ 92 629	€ 395 564	€ 488 193	290 411€	197 782€
SI	0.20	1.00	0.24	€ 6 546	€ 27 955	€ 34 501	20 524€	13 978€
SK	0.26	0.00	0.00	€ -	€ -	€ -	- €	- €
UK	12.12	0.00	0.00	€ -	€ -	€ -	- €	- €
	<b>99.91</b>	<b>82.73</b>	<b>100.00</b>	<b>€ 2 707 848</b>	<b>€ 11 563 602</b>	<b>€ 14 271 450</b>	<b>€ 8 489 649</b>	<b>€ 5 781 801</b>

(1) Article 63 paragraph 3) of the Financial Regulations of the UPC states: “[a]fter the determination of the amount of the Working Capital Fund, the Presidium of the Court shall communicate to the Contracting Member States having ratified the Agreement their commitment in respect of advances to the Working Capital Fund. The advances shall be considered as due and payable in full within 45 days of the receipt of the communication of the Presidium of the Court.” For the sake of practicality, the working capital fund for 2024 will be requested with the first half of the total 2024 estimated operating contribution to be due before 15 February<sup>h</sup> 2024.

(2) Article 7 of the Financial Regulation of the UPC states that if the budget has been adopted before 1 January, 50% of the contribution provided for in Articles 36 and 37 paragraphs 3 and 4 of the UPC Agreement shall be paid before 15 February, and 50% before 1 June.

### Annex 2.2 Contributions to be called (Compensation with PAP working Capital Fund)

Article 63 paragraph 7) of the Financial Regulations of the UPC states: “[a]ny cash surplus in the Working Capital Fund shall be apportioned among the Contracting Member States in proportion to the agreed scale assessment, as provided for in Article 37 paragraphs 3 and 4 of the Agreement. As of January 1 following the year in which the audit of the accounts of the financial period is completed, the amount apportioned to a Contracting Member State shall be surrendered to such Contracting Member State if its contributions for that financial period has been paid in full and shall be applied to liquidate, in whole or in part, first, any advance due to the Working Capital Fund; secondly, any arrears of assessed contributions; and thirdly, assessed contributions for the calendar year following the year in which the audit is completed.”

As the audit of the PAP was finalized in 2023 and before the call for 2024 budgetary contributions, and pursuant to the decision of the Budget committee on 26 June 2023 stipulating that the remaining unused PAP fund of the Court, the total amount of EUR 2 021 162 (including the already-adopted working capital fund amount of EUR 1,000,000 for the provisional application period), shall be allocated to the Court’s Working Capital Fund, the amount of EUR 2 021 162 could be offset with the 2024 budget call as follows:

Member State	Contribution key (PC/02/041114)	Ratification Yes=1, No=0	Distribution key for accessing states	Contributions to Working Capital Fund PAP (A)	Contributions to Working Capital Fund 2024 (B)	Remaining Contributions to Working Capital Fund 2024 after Compensation (C)=(B)-(A)	Contributions to operating Expenses and IT Capex (D)	Total contribution due (F)	Total contribution due before February 15th 2024 ((D)/2+(C))	Total contribution due before February June 1. 2024 (D)/2
AT	2.66	1.00	3.22	€ 64 986	€ 87 065	€ 22 079	€ 371 802	€ 393 881	207 980€	185 901€
BE	3.39	1.00	4.10	€ 82 820	€ 110 959	€ 28 138	€ 473 838	€ 501 976	265 057€	236 919€
BG	0.14	1.00	0.17	€ 3 420	€ 4 582	€ 1 162	€ 19 569	€ 20 731	10 946€	9 784€
CY	0.24	0.00	0.00	€ -	€ -	€ -	€ -	€ -	- €	- €
CZ	0.50	0.00	0.00	€ -	€ -	€ -	€ -	€ -	- €	- €
DE	38.77	1.00	46.86	€ 947 183	€ 1 268 987	€ 321 804	€ 5 419 084	€ 5 740 888	3 031 346€	2 709 542€
DK	1.62	1.00	1.96	€ 39 578	€ 53 024	€ 13 447	€ 226 436	€ 239 882	126 664€	113 218€
EE	0.11	1.00	0.13	€ 2 687	€ 3 600	€ 913	€ 15 375	€ 16 288	8 601€	7 688€
FI	1.07	1.00	1.29	€ 26 141	€ 35 022	€ 8 881	€ 149 559	€ 158 441	83 661€	74 780€
FR	17.02	1.00	20.57	€ 415 813	€ 557 084	€ 141 272	€ 2 378 974	€ 2 520 245	1 330 759€	1 189 487€
GR	0.85	0.00	0.00	€ -	€ -	€ -	€ -	€ -	- €	- €
HU	0.60	0.00	0.00	€ -	€ -	€ -	€ -	€ -	- €	- €
IE	1.18	0.00	0.00	€ -	€ -	€ -	€ -	€ -	- €	- €
IT	6.44	1.00	7.78	€ 157 335	€ 210 789	€ 53 454	€ 900 152	€ 953 606	503 530€	450 076€
LT	0.10	1.00	0.12	€ 2 443	€ 3 273	€ 830	€ 13 978	€ 14 808	7 819€	6 989€
LU	0.63	1.00	0.76	€ 15 391	€ 20 621	€ 5 229	€ 88 058	€ 93 288	49 258€	44 029€
LV	0.04	1.00	0.05	€ 977	€ 1 309	€ 332	€ 5 591	€ 5 923	3 128€	2 796€
MT	0.01	1.00	0.01	€ 244	€ 327	€ 83	€ 1 398	€ 1 481	782€	699€
NL	6.66	1.00	8.05	€ 162 709	€ 217 989	€ 55 280	€ 930 903	€ 986 183	520 732€	465 451€
PL	1.05	0.00	0.00	€ -	€ -	€ -	€ -	€ -	- €	- €
PT	1.04	1.00	1.26	€ 25 408	€ 34 040	€ 8 632	€ 145 366	€ 153 999	81 315€	72 683€
RO	0.38	0.00	0.00	€ -	€ -	€ -	€ -	€ -	- €	- €
SE	2.83	1.00	3.42	€ 69 139	€ 92 629	€ 23 490	€ 395 564	€ 419 054	221 272€	197 782€
SI	0.20	1.00	0.24	€ 4 886	€ 6 546	€ 1 660	€ 27 955	€ 29 615	15 638€	13 978€
SK	0.26	0.00	0.00	€ -	€ -	€ -	€ -	€ -	- €	- €
UK	12.12	0.00	0.00	€ -	€ -	€ -	€ -	€ -	- €	- €
	<b>99.91</b>	<b>82.73</b>	<b>100.00</b>	<b>€ 2 021 162</b>	<b>€ 2 707 848</b>	<b>€ 686 686</b>	<b>€ 11 563 602</b>	<b>€ 12 250 288</b>	<b>€ 6 468 487</b>	<b>€ 5 781 801</b>

### *Annex 3: Note to the 2024 budget Information Technology (IT) expenses.*

#### **Chapter 411 – IT Capital Expenditure: Integrated systems & services**

The required investments (CAPEX) for 2024 amount to: **2.281 k€**. They are distributed, according to the solutions, as follows:

- **CMS software (budget: 1.320 k€)**

The budget of 1320 k€ is set as running the Court will bring new needs to be handled. Indeed, the scope of CMS functionalities used will increase (e.g. implementation of functions still missing, fixing bugs and improvement of existing functions [see the exemplary list of most urgent tasks in the Annex]; introduction of other type of actions, start of the first cases for the CoA) and usage rate will also increase (increase in case numbers, increase in activity within cases). As a baseline, the backlog of change requests (dated 30 July 2023) provided in the annex, which is based on the current activity of the Court (In mid-July, 38 cases of infringement, revocation and provisional measures types), shows the volume and the type of change which are currently necessary to operate within the CMS.

In addition, to ensure good responsiveness for the processing of these change requests, we must ensure that the CMS provider (Net Service) maintain sufficient production capacity with a dedicated team.

Based on these elements, we estimate that it is necessary to forecast a budget for a dedicated NS team size corresponding to 12 FTE (Full Time Equivalents) composed mainly of developers, analysts, testers and managers. This results in a budget of 12 FTE x 220 days x 500 € (average rate), equal to 1320 k€.

- **Patent Mediation and Arbitration Centre (PMAC) CMS solution (budget: 250 k€)**

CMS Solution for the PMAC is planned to be implemented in 2024 at the latest. The estimate contains the cost of licenses and 250 days of external consulting to analyze, implement and test the future solution.

- **Corporate Website (60 k€)**

Upgrade of website pages to display the collection of judgements and the calendar by directly and automatically taking data from the CMS. In addition, some enhancements to the case search page to display more information to the user.

- **Corporate Functions - ERP Modules (budget: 111 k€)**

- Development of the financial software (SAGE) including the addition of accounting events implementation and the budget module;
- Digitalization of flows to support commitments and invoice payments process;
- Various adaptations of the HR software (Educos).

- **Analytics and reporting solution and tools (budget: 300 k€)**

Provision of a reporting and analysis system on data from our solutions (CMS, finance, HR, etc.). Includes the analysis, implementation and test of a data warehouse, a data loading procedure and the setup of a reporting / data analysis tool (license costs).

- **Other software solutions (budget: 240 k€)**

IT consulting costs for the enhancement of our operational system such as (but not limited to) Luxtrust authentication (e.g. Software strong authentication), API management (Apigee), ticketing system (GLPI) and recruitment solution (Reach Me).

### Chapter 331 – IT Operating Expenditure and databases (eLibrary licenses out of scope)

A total of **873 k€** are expected to ensure IT operations (OPEX), broken down into:

- **Annual support for our current solutions (budget: 282 k€)**

	Budget 2024 (in €)
CMS Maintenance & Support *	0
<b>Corporate Functions - ERP Modules</b>	
finance (SAGE)	10 000
HR (Educos)	55 000
Luxtrust for HR (Educos)	21 750
HR Recruiting Tool (Reach Me)	4 300
<b>Corporate Website - Internet Presence</b>	
Company Website	15 000
<b>IT Governance - Operations</b>	
Ticketing System (GLPI)	12 000
Strong authentication middleware providers management	60 000
Authentication (50 additional Luxtrust vouchers)	9 000
Public & Private APIs (Apigee)	51 900
Web domains (CloudFlare)	3 000
Integrated Video Conferencing - 50 accounts (NTT)	40 000

(\* ) CMS maintenance & support being covered by Court Fees (not part of this budget)

- **Annual support for our new solutions (budget: 172 k€)**

As the current solutions for email (Kopano) and file sharing (NextCloud) do not work satisfactorily (slowness and frequent unavailability), it is planned to replace them with a more robust platform of collaborative tools (also integrating more functionalities - e.g. Chat possibility).

In addition, new needs have been identified (translation tool [to avoid costs of “manual” translations], anonymization tool [to ensure GDPR compliance as required by R. 262.1 UPC RoP) and Adobe acrobat PRO [to allow a more efficient and time saving work of the judges and clerks]).

This implies additional recurring costs:

	Budget 2024 (in €)
Collaborative platform	66 000
Translation tool (90 users)	27 000
Anonymization tool	60 000
Adobe acrobat PRO (90 users)	19 000

- **Infrastructure (budget: 224 k€)**

The Sunrise and Entry-Into-Force (EIF) periods highlighted the need to increase the capacities of our infrastructure. Indeed, the slowness (e.g. processing of opt-outs) and unavailability (e.g. interruption of email service) required the implementation of (i) new environments (e.g. to host the database separately), (ii) the increase of the CPU (processing capacity) and the increase of RAM (memory space). In addition, the type of service with our infrastructure provider (Telindus) is being upgraded to an IAAS (Infrastructure As A Service) contract type for a higher quality of service. This resulting in higher recurrent costs for the hosting part.

The infrastructure still requires performance improvements and possible strengthening in terms of security. A provisional budget is planned for that purpose.

An additional environment is recommended for training (today are used test and maintenance environment: CASTOR & CERUS).

Finally, in 2024 a disaster recovery test is planned, requiring support from the company in charge of our infrastructure.

The budget for the infrastructure part is split as follows:

	Budget 2024 (in €)
Hosting	140 000
IT infrastructure improvements	42 000
Increase security aspects	15 000
New environment (training purposes)	17 000
Disaster Recovery test (Business Continuity)	10 000

- **External IT consultancy & Support (budget: 195 k€)**

Consultancy and support are planned for 2024. This relates to:

- The performance of a security audit (including penetration tests);
- The assistance on legal and compliance matters (e.g. assistance in drafting general terms & conditions, advice on suppliers' contracts);
- Specific business analyst consultancy in order to increase the level of knowledge on the CMS of teams providing user support (UPC IT operation & support team);
- Unforeseen support services on our solutions or infrastructure.

The detail of the budget by type of consultancy is described below:

Budget 2024  
(in €)

IT Security	25 000
Service support improvement (200 days * 600 €/day)	120 000
Miscellaneous support (50 days * 600 €/day)	30 000
Travelling expenses *	20 000

*(\*) Travel costs are considered separately given that the services can be performed on site or remotely*

**Table 1: CMS Change Request**



ID	Type (Bug, Request, CR)	CR ID	Source	Domain	Category	ROP	Title	Opening date	Provider Est. Effort (Tshirt)
4711	Bug		GLPI	CMS	OPT-OUT		Opt-out information from the Registry	21/06/2023 07:08	XS
4670	Bug		GLPI	CMS	OPT-OUT		a question about "opt-out" template together with FAQ 4.28	19/06/2023 22:30	XS
4570	Bug		CMS	CMS		5.1	Rule 5.1(b) Rules of Procedure of the UPC	15/06/2023 15:45	XS
4572	Bug		GLPI	CMS	representative		Search for Representative / Name change	15/06/2023 17:18	XS
4596	Bug		GLPI	CMS	OPT-OUT		Effective date of opt-out	16/06/2023 15:49	XS
4595	Bug		GLPI	CMS			CMS access for staff	16/06/2023 15:00	XS
4584	Bug		GLPI	CMS	OPT-OUT		Opt-out in error	16/06/2023 09:42	XS
4585	Bug		GLPI	CMS	Signature		Mandate - signatures and including more than one matters on a declaration	16/06/2023 09:49	XS
4489	Bug		CMS	CMS			Request of Invoice and Finance Contact Information	13/06/2023 11:19	XS
4577	Bug		GLPI	CMS	NonInfringement		Providing Registry with electronic address for the purposes of service in revocation actions and declarations of non-infringement	15/06/2023 20:52	XS
4533	Bug		GLPI	CMS	OPT-OUT		Data processing error in opt-out via API	14/06/2023 14:21	XS
4510	Bug		GLPI	CMS	ProtectiveLetter		[GLPI #0004167] New followup Several applicants for protective letters	13/06/2023 20:07	XS
4487	Bug		GLPI	CMS	representative		Representatives can't change postal address for service on the CMS	13/06/2023 11:04	XS
4527	Bug		GLPI	CMS	OPT-OUT		Registration of opt-outs	14/06/2023 12:47	XS
4532	Bug		GLPI	CMS	API		Public API performance	14/06/2023 13:35	XS
4536	Bug		GLPI	CMS	ProtectiveLetter		Protection Letter	14/06/2023 15:14	XS
4538	Bug		GLPI	CMS	representative		Right of representation on the basis of qualification in Ireland	14/06/2023 15:17	XS
4508	Bug		GLPI	CMS		262.1	[CMS Taskforce] Request for access to pleadings or evidence (RoP262.1(b)) - Upload of documents not implemented	13/06/2023 16:58	XS
4624	Bug		CMS	CMS			FAST LANE ACT 464985/2023 465342/2023 - Re-allocation of 2 actions to the from CD Paris to CD Munich section	19/06/2023 11:45	XS
4486	Bug		GLPI	CMS	CaseNumbering		Urgent issue with Opt-Out Case Number Format	13/06/2023 11:00	XS
4468	Bug		GLPI	CMS	Receipt		Missing receipts for opt-outs	12/06/2023 17:47	XS
4450	Bug		GLPI	CMS	Receipt		Filing receipt not available	12/06/2023 12:37	XS
4424	Bug		GLPI	CMS	OPT-OUT		Opt-Out Anträge übertragen am 31.5.23	09/06/2023 14:26	XS
4630	Bug		CMS	CMS			My Applications no. 65288/2023 and 65255/2023	19/06/2023 12:07	XS
4647	Bug		CMS	CMS			Missing information	19/06/2023 14:51	XS
4688	CR	45	CABList	CMS	Workflow		CMS : the parties should make self corrections in the CMS	20/06/2023 11:41	L
4773	Bug		GLPI	CMS			RE: No. PR 501016/2023 UPC_CFI_127/2023 / Notification of the "clerks" of the wrong division and to the Deputy Registrar	23/06/2023 19:22	XS
4829	Bug		GLPI	CMS			[FAST LANE] SUPER URGENT QUERY - Access to CMS case (Revocation action No. 533840 / 2023 UPC_CFI_1/2023)	27/06/2023 10:21	XS
4405	Bug		GLPI	CMS			What does NOT APPLICABLE mean?	09/06/2023 09:49	XS
4402	Bug		CMS	CMS	OPT-OUT		Registration of opt-outs	09/06/2023 08:59	XS
4869	Bug		CABList	CMS			visibility of past actions in a workflow	28/06/2023 10:20	M
4871	Bug		CABList	CMS			wrong language version of notice with access code is provided	28/06/2023 10:27	S
4998	Bug		GLPI	CMS			GLPI functionality - No information about ongoing tickets and replies from external users	04/07/2023 14:53	XS
5006	Bug		CABList	CMS			[FAST LANE] - Issue on the CMS - need to go backwards - revocation action CD PARIS	04/07/2023 16:09	S
5112	Bug		CABList	CMS			Protective Letter - Incorrect data displayed / reported in the receipt - Possibility of duplicate		
4393	Bug		CABList	CMS			FAST LANE] - Modify Date of receipt / effective lodging		
5006	Bug		CABList	CMS			[PROD] Wrong documents received by EPO when UPC requests for cases pending before the EPO (5006)		
5178	Bug		CABList	CMS			[PROD] Wrong documents received by EPO when UPC requests for cases pending before the EPO: Cases 464985/2023 and 465342/2023 (5178)		
5013	Bug		CABList	CMS	Exchange with EPO		[Urgent] EPO receives Error 500 when calling the API communicationFromEPO (5013)		S
1965	CR	23	CABList	CMS	Exchange with EPO		[CfI RoP 97] EPO has received the same document type EPO-REQUEST-TO-COMMENT for two different stages: adding a new document type (1965)		S
4986	Bug		CABList	CMS			<del>CMS - visibility of past actions in the CMS for public (4986)</del>		
4994	Bug		CABList	CMS			Inconsistency - Review and edit & issue		
4687	Bug		CABList	CMS			CMS issue : correction functionality for multiple claimants or applicants historical data still in error		
4621	Bug		CABList	CMS			Confidentiality Protective Letter - Long Fix		
5006	Bug		CABList	CMS			[FAST LANE] - Issue on the CMS - need to go backwards - revocation action CD PARIS (5006)		
5059	Bug		CABList	CMS			Receipts of protective letters - GLPI (unfiedpatentcourt.org)		
4874	Bug		CABList	CMS			judge's download of template visible to the public		
4948	Bug		CABList	CMS			Prefix is missing in the case number for an action against decision of EPO ROP 97		
4995	Bug		CABList	CMS			CMS Data extraction for statistics production		
4470	Bug		CABList	CMS	Case format		[PROD] New case number format received by EPO: EPO can not reply to the requests sent by CMS		S
4222	Bug		CABList	CMS	Exchange with EPO		[CfI] Clarification needed regarding communications sent to EPO (RoP97)		S
4507	Bug		CABList	CMS			[Fast Lane] CMS Case no. 498862/2023 Extremely urgent / LD Milan clerks did not receive an E-Mail about the extremely urgent case		
5272	Bug		CABList	CMS	Appeal		Appeal 220.1 c - no outcome to select for judge		
3051	Bug		CABList	CMS			Correction of opt-out of an EP extended by SPCs : CMS did not allow to enter SPC data in the correction of opt-out which result an error in the acknowledgement		S
5304	Bug		GLPI	EPO	Exchange with EPO		EventsByDate API failed with connection refused error		S
4968	Bug		GLPI	EPO	Exchange with EPO		Error 500 received when calling the communication from EPO API		S
5252	Bug		GLPI	EPO			[2.4.3] Formal checks on Appeal KO: The list of different checks to be done is missing		S
4969	Bug		GLPI	CMS	Case format		The proceeding Number in the forms generated by CMS is wrong		S
5274	Request		GLPI	CMS			Question: UPC to inform EPO in case of a revocation action?		
3630	Bug		GLPI	CMS			[CfI] Clarification required for inadmissibility action		
4926	Bug		GLPI	EPO			Update the templates of requests sent to EPO (especially the ones for acceleration of appeal or opposition)		
4414	CR	15	CABList	CMS			URGENT REQUEST - Extract from CMS database to build statistics		
5137	CR	20	GLPI	CMS	Templates		Development of Templates and Guidance of Orders (Guidance and Templates in place visible to Judges when issuing and Order)		S
5138	CR	21	GLPI	CMS	Confident 262/262A		Confidentiality		XL
5139	CR	22	GLPI	CMS	Nomenclature		File naming, file nomenclature		M
25	CR	25	CABList	CMS	Oral Hearing		Oral hearing		L
26	CR	26	CABList	CMS	Objection		Additional objection		M
27	CR	27	CABList	CMS	Reporting		IT Audit Reporting		L
28	CR	28	CABList	CMS	API		Update and clarify error code and description		L
29	CR	29	CABList	CMS	Front-end action				M
30	CR	30	CABList	CMS	Document		Better PDF document viewer		M
31	CR	31	CABList	CMS	Tasklist		Offer prioritization tool for locking after case/document linked to the user		M
32	CR	32	CABList	CMS	Workflow	194	Saisie: Rule 194(1) order is optional (at the discretion of the court) hence it should be made possible in the CMS to skip this order and go straight to Rule 196 order		S
33	CR	33	CABList	CMS	Workflow	13	Formal check		S
5129	Bug		CABList	EPO	Exchange with EPO		Error message received by EPO when sending EPO-OPP-ACCEL-REQ-RESP, an EPO case was created despite the error message		S
5275	Bug		CABList	EPO	Exchange with EPO		Error message when calling the EventsByDate API by EPO		S
4797	CR	35	CABList	CMS	CaseVisibility		Access to file by defendant after receipt of access code	13/07/2023	
4622	CR	14	CABList	CMS	CaseVisibility		Filtering the access of the case files only for the appointed judges	09/06/2023	XS
1039	CR	2	GLPI	CMS			Clear differentiation of the environment for the user (internal and external)	03/05/2023	XS
5138	CR	21	GLPI	CMS	Confident 262/262A		Confidentiality		XL
4878	CR	36	CABList	CMS			upload of documents by the registry / court (4878)		L
4875	CR	16	CABList	CMS	CaseVisibility		case should not be visible to the public before service on defendant	28/06/2023 10:57	XS
4625	CR	17	CABList	CMS	Workflow		CMS workflow cancellation functionality for Judges	19/06/2023 11:47	L
4673	CR	19	CABList	CMS			Upload exhibits as a bundle		M
	CR	39	GLPI	CMS/SAGE	Exchange with SAGE		API CMS to SAGE X3 - Case information flow		M
5186	CR	48	GLPI	CMS	Workflow		withdrawal of protective letter		
4924	CR	41	CABList	CMS	Workflow	196	Confidentiality expert report of evidentiary measures		S
4621	CR	37	CABList	CMS	Workflow		possibility to request confidentiality of PL and upload redacted version #5240		
37	CR	37	GLPI	CMS	Workflow	271.1	voluntary e-mail address for service		
	CR		RR-CC&M list		Workflow		flexible workflow		
5107	CR	44	GLPI	CMS	Workflow		Standing judge must only be consulted in urgent situations		
4869	CR	38	GLPI	CMS	CaseVisibility		visibility of past actions when uploading documents / exhibits		
	CR		RR-CC&M list		Workflow	17	transfer of a case from one division / section of CD to another (linked to #4624 - work around available)		
	CR		RR-CC&M list		Workflow		disconnect statements and exhibits		
	CR		RR-CC&M list		Workflow		Review of Registrar's decision to (not) allow access opt out application		
	CR		RR-CC&M list		Workflow	354	enforcement of penalties		
1894	CR	49	GLPI	CMS	Workflow	371.3	court order to defer payment and verification payment is made later		
4698	CR	50	GLPI	CMS	Workflow		workflow for closing of files		
	CR		RR-CC&M list		Workflow		workflow for settlements		
	CR	42	GLPI	CMS	Reporting		CMS Statistics Extraction - CMS Data extraction for statistics production		
	CR	46	GLPI	CMS	Confidentiality		amendment of workflow for confidentiality request pursuant to RoP262A		
3051	CR	47	GLPI	CMS	Confidentiality		Correction of opt-out of an EP extended by SPCs : CMS did not allow to enter SPC data in the correction of opt-out which result an error in the acknowledgement		
4621	CR	51	GLPI	CMS	Confidentiality		Confidentiality for Protective Letter - Long Term Fix for R207.8		



#### ***Annex 4: Financial Statements of the Court***

The accrual financial statements of the UPC will be essential to provide information relevant to assess the long-term sustainability of the UPC. According to the Financial Regulations of the UPC, the International Public Sector Accounting Standards (IPSAS) are the general accepted accounting principles referred to in Article 26, paragraph 1 and Article 33, paragraph 2 (d) of the Statute. IPSAS is used to assess accountability through an evaluation of the UPC's financial performance and position aiming to aid decision making and enforcement of accountability. **The plan statement of financial performance (5.3.) and plan statement of financial position (5.4.) of the 2024 budget are estimates and are for illustrative purpose only.**

The following tables presenting the Plan statement of Resources (5.1), the plan statement of Estimated Income (5.2), the statement of financial performance (5.3) and the statement of financial position and of the Court (5.4) pursuant to the articles of the financial regulation of the Unified Patent Court are recorded at the date of 31 December 2024, equivalent to a period of 12 months.

## 4.1. Plan statement of Resources

## Plan Statement of Resources

2024

in EUR

	Cash in EUR	Transition to Accrual in EUR	Accrual in EUR
<b>31 Salaries</b>	<b>7 167 750</b>	<b>-</b>	<b>2 307 840</b>
<b>(i) salaries of</b>			
the President of the Court of Appeal,	260 531	-	92 029
the President of the Court of First Instance,	235 533	-	80 493
the other judges,	5 467 875	-	1 829 097
the Registrar and the Deputy Registrar	473 042	-	161 897
any other staff directly employed by the Court	730 768	-	144 325
<b>32 Pension and social security contributions</b>	<b>1 670 426</b>	<b>-</b>	<b>735 350</b>
<b>(ii) pension and social security contributions of</b>			
the President of the Court of Appeal,	62 016	-	40 951
the President of the Court of First Instance,	55 918	-	36 924
the other judges,	1 283 942	-	847 820
the Registrar and the Deputy Registrar	112 318	-	74 166
any other staff directly employed by the Court	156 233	-	103 165
Current service costs (Defined Benefit Obligations)	-	-	1 838 376
<b>33 General operating expenses</b>	<b>5 220 147</b>	<b>-</b>	<b>411 000</b>
(iii) costs incurred by the Committees of the Court including cost of meetings, as well as translation and communication costs;	800 755	-	-
(iv) costs incurred for setting up the Court, the Training Centre for Judges and the Patent Mediation and Arbitration Centre, in particular the initial assets of the Court;	4 419 392	-	411 000
<b>34 Working Capital Fund</b>	<b>2 707 848</b>	<b>-</b>	<b>1 194 980</b>
(v) resources to be allocated to the Working Capital Fund.	2 707 848	-	1 194 980
<b>35 Repayments to MS</b>	<b>544 613</b>	<b>-</b>	<b>544 613</b>
<b>36 Legal aid and reimbursement to third parties</b>	<b>750 000</b>	<b>-</b>	<b>165 981</b>
<b>37 Other general operating expenses</b>	<b>2 156</b>	<b>-</b>	<b>2 156</b>
<b>38 Depreciation and amortization expense</b>	<b>-</b>	<b>-</b>	<b>543 399</b>
<b>39 Financial expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>41 IT Capital Expenditure</b>	<b>2 281 000</b>	<b>-</b>	<b>2 281 000</b>
<b>SUBTOTAL Court</b>	<b>20 343 940</b>	<b>-</b>	<b>4 804 664</b>
<b>61 Payments from Social Security Schemes</b>	<b>2 492 021</b>	<b>-</b>	<b>2 492 021</b>
<b>SUBTOTAL PSSS</b>	<b>2 492 021</b>	<b>-</b>	<b>2 492 021</b>
<b>TOTAL Court + PSSS</b>	<b>22 835 961</b>	<b>-</b>	<b>7 296 685</b>

#### 4.2. Plan statement of Estimated Income

### Plan Statement of the Estimated Income

**2024**

in EUR

	Cash in EUR	-	Transition to Accrual in EUR	Accrual in EUR
<b>51 Revenue from court fees</b>	<b>4 500 000</b>	<b>-</b>	<b>3 112 509</b>	<b>1 387 491</b>
<b>52 Contributions by participating Member States</b>	<b>14 271 450</b>	<b>-</b>	<b>1 194 980</b>	<b>13 076 471</b>
(i) contribution to Operating expenses	11 563 602	-	-	11 563 602
(ii) contributions to the Working Capital	2 707 848	-	1 194 980	1 512 869
<b>53 Other operating income</b>	<b>1 572 490</b>	<b>-</b>	<b>1 572 490</b>	<b>-</b>
(iv) any other income of the Court	1 572 490	-	1 572 490	-
<b>54 Work performed and capitalised</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>55 Financial income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SUBTOTAL Court</b>	<b>20 343 940</b>	<b>-</b>	<b>5 879 979</b>	<b>14 463 961</b>
<b>71 Income Social Security Schemes</b>	<b>2 492 021</b>	<b>-</b>	<b>2 492 021</b>	<b>-</b>
<b>SUBTOTAL PSSS</b>	<b>2 492 021</b>	<b>-</b>	<b>2 492 021</b>	<b>-</b>
<b>TOTAL Court + PSSS</b>	<b>22 835 961</b>	<b>-</b>	<b>8 372 000</b>	<b>14 463 961</b>

### 4.3. Statement of Financial Performance

#### Statement of Financial Performance

2024

in EUR

	2024 in EUR	2025 in EUR	2026 in EUR	2027 in EUR	2028 in EUR
<b>5 Revenue</b>					
51 Revenue from court fees	1 387 491	4 815 000	8 995 000	11 610 000	14 200 000
52 Contributions by participating Member States	13 076 471	9 113 624	8 460 868	7 086 520	7 589 453
<b>Total revenue</b>	<b>14 463 961</b>	<b>13 928 624</b>	<b>17 455 868</b>	<b>18 696 520</b>	<b>21 789 453</b>
<b>3 Expenses</b>					
31+32 Employee benefits	7 265 686	8 097 863	9 552 006	9 520 506	9 520 506
33 General operating expenses	5 631 147	6 280 393	7 234 326	8 179 824	8 505 721
34 Working Capital Fund	1 512 869	865 885	1 027 811	1 122 448	1 190 224
36 Legal aid and reimbursement to third parties	584 019	1 050 153	1 554 174	1 999 679	2 200 000
37 Other general operating expenses	2 156	2 483	2 921	3 167	3 413
38 Depreciation and amortization expense	543 399	806 799	905 250	1 025 442	1 210 236
<b>Total expenses</b>	<b>15 539 276</b>	<b>17 103 577</b>	<b>20 276 488</b>	<b>21 851 066</b>	<b>22 630 100</b>
<b>Net surplus/(deficit) for the period</b>	<b>-1 075 315</b>	<b>-3 174 952</b>	<b>-2 820 619</b>	<b>-3 154 546</b>	<b>-840 647</b>

#### 4.4. Statement of Financial Position

##### Statement of Financial Position

2024

in EUR

	2024 in EUR	2025 in EUR	2026 in EUR	2027 in EUR	2028 in EUR
<b>1 Assets</b>					
<b>11 Non-current assets</b>					
112 Intangible assets	2 518 990	3 029 191	2 517 746	1 852 878	1 012 231
114 Other non-current assets (financial and non-financial)	3 079 202	5 146 229	7 594 577	10 042 925	12 491 273
<b>Total non-current assets</b>	<b>5 598 191</b>	<b>8 175 420</b>	<b>10 112 323</b>	<b>11 895 803</b>	<b>13 503 504</b>
<b>12 Current assets</b>					
121 Cash and cash equivalents	4 490 820	4 181 756	5 864 271	6 540 456	6 760 118
123 Receivables	0	0	0	0	0
125 Prepayments	0	0	0	0	0
<b>Total current assets</b>	<b>4 490 820</b>	<b>4 181 756</b>	<b>5 864 271</b>	<b>6 540 456</b>	<b>6 760 118</b>
<b>Total assets</b>	<b>10 089 011</b>	<b>12 357 176</b>	<b>15 976 594</b>	<b>18 436 259</b>	<b>20 263 622</b>
<b>2 Liabilities and equity</b>					
<b>21 Non-current liabilities</b>					
212 Defined Benefit Obligations	3 079 202	5 146 229	7 594 577	10 042 925	12 491 273
<b>Total non-current liabilities</b>	<b>3 079 202</b>	<b>5 146 229</b>	<b>7 594 577</b>	<b>10 042 925</b>	<b>12 491 273</b>
<b>22 Current liabilities</b>					
221 Payables	703 399	699 897	826 255	950 453	991 613
223 Liability for working capital fund	3 273 855	2 968 292	4 524 450	5 076 436	5 254 939
226 Prepaid Fees (current)	3 874 444	7 559 598	9 868 772	12 358 451	12 358 451
<b>Total current liabilities</b>	<b>7 851 698</b>	<b>11 227 787</b>	<b>15 219 477</b>	<b>18 385 340</b>	<b>18 605 002</b>
<b>Total liabilities</b>	<b>10 930 900</b>	<b>16 374 016</b>	<b>22 814 054</b>	<b>28 428 265</b>	<b>31 096 275</b>
<b>23 Net Assets / Equity Attributable to the Member States</b>					
233 Accumulated surplus/(deficit)	-841 888	-4 016 841	-6 837 460	-9 992 006	-10 832 653
<b>Total net assets/equity</b>	<b>-841 888</b>	<b>-4 016 841</b>	<b>-6 837 460</b>	<b>-9 992 006</b>	<b>-10 832 653</b>

#### 4.5. Forecast of Cash flow

##### Direct Method Cash Flow Statement

in EUR

	2024	2025	2026	2027	2028
<b>Cash flows from operating activities</b>					
Cash receipts from Court	€ 4 500 000	€ 8 700 000	€ 11 400 000	€ 14 200 000	€ 14 200 000
Cash receipts from Member States	€ 12 250 288	€ 8 808 062	€ 10 017 026	€ 7 638 506	€ 7 767 955
<i>Total operating cash receipts</i>	<b>€ 16 750 288</b>	<b>€ 17 508 062</b>	<b>€ 21 417 026</b>	<b>€ 21 838 506</b>	<b>€ 21 967 955</b>
Payments of Employees benefits	-€ 7 265 686	-€ 8 097 863	-€ 9 552 006	-€ 9 520 506	-€ 9 520 506
Payments to suppliers of goods and services	-€ 8 151 639	-€ 8 402 263	-€ 9 788 699	-€ 11 281 241	-€ 11 858 197
<i>Total operating cash payments</i>	<b>-€ 15 417 325</b>	<b>-€ 16 500 126</b>	<b>-€ 19 340 705</b>	<b>-€ 20 801 747</b>	<b>-€ 21 378 704</b>
<b>Cash Flow from operating activities</b>	<b>€ 1 332 963</b>	<b>€ 1 007 935</b>	<b>€ 2 076 321</b>	<b>€ 1 036 759</b>	<b>€ 589 251</b>
<b>Cash flows from investing activities</b>					
Acquisition of tangible and intangible assets	-€ 1 870 000	-€ 1 317 000	-€ 393 805	-€ 360 575	-€ 369 589
<b>Cash flow from investing activities</b>	<b>-€ 1 870 000</b>	<b>-€ 1 317 000</b>	<b>-€ 393 805</b>	<b>-€ 360 575</b>	<b>-€ 369 589</b>
<b>Cash flows from financing activities</b>					
Cash receipts from Member States	€ -	€ -	€ -	€ -	€ -
Payments to Member States	€ -	€ -	€ -	€ -	€ -
<b>Cash flow from financing activities</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>	<b>€ -</b>
<b>Net increase/(decrease )in cash and cash equivalent</b>	<b>-€ 537 037</b>	<b>-€ 309 065</b>	<b>€ 1 682 516</b>	<b>€ 676 184</b>	<b>€ 219 662</b>
<b>Cash and cash equivalents net at the beginning of the Period</b>	<b>€ 5 027 857</b>	<b>€ 4 490 820</b>	<b>€ 4 181 756</b>	<b>€ 5 864 271</b>	<b>€ 6 540 456</b>
<b>Cash and cash equivalents net at the end of the Period</b>	<b>€ 4 490 820</b>	<b>€ 4 181 756</b>	<b>€ 5 864 271</b>	<b>€ 6 540 456</b>	<b>€ 6 760 118</b>

#### ***4.6 Financial Statements explanatory note***

In the present budget approach, the contributions due by all Contracting Member States cover all the financial needs of the Court and it is assumed, for simplification purposes, that the expenses budgeted are implemented and paid during the same budget year.

##### **Intangible assets:**

Intangible assets are stated at historical cost less accumulated amortization and any impairment losses.

Amortization is provided over the estimated useful life using the straight-line method.

The estimated useful life for intangible asset classes is as follows:

-CMS (Case Management System) CMS 7 years.

-Other intangible assets: 5 years

##### **Defined Benefit Obligation**

The UPC makes pension contributions on behalf of its employee in accordance with Annex II to the Service and Staff Regulations (Pension Plan of the Court) AC/09/08072022. The contributions are treated as payments to a defined benefit pension plan.

The attention of delegates is drawn to the fact that in the present absence of an actuary valuation study and of a current pension investments strategy, the expected costs of the pension benefits are valued at the current pension contributions made by the UPC and its employee and does not reflect the real benefit plan obligations. An update of these costs will be submitted to the relevant governing bodies in due time.

##### **Current Liability – Liability towards Member States and other States:**

These are the advances made by the contracting member states to the working capital fund as stipulated in Art 63 of the Financial Regulations.

##### **Current Liability – Payable (accrual)**

The UPC has assumed that 1/12 (one month) of the yearly budgeted operating expenses will be settled during the following year.

##### **Current Liability – Prepaid Fees:**

Prepaid Fees are liabilities in relation to the payments received for court services, for which no service has yet been performed. The estimated prepaid fees consist of the judicial income estimates.

The UPC is conducting its proceedings in a way which will normally allow the final oral hearing on infringement and validity at first instance to take place within one year, and judgment six weeks thereafter.

Parties to proceedings will pay in advance fixed fees and value-based fees to the UPC, according to the Rules on Court fees as adopted by decision of the Administrative Committee on 08.07.2022