

UNDT/2023/068, Newhouse

UNAT Held or UNDT Pronouncements

Under the applicable legal framework, UNAMI and KJSO, like other United Nations organs, consistently and uniformly use the UNORE in all conversions to local currency, whether they involve transactions, determination of staff entitlements, or other financial recordings.

ST/SGB/2019/2 (Delegation of authority in the administration of the Staff Regulations and Rules and the Financial Regulations and Rules), do not allow for delegated authority in respect of “exchange rate fluctuations”. UNAMI and KJSO therefore had no authority to overrule the said provision or to apply a different rate than the UNORE to an official United Nations financial obligation, merely due to a particular country’s currency fluctuations.

UNORE, which is set using specialized methodologies to establish rates, reflects also the official exchange rate set by the Central Bank of the concerned country, which is impacted in turn by the cost of living in the country and by other factors of Monetary, Banking, and Financial Policy, included the decision by the Central Bank to devalue (or not) the national currency. The UNORE exchange rate of the LBP to the USD was in the same wavelength of the change in the official rate set by the Lebanese Central Bank, and that when the latter was updated, the former changed as well. In this situation, the decision by the Administration to apply the UNORE rate was lawful.

The Applicant’s request for a dependency allowance was correctly considered using the then-applicable official United Nations operational currency exchange rate. Applying the said rate, the Administration noted that the earnings were over the threshold set to be entitled to the allowance.

Official exchange rates, as such, operate prospectively (commencing on their effective date), not retroactively. Therefore, the Administration’s decision not to apply the new rates to the past was correct.

Decision Contested or Judgment/Order Appealed

The Applicant challenged the decision by the Administration to apply the United Nations Operational Rate of Exchange (“UNORE”) to determine his eligibility for dependency allowance.

Legal Principle(s)

As the Organization operates in numerous places worldwide and constantly deals with currency conversions, it is appropriate to use a consistent and uniform exchange rate for all financial obligations and transactions, including those related to staff member entitlements.

The setting of an official rate ensures the Organization’s financial stability, predictability and transparency, as well as the equal treatment of all staff members.

The need to use a unique exchange rate is confirmed by staff rule 106.5(a) of ST/SGB/2013/4/Amend.1 (Financial Regulations and Rules). Absent other specific rules or agreements on the applicable exchange rate, the said rule enables the Administration to apply the same exchange rate not only for the valuation of financial transactions, but also for the valuations of staff member entitlements.

Outcome

Dismissed on merits

Full judgment

[Full judgment](#)

Applicants/Appellants

Newhouse

Entity

UNAMI

Case Number(s)

UNDT/NBI/2022/095

Tribunal

UNDT

Registry

Nairobi

Date of Judgement

4 Jul 2023

Duty Judge

Judge Buffa

Language of Judgment

English

Issuance Type

Judgment

Categories/Subcategories

Dependency benefits

TEST -Rename- Benefits and entitlements-45

Applicable Law

Secretary-General's bulletins

- ST/SGB/2013/4
- ST/SGB/2019/2

Related Judgments and Orders

2017-UNAT-791