

Law of the Organisation of the General Budget and Public Finances No. 7 of 1998

**The Chairman of the Executive Committee of the Palestine Liberation Organisation,
The President of the Palestinian National Authority,**

Having reviewed the Law of the Organisation of the General Budget No. 39 of 1962 in force in the Governorates of the West Bank,

Having reviewed the draft law submitted by the Budget and Financial Affairs Committee of the Legislative Council, and

Based upon the approval of the Legislative Council,

I hereby promulgate the following law:

Part I. Definitions and General Provisions

Article 1

In applying the provisions of this law, the following terms and expressions shall have the meanings specified below, unless the context determines otherwise:

National Authority:	The Palestinian National Authority.
President:	The President of the National Authority.
Council of Ministers:	The Council of Ministers of the National Authority.
Legislative Council:	The Palestinian Legislative Council.
Ministry:	The Ministry of Finance.
Minister:	The Minister of Finance.
Competent Minister:	The Minister in relation to his Ministry and the Departments attached to it.
Institution:	Any authority, body or institution which is a corporate entity with financial and administrative autonomy and the budget of which is not included in the General Budget of the National Authority.
Public Institution:	Any authority, body or institution in Palestine which is a corporate entity and the budget of which is included in the General Budget of the National Authority.
General Budget:	A detailed programme for the expenditure and revenues of the National Authority for a specific fiscal year that includes the annual estimates for the revenues of the National Authority, grants, loans, sundry expenses, disbursements and all other proceedings pertaining thereto.
Institutional Budget:	The budget of any institution, comprising the annual estimated collections, including transfers by the National Authority, expenditures and other disbursements.
Local Bodies Budget:	The budget of any local body, comprising the estimated annual collections, including transfers by the National Authority, expenditures and other disbursements.
Fiscal Year:	It shall begin on the 1 st of January and end on the 31 st of December of each calendar year.
Accounting System:	The set of rules, procedures and organisational measures approved by

	the Ministry of Finance to organise, record and register all financial transactions pertaining to the entirety of collections and disbursements. It shall be implemented in each ministry and public institution attached to the National Authority.
Public Funds:	The movable and immovable cash and in-kind funds of the ministries, public institutions, local bodies and corporations of the National Authority.
Revenues:	The tax and non-taxation revenues, grants and other revenues obtained by the National Authority.
Taxation Revenues:	The income taxes, profits and local taxes on commodities and services, as well as all other taxes which may be imposed.
Non-Taxation Revenues:	The profits from companies owned by the National Authority or in which it is a direct or indirect shareholder, as well as administrative fees, fines, confiscations, and other non-taxation revenues.
Local Bodies Revenues:	The taxation and non-taxation revenues, grants, transfers by the National Authority and all other revenues obtained by local bodies.
Grants:	The local and external grants, whether they are in cash or in kind.
Expenses:	The running, capital and development expenses.
Running Expenses:	The salaries, wages, allowances, operating and transformation expenditure of the ministries, public institutions and other executive bodies of the National Authority.
Capital Expenses:	The ownership of capital assets and capital transfers to projects and other developmental expenditures.
Special Funds:	The public financial bodies and accounting units established by law for the realisation of general and specific objects, whose collections and expenditures are prepared outside the unified fund of the National Authority within the budgets of the National Authority or local bodies, pursuant to Article 11 of this law.
Budget Department:	The administrative unit in the Ministry of Finance responsible for: <ol style="list-style-type: none"> 1. Preparing the General Budget of the National Authority and the budgets of public institutions, as well as for following up on these budgets throughout all stages of the budget process, including budget implementation. 2. Preparing the forms, procedures, and time tables in order to submit the revenue and expenditure estimates of the ministries, public institutions, local bodies, and corporations. 3. Formulating the circulars pertaining to the preparation of the budget.
Treasury Department:	The administrative unit in the Ministry of Finance responsible for: <ol style="list-style-type: none"> 1. Formulating the rules and procedures which pertain to the implementation of the General Budget, local budgets, private funds, budgets of the public institutions and corporations, as well as for formulating the account coding for the financial transactions (financial item) in a manner consistent with the sorting and classification of the General Budget. 2. Cash management and organising the banking arrangements for the National Authority. 3. Managing, organising, supervising and controlling the various financial resources.

	4. Compiling the periodical and annual accounts of the financial transactions of the ministries, public institutions and special funds, as well as issuing the periodic reports thereto.
General Treasury Account:	The central account managed by the Ministry of Finance in which all collections are deposited and from which all disbursements of the National Authority are made.
General Revenue Account:	A special account managed by the Ministry of Finance, into which the revenues are temporarily deposited to transfer them to the General Treasury Account.
Closing Account:	The account prepared in accordance with accounting principles and the unified accounting system and which includes a budget account statement, as well as the actual and real figures at the end of the fiscal year.
Cash Financial Position:	A statement of the National Authority's financial position at a certain period of time or at the end of a fiscal year. It comprises the assets margin, including the cash liquidity, of the National Authority, the liability and obligations margin toward third parties in accordance with the accounting basis, as well as standards which are regulated by law.
Budget Surplus and Deficit:	The total revenues less expenses, loans and payments, are called the General Budget surplus if the former surpasses the latter. However, it is called the General Budget deficit if the latter surpasses the former.
Financial Employee:	Any employee appointed in the National Authority, who is responsible for receiving, keeping, disbursing or controlling public funds, or organising financial books and documents, or making financial entries, or transcribing financial entries into the respective forms; an employee with the function of managing public funds or preparing costing accounts, analysis and financial planning.
Internal Auditing Staff:	A group of individuals appointed by the Ministry of Finance to audit the financial transactions relating to the collections and disbursements of ministries and public institutions in accordance with a specific purpose system. The staff shall be directly attached to the Ministry of Finance.
Bureau of Financial and Administrative Control:	The external control staff who audits and controls the finances of each ministry, public institution, local body, corporation and special fund.
Financial Control Units:	Groups of individuals who are attached to the Bureau of Financial and Administrative Control.

Article 2

The name of this law shall be the Law of the Organisation of the General Budget and Public Finances. It aims to organise the preparation, approval, implementation and control of the General Budget at its various stages, as well as to organise the financial affairs of the National Authority.

Article 3

1. The Council of Ministers shall submit the Draft General Budget Law to the Legislative Council at least two (2) months prior to the beginning of the next fiscal year.
2. The Legislative Council shall refer the draft to the Budget and Financial Affairs Committee for studying and expressing its opinion thereon in detail, as well as for transmitting its recommendations to the Legislative Council.

3. The Legislative Council shall hold a special session to discuss the Draft General Budget Law in the light of the report and recommendations of the Budget and Financial Affairs Committee. The Legislative Council shall approve the draft, together with the amendments, prior to the beginning of the new fiscal year or return it to the Council of Ministers within a period of one (1) month from the date of its submission, along with the required amendments of the Legislative Council. The Council of Ministers shall return the draft to the Legislative Council within a period of two (2) weeks from the date of its referral in order to adopt it.
4. The voting on the General Budget shall be title by title.
5. Notwithstanding the provisions of this law, it shall be prohibited to make transfers between the titles of the budget except by the approval of the Legislative Council.

Article 4

If it is not possible to approve the Draft General Budget Law prior to the beginning of the new fiscal year, the Ministry shall have the authority to collect the revenues in accordance with the mechanisms, conditions and rates set forth in the legislation in force. Expenditures shall continue through monthly appropriations at the rate of one-twelfth (1/12) for each month of the budget of the past fiscal year for a period not to exceed three (3) months.

Article 5

The General Budget Law shall set out the means for utilising the budget surplus or financing the deficit. The deficit of the General Budget shall be financed through the reduction of expenses, the increase of revenues, or local or foreign borrowing.

Article 6

All revenues and collections of the National Authority shall be transferred to the General Treasury Account and enter the General Budget, unless this law determines otherwise. No public funds shall be allocated or disbursed for any purpose whatsoever, except pursuant to the law.

Article 7

No tax or fee shall be imposed except pursuant to the law. Fees levied by the Treasury Department relating to activities of the executive bodies of the National Authority, such as services to individuals or interests in return for the utilisation of public funds, shall not be included in the chapter thereof.

Article 8

In cases other than those set forth under this law, it shall be prohibited to exempt anyone from paying taxes and fees.

Article 9

The Council of Ministers may issue bylaws for controlling the expenditure of public funds and for regulating and managing public assets.

Article 10

The Ministry of Finance shall be responsible for managing the General Treasury Account and operate it pursuant to the instructions of the Minister.

Part II. The General Treasury Account of the National Authority

Article 11

The Ministry shall establish and manage a unified fund for the National Authority called the 'General Treasury Account', into which all revenues, loans, grants and other collections of the National Authority shall flow and from which all disbursements of the National Authority shall be made, except those set forth in Article 17 below.

Article 12

No expenditure shall be disbursed from the General Treasury Account except under the appropriations determined by the law.

Article 13

The cash resources of the unified fund shall be kept in one account called the 'General Treasury Account' with the Palestinian Monetary Authority.

Article 14

No ministry, public institutions or other executive body of the National Authority may open accounts with the Palestinian Monetary Authority or with any other bank except by written permission of the Ministry.

Article 15

Except for what is set forth in this law or any other law, no individual, public institution or executive body of the National Authority shall have the right to disburse any amounts from the unified fund or conclude any obligation under which a subsequent disbursement may result.

Article 16

In case of a legal undertaking to settle the amount of the collections of the unified fund prior to the entry into force of this law, the settlement shall be made even if there is no appropriation therefor.

Article 17

Unless an exception by law, an international agreement, or a legal contract is available, all revenues of the National Authority shall be transferred immediately and in full to the unified fund. It shall be permissible to establish special funds if the law, international agreements, or legal contracts requires so. All cash resources of the special funds shall be kept in the General Treasury Account pursuant to the provisions of this law.

Article 18

The Bureau of Financial and Administrative Control shall control the revenues and expenditures of the ministries, public institutions, local bodies, corporations, and special funds, as well as the respective methods of collection and expenditure. It shall submit a comprehensive annual report to the President and the Legislative Council comprising all comments, opinions and violations committed, as well as the responsibility therefor.

Part III. Preparation, Submission and Approval of the General Budget

Article 19

The General Budget shall be the basic financial tool of the National Authority and its work programme for the expenditure and revenues of the various projected activities for a specific fiscal year, in order to implement financial, economic and social objectives and policies. The General Budget shall comprise international agreements, legal contracts, the unified fund, and all special funds, unless an exception by law is available.

Article 20

The Budget Department shall assume the following responsibilities and functions:

1. Preparing the annual General Budget for the ministries and public institutions, as well as preparing the budgets of institutions of the National Authority and following up on the same during all stages of the budget process.
2. Preparing the staff roster for ministries and public institutions and the coordination thereof.
3. Conducting research required for the preparation and implementation of the General Budget.
4. Assessing the manpower requirements of ministries, public institutions and corporations in relation to hierarchies, professions, services and specialisations.
5. Studying and evaluating all requests, programmes, works and projects for which appropriations are requested following an assessment of their economic feasibility and consistency with the approved financial policies.
6. Securing non-duplication in specialisation, programmes and financing. The Budget Department may request all necessary information to enable it to perform its function.
7. Reviewing all financial documents and contracts, as well as the accounts of ministries and public institutions.
8. Drafting a circular for the preparation of the General Budget, with a detailed and clear explanation of all required proceedings, as well as determining the approved basis and standards for the appropriation of allocations and the time-table for the preparation of the General Budget until its approval.
9. Participating in the evaluation of the financial, economic and monetary positions of the National Authority. The Minister shall submit a report thereof to the Council of Ministers in order to determine the dimensions of the General Budget for the next fiscal year.
10. Participating, with other competent bodies, in the preparation of development plans.
11. Preparing, developing and updating financial legislation and bylaws in cooperation with other competent bodies.
12. Formulating the standards for measuring performance in implementing all projects and programmes to which appropriations are allocated by the law.
13. Preparing the draft of the General Budget supplement for additional allocations that exceed the appropriated allocations in the approved General Budget Law.
14. Developing for ministries and public institutions the forms for the preparation of the General Budget, including formulations, classifications, sorting and descriptions relating to the General Budget, in accordance with the unified accounting system approved by the Ministry for sorting and classifying accounting statements, closing accounts, and financial and cash positions of ministries and public institutions.

Article 21

The Draft General Budget Law shall include the following:

1. Tables comprising the total revenues and expenditures for the next fiscal year in accordance with the sorting adopted for organising the General Budget.
2. Tables showing a summary of the General Budget for the next fiscal year in accordance with the classification of revenues and expenditures.
3. Tables showing the re-estimated revenues and expenditures for the prior two (2) years in accordance with the title and parts and the approved sorting.
4. Tables comprising the estimated expenditure for the next fiscal year in accordance with the titles and parts and the approved sorting.
5. A table showing in brief the financial and cash position of the General Treasury Account.
6. A table showing the credits, debits, local and foreign short and long-term loans of the National Authority, as well as the proposed plans for their settlement.
7. A table showing the contributions and investments of the National Authority in local and non-local institutions and corporations.
8. A brief description of the programmes, plans and objectives of the National Authority for the next fiscal year within the statement of the General Budget submitted by the Minister.
9. Any other clarifications which the Council of Ministers may deem necessary.

Article 22

Ministries, public institutions and corporations shall fully comply with the instructions set out by the Budget Department for the preparation of the Draft General Budget Law and draft staff rosters and instructions to enable the Budget Department to perform its function.

Article 23

Ministries and public institutions shall be responsible for the correctness of the figures, data, information and tables which they submit to the Budget Department.

Article 24

Ministries and public institutions shall provide the Budget Department with all figures, data, information, tables and clarifications which it may request.

Article 25

The Ministry shall submit, in cooperation with the competent bodies, on the 1st of July of the current fiscal year a comprehensive report to the Council of Ministers on the general financial position of the National Authority, together with projections of the sources and liabilities during the remaining period of the fiscal year, as well as policy recommendations relating to respective economic developments. The Council of Ministers shall use this report as a guide in setting up the indicators and policies for the preparation of the General Budget for the next fiscal year.

Article 26

The Budget Department shall begin with the preparation of the General Budget circular on the basis of the indicators and policies set forth by the Council of Ministers. The circular must be issued on the 1st of July of the current fiscal year. The circular shall review the overall financial and economic projections for the next fiscal year, the economic and financial indicators and policies set by the National Authority, and the limits of the revenues on the basis of which the General Budget shall be assessed. The circular shall include expenditure ceilings in accordance to which the ministries and public institutions shall estimate their budgets, as well as guidelines, instructions, forms and time-tables for the preparation of the estimates of the General Budget for the next fiscal year.

Article 27

The Budget Department shall formulate, classify, sort and describe the structure and accounts of the General Budget to lay a sound basis for the financial management and the financial information system. The accounts of the unified fund and the special funds shall be classified to the National Authority in a manner consistent with the structure of the General Budget and the account classification.

Article 28

The forms and information in the General Budget circular shall include the following:

1. A statement showing the estimated expenditure for every main item of the General Budget as follows:
 - a) Actual expenditures for the previous fiscal year.
 - b) Actual expenditures for the first six (6) months and the envisaged expenditures for the remaining six (6) months of the current fiscal year.
 - c) Expenditure estimates for the next fiscal year.
 - d) Actual expenditures for each item shall be compared with the credits corresponding thereto in the General Budget.
2. A supplemental statement of wages and salaries for each ministry and public institution; a statement with job titles, names and salaries of employees shall be attached upon request.
3. A separate statement showing additional manpower requirements which result in additional financial obligations, together with a justification for such increases.
4. A statement of the financial requirements for the purchase of commodities and services in accordance with the instructions and standards issued by the Ministry.
5. A statement of long-term capital financing requirements. Proposals of new capital projects shall be accompanied by a full report and the necessary documents. Requirements for the financing of capital projects under execution shall be in accordance with the capital expenditure table specified by the Budget Department. This table shall be updated with former work, expenditures and price increases.
6. A statement showing the estimated revenue for each main item of the General Budget as follows:
 - a) Actual revenues for the previous fiscal year.
 - b) Actual revenues for the first six (6) months and envisaged revenue for the remaining six (6) months of the current fiscal year.
 - c) Revenue estimates for the next fiscal year on the basis of currently applied tariffs and standards.
 - d) Revenue estimates for new proposals and for the amendment of tariffs.
 - e) Actual revenues for each item shall be compared with the estimates corresponding thereto in each case.

Article 29

The Treasury Department shall prepare statements of the temporary cash flow relating to governmental transfers, debt services of the financial assets, and the collection of interest.

Article 30

The Budget Department shall study the revenues, expenditures and lending estimates in coordination with the competent ministries and public institutions, as well as formulate the final draft of the General Budget, in accordance with the indicators and policies set forth by the Council of Ministers. The budget shall be submitted as a law to the Council of Ministers in the first half of October of the current fiscal year for approval.

Article 31

1. The Council of Ministers shall submit the Draft General Budget Law for the next fiscal year to the Legislative Council for review and approval on the 1st of November of each year.
2. The Minister shall submit an accompanying report to the Legislative Council comprising the adopted financial policy and the basic elements of the Draft General Budget Law.
3. The Chairman of the Budget and Financial Affairs Committee shall submit a report to the Legislative Council with the comments of the Committee on the Draft General Budget Law, as well as on the report of the Minister, in anticipation of completing the proceedings for approving the Draft General Budget Law.
4. The discussion, approval and promulgation of the General Budget Law shall be finalised prior to the beginning of the new fiscal year.

Article 32

The Draft General Budget Law shall comprise a classified statement of the estimated revenues and proposed expenditures for each ministry and public institution. The statement shall set out the actual revenues and expenditures for the prior fiscal year and the adjusted estimates for the current fiscal year. The law shall also contain proposals pertaining to the collection of additional revenues through new taxation and non-taxation measures, as well as new deficit borrowing provided for in the budget. The envisaged rate of deficit shall be set as a maximum.

Article 33

Proposals in the Draft General Budget Law which pertain to capital projects under implementation must include an evaluation of the actual progress in the light of the planned objectives and a statement of the financial requirements for the next fiscal years. The Draft General Budget Law shall contain, in the case of new capital projects, justifications and details of the implementation in order to enable the Legislative Council to make the appropriate decisions pertaining thereto.

Article 34

Estimated revenue collections shown in the Draft General Budget Law for the next fiscal year shall be made on the basis of the actual collection of revenues pursuant to the revenue laws applied during the current fiscal year.

Article 35

Approved appropriations in the General Budget Law shall be set as maximum amounts, and actual expenditures shall not exceed such appropriations.

Article 36

If there is a need for any amendment of any items in the General Budget or the addition of items which would require new appropriations, each such amendment shall be prepared as a supplement to the budget and submitted by the Council of Ministers to the Legislative Council for approval and promulgation as law.

Article 37

A suitable reserve to meet unexpected financial requirements during the fiscal year shall be included in the General Budget Law under the disposal of the Council of Ministers. The Minister shall study financial requests by ministries and public institutions relating to the reserve and submit such requests with his recommendations to the Council of Ministers for decision.

Article 38

The General Budget Law shall be published for general information for the public upon its approval by the Legislative Council.

Article 39

The budgets of local bodies shall follow the classification structure of the budget accounts of the Ministry regarding classification, formation and sorting.

Article 40

Regarding the budgets of local bodies, the authority of officials of the Treasury Department pertaining to the implementation of the General Budget shall be exercised by the respective financial officials of the local bodies.

Part IV. Implementation of the General Budget

Article 41

The Ministry shall have the following responsibilities and functions in implementing the General Budget:

1. Issuing decisions determining proceedings, documentation and accounts, as well as preparing the reports of all payment and receipt transactions resulting from the implementation of the General Budget, including special funds.
2. Issuing regulations and establishing procedures for the implementation of the General Budget, the budgets of the local bodies, special funds, and the budgets of public institutions and corporations; determining the account coding for financial transactions (financial items) pertaining thereto in accordance with the sorting and classification of the General Budget.
3. Managing cash and organising the banking arrangements for the National Authority.
4. Managing, organising, supervising, and controlling the various financial resources.
5. Compiling the periodic and annual accounts for the financial transactions of the National Authority, local bodies, special funds and public institutions, as well as issuing periodic reports pertaining thereto.
6. Allocate funds to the ministries and public institutions on a quarterly basis with monthly cash ceilings. The allocated funds and cash ceilings shall be determined on the basis of the availability of non-disbursed cash sources from the previous allocations of the ministries and public institutions and in light of the relative priorities between demands and projected expenditure obligations.
7. Managing all guarantees and obligations resulting from borrowing on behalf of the National Authority and managing the financial assets of the National Authority, including loans and debt settlements.
8. Supervise the implementation of the classification structure of the budget accounts in:
 - a) Ministries, public institutions, and special funds.
 - b) Monthly, quarterly and annual reports of the Treasury which cover the General Budget and the accounts of special funds.
 - c) Accounts of the financial assets and debts of the National Authority.
 - d) Registering the guarantees and other obligations of the National Authority connected therewith.

Article 42

The allocated appropriations in the General Budget Law shall be disbursed in accordance with general or special financial orders and pursuant to financial transfers issued by the Minister.

Article 43

The competent minister shall have the right to disburse funds from the appropriations of his ministry allocated thereto by the General Budget Law as set forth in Article 42 above. He may delegate these powers in writing to any senior employee of his ministry upon written notice to the Minister of Finance.

Article 44

It shall be prohibited to make any disbursement on expenditure for which no allocations were appropriated in the General Budget Law; it shall be prohibited to utilise the allocations for purposes other than those approved.

Article 45

Ministries and public institutions shall distribute funds to the expenditure units on the basis of the allocations made thereto. The expenditure obligations shall be determined within the permitted cash ceilings with respect to the agreements that establish the agreed provision of commodities and services which require long term obligations.

Article 46

Each ministry and public institution shall provide the Ministry and the Budget Department with a detailed statement of the actual monthly expenditure from its approved appropriations, in accordance with the forms prepared by the Ministry, as well as the financial position of the revenues, grants and actual collections within a period no later than the end of the first week of the following month.

Article 47

1. The Minister shall be responsible for controlling the accounts of the ministries and public institutions and their respective financial transactions. He shall guarantee that the ministries and public institutions abide by the provisions of the law in their financial activities and accounting. The competent minister or the official in charge of the public institution shall be responsible for the enforcement of the provisions of this law in relation to his ministry or institution.
2. The financial employee shall be responsible for performing the financial activities pertaining to his department including expenditures, liabilities, levying, retaining and recording of public funds in accordance with general accounting principles.
3. All internal auditors in ministries and public institutions shall be technically attached to the Ministry.

Article 48

The Ministry shall, upon the entry into force of the General Budget Law, inform each ministry and public institution of their approved appropriations. Each ministry and public institution shall inform the attached expenditure units of the appropriations made thereto pursuant to the General Budget Law. The expenditure units shall be responsible for implementing the budget in accordance with the approved appropriations.

Article 49

The Minister may appoint financial auditors in ministries and public institutions in order to provide advice and to supervise the implementation of the General Budget and the compliance with the financial standards and rules. In the event of a disagreement between the auditor and the financial manager of the ministry or public institution, the matter shall be brought before the Minister for decision.

Article 50

Ministries and public institutions shall have no right to re-allocate budget appropriations from one expenditure item to another in their budgets, except pursuant to legislation that regulates the re-allocation between sub-items and with the approval of the authorising authority.

Article 51

Bylaws shall determine the form, content and periods of reports regarding the implementation of the General Budget which are to be submitted by ministries, public institutions and special funds. The Treasury Department shall, on the basis of such reports, prepare a monthly summary report on the progress of the budget implementation.

Article 52

The Ministry shall prepare a report at the end of every quarter which details and analyses the position of the General Budget. The report shall include financial developments, trends of revenues and expenditures compared with projections, interpretation of significant deviations, analysis of the cash flow, and the impact of deviations on the general financial position of the National Authority. The report shall review the proposed measures for maintaining or regaining the financial balance. The Minister shall submit each such report to each member of the Council of Ministers and to the Legislative Council.

Article 53

Non-utilised appropriations and cash balances in the accounts of ministries and public institutions on the 31st of December of each fiscal year shall be cancelled. Any unpaid liability shall be listed within the budget of the following year and shall have priority.

Article 54

After the 31st of December of each fiscal year, realised revenues shall be counted as collections for the next fiscal year.

Part V. Management of Debts and Assets

Article 55

The annual General Budget shall determine the maximum limits of the National Authority for new borrowing and overdrafts from local banks. It shall formulate specific provisions for the payment of interest and repayment of principal debts which are to be made during the fiscal year against the gross debt.

Article 56

The Ministry shall be the sole body authorised to sign loan agreements for ministries and public institutions pursuant to the law and the bylaws in force. No other party may perform such action. The Ministry shall manage and follow up on the governmental debt.

Article 57

Ministries and public institutions may not borrow or utilise loans for purposes other than those for which the borrowing was allocated, except with the prior approval of the Council of Ministers and upon the recommendation of the Minister.

Article 58

Decisions of the Ministry concerning the conditions of borrowings or guarantees of transactions shall be published in the Official Gazette. The contractual conditions of the debt may not be amended unilaterally.

Article 59

Ministries and public institutions shall allocate sufficient appropriations in their budget proposals to meet the governmental debt burden. This shall include instalments and interest payable on borrowed amounts and part of the governmental debt, as well as the differences resulting from the change of exchange rates, the re-evaluation of governmental debt, and re-scheduling of the debt settlement.

Article 60

The Ministry shall study the financial position of any party wishing to borrow under the guarantee of the National Authority to ensure its capability of meeting the obligations.

Article 61

The Minister shall be the authorised signatory on behalf of the National Authority on all borrowing agreements.

Article 62

Any party obtaining a loan under the guarantee of the National Authority shall submit periodic quarterly reports to the Ministry on its financial position and closing accounts.

Part VI. Budget Accounting and Auditing

Article 63

The Ministry shall formulate a system for internal financial auditing to ensure the economical use of resources and the commitment of each ministry and public institution and their administrative units to expenditures in accordance with the financial legislation. The Ministry shall have the authority to inspect the accounting records, revenues and expenditures of each ministry, public institution and special fund at any time.

Article 64

The Ministry shall issue a bylaw for the closing accounts of the ministries, public institutions and special funds. The ministries, public institutions and special funds shall, pursuant to such bylaw, prepare final statements of the revenues and expenditures within their jurisdiction and submit them to the Ministry.

Article 65

The Ministry shall prepare preliminary unified accounts for general transactions and submit them to the Council of Ministers within six (6) months from the closing of the fiscal year. The accounts shall show, inter alia, the opening and closing balances for the unified fund and each special fund, as well as in detail the financial activities performed to meet the financial deficit,

if any, and the net general local and foreign debt. The accounts shall include all loans granted during the year and the obligations resulting therefrom.

Article 66

The Ministry shall, on the basis of the preliminary accounts set forth in Article 65, prepare the draft closing account, submit it to the Council of Ministers for approval, and refer it to the Legislative Council within one (1) month from the end of the fiscal year. It shall submit a copy of the draft to the Bureau of Financial and Administrative Control.

Part VII. Concluding Provisions

Article 67

The Ministry shall draft such bylaws as may be necessary for the enforcement of this law. Such bylaws shall be promulgated through a decree of the Council of Ministers and be published in the Official Gazette.

Article 68

Until the establishment of the Bureau of Financial and Administrative Control, its functions shall be performed by the General Control Authority.

Article 69

The Law of the Organisation of the General Budget No. 39 of 1962 in force in the Governorates of the West Bank and every provision that contradicts the provisions of this law are hereby repealed.

Article 70

All competent authorities – each one within its sphere of jurisdiction – shall implement the provisions of this law, which shall enter into force thirty (30) days after the date of its publication in the *Official Gazette*.

Issued in the city of Gaza on 3 August, 1998 AD, corresponding to 10 Rabi II 1419 AH.

Yasser Arafat

**Chairman of the Executive Committee of Palestine Liberation Organisation
President of the Palestinian National Authority**