



International  
Code of Conduct  
Association

**THE INTERNATIONAL  
CODE OF CONDUCT FOR PRIVATE SECURITY  
SERVICE PROVIDERS' ASSOCIATION  
(ICoCA)**

# 2019-2020 Annual Report



This year marks the 10th anniversary of the signing of the International Code of Conduct for Private Security Service Providers. At the time of signing of the Code of Conduct, in November 2010, all signatory companies made a commitment to operate in accordance with the core human rights and humanitarian principles contained in the Code.

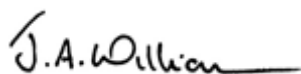
The establishment of the International Code of Conduct Association (ICoCA) in 2013 provided an oversight mechanism to translate this commitment on the part of signatory companies into effective implementation. Since then, over 100 security companies from all over the world have joined the Association and taken the necessary steps to ensure that they are operating in accordance with internationally recognised standards, as contained in the International Code of Conduct.

This year has seen unprecedented disruption caused by the COVID-19 pandemic. Many private security companies and their clients have seen their businesses adversely affected. Demand for mobile security, for example, evaporated for many with lockdowns and worldwide travel restrictions coming into place in the first half of the year. Private security was deemed an essential service in many countries with personnel put on the front-line, providing new, non-traditional roles, including health screening services at hospitals. While the impacts of the COVID-19 pandemic have challenged our Members, Affiliates, Observers and the Association, they have not deterred us from the path of responsible private security. Indeed, as the COVID-19 pandemic demonstrated this year, being able to adapt to an ever-changing operating environment cannot be an after-thought but must be at the forefront of our thinking and planning. The COVID-19 pandemic has required us all to rethink the security model and the manner in which private security can be delivered in accordance with the principles contained in the Code. In particular, the growing reliance on new technologies, the welfare of security personnel, health crises and repeat lockdowns have given rise to new sets of considerations and realities.

While the COVID-19 pandemic may have disrupted some of our own planned activities for the year, it has not put us off course in promoting responsible security and strengthening human rights due diligence in the private security supply chain. Indeed, the pandemic has shone stark relief on the growing need for responsible supply chains. The growing resolve for mandatory human rights due diligence in supply chains that we are witnessing both here in Switzerland and in the European Union is certain to spread. ICoCA is well positioned to play a leading role in these efforts as a mechanism that represents best practices in implementing the United Nations Guiding Principles on Business and Human Rights.

As we look ahead then, and to the next 10 years of the Code, it is clear that there will be many more challenges, which will need to be taken on with conviction and resilience. Ensuring continued success, in line with our common values, will require collective efforts and strengthened cooperation. The security industry can lead by example and show leadership by refusing to settle for second best and by aiming to provide services that, without fault, satisfy internationally recognised standards.

Yours,



Jamie Williamson  
Executive Director



Frédéric Chenais  
Chairman of the Board of Directors

# 2019-2020 Annual Report

The Board of Directors of the International Code of Conduct for Private Security Service Providers' Association ("ICoCA"), in accordance with Article 8.1.2 of the Articles of Association of the ICoCA ("Articles of Association"), submits the following Annual Report to the Association General Assembly covering the time period from November 1, 2019 until October 31, 2020.

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## **1. Objectives of the Association**

The purpose of the Association is to promote, govern and oversee implementation of the International Code of Conduct for Private Security Service Providers (the “Code”) and to promote the responsible provision of private security services and respect for human rights and national and international law in accordance with the Code.

## **2. Governance**

### **2.1 Legal Status and Organisation of the ICoCA**

ICoCA is an international multi-stakeholder not for profit initiative established under Swiss Association Law and headquartered in Geneva. ICoCA’s membership is made up of three pillars: government, industry and civil society. In addition to the Members and Affiliates, the ICoCA can also grant a non-voting observer status to the parties which have demonstrated support for the principles of the International Code of Conduct and the Association. The Federal Council of Switzerland approved an agreement on the privileges and immunities accorded to the Association on July 3, 2019. Thanks to the conclusion of this agreement, the confidentiality of the documents and information that members provide to ICoCA will be protected. The agreement enables ICoCA to carry out its activities independently and without external interference.

### **2.2 ICoCA Board of Directors**

The ICoCA Board of Directors is composed of 12 Members who equally represent the three pillars of the Association. The composition of the ICoCA Board of Directors at the end of the covered period was as follows (pillar affiliation and term expiration date indicated for each):

Name	Seat representing	Pillar	Term expiry
Frédéric Chenais	Switzerland	Government	2022
Clifton Johnson	USA	Government	2021
Annie McGee	UK	Government	2020
Vacant	Vacant	Government	Vacant
Michelle Quinn	The Americas	Industry	2023
Charlie Mayne	Rest of the World	Industry	2022
David Hornus	UK/Europe	Industry	2022
Jo Antoine	At large	Industry	2023
Michael Posner	Civil society	Civil Society	2020
Margaret Roggensack	Civil society	Civil Society	2020
Caleb Wanga	Civil society	Civil Society	2022
Beatrice Godefroy	Civil society	Civil Society	2021

## 2.3 Board Committees and Working Groups

During the 2019-2020 year, 5 Committees were charged with managing and making recommendations to the Board in different areas of activity.

Committee	Members
<b>Executive and Finance</b>	<ul style="list-style-type: none"><li>• Frédéric Chenais</li><li>• Charlie Mayne</li><li>• Meg Roggensack</li></ul>
<b>Operations</b>	<ul style="list-style-type: none"><li>• Frédéric Chenais</li><li>• Beatrice Godefroy</li><li>• David Hornus</li><li>• Charlie Mayne</li><li>• Clifton Johnson</li><li>• Michael Posner</li></ul>
<b>Complaints</b>	<ul style="list-style-type: none"><li>• Joan Fontaine (on behalf of Annie McGee)</li><li>• Clifton Johnson</li><li>• Michael Posner</li><li>• Michelle Quinn</li><li>• Caleb Wanga</li></ul>
<b>Fundraising</b>	<ul style="list-style-type: none"><li>• Jo Anthoine</li><li>• Frédéric Chenais</li><li>• Beatrice Godefroy</li><li>• Michelle Quinn</li></ul>
<b>Membership</b>	<ul style="list-style-type: none"><li>• Clifton Johnson</li><li>• Annie McGee</li><li>• Michelle Quinn</li><li>• Caleb Wanga</li></ul>

## 2.4 Secretariat

The Secretariat, headed by the Executive Director, Jamie Williamson, is responsible for the development and implementation of the core functions of the Association as detailed in Articles 11-13 of the Articles of Association: certification; reporting, monitoring and assessing performance; and the complaints process.

The Association has a Memorandum of Understanding (MoU) with the Geneva Centre for Security Sector Governance (DCAF) in effect up until December 2020. In providing support to the ICoCA, DCAF will promote the ICoCA among governments and other relevant stakeholders; support the implementation of Code norms and good practices on national, regional and international levels; strengthen the visibility of the ICoCA within the framework of the Swiss Initiative; strengthen the role of and engagement with CSOs; and provide support to the ICoCA Secretariat.

## 2.5 Members and Affiliates

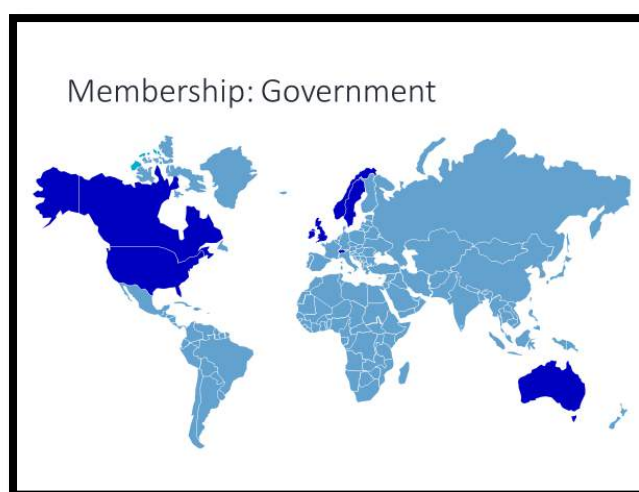
ICoCA is a membership driven and supported organisation. Over the reporting period, emphasis has been placed on consolidating relationships with current Members and Affiliates and continuing building awareness and recognition with potential new Members and Affiliates. During the reporting

period, 19 new Members joined the Association (6 CSOs and 13 Industry Members). A current list of Members and Affiliates can be found on the ICoCA website.<sup>1</sup>

### **3. Membership**

#### **3.1 Government Membership**

ICoCA has seven Government Members: Australia, Canada, Norway, Sweden, Switzerland, the United Kingdom and the United States. The contribution from Governments continues to play a substantial role in the development and effectiveness of ICoCA, both as regulators and clients of the private security industry and as financial supporters of the Association. The Association welcomes the efforts of Member Governments to encourage ICoCA's membership and recognition, in particular with those countries which are members of the Montreux Document Forum (MDF). The Association looks forward to continuing to work with Members and other governments to help support and promote the role of ICoCA worldwide.



#### **3.2 Civil Society Organisation Membership**

Thirty-nine civil society organisation (CSO) were members of ICoCA as at the end of the reporting period, with 6 CSOs from five different countries (Cameroon, DRC, Myanmar, Nigeria, Tanzania) joining during the year. The 39 CSO Members represent 18 countries and operate in five main languages (Arabic, Chinese, English, French and Spanish). A number of CSO Members also participate in other related initiatives, such as the Private Security Governance Observatory established by DCAF and/or the Voluntary Principles Initiative (VPI). The Association continues to support the role of CSOs in the promotion of the provision of responsible private security services, and works towards expanding the involvement of both regional and international civil society organisations in the Association.

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<sup>1</sup> [www.icoca.ch](http://www.icoca.ch)



### 3.3 Industry Membership

The industry involvement in the Association at the end of the reporting period was 94 industry participants (29 Certified Members, 59 Transitional Members and 6 Affiliates), with 19 companies joining during the year (2 Certified Members, 11 Transitional Members, 6 Affiliates). The Secretariat continues receiving applications for membership and affiliation on a regular basis, from an increasingly diverse and global reach. Companies participating in the ICoCA are not only headquartered, but also operate all over the world in 92 locations (83 land locations and 9 maritime locations). The 19 companies which joined during the last year come from fifteen different countries (Albania, Australia, Cyprus, Germany, Haiti, Iraq, Kenya, Lebanon, Libya, Papua New Guinea, Somalia, South Sudan, Ukraine, United Kingdom, USA). ICoCA Member and Affiliate companies range from small family owned local companies to large international companies with transnational operations, providing land as well as maritime security services.



*Member & Affiliate Company HQ*

### 3.4 Observers

The Association also benefits from the engagement of 46 Observers, representing a diverse range of organisations and perspectives. Observers include clients of security companies, accredited certification bodies, consultancies, academic institutions, industry associations, non-governmental organisations and individual experts, which brings unique expertise and valuable insights to ICoCA's work. Eleven Observers joined ICoCA during the reporting period, and the Secretariat continues receiving applications on a regular basis.

## **4 . The impact of COVID-19**

The COVID-19 pandemic has put many stakeholders, ICoCA included, in crisis management mode. The pandemic and restrictions resulting from the various lockdowns have highlighted the challenges organisations will face in terms of access to the relevant environments, outreach to key stakeholders and impact of activities in-country. The fact that a pandemic such as COVID-19 can monopolise the world's attention, thereby side-lining other concerns related to security, human rights, protection of civilians and other humanitarian emergencies is concerning. It is precisely when the focus is taken away from such matters that the Association's work becomes that much more important and needed. Indeed, in many pre-existing complex environments, the pandemic or other such exceptional set of circumstances can exacerbate and worsen existing insecurity situations and the negative actions of public and private security forces. As the UN High Commissioner for Human Rights, Michelle Bachelet, highlighted the same day ICoCA convened a webinar on this topic:

“There have been numerous reports from different regions that police and other security forces have been using excessive, and at times lethal, force to make people abide by lockdowns and curfews. Such violations have often been committed against people belonging to the poorest and most vulnerable segments of the population”<sup>2</sup>.

The Association has leveraged its Membership network to remain relevant, credible and impactful during the crisis. With its Secretariat based in Geneva, ICoCA remained fully functional and operational during the entire period. All Secretariat staff have been able to work remotely, as well as from the office in line with Federal and Cantonal recommendations and requirements. As with other organisations operating in Geneva, there is recognition that the exceptional circumstances resulting from the COVID-19 pandemic have placed new and at times overwhelming pressure on individuals both personally and professionally. With the outbreak of the pandemic in Europe in March 2020, Switzerland has adopted total or partial lockdown measures, with international travel restrictions in place and limitations to border crossing from neighbouring countries.

Due to ongoing international travel restrictions in many regions where ICoCA members and affiliates operate, all international travel and field missions of the Association continue to be suspended. The no-travel situation is likely to remain unchanged into at least Q2 2021. The Association will continue to adapt its activities accordingly to ensure it can keep fulfilling its 2019-2023 Strategic Goals and Objectives. It should be expected, however, that a realignment of certain priorities will be required while a strong and effective operational model is maintained. Due to the ongoing uncertainty as to the 'new normal' and the long-term impact of the COVID-19 pandemic, it will be important for the Association to remain adaptable and agile as circumstances and the situation evolve.

The crisis has been used as an important learning moment for the Association, and an opportunity to assess how it can adapt its operational model to cater for such situations. That is not to say that the Association's strategic objectives have been fundamentally altered, though plans were inevitably revised due to travel restrictions and lockdowns which came into force around the world during the first quarter of the year.

In response to the COVID-19 Pandemic, ICoCA rapidly developed a sustainability strategy built around five interconnected objectives. These objectives are consistent with the overall 2019-2023 ICoCA Strategic Objectives:

- **Objective 1:** to ensure that the Association is able to navigate the various phases of the COVID-19 pandemic, from the initial lockdowns which were triggered around the world in the

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<sup>2</sup> Geneva, April 27, 2020, United Nations Human Rights Office of the High Commissioner  
<https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25828>



first half of 2020 through subsequent waves and further lockdowns that took place at the end of the reporting period and into at least Q1 2021.

- **Objective 2:** to ensure that the Association can adapt and build the required level of resilience to sustain its operations beyond the initial phases of the pandemic. Time frame 12 to 24 months, 2021-2022 projection.
- **Objective 3:** to ensure that the Association remains relevant and credible during the COVID-19 pandemic and that it contributes to the debates regarding the security implications of the management of the crisis. Time frame for the duration of the COVID-19 crisis as it evolves globally.
- **Objective 4:** to ensure that the Association is able to continue raising private security standards and contributing to policy debates regarding the provision of responsible private security in complex environments during and beyond the COVID-19 pandemic.
- **Objective 5:** identifying and securing funding opportunities for the Association in 2021 and 2022 in a globally negative economic environment and outlook.

## **5. Report Back on Implementation of the Strategic Plan 2019-2023**

The Strategic Plan 2019-2023 was adopted by the Board of Directors in May 2019. As outlined in the Plan, the level of implementation of the respective objectives will be reviewed and reported on annually. This Annual Report therefore includes the second report back on the Strategic Plan 2019-2023. As highlighted in the previous section, the COVID-19 pandemic has required the Association to adapt its plans to the new operating environment brought on by travel restrictions, lockdowns and the need to safeguard staff.

### **GOAL 1:**

**Build the capacity of private security companies to implement the Code of Conduct and become certified Members of ICoCA.**



#### **OBJECTIVE 1.A**

Develop training, guidance and development tools for ICoCA Member Companies to integrate provisions of the International Code of Conduct in their policies and practices

#### **IMPLEMENTATION**

1. Produce guidance and training materials on between one and three specific Code provisions annually.
2. Make available training resources to Member Companies on issues specifically related to the content of and compliance with the Code.
3. Design and establish mechanisms and platforms to enable the exchange of best practices and cooperation between private security companies that are Members of ICoCA.

Plans to conduct a first training mission on Prevention of Sexual Exploitation and Abuse (PSEA) to Haiti in the first quarter of 2020 were suspended due to the COVID-19 pandemic. Plans were revised and the Secretariat initiated virtual bilateral interviews with Member companies on the implementation of Paragraph 38 of the Code and the issued recommendations on how to effectively prevent and address sexual exploitation and abuse in private security operations. The initiative stems from the publication, in April 2019, of the Guidelines for Private Security Providers on Preventing and Addressing Sexual Exploitation and Abuse (PSEA Guidelines) as well as the development of related performance indicators and the inclusion of PSEA-specific questions in the 2019 Company Self-Assessment (CSA) (See Annex IV).

After reviewing Member companies' 2019 CSA reports, the Secretariat identified twenty-three companies that had either requested or showed a need for further support in adopting and implementing adequate PSEA measures. These companies were divided into groups according to the priority of engagement. Eight companies were contacted and seven of them agreed to participate in consultations with ICoCA regarding identified gaps and recommended PSEA implementation plans.

Preliminary findings from these consultations include:

- Five companies referred to have developed, or are in the process of developing, a PSEA-specific policy or embed PSEA into existing policies and procedures.
- Four companies affirmed to deliver PSEA training to personnel, either before deployment or on a more regular basis.
- Only one of the interviewed companies had either registered a SEA or GBV incident or received a SEA or GBV substantiated complaint during the past reporting year.
- Most of the companies interviewed lamented the fact that clients' procurement practices do not constitute an incentive for the adoption of PSEA policies. In particular, two companies expressed discontent about the absence in clients' requests for proposal (RFPs) of any PSEA requirement as well as the lack of recognition, in procurement and contract awarding, of companies' human rights commitment and ICoCA Membership.
- All the engaged companies, with one exception only, expressed eagerness in learning more about the PSEA and in strengthening internal policies and procedures through the support received.

The main recommendations provided include:

- To include the definitions of sexual exploitation and sexual abuse in PSEA policies and other documents outlining standards of conduct for personnel.
- To clearly communicate to personnel the company's zero tolerance approach towards SEA and their duty to report incidents following company-established procedures.
- To conduct regular PSEA training and to initiate conversations with personnel on issues such as gender and domestic violence, including through the use of case studies.
- To insist on the responsibility of managers to lead by example and to promote a company culture that prevents and addresses acts of SEA.
- To ensure that company grievance mechanisms are accessible, including for disadvantaged people and for local communities in remote areas.

The provision of dedicated PSEA support allows ICoCA to monitor the implementation of Code requirements while building the capacity of Member companies to do so where needed. The initiative has been welcomed by ICoCA Member companies. Building the human rights capacity of private security companies, however, is an incremental process that requires dedicated efforts and resources. This engagement on PSEA has served as a pilot to assess the effectiveness of the recommendations provided and the existence of any potential challenges in implementing them. Going forward, and subject to the availability of adequate resources, ICoCA aims to replicate this engagement on other Code-related areas, such as grievance mechanisms, human trafficking and human rights impact assessments.

To scale up impact on this issue, ICoCA developed a funding proposal during the reporting period to build an online training platform for private security trainers at ICoCA Member and Affiliate companies. If successful, ICoCA will develop its first online training module on PSEA to be piloted in the first quarter of 2021. The long-term intention is to develop additional modules on various Code principles and to continue to raise capacity amongst Member and Affiliate companies on human rights and international humanitarian law.



## OBJECTIVE 1.B

Ensure all Member Companies achieve or work towards achieving ICoCA Certification

## IMPLEMENTATION

1. Clearly communicate the process and benefits of ICoCA Certification.
2. Cooperate with accredited Certification Bodies to reinforce complementarity between ICoCA and external certification processes.
3. Utilise the Company Self-Assessment and Indicators to measure the progress of Members towards certification.
4. Provide tailored feedback and recommendations to Members, where appropriate, to support their progression towards ICoCA Certification.

The COVID-19 pandemic has forced Certification Bodies themselves to adapt their processes, and many have transitioned to conducting much of their audit work online. This has meant ICoCA has been able to continue its certification process without major disruption. During the last year, ICoCA successfully assisted eight companies in obtaining ICoCA Certification for the first time, and four companies in obtaining ICoCA recertification. Providing land and maritime services, these companies come from a diverse range of countries. The companies that obtained ICoCA Certification for the first time are: Groupe Tara (Switzerland), Blue Hackle (Iraq), Hart Security (Cyprus), Sediqi Security Services (Afghanistan), Black Pearl Maritime Security Management (UK), United Guards (Cyprus), Continuity Global Solutions (USA), and Gulf Shield Security Services (Iraq). The companies that obtained ICoCA re-Certification are: Olive Group (UK), Vesper Group (Sweden), GardaWorld (United Arab Emirates), and Al Hurea Security Services (Iraq). At the end of the reporting period, 29 companies were ICoCA Certified. The ICoCA Secretariat has continued to encourage all Member Companies which have already obtained external certification to one of the ICoCA Board recognised standards (PSC.1, ISO 18788 or ISO 28007) to apply for ICoCA Certification.



#### *ICoCA Certified Member Companies*

The overall objective of the ICoCA Certification procedure is to ensure that private security companies meet their obligations under the International Code of Conduct (the “Code”) and engage with the Association in a constructive and transparent manner. Over the past two years there has been a growth in the recognition of the ICoCA value proposition in raising private security standards to fully comply with the Code. ICoCA continues to mentor Members, providing guidance while on the path to ICoCA Certification.

At the start of the period, the United Kingdom Accreditation Service (UKAS) and the ANSI National Accreditation Board (ANAB) (US) were the only two national accreditation bodies that had active accreditation programmes for ISO 18788, ISO 28007 and PSC.1. During the period, the Organismo Nacional de Acreditación de Colombia (ONAC) and ICONTEC from Colombia launched an accreditation

programme for ISO 18788. The French Accreditation Committee (COFRAC) continued to deliberate over whether or not to develop their accreditation programme.. Due to there being no certification bodies seeking accreditation with ANAB to work on these standards, the programme has been deemed 'inactive'.

The Article 11 Procedures, as adopted by the Board, allow ICoCA to consider any relevant standard related to security operations as a potential pathway to ICoCA Certification. In recognition of the need to complement and expand the current Certification process, ICoCA has identified alternative pathways to Certification without compromising on the standards expected of private security companies. Identifying alternative pathways to Certification is particularly relevant for those private security companies and clients operating in complex environments where the ISO 18788, ISO 28007, and PSC.1 certification programmes offered by accredited certification bodies have not gained traction or maturity. In June 2020, the Board decided “to accept evidence of certification to the ICoCA recognised standards - namely ISO 18788, PSC.1 and ISO 28007 - from independent accredited certification bodies that have achieved accreditation to ISO 17021 by a national accreditation body that is a member of the International Accreditation Forum (IAF) and admitted to its multilateral agreement (MLA) and have met specified competency criteria”.



The creation of a new Affiliate category for companies was approved during the Sixth Annual General Assembly on 21 November 2019. The purpose of the Affiliate category is to expand the footprint of ICoCA’s influence and facilitate access to Membership status. Affiliate status is in addition to the existing Certified and Transitional Members categories and does not grant voting rights.

This proposal was made with the view to further ICoCA’s mission of raising industry standards globally, focusing on complex environments. The proposed participatory structure aims to actively encourage formal participation of companies that are working towards full compliance with the Code, without diluting nor undermining the value of ICoCA Membership, or the value and importance of ICoCA Certification.

In addition, and in line with ICoCA’s Vision to be the leading organisation providing governance and accountability mechanisms that ensure respect for human rights and international humanitarian law in the provision of private security services, the same level of oversight of Affiliate private security companies is being provided by the Association. During the reporting period, six companies have joined the Association as Affiliates.



## **GOAL 2:**

**Build upon and continue to develop effective systems for evaluating compliance with the Code of Conduct and addressing non-compliance.**



### **OBJECTIVE 2.A**

Build an evidence-based system that supports routine monitoring and evaluation of Code compliance for all ICoCA Member Companies and a system to identify and address non-compliance issues

### **IMPLEMENTATION**

1. Continue to strengthen the Association's oversight and accountability functions through in-person and remote dialogue with Member Companies; company self-assessments; field-based reviews and exchanges with other relevant stakeholders.
2. Continue to develop and enhance company self-assessments to reflect the evolving security environment and any revisions in the Association's implementation guidance.
3. Conduct field-based reviews and other periodic in-country evaluation missions of Member Companies' operations.
4. Solicit information from civil society organisations, open source media, security experts and others pertaining to the particular characteristics of each operating environment, and potential factors that could increase the risk of abuses.

Travel restrictions due to COVID-19 imposed throughout the world during 2020 have curtailed all plans for field missions and in-person on-site monitoring for the time being. In March 2020, ICoCA postponed its missions to Guatemala and Honduras. The Central America mission was planned to be part of a series of field missions, supported by the Foreign and Commonwealth Office of the Government of the United Kingdom, initiated in September 2019 and including Iraq (covered in the 2018-2019 Annual Report) and East Africa.

From 28 October to 9 November 2019, an ICoCA delegation travelled to Juba (South Sudan), Nairobi and Lodwar (Kenya), and Dar es Salaam (Tanzania) to meet with private security companies, clients, civil society organisations and local authorities. As part of this trip, ICoCA engaged with 59 stakeholders to:

- Support ICoCA Member companies in improving performance by assessing their conduct and providing targeted recommendations;
- Raise awareness on the key role that civil society organizations play within ICoCA and build their capacity to assist the Association in monitoring the activities of private security companies and addressing abuses;

- Establish interaction with local authorities on areas of mutual interest, such as private security regulation and oversight; and
- Raise awareness on clients' due diligence responsibilities and the importance of contracting providers who meet relevant standards.



*Meeting with a private security company in Lodwar, Kenya, November 2019*

During the reporting period, and in line with the re-orientation of activities due to the COVID-19 pandemic, the Association has invested greater capacity in virtual, bi-lateral engagement with Member and Affiliate companies, which has included more intensive dialogue with companies during the 2020 Company Self-Assessment (CSA).

The Secretariat adapted the approach of this year's CSA to reflect more clearly what compliance with the main principles of the Code means in practice. An evidence-based system has been introduced to verify compliance and strengthen oversight of Affiliate and Member companies. The revised CSA will allow the Secretariat to systematically measure progress of Affiliates and Member companies over the coming years, including the analysis of trends over time, and to identify gaps where additional guidance may be needed. It complements the system of indicators which have been and will continue to be developed in the future. Where gaps are identified, the Secretariat will use a toolbox of detailed indicators, related guidance and training for a more thorough evaluation and support of companies, specific to the gap and Code area identified. This approach strengthens and goes beyond due diligence by providing tailored guidance to Member and Affiliate companies on their human rights risks and obligations as responsible service providers.

The 2020 CSA was shared with a total of 105 companies (100 Member companies & 5 Affiliates) on 1 July 2020, with a deadline to submit by 23 September 2020. 23 companies asked for an extension with the last company submitting on 6 October 2020. A total of 94 companies (90%) submitted the 2020 Company Self-Assessment. 7 companies were terminated because of non-submission of their CSA.

The Secretariat provided tailored feedback to each of the 94 companies during the period and into the next reporting period. Areas of feedback related to the communication by companies of their human rights commitments internally and externally, the identification and addressing of human rights risks (including those posed by the COVID-19 pandemic), the monitoring of the performance of their grievance mechanism, the provision of training on the Code and on their grievance mechanism



and, for those companies approaching their end of the year ICoCA Certification deadline, information on the ICoCA Certification application process. Feedback was generally welcomed by companies. 68 companies have to date answered to the feedback received, providing clarifications and updating policies based on the recommendations received from the Secretariat.

One challenge the Secretariat experienced during the review of 2020 CSA reports is the submission of documents in languages in which the Secretariat does not currently have competency, including Chinese, Arabic and Ukrainian. Language should not constitute a barrier to full-participation in the Association, and this challenge will therefore need to be taken into consideration in next year's Self-Assessment. The Secretariat is conducting an analysis of the data received and will soon release a report on the results achieved and the lessons learned through the 2020 CSA.

## **OBJECTIVE 2.B**

Identify and build the capacity of civil society organisations that can highlight human rights issues resulting from the operations of private security companies

## **IMPLEMENTATION**

1. Strengthen cooperation with other organisations linked to the private security industry and involving a civil society organisations component, such as the Voluntary Principles Initiative and the Private Security Governance Observatory.
2. Explore, through CSO Members and their respective networks, the opportunity of conducting capacity-building exercises at the national and regional levels.
3. Facilitate the exchange of good practices and lessons learned from civil society organisations and their experiences of highlighting human rights issues resulting from the operations of private security companies.

With the support of the UK through the Security and Human Rights Implementation Mechanism (SHRIM), ICoCA has been working together with the Geneva Centre for Security Sector Governance DCAF on developing a practical guidance tool for civil society organisations on supporting the implementation of the International Code of Conduct by private security companies. The tool development has been based on extensive stakeholder consultations in the Democratic Republic of the Congo (DRC) with the support of CSO Member the Observatory for the Study and Development of Social and Environmental Responsibility (OEARSE). A virtual workshop held in August 2020 with 15 civil society organisations from nine provinces of the DRC offered the opportunity to present an outline of the tool to civil society organisations, asking for their input and discussing next steps. At the end of the reporting period a first version of the tool was drafted and elements thereof were shared with civil society organisations for input to be able to adapt it to the DRC context and make it as adapted as possible to CSO needs.

By involving a range of members of ICoCA, the Voluntary Principles in-country working groups based in DRC and the African Private Security Observatory, this project also envisages to create stronger synergies between initiatives linked to the private security industry.

After piloting this tool in DRC, ICoCA envisages a roll out for all its CSO Members.

## OBJECTIVE 2.C

Ensure that the ICoCA's Complaints mechanism is robust and accessible

## IMPLEMENTATION

1. Support private security companies in implementing their company grievance mechanisms in compliance with the Code through training and guidance.
2. Work with ICoCA Members to ensure accessibility of the Association's complaints function.
3. Strengthen ICoCA's capacity and capability to address serious complaints.
4. Raise awareness and improve understanding of the Association's complaints function.

During the past year, two Member Companies reported having registered a number of complaints and incidents. Two companies also reported that they had compliance concerns regarding misconduct of personnel. Eleven companies had membership terminated due to non-submission of the annual Company Self-Assessment.

Complaints received (2020/since ICoCA is operational)		
Total	Alleging a violation of the Code	Against Member companies
2/24	0/0	2/5
Compliance concerns in 2020/since ICoCA is operational)		
Personnel Misconduct	Management and Governance	Other
2/3	2/3	2/3
Terminations of Company Membership in 2020		
Total	Non-submission of annual company self-assessment	Cooperation in bad faith
12	11	0

## GOAL 3:

**Diversify and expand ICoCA's Membership among companies, governments and civil society, and ICoCA's engagement with other relevant stakeholders.**



### OBJECTIVE 3.A

Increase awareness and buy-in of ICoCA by governments in different regions and by intergovernmental organisations

### IMPLEMENTATION

1. Participate in meetings of the Montreux Document Forum and engage with relevant UN Working Groups and other international and regional bodies to increase awareness of ICoCA as a key actor to raise standards in the private security industry.
2. Broaden outreach to non-member governments and intergovernmental organisations to improve their understanding of the role and purpose of ICoCA and encourage participation in the activities of the Association, where appropriate.
3. Encourage the development and implementation of regulations or policies by governments and intergovernmental organisations related to the private security industry, including procurement regulations, which refer to ICoCA.
4. Encourage governments to integrate ICoCA into National Action Plans on business and human rights.

ICoCA has actively engaged through remote meetings and international forums, including the Montreux Document Forum (MDF) and the UN Working Group on Mercenaries.

During the last year, the Association has intentionally increased its outreach in France through communication with certification and accreditation bodies, industry associations, major French transnational companies as well as national authority representatives, in particular in the Ministry of Foreign Affairs. Discussions at the multilateral level, for instance through the business and human rights community and the MDF, have been put on hold because of COVID-19.



### OBJECTIVE 3.B

Increase the number of private security company clients encouraging or requiring ICoCA membership in contracting for security services

### IMPLEMENTATION

1. Engage with clients to increase their awareness of ICoCA and encourage them to reference it in relevant procurement language and policies.
2. Provide advice on clients' procurement policies and generate model clauses in relation to private security standards and compliance with the Code of Conduct.
3. Engage with other entities that have a vested interest in the mitigation of risks by clients, e.g. investors, insurers, banks and trade associations.

ICoCA collaborated with the Global Interagency Security Forum (GISF) to produce a procurement tool for humanitarian agencies seeking to contact private security providers. The tool has been incorporated as the latest module in the GISF's risk management toolkit for humanitarian aid agencies, 'Security to go'. GISF's membership is made up of 125 international humanitarian aid agencies, and as such, is therefore an influential channel for reaching many humanitarian and aid organisations who contract private security providers in the complex environments where they operate.

ICoCA has engaged bi-laterally with a number of multi-national corporations throughout the year, to raise awareness about the Associate and to advocate for the introduction of ICoCA Membership requirements in procurement policies throughout their private security supply chains. Given the referendum on the Swiss Responsible Business Initiative on Nov 29, 2020 and potential EU legislation on mandatory human rights supply chain due diligence, MNCs with headquarters in Switzerland and the EU are being targeted. ICoCA also continues to pursue engagement with the financial and investor sector, and position itself as the gold standard in private security human rights due diligence advocating for ESG reporting mechanisms to reference ICoCA in their own due diligence protocols.



### OBJECTIVE 3.C

Continue building a civil society pillar that advances the objectives of ICoCA

### IMPLEMENTATION

1. Further elaborate the roles and responsibilities of ICoCA CSO Members in supporting the functions of the Association globally, regionally and locally.
2. Design and conduct outreach that encourages participation from civil society organisations in support of ICoCA's functions.
3. Engage proactively with CSO networks and organisations working on human rights and humanitarian law.
4. Sensitise the CSO community to its roles and responsibilities in contracting private security companies.

The COVID-19 crisis has demonstrated how quickly international borders can be closed and travel curtailed as lockdowns take effect. The inability of the Association to visit environments affected by lockdowns where private security companies are operating could be seen to undermine ICoCA's potential to fulfil its monitoring and capacity building objectives. At the same time, the travel embargo, coupled with the size of the Secretariat, confirms the relevance of the Association's approach to develop strategic partnerships with key civil society organisations locally. Before lockdowns came into full force around the world, an information session with civil society organisations in Iraq was conducted in Arabic, led by CSO Member Iraqi Al-Amal Association. The safety of human rights defenders in Iraq and in many parts of the world has been put at increased peril during lockdowns that have provided a cloak for regimes to take an increasingly opportunistic and authoritarian approach in clamping down on civil rights activists and critics.

To encourage participation from civil society organisations, ICoCA identified international civil society organisations working on human rights and humanitarian law and proactively reached out to discuss potential areas of collaboration and ICoCA Membership. Recognising the importance of active civil society organisations, ICoCA envisages to reinforce these efforts for 2021.

In July 2020, ICoCA conducted a survey among its civil society organization members to better understand how they are affected by the Covid-19 pandemic and how they see the civil society pillar could be strengthened. 10 CSO Members completed the survey indicating that their countries have seriously been affected by the covid-19 pandemic and that as a result their engagement with communities and CSO networks was seriously affected. They also reported that fundraising is even more challenging than pre-pandemic, limiting their capacities in working on private security.

The Covid-19 pandemic offered ICoCA the opportunity to strengthen its engagement with its civil society organisations through more bilateral engagement and updates. As part of that, ICoCA piloted a communication platform "Slack" to facilitate communication and sharing of activities between civil society organisations, the Secretariat and CSO Board Directors. In Q1 2021, ICoCA will evaluate the success of this pilot.

A shrinking civil society space, coupled with the enforcement of lockdowns and other COVID-19 containment measures, can severely limit the ability of the Association to conduct remote monitoring through its partners in-country. It is therefore of paramount importance that the Association designs and implements innovative strategies to collect information about the performance of its Member and Affiliate companies to ensure adequate oversight of the industry, including through diversifying and expanding its networks and sources of information.

## **GOAL 4:**

**Develop and protect a distinct and credible worldwide brand reflecting ICoCA's leadership role.**

### **OBJECTIVE 4.A**

Promote the activities and visibility of the Association by establishing new and strengthening existing relationships with international and national organisations through strategic cooperation and partnerships

### **IMPLEMENTATION**

1. Consistently use recognised branding and identity in all outreach efforts communicated in the relevant languages.
2. Ensure regular representation at international and regional fora and events such as the UN Forum on Business and Human Rights, the Montreux Document Forum and other relevant meetings in order to achieve broad acceptance of ICoCA.
3. Strengthen engagement with international and multilateral organisations, such as the Organisation for Economic Co-operation and Development (OECD), the European Union (EU), the Organization for Security and Co-operation in Europe (OSCE) and the Organization of American States (OAS).
4. Use state and non-state clients as "ambassadors" of the Association.

Prior to worldwide lockdown due to COVID-19, at the end of 2019 ICoCA participated in the second Non-Traditional Security Forum, Hangzhou, China in November and the 2<sup>nd</sup> International Forum on Security and Law in Kunming, China in December. The focus of this second event was on promoting responsible private security by Chinese private security providers along the Belt and Road Initiative. Non-Traditional Security and Anti-Terrorism Cooperation under the Belt and Road Initiative (BRI), jointly co-organised by the institute Zhejiang University and CGE Peace Development Foundation. Jamie Williamson was invited as a panelist by the Colombian Certification Body AES (Asociación de Empresas Seguras) in July for an event "El Respeto de los Derechos Humanos y el Uso de la Fuerza a La Luz de la Norma ISO 18788" ("Respect for Human Rights and the Use of Force in light of ISO 18788"), presenting ICoCA to 250 participants from all over Latin America. In August, Jamie Williamson gave the keynote address for Non-Traditional Security and Anti-Terrorism Cooperation under the Belt and Road Initiative (BRI), jointly co-organised by the institute Zhejiang University and CGE Peace Development Foundation.





*Presenting ICoCA at the 2<sup>nd</sup> International Forum on Security and Law, Kunming, China, Dec 2019*

ICoCA has capitalised on the opportunity provided by curtailed travel in 2020 to intensify its digital online engagement to further develop the ICoCA brand. Most notably, ICoCA redesigned its website during the year, which it launched in October 2020. The site has been redesigned with many stakeholder groups in mind, but most particularly the clients of private security companies. The site more clearly defines ICoCA's offer in strengthening human rights due diligence in the private security supply chain and enables clients to quickly search for Members based on their country of operation, how long they have been Members of the Association and the type of services they offer. The site will be used in paid campaigns to raise awareness about the Association and its Members and to encourage clients of private security companies to require ICoCA Membership of their private security providers.

OBJECTIVE 4.B	IMPLEMENTATION
Promote the activities and added value of the Association within the business community across relevant industry sectors.	<ol style="list-style-type: none"> <li>1. Develop relationships with key trade and industry organisations to increase awareness of the importance of ICoCA in raising private security standards.</li> <li>2. Raise the visibility of ICoCA Members' good practices and activities that advance respect for the International Code of Conduct and the UNGPs.</li> </ol>

ICoCA used this period to raise the visibility of ICoCA Members' good practices and activities through the production and release of video interviews recorded during last year's Annual General Assembly (AGA), online webinars and a new podcast series on 'Future Security Trends: Implications for Human Rights'. A variety of themes have been covered during the last 12 months. Not least, ICoCA has put special emphasis on the impact of COVID-19 on the provision of responsible private security, and the Association and its Members will continue to play a leading role in putting the spotlight on responsible business practice in the private security sector throughout this difficult period. ICoCA is also bringing

attention to the changing regulatory environment, especially concerning potential legislation requiring MNCs to conduct mandatory human rights due diligence throughout their supply chains. And ICoCA will continue to hone in on specific issues as it has done throughout the year, from modern slavery to the role of women as peacebuilders. In terms of numbers, 24 videos are now hosted on ICoCA's YouTube channel and have received over 2,300 views. Eight episodes in ICoCA's first podcast series have been published and downloaded 575 times. Engagement through social media has continued apace and ICoCA's LinkedIn followers have grown over 50% in the last twelve months. Seven webinars were convened during the year, either directly by ICoCA or in collaboration with other organisations to grow awareness about the work of the Association. 13 webinars can now be viewed directly on ICoCA's website on a wide range of topics.



*Flyer for ICoCA's Podcast Series 'Future Security Trends'*

OBJECTIVE 4.C	IMPLEMENTATION
Strengthen the role of Observers in contributing to the realisation of ICoCA's mission	<ol style="list-style-type: none"> <li>1. Continue to develop partnerships with Observers and potential Observers in order to increase awareness of the importance of ICoCA in raising private security standards and to address their needs and expectations.</li> <li>2. Increase the opportunities for the Observer Advisory Group to provide advice and guidance to the Association in the implementation of its strategic directions and the accomplishment of its mission.</li> </ol>

ICoCA developed a number of bi-lateral collaborations with various Observers throughout the period. These collaborations include the partnership with GISF outlined under 3.B., the development of ICoCA's first French webinar hosted in association with Les Jeunes de l'IHEDN thanks to Christophe Kerdodé, and continued engagement with the Francophone private security sector.

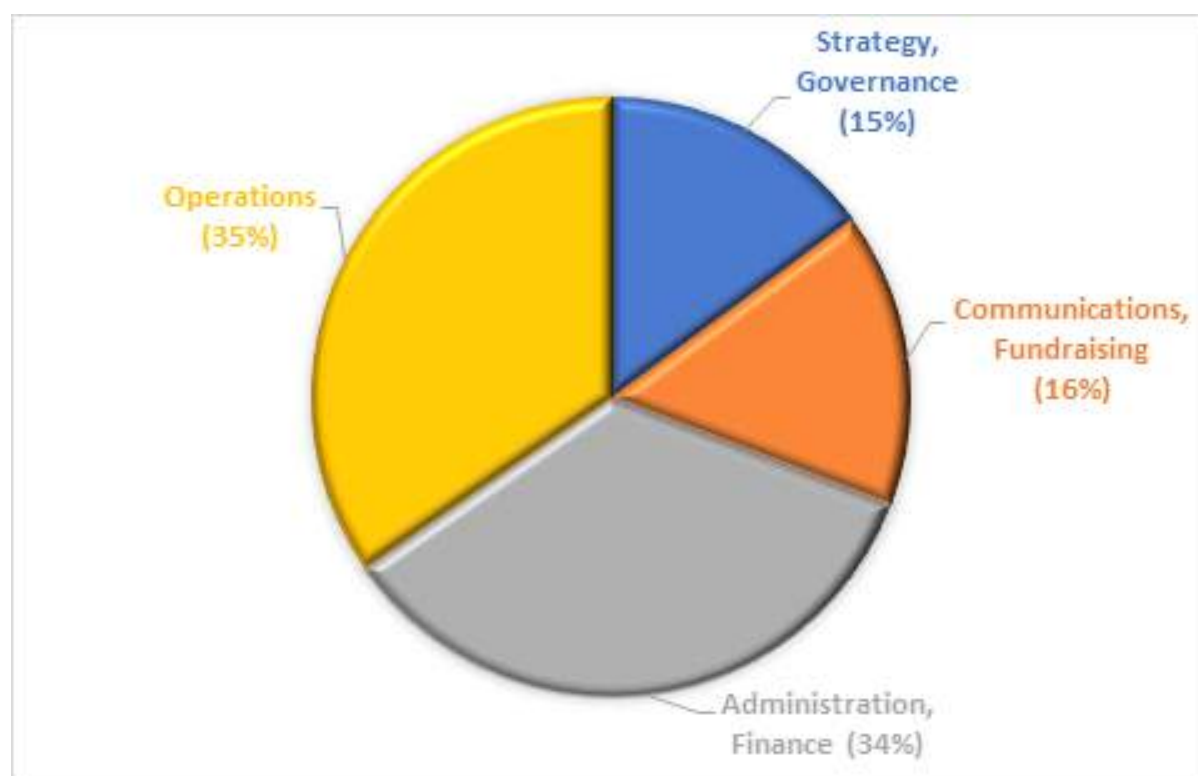


## **5. Financials**

**5.1 Income by source** - The Association has received its financial support from three principal sources: contributions from Member Governments, annual Membership Dues from Industry Members and Affiliates, and some one-time joining fees from candidates applying for Industry membership and affiliation (largely covering the cost of administering the application and associated due diligence process by the Secretariat and the Board). Additional modest revenue has come from Observers' annual fees.

As in 2019, the main objective for 2020 was to strengthen the Association's financial structure by diversifying its sources of revenue. Several meetings have been organised with different stakeholders. With the COVID-19 pandemic, the Association has had to adapt and reallocate some funds to sustain remote ICoCA activities, and ICoCA visibility.

### **5.2 Expenditures by category –**



**5.3 2019 Audited financial statements** - In accordance with Article 8.1.6 of the Articles of Association, and the applicable Swiss Association Law, ICoCA's finances for the period from 01 January until 31 December 2019 were audited in March 2020. Berney Associés Audit SA, were appointed. A copy of the audit letter and the audited financials is attached as Annex A. The final budget for 2019 was CHF 1'295'879 and the approved budget for 2020 was CHF 1'219'360.

**5.4 2020 and 2021 Budgets** - The ICoCA Board of Directors approved the core budget for 2020 at its Q1 Virtual Meeting in February 2020. The Board of Directors then reviewed the Association's performance against the approved budget on a quarterly basis, and adjusted it as required as to navigate the consequences of the COVID-19 pandemic and its impact on the Association's priorities and activities .

The Board will consider an operating budget for 2021. The 2021 budget is based on projected membership dues revenues as well as target contributions and grants from Member governments and other funding sources. The 2021 budget has been prepared based on the market conditions created by the current COVID-19 pandemic, its impact on private security companies, and on ICoCA obligations to work remotely.

## **6. Closing Remarks**

This report was submitted for approval to Members of the Association at the Seventh Annual General Assembly, on 30 November 2020.

## Report of the statutory auditor on the limited statutory examination to the general meeting of International Code of Conduct for Private Security Service Providers' Association, Geneva

As statutory auditor, we have examined the financial statements (balance sheet, profit and loss statement and notes) of International Code of Conduct for Private Security Service Providers' Association for the financial year ended December 31, 2019.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of association personnel and analytical procedures as well as detailed tests of association documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements, disclosing total Funds of the association of CHF 409'891 do not comply with Swiss law and the association's articles of incorporation.

Berney Associés Audit SA

BA Qualified electronic signature



Vincent DUCOMMUN  
Licensed Audit Expert  
Auditor in charge

BA Qualified electronic signature



Sandra AMARI  
Licensed Audit Expert

Enclosure : financial statements (balance sheet, profit and loss statement and notes)

1207 Genève  
Rue du Nant 8  
+41 58 234 90 00

1700 Fribourg  
Boulevard de Pérolles 37  
+41 58 234 93 00

1950 Sion  
Place de la Gare 2  
+41 27 322 75 40

1003 Lausanne  
Rue Étraz 4  
+41 58 234 91 00

1896 Vouvry  
Rue Arthur Parchet 1  
+41 58 234 90 20

En ligne  
berneyassociates.com  
info@berneyassociates.com

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS'  
ASSOCIATION (ICoCA), Geneva

BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 CHF	2018 CHF
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & cash equivalents	6.1	606,743	657,086
Restricted funds to be received	7	171,427	115,253
Accrued income and prepaid expenses		15,715	654
<b>Total current assets</b>		<b>793,885</b>	<b>772,993</b>
<b>Non current Assets</b>			
Financial asset (rent guarantee)	4	13,404	-
<b>Total non current assets</b>		<b>13,404</b>	-
<b>TOTAL ASSETS</b>		<b>807,289</b>	<b>772,993</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Deferred income	6.2	266,509	360,643
Restricted funds received in advance	7	63,369	-
Other current liabilities		44,808	-
Accrued expenses		22,712	51,864
<b>Total current liabilities</b>		<b>397,398</b>	<b>412,507</b>
<b>Funds of the association</b>	6.3		
Operating reserve		299,986	299,986
Result brought forward		60,500	-
Profit of the year		49,405	60,500
<b>Total funds of the association</b>		<b>409,891</b>	<b>360,486</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>807,289</b>	<b>772,993</b>

**INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva**

**PROFIT AND LOSS STATEMENT FROM 01.01.2019 to 31.12.2019**

	Notes	2019 CHF	2018 CHF
<b>REVENUES</b>			
<b>Restricted funds</b>	7	<b>667,504</b>	<b>542,765</b>
<i>Government Contributions</i>			
- Switzerland		378,000	378,154
- USA		-	25,967
- UK		205,873	117,286
- DCAF		83,631	21,358
<b>Unrestricted funds</b>	8	<b>677,779</b>	<b>798,628</b>
<i>Government Contributions</i>	8.1	103,999	176,528
- Sweden		103,999	110,747
- UK		-	65,781
<i>Other contributions</i>		-	40,000
- DCAF		-	40,000
<i>Membership Dues</i>	8.2	573,780	582,100
-Joining Fees		22,982	17,376
-Annual Fees small		302,314	286,422
-Annual Fees medium		142,854	150,706
-Annual Fees large		98,639	122,502
-Observer Fees		6,991	5,094
<b>Total revenues</b>		<b>1,345,283</b>	<b>1,341,393</b>
<b>EXPENSES</b>			
Staff Costs		813,804	656,021
Administration Costs		112,590	95,250
Rental and office costs		83,502	91,837
Information management		44,027	67,914
Communication and Marketing Costs	9	45,319	33,427
Operating expenses	9	81,712	80,980
Travel expenses	9	92,689	50,350
Financial expenses		3,041	2,023
Loss (-gain) on foreign exchange		19,195	(18,404)
<b>Total Expenses</b>		<b>1,295,879</b>	<b>1,059,399</b>
<b>Profit for the year before allocation to the operating reserve</b>	6.3	<b>49,405</b>	<b>281,994</b>
Allocation to the operating reserve		-	(221,494)
<b>Profit for the year</b>	6.3	<b>49,405</b>	<b>60,500</b>

# **INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva**

## **NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**

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### **1. INTRODUCTION**

**The International Code of Conduct for Private Security Service Providers Association (ICoCA)** is the multi-stakeholder oversight and governance mechanism for the International Code of Conduct for Private Security Providers ("the Code" <sup>1</sup>). The ICoCA was established in 2013 as an Association under Swiss Association Law. Its members fall into three pillars: the private security industry, civil society organizations, and governments. Each pillar is represented equally in the ICoCA's twelve-member Board of Directors. The operational oversight and administrative functions of the ICoCA are housed in its Secretariat, located in Geneva and led by the Association's Executive Director.

The purpose of the Association is to promote, govern and oversee implementation of the Code by its member and affiliate private security companies, and to ensure that they are accountable for their performance to the Code when working in complex environments. Oversight is enabled through three principal functions: (1) certification of member companies' management systems and policies, (2) monitoring and assessment of company operations, (3) handling of complaints alleging violations of the Code.

### **2. ACCOUNTING PRINCIPLES**

#### **2.1 Basis of preparation**

These financial statements are prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013). The reporting period corresponds to the calendar year.

The accounting plan has changed in 2019 in order to be simplified and to better correspond to the Association's needs. Consequently, figures from 2018 have been retreated to match with the new accounting plan and are presented slightly differently compared to last year financial report with no impact on the association funds or profit / (loss) for the year. A detailed note on Board costs and Annual general assembly expenses has been added for more clarity.

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<sup>1</sup> The Code was developed through a multi-stakeholder process and executed by numerous members of the private security service industry between 2010 and 2013. Reflecting its focus on implementation of the Code, the ICoCA is also frequently referred to by its shortened name, the "International Code of Conduct Association".

**INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva**

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**

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**2.2 Revenue recognition**

Core fund contributions, which are not project specific, are considered as unrestricted funds and are recognized on an accrual basis: the part of the grant related to the year is recognized as revenue; those committed to subsequent years are not presented in the balance sheet.

Earmarked fund donations, which are project specific or include a specific restriction, are considered as restricted funds. Restricted funds are recognized on an accrual basis based on the utilization of these funds during the year.

Membership dues, joining fees, and observer fees (note 7.2), which are considered as unrestricted funds, are recognized on an accrual basis: dues related to the year are recognized as revenue; those committed to the subsequent year Y+1 are carried over as Y+1 revenue and presented as deferred income (note 5.3).

**2.3 Conversion in foreign currency**

Assets and liabilities in foreign currencies are converted into Swiss Francs at the exchange rate prevailing on the balance sheet date.

Revenues and expenses in foreign currencies are converted at the month-end rate prevailing on the month when they are received or expensed.

**2.4 Taxes**

The Association was granted a cantonal and communal tax (ICC) exemption on 22 November 2013. This exemption is valid for 10 years.

The Association was granted a direct federal tax (IFD) exemption on 22 November 2013. This exemption is valid for an indefinite period.

The Association was granted a VAT exemption on 18 November 2019 for amounts exceeding CHF 100. This exemption is valid for an indefinite period.

**3. LIABILITY TOWARD PENSION INSTITUTIONS**

As at 31<sup>st</sup> December, the liability to the pension fund amounts to CHF 9'504 (2018: CHF 7'137).

**INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva**

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**

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**4. DEBTS ARISING FROM RENTAL COMMITMENTS**

On November 22<sup>nd</sup>, 2019, the Association signed a rent contract with Regus lasting from March 1<sup>st</sup>, 2020 to February 28<sup>th</sup>, 2022. A guarantee of CHF 13'404 has been paid, corresponding to 2 months' rent. It is refundable and held as security for performance of all ICoCAs' obligations under the agreement signed.

**In CHF**

	<b>2019</b>	<b>2018</b>
Rental commitment	174'252	-
<b>TOTAL</b>	<b>174'252</b>	<b>-</b>

**5. PERSONNEL**

The number of full time employees did not exceed 10 people during the year.

**6. DETAIL OF CERTAIN BALANCE SHEET POSITIONS**

**6.1 Cash and cash equivalents**

As at 31<sup>st</sup> December, ICoCA's cash and cash equivalents position is as follows:

**In CHF**

	<b>2019</b>	<b>2018</b>
UBS SA CHF	109,781	78,208
UBS SA USD	337,937	427,405
UBS SA GBP	159,025	151,472
<b>TOTAL</b>	<b>606,743</b>	<b>657,086</b>

**In original currency**

	<b>2019</b>	<b>2018</b>
UBS SA CHF	109,781	78,208
UBS SA USD	348,973	433,569
UBS SA GBP	123,965	120,668



**INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva**

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**

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**6. DETAIL OF CERTAIN BALANCE SHEET POSITIONS (CONTINUED)**

**6.2 Deferred income**

As at 31<sup>st</sup> December, the accounts of ICoCA show an income received in advance amounting to CHF 266'509 (2018: CHF 360'643). This deferred income corresponds to 2020 membership dues received in November and December 2019.

**In CHF**

	<b>2019</b>	<b>2018</b>
Income received in advance-Membership dues	263,519	360,446
Income received in advance-Observer fees	2,990	197
<b>TOTAL</b>	<b>266,509</b>	<b>360,643</b>

**6.3 Funds of the association**

<b>in CHF</b>	<b>Profit (-loss) of the year</b>	<b>Result brought forward</b>	<b>Operating reserve</b>
<b>As at 31.12.2018</b>	<b>60,500</b>	-	<b>299,986</b>
Allocation of Y-1 result	(60,500)	<b>60,500</b>	-
Result of the year	49,405	-	-
<b>As at 31.12.2019</b>	<b>49,405</b>	<b>60,500</b>	<b>299,986</b>

**INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva**

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**

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**7. RESTRICTED FUNDS**

In 2019, the Association received restricted funding from several governments and a non-profit organization:

	<b>Balance as at 01.01.2019 CHF</b>	<b>Contributions paid during 2019 CHF</b>	<b>Use of funds CHF</b>	<b>Balance as at 31.12.2019 CHF</b>
<b>Swiss Federal Department of Foreign Affairs 01.01 to 31.12 2018</b>	<b>(78,154)</b>	78,154	0	<b>0</b>
<b>Swiss Federal Department of Foreign Affairs 01.01 to 31.12 2019</b>	<b>0</b>	300,000	(378,000)	<b>(78,000)</b>
<b>UK Foreign &amp; Commonwealth Office 01.07.2018 to 31.03.2019</b>	<b>(37,099)</b>	149,545	(112,446)	<b>0</b>
<b>UK Foreign &amp; Commonwealth Office 01.04.2019 to 31.03.2020</b>	<b>0</b>	0	(93,427)	<b>(93,427)</b>
<b>DCAF* 01.01.2019 to 31.01.2021</b>	<b>0</b>	147,000	(83,631)	<b>63,369</b>
<b>TOTAL</b>	<b>(115,253)</b>	<b>674,699</b>	<b>(667'504)</b>	<b>(108,058)</b>

**\* The Geneva Centre for the Democratic Control of Armed Forces**

Restricted funds to be received:

- CHF 93'427 are linked to a contribution granted by the UK government for the period from April 1, 2019 to March 31, 2020 and have been received in January 2020. The total amount booked in the accounts corresponds to the use of these funds during 2019 as per the revenue recognition policy described in note 2.2 (2018: CHF 37'099). As at December 31<sup>st</sup>, they are still to be received;
- CHF 78'000 correspond to the amount of the 2019 Swiss contribution to be received in April 2020, as mentioned in the contribution's contract (2018: CHF 78'154).

**INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva**

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**

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**7. RESTRICTED FUNDS (CONTINUED)**

Restricted funds received in advance:

- CHF 63,369 (2018: CHF 0) correspond to DCAF contribution received in advance for the funding of ICoCA Training Officer position.

**8. UNRESTRICTED FUNDS**

**8.1 Government and other contributions**

In 2019, ICoCA received an unrestricted government contribution from the Swedish government for a total amount of CHF 103'999 (2018: CHF 176'528).

**8.2 Joining fees, Observer fees and Membership dues**

**Joining fees** correspond to a one-time fee paid by private security companies who express an interest in becoming an ICoCA member at the same time they send their membership application.

On becoming members of the ICoCA, private security companies are expected to pay an **annual Membership due** which is determined according to the company's revenue, based on a fee structure approved by the Board of Directors and the General Assembly. Membership dues are invoiced once a year, in October, and if received between October and the end of the year are recognized as deferred income

ICoCA may grant non-voting observer status to persons or entities that are interested in participating in the work of the Association. An **annual Observer fee** is charged according to a fee structure approved by the Board of Directors.

In 2019, the Association received a total revenue of CHF 573'780 (2018: CHF 582'100).

**9. BOARD OF DIRECTORS MEETINGS EXPENSES AND ANNUAL GENERAL ASSEMBLY COSTS**

In 2019, Board of Directors meeting expenses amounted to CHF 28'128 (2018: 39'399) and Annual General Assembly costs amounted to CHF 31'698 (2018: 30'729).

Due to the accounting plan change, Board of Directors meeting expenses and Annual General Assembly costs are presented differently from previous years. They are now split under three different captions: Outreach and Marketing costs, Operating expenses and Travel expenses. 2018 figures have been retreated to be comparable.

**INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva**

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**

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**10. SUBSEQUENT EVENTS**

On 16 March 2020, the Swiss Federal Council declared the “exceptional situation” under the Epidemics Act due to the spread of the new Coronavirus COVID-19. The restrictions linked to this decision will have a significant impact on the Swiss economy and the organization in Switzerland. At the time of the publication of the financial statements, the financial impacts of COVID-19 and the subsequent restrictions for the Association cannot be reliably measured due to the uncertainties regarding the duration and the severity of the COVID-19 spread. The Board of Directors and the Management are currently defining and implementing measures to reduce unessential spending and ensure in particular the short-term availability of liquidity.