

Review the inflation rate for subscriptions and categorization of the Member Associations

Presented by FIC

SUMMARY

This paper reviews the membership subscription fees and membership categorisation for 2024/25 based on the IMF international financial statistics and the World Bank development indicators respectively

1. INTRODUCTION

- 1.1. FIC is responsible for this task. The terms and references for the FIC are outlined in paragraph 3.1.8 of the IFATCA Administrative Manual (IAM) 2022.
- 1.2. The application of the inflation factor preserves the monetary value of our subscription and annual recategorization of membership ensures the correct placement of member associations based on the World Bank income grouping for a fair application of subscription amount. The IAM allows a member association to adjust its category upward voluntarily.
- 1.3. The inflation factor is determined using the last full year's average inflation rate for advanced economies as published in the International Financial Statistics (IFS) by the International Monetary Fund (IMF) as shown in appendix A.
- 1.4. The average inflation factor for the full year 2022 published by the IMF applies to categories 1,2 and 3 IFATCA membership categorization. This will be the subscription fee for the financial year 2024/25.
- 1.5. The membership categories are derived each year from the classification of countries by income in the current World Bank Development Report. However, an MA may voluntarily upgrade to a higher category. The terms and references are outlined in the IAM 2022 edition page 81 paragraph 3.1.4.
- 1.6. IFATCA membership category is based on the World Bank income level classification, and it is defined as Category 1 MA (high-income countries), Category 2 MA (Upper Middle and Lower Middle-Income countries), and Category 3 MA (lower-income countries).

2. DISCUSSION

- 2.1. Page 82 Para. 3.1.8 of the administrative manual states that ‘the annual subscription rate for Member Associations in Category 1, Category 2 and Corporate Members shall be determined by applying each year an inflation factor to the relevant subscription rate; and for Member Associations in Category 3 by applying the inflation factor every second year for invoices produced in even-numbered years.
- 2.2. The inflation factor shall be derived from the most recent full-year average inflation rate for Industrial Countries as published in the International Monetary Fund’s International Financial Statistics 2022. Regardless of the actual average rate of inflation, the inflation factor to be applied shall not exceed 2.5%.
- 2.3. Annex A of this paper shows past and projected records for some selected published inflation rate records for 2020 and projections until 2025.
- 2.4. The rate for Consumer Prices for Advanced Economies for 2022 is **7.3%**. This value falls above the maximum applicable inflation rate of 2.5%. Therefore, the maximum adjustment on the 2023 for 2024/2025 subscription shall be 2.5%, and this shall apply to **all categories of membership subscriptions** for the Financial Year 2024/2025.
- 2.5. Page 82 para. 3.1.7 **Under no circumstances shall the annual subscription paid by a single Member Association exceed 99% of the total annual subscriptions received from all the other Member Associations.**

3. CONCLUSION

- 3.1. The inflation factor applied to the subscription rate for all membership categories for 2024/2025 is a maximum allowable value of **2.5%**. Appendix A shows the new subscription rates for inclusion in the IFATCA Administrative Manual.
- 3.2. The Maximum subscription fee to be paid by an MA is **\$34,748.45** as shown in Appendix B.
- 3.3. A full list of Member Associations and their categories are shown in Appendix C of this paper.
- 3.4. As agreed, upon at the Jamaica Conference 2023. An acceptance of the new subscription rate for 2024/2025 will form the basis for the 2024/2025 budget.
- 3.5. Pages 82,83 and 84 of the IAM will be updated accordingly.

4. RECOMMENDATIONS

- 4.1 It is recommended that this paper is accepted as an information paper.

5. REFERENCES

- 5.1. IFATCA Administration Manual 2022
- 5.2. International Monetary Fund, World Economic Output, April 2022
<https://www.imf.org/external/datamapper/profile/ADVEC/WEO>
- 5.3. World Bank, World Development Report July 2022,

- 5.4. <https://blogs.worldbank.org/opendata/new-world-bank-country-classifications-income-level-2022-2023>

Appendix A- IMF Inflation Rates 2022

Table As. Percent change (%) in inflation for selected groups and countries/ territories

Region	INFLATION			PROJECTION		
	2020	2021	2022	2023	2024	2025
<i>WORLD</i>	2.8	6.4	8.9	4.1	3.5	3.3
ADVANCE ECONOMIES	0.5	5.3	7.3	2.2	1.9	1.8
<i>EUROPE AREA</i>	-0.3	5	9.2	2.1	1.8	1.8
<i>JAPAN</i>	-0.9	0.4	3.9	0.9	1.0	1.0
<i>UNITED STATES</i>	1.5	7.4	6.6	2.3	2.1	2.0

Appendix B - ANNUAL SUBSCRIPTIONS FOR THE YEAR 2023/24 (in USD)

		OLD	NEW
Category 1	First 300 members Next 300 members Next 400 members Above 1,000 members	21.12 19.40 17.71 16.65	21.65 19.89 18.15 17.06
Category 2	All	12.42	12.73
Category 3	All	7.29	7.47
Maximum Amount Payable by an MA		33,900.93	34,748.45

Appendix C- IFATCA MA CATEGORY AND DECLARED MEMBERSHIP 2023-2024

CATEGORY 1

Argentina (132)	Croatia (133)	Hong Kong (30)	Macau (25)	Slovak Republic (64)
Aruba (15)	Curacao (40)	Iceland (150)	Malta (50)	Slovenia (92)
Australia (967)	Cyprus (50)	Ireland (274)	The Netherlands (462)	Spain (1300)
Austria (310)	Czech Republic (198)	Israel (200)	New Zealand (357)	Sweden (485)
Bahamas (105)	Denmark (292)	Italy (985)	Norway (550)	Switzerland (566)
Belgium (139)	EGATS	Japan (600)	Poland (144)	Taiwan (110)
Bermuda (5)	Estonia (78)	Korea (110)	Portugal (340)	Trinidad & Tobago (83)
Canada (1840)	Finland (200)	Latvia (20)	Rep. of Korea (110)	United Arab Emirates (50)
Cayman Islands (15)	Germany (1510)	Lithuania (65)	Russia (500)	United Kingdom (1132)
Chile SA (25)	Greece (168)	Luxembourg (23)	Singapore (200)	U.S.A. (13525)

CATEGORY 2

Albania (50)	Cote D' Ivoire (39)	India (500)	Mauritania (42)	Seychelles (40)
Algeria (85)	Djibouti (25)	Indonesia (400)	Mexico (200)	South Africa (366)
Angola (50)	Dominican Republic (139)	Iran (156)	Mongolia (100)	Sri Lanka (90)
Belarus (30)	Egypt (80)	Jamaica, W.I.(110)	Montenegro (31)	St Lucia, W.I. (32)
Bolivia (23)	El Salvador C.A. (16)	Jordan (30)	Morocco (40)	Sudan (35)
Bosnia & Herzegovina (48)	Eswatini (8)	Kazakhstan (600)	Namibia (14)	Tunisia (100)
Botswana (41)	Gabon (45)	Kenya (166)	Nigeria (220)	Turkey (302)
Brazil (201)	Georgia The (16)	Kosovo (21)	Pakistan (230)	Uganda (75)
Bulgaria (242)	Ghana (76)	Lebanon (14)	Panama	Ukraine (100)
Cabo Verde (17)	Granada (17)	Libya (95)	Peru (246)	Zambia (60)
Cameroon (66)	Guyana (22)	Macedonia, Republic (68)	Philippines (481)	
Congo Brazzaville (73)	Honduras (50)	Malaysia (50)	Romania (528)	
Costa Rica, C.A. (52)	Hungary (24)	Maldives (55)	Serbia (270)	

CATEGORY 3

Benin (10)	Gambia, The (16)	Nepal (70)	Tanzania (15)
Burkina Faso (37)	Gunnie Bissau (8)	Niger (29)	Togo (15)
Burundi (17)	Haiti (42)	ROBETICA (15)	Yemen, Republic of (30)
Central Africa Republic (15)	Madagascar (54)	Sao Tome and Principe (18)	Zimbabwe (60)
Comoros (24)	Mali (17)	Senegal (30)	
Congo, Democratic Republic (60)	Malawi (19)	Sierra Leone (20)	
Ethiopia (35)	Mozambique (87)	Somalia (17)	

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