



AIBA REPORT TO IOC REQUIREMENTS

November 12, 2018

Introduction

It is with great pleasure that the International Boxing Association (AIBA) provides the International Olympic Committee (IOC) with this Progress Report further to letter from the IOC Director General, dated July 20, 2018.

As requested in the above-mentioned letter, the Progress Report covers the following five areas:

- 1) *Governance* - status of AIBA in areas of transparency, integrity, democracy and checks & balances.
- 2) *Finance* – provision of financial statements and projections, updates on appointment of external auditors and Finance Commission Chair, as well as, newly implemented financial control mechanisms.
- 3) *Ethics* - information regarding the composition and work of the AIBA Ethics Commission, as well as, update regarding the status of newly elected AIBA President
- 4) *Refereeing & Judging* – updates on AIBA Refereeing & Judging systems and regulations, including PwC's assessments of the progress to date and Youth Olympic Games Buenos Aires 2018 review.
- 5) *Anti-Doping and the Prevention of the Manipulation of Competitions* – updates on status regarding WADA compliance and cooperation with the Olympic Movement Unit for Prevention of Manipulation of Competitions

As it will be clearly demonstrated in the report, AIBA is moving fast forward on all five areas following the AIBA Congress in Moscow earlier this month. At the Congress, all AIBA National Federations were united in their support of the New Foundation Plan, the management team of AIBA, the governance, and the financial policies and ethical practices that are currently being adopted.

While the organization continues to successfully implement reforms, AIBA has demonstrated by its actions, that it is able to move itself forward in concert with the best practices of the Olympic Movement.

We are, therefore, proud to say that in all of the history of the organization, AIBA has in terms of overall governance, never been in a better place than right now.

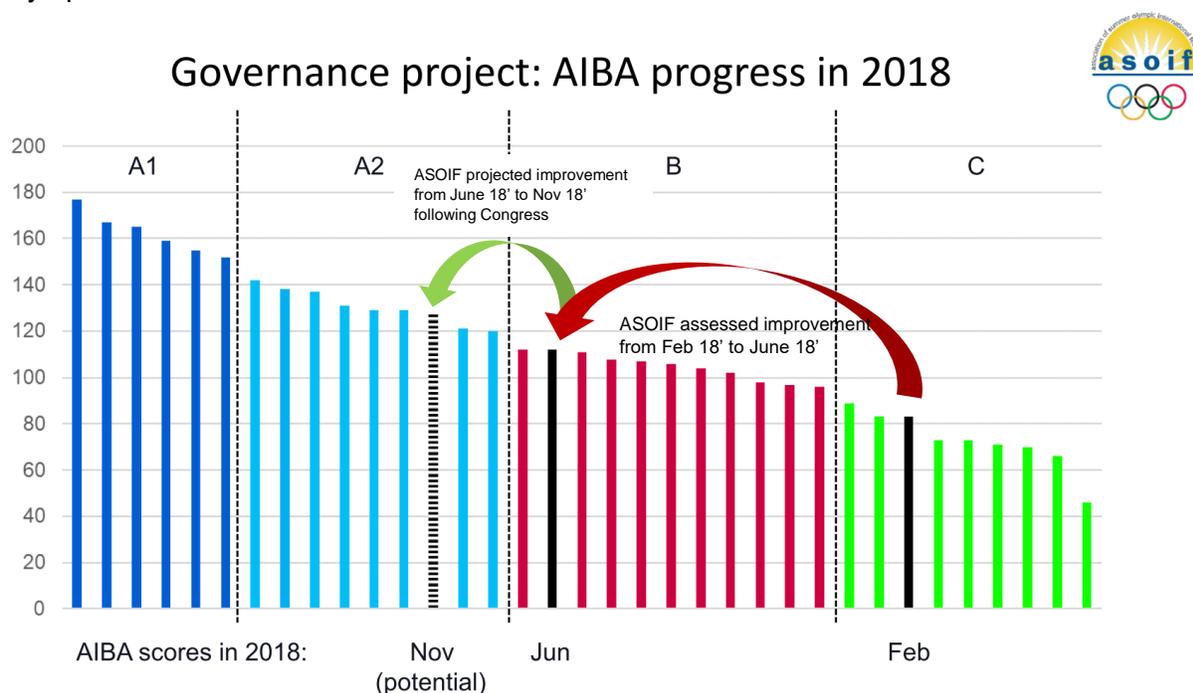
Tom Virgets - AIBA Executive Director
Lausanne, November 12 - 2018

1. Governance

AIBA Governance Assessment - ASOIF

The AIBA Governance Status, based on ASOIF Governance Assessment, has seen significant improvements across the past 10 months. ASOIF's re-assessment released on 25 June 2018, showed a significant improvement of 29 points overall (from 83 in Category C to 112 in Category B), and projected that AIBA had the potential to reach a score of 128 after the 2018 Congress. (Appendix 1)

AIBA is comfortable with stating that based on ASOIF's input, AIBA has exceeded the bar by meeting the governance requirements to achieve a self-evaluated 132 points, which should bring AIBA from its current position in Category B to the lower end of Category A2 among all Summer Olympic IFs as illustrated below.



While AIBA continuously strives to improve its governance at every level, emphasis has been put on four key areas: transparency, integrity, democracy and, check and balance. The table below shows the evolution of AIBA Governance in these four areas of emphasis starting from the first ASOIF assessment dated back in January 18', June 18', to the present Nov 18'.

	January 18' (based on ASOIF Moderated Score)	June 18' (based on ASOIF Moderated Score)	November 18' (AIBA self-assessment based on ASOIF's input)
Transparency	20	29	33
Integrity	16	19	25
Democracy	16	19	26
Check & Balance	15	19	21
Total	67	86	105



Accomplishments in the Four Key Governance Areas (July - November 18')

Transparency	Evidence of Implementation
<ul style="list-style-type: none"> • Full disclosure of Congress agenda and relevant documents 28 days before the Congress as per AIBA statutes. 	https://www.aiba.org/aiba-congress-moscow-2018/ Appendix 2 AIBA Congress agenda 2018
<ul style="list-style-type: none"> • Full disclosure of all the positions available for elections. 	
<ul style="list-style-type: none"> • Executive Committee Meetings decisions and minutes published promptly after the meeting. 	Appendix 3 AIBA EC Meetings Minutes & Decisions 2018 Moscow draft
<ul style="list-style-type: none"> • Voting Numbers are published promptly after the Elections 	https://www.aiba.org/aiba-congress-moscow-2018/ Summary of AIBA Elections 2018
<ul style="list-style-type: none"> • Organizational Strategy: The New Foundation Plan approved by the Congress 	https://www.aiba.org/aiba-new-foundation-plan/
<ul style="list-style-type: none"> • Financial statements, audit report 2014-2018 published with extra explanatory information and approved by the Congress. • Organization Budget 2019-2020 and Financial Policy and procedures manual are published • Financial budget quarterly report published 	https://www.aiba.org/annual-reports/
Integrity	Evidence of Implementation
<ul style="list-style-type: none"> • 4 female EC Members were elected by the Congress according to current AIBA Statutes. A fifth female EC member will be appointed from Africa. • 1 female athlete representative will be enrolled in the EC, according to new amendments to AIBA statutes effective immediately after the Congress 2018. • The gender percentage has increased from 0% to 20% representation (6 out of 30 EC members). 	Appendix 11 Changes to the AIBA EC (Gender percentage)
<ul style="list-style-type: none"> • Full disclosure of disciplinary actions and sanctions on the website • The Disciplinary Commission Chair also presented the decisions at the Congress 2018. 	https://www.aiba.org/aiba-integrity/ https://www.aiba.org/6647-2/
Democracy	Evidence of Implementation
<ul style="list-style-type: none"> • 2018 Elections follow strictly AIBA statutes, bylaws and election procedures with all documents being posted on the AIBA website and mailed to all member national federations. • “The CAS Panel found that the AIBA Election Committee treated all candidates equally and acted in good faith.” 	https://www.aiba.org/aiba-congress-moscow-2018/ Appendix 6 CAS Media Release
<ul style="list-style-type: none"> • Clear policies established to ensure election candidates can campaign on balanced footing including opportunity for candidates to present their vision/programs 	https://www.aiba.org/aiba-congress-moscow-2018/ The Election Bulletins

<ul style="list-style-type: none"> All statutes amendments proposals were discussed and voted on individually at the Congress as opposed to the previous AIBA practices of presenting changes in block form and one vote. 	Appendix 3 AIBA EC Meetings Minutes & Decisions 2018 Moscow draft
<ul style="list-style-type: none"> Number of nominations required for future presidential candidates eliminated (previously required 20 nominations). 	Appendix 9 Statutes amendments at Ordinary Congress Moscow 2018
<ul style="list-style-type: none"> There were only term limits imposed to the President not to the Executive Committee members before. After the amendments to the Statutes, term limits are imposed on all elected officials. 	Appendix 9 Statutes amendments at Ordinary Congress Moscow 2018 Appendix 10 Statutes amendments at extraordinary Congress January 2018
<ul style="list-style-type: none"> AIBA Executive Committee members now include two representatives from stakeholders, active athletes, according to new amendment. Two (2) athletes, elected by athlete commission and appointed as voting members of the Executive Committee 	Appendix 9 Statutes amendments at Ordinary Congress Moscow 2018
<ul style="list-style-type: none"> Defined Conflict of Interest Policy with all newly elected officials signed the disclosure forms in the first EC meeting. 	Appendix 20 Conflict of interest policy and disclosure form
<ul style="list-style-type: none"> AIBA will conduct an Ordinary Congress every two (2) years with the next Congress scheduled for 2020 	
Check & Balance/Control Mechanism	Evidence of Implementation
<ul style="list-style-type: none"> The appointment of <u>AIBA Ethics Commission</u> The AIBA Ethics Commission is now composed of four (4) independent members, including the Chairperson Mr Jost Schmid from Switzerland, Mr Njabulo Ndebele from South Africa, Mrs Tatiana Zuevich from England/Switzerland, and Mr Yoon Seok Chang from South Korea with a fifth proposed member, Mr Richard Meade from USA currently under consideration. 	https://www.aiba.org/ethics-commission/ Appendix 3 AIBA EC Meetings Minutes & Decisions 2018 Moscow draft Appendix 18 AIBA Ethics Commission members' CVs
<ul style="list-style-type: none"> New Audit firm appointed, Moore Stephens 	
<ul style="list-style-type: none"> Financial Policies and Procedures in place 	https://www.aiba.org/annual-reports/



The AIBA Elections November 2018

AIBA fell victim to its election statutes which were implemented by the former administration in the past ten years, which made it difficult for an opposing opponent to run. The AIBA Interim President and Executive Committee recognized this unfair heritage by its past administration and took steps to correct it by proposing legislative changes to the Congress. Unfortunately, these statute changes had to be approved by the Congress and were not adopted until after this election.

The AIBA Election Committee consisting of Mr Jost Schmid (Chair of the Ethics Commission), Mr Dennis O'Connell (Chair of the Disciplinary Commission) and Ms Annemarie Stark (independent athlete member) reviewed all candidatures in good faith, applying strictly the electoral regulations and the statutes.

It is true that there has been a dispute about the eligibility of Mr Serik Konakbayev as the Election Committee ruled that he did not receive the necessary number of nomination forms in due time. A fierce press campaign followed. Nevertheless, AIBA used all its best efforts to ensure that the matter be solved quickly and efficiently. In this respect:

1. The CAS media release made it very clear that AIBA office and the AIBA Election Committee treated all candidates equally.
2. The CAS release confirmed that the Election Committee acted in good faith.
3. The AIBA leadership agreed to an expedited CAS hearing to ensure that the presidential candidate had an opportunity to be heard prior to the elections.
4. The AIBA leadership agreed to allow the candidate for Presidency to continue to campaign during the contested period.
5. The CAS ruled in favor of Mr Konakbayev as the Election Committee was deemed to be too "strict" by dismissing supports expressed on "wrong forms".

Apart from this dispute, which was solved before the elections, AIBA is proud to submit that the electoral process was run smoothly, in a democratic and efficient way, notably as:

1. The AIBA staff went above and beyond in ensuring that all NF's were provided with information by e-mail and on the AIBA Website including reminders of dates and deadlines. The AIBA office provided outstanding customer service to all candidates and NF's equally throughout the process.
2. The Election Committee acted with the utmost integrity throughout the process.
3. Each presidential candidate was allowed to have an observer assisting to the whole electoral process, even if such possibility is not foreseen in AIBA regulations.
4. The Election Committee conducted the elections in a manner that "in spite of electronic voting machine" concerns, left all NF members satisfied with the integrity of the process and the results.

In this respect, the CAS dismissed a request by the Kazakh Federation to have the Congress postponed due to alleged irregularities, which were not recognized by the CAS¹.(Appendix 7)

As a matter of comparison, on the occasion of past AIBA Congresses, such process was clearly not free, including systematic sanctions against anyone that was perceived as a political opponent². (Appendix 8)

¹ CAS 2018/A/5949

² CAS 2011/A/2452



The New Foundation Plan

The New Foundation Plan was presented at the Congress 2018 and widely embraced by the membership. This plan provides the strategic guidance for the organization. As you read this report and the New Foundation Plan, it will be clear to you that AIBA is following the strategic guidance that this plan provides.

2. Finances

Stringent financial controls have been implemented at AIBA. The fiscal year 2018 (FY18') budget has been reduced from over 10 million annually to 6 million and AIBA intends to maintain this cap in the next years. An expensive lease of property for relocating the headquarters to a new location has been canceled, allowing AIBA to maintain the costs of its premises extremely low. Staff has been reduced from a high of 42 to 19 people. Despite those budget reductions, through implementation of best practices for efficiency and effectiveness, AIBA has managed to improve transparency and services to its members, athletes and stakeholders. AIBA was able to come in under budget by 82,000 CHF at the end of the first quarter of FY 18'. (Appendix 14-17)

Financial Highlights:

1. After having been close to insolvency, the financial situation of AIBA is now under control.
2. AIBA will have a negative balance for the coming years, but it will turn positive at a disciplined, controlled and steady rate.
3. The AIBA President has negotiated with AIBA's main creditors to settle AIBA debts and to move forward in commercial ventures.
4. AIBA Executive Director is mandated to present to the Executive Committee quarterly financial reports.
5. AIBA has engaged full independent audits going forward and has put into place "best practice" control mechanisms to ensure fiscal responsibility.
6. AIBA's accounts are no longer presented every four years to the Congress, but are reviewed on a quarterly basis, with the EC approving budgets annually and the Congress approving annual accounts every two years.
7. AIBA cash flow is now positive and will remain stable following the Olympic Games Tokyo 2020 (assuming Boxing/AIBA will be there).

1. Management Judgmental Areas

Items Nr	Risk and/or items	Future risk as of			View	Status	Comments
		28.02.2018 (phase I)	30.06.2018 (phase II)	31.10.2018 (phase III)			
2.1	Going concern					Unchanged	Assumption strongly depending on the realization of future events such as Olympic Games revenues.
2.2	Cash-flow forecast					Update	The projections are still estimated on the basis of future events assumptions with some assumptions dependent of the outcome of ongoing negotiations. Progress on FCIT and Benkons negotiations have been made.
2.3	BENKONS MMC loan repayment					Update	Settlements signed the 4 of July have been ratified by the EC the 15 July 2018.
2.4	ALISPORT cooperation / FCIT agreement					Update	A cooperation agreement was signed with First Commitment International Trade Co., Limited (FCIT) on the 3rd November 2018.
2.5	IOC relationship and source of revenues					Unchanged	Since previous report the situation did not change significantly and comments remain applicable: The International Olympic Committee issued a clear statements with a possible negative financial impact.

= significant risk
 = potential risk
 = no significant risk

1.1 Management Judgmental Areas - Major Risks

Items Nr	Risk and/or items	Priority	Status	View	Comments
4.1	BENKONS MMC MUSD 10 loan repayment		In Progress		"Settlements signed on 4 July 2018 and ratified by the EC on 15 July 2018. Out of the initial amount of 10,000,000 USD, the conversion of an additional USD 3,000,000 into sponsoring benefits is still to be negotiated"
4.2	ALISPORTS and FCIT cooperation		In Progress		A binding agreement has been signed with FCIT on the 3rd November 2018. AIBA and FCIT are currently negotiating with Alisport for termination of prior contract or for new collaborations terms.
4.3	IOC funds		In Progress		The updated cash flow projections are maintaining the inclusion of MCHF 18,185 in connection with the 2020 Olympic games. No supporting documentation confirming the accuracy of the amount neither the probability to receive these funds is available.

2. Internal Controls Findings

Items Nr	Risk and/or items	Priority	Status	View	Comments
3.1	Internal Control System (ICS) matrix		Complete		Key risks and controls have been formalized with a proper internal control system matrix.
3.2	Trade receivables - formal review procedure		Update		Formal procedure has been formalized and implemented. The review of pending receivable is on going.
3.3	Trade payables - formal review procedure		Update		Formal procedure has been formalized and implemented. All items with aging above 5 years have been written off
3.4	Treasury - No check of existence of bank accounts		Complete		This item was completed in July 2018 with the appropriate procedure.
3.5	Financial process - No automated subledgers		In Progress		Subledger has been implemented. It is ran in parallel with current process and will be 100% operational from the 01.01.2019.
3.6	VAT declaration procedure		Complete		Formal procedure has been formalized and implemented in July 2018.
3.7	VAT turnover reconciliation procedure		Complete		Formal procedure has been formalized and implemented in July 2018.
3.8	VAT archiving		Complete		All VAT information are properly archived with a quarterly procedure implemented.
3.9	AIBA tax exemption		On going		The tax exemption is not significant risk. AIBA's Tax Expert is handling this on our behalf with the authorities. In progress of renew the tax ruling.
 Immediate action required  Action required as soon as possible  Action required but not crucial  = significant risk  = potential risk  = no significant risk					

3. Significant audit areas

Items Nr	Risk and/or items	Future risk as of			Status	Comments
		28.02.2018 (phase I)	30.06.2018 (phase II)	31.10.2018 (phase III)		
1.1	Revenue recognition from Olympic Games				Unchanged	No changes or new statements from the IOC was issued since last report, therefore Olympic contributions cannot be considered.
1.2	Settlement agreements with former employees				Unchanged	The settlement agreements have a significant impact on AIBA's cash flow. The provisions booked are remaining as per today.
1.3	Litigations	n/a			Solved	WADA case has been solved.
1.4	Commitments and off balance sheet items				Solved	All bank confirmations have been provided.
1.5	Bank relationships	n/a			Update	BCV threatened to close AIBA's bank accounts remains until the issuance of the IOC decision in November. New accounts in abroad banks have been open.

 = significant risk
 = potential risk
 = no significant risk

3. Ethics

AIBA has named an Ethics Commission consisting of Chair Mr. Jost Schmid from Switzerland, Mr Njabulo Ndebele from South Africa, Mrs. Tatiana Zuevich from England/Switzerland, and Mr. Yoon Seok Chang from South Korea with a fifth proposed member, Mr. Richard Meade from USA currently under consideration. (Appendix 18).

The Ethics Commission initiated a review of AIBA Code of Ethics and made a number of editorial changes. The Ethics Commission has recommended that the Code of Ethics undergo a complete rewrite along with the Organization and Procedural Rules of the Judicial Authorities of AIBA and the AIBA Disciplinary Code to ensure consistency and continuity of these documents. The panel will make these changes in early 2019.

The specific situation of the AIBA President vs US Treasury Department

In the letter dated 20 July 2018, the IOC requested that “AIBA ensures that the Ethics Commission will analyze the specific situation of the AIBA President vs US Treasury Department decision and possible legal appeals of this person”.

Once the AIBA Ethics Commission was in place, the Chair Mr. Schmid proceeded a request to the US Treasury for information regarding the case of Mr. Rahimov. On October 26, 2018, we received a letter from Ferrari & Associates, P.C, the law firm representing Mr. Rahimov in his US Treasure case, requesting that neither the IOC, AIBA nor any other third party will be in a position to request the administrative record underlying Mr. Rahimov’s designation from Office of



Foreign Assets Control at this time.

With regard to Mr. Rahimov's current status, please see the relevant correspondence in the appendices, and we would recommend paying special attention to the letter of October 18, 2018 from Uzbekistan First Deputy to Prime Minister Mr. Achilbay Ramatov in which he on behalf of the Government of Uzbekistan, confirms the official support for Mr. Rahimov.

In the same letter, Mr. Achilbay Ramatov, on behalf of the Government of Uzbekistan, states that "any allegation of past criminal activities by Mr. Gafur Rahimov as reported in some international media, are based on unfounded evidences which do not have a real ground and are untruthful", and that "for any further information regarding the status of Mr. Gafur Rahimov, please feel free to contact us".

As both the AIBA Ethics commission and the AIBA office have exhausted their ability to provide the IOC with additional information regarding the status of Mr. Rahimov, we can only encourage anyone with a sincere interest in finally clarifying the status of Mr. Rahimov to contact the Uzbekistan Government. It will then be confirmed that Mr. Rahimov was a victim of a mis-information campaign orchestrated by the former regime of Uzbekistan, who provided false allegations to the US Treasury Department.

Even though the inclusion of Mr. Rahimov in the list of the US Office of Foreign Assets Control is an administrative decision and not based on a finding of criminal guilt, it is very important for both Mr. Rahimov and for AIBA that this mistake be corrected as soon as possible. Mr. Rahimov's group of international lawyers are working hard on this and are making good progress.

In the meantime, it would seem reasonable to ask everybody with any interest in the well-being of Boxing worldwide, from grassroots level to Olympic Games, to focus on the facts and updated information in order to secure the fair and non-prejudged treatment that any President of an International Federation should receive –least of all, someone, who despite numerous attempts to disparage his reputation, won the support of nearly two thirds of the voting delegates.

With regard to Mr Rahimov's current status we call your attention to the following document:

1. Uzbekistan First Deputy Prime Minister, letter of 18 October 2018. (Additional documents supporting Mr. Rahimov's position are available in the Appendix 21).

4. Refereeing and Judging

Six (6) meetings were conducted with PwC to assess the processes of AIBA Refereeing and Judging. PwC watched these processes be implemented by AIBA at the Youth Olympic Games 2018. Initial response from PwC indicates that the changes that AIBA has made with regard to refereeing and judging processes are good and are producing the desired results. However, PwC has indicated that too much of the process information reside in the institutional knowledge of individuals and needs to be recorded in written format.



As soon as the final recommendations made by the PwC are reviewed by the IOC and made available to AIBA, AIBA will ensure proper implementation for future AIBA Competitions.

Highlighted changes in the Referee and Judging system include.

1. AIBA has adopted a protest system that will allow for questionable decisions to be reviewed.
2. AIBA has returned to having all five (5) judges' scores count.
3. AIBA has eliminated the President and Executive Director from the appointment and approval process of Referee and Judges'.
4. AIBA has adopted a fully computerized draw system for appointing Referees and Judges to a bout.
5. AIBA approved the evaluation system for Referee and Judges'.
6. AIBA implemented an observer position into the Field of Play.
7. AIBA increased the number and quality of course offerings for training Referees and Judges'.
8. AIBA improved its database so that Referees and Judges' can be evaluated over time as opposed to event by event.

Concurrent with improving the Referee and Judging system, AIBA is working to change the Coach and Athlete culture. The past culture has been one of distrust. This distrust was fostered by an AIBA system that did not allow protest or make transparent, how clearly bad decisions were addressed. The new AIBA is changing this culture of distrust by providing Coaches and athletes with avenues to openly address their concerns without fear of retribution. The organization is giving the coaches and athletes the freedom to protest while holding them accountable to doing so in a professional and responsible manner.

Like any other International Sport Federation, AIBA will continuously seek to improve its refereeing and judging, and it will invest in development to seek new technologies that will improve the current judging systems. And we will remain ever vigilant of the fact that we serve our athletes first, and we owe them an opportunity to compete on a level playing field. The New AIBA has implemented the controls, checks and balances to ensure that our Refereeing and Judging will be fair and impartial, and that all of our athletes will have a fair opportunity to win.

5. Anti-Doping and Prevention of Competitions Manipulations

Anti-doping

WADA declared AIBA compliant on April 23, 2018 except for the remaining issue regarding allocation of the 2019 World Championships to Russia due to RUSADA non-compliance. After the RUSADA issues have been sorted out, WADA sent another letter to declare that "the compliance procedure related to the awarding of the 2019 Men's World Championships to Sochi is now concluded." Thus ensuring that AIBA is fully compliant with WADA.

38 cases pending prior to the start of 2018 have now all been closed in accordance with the proper Results Management Procedures. Decisions regarding all Anti-Doping violations under AIBA's jurisdictions are published on AIBA website. <https://www.aiba.org/6647-2/>



Up to date, according to the Report of AIBA Anti-doping Activities – from January to September 2018 provided by the International Testing Agency (ITA), a total of 383 in-competition tests and 86 out-of-competition tests were conducted, of which only three (3) results management cases were opened. (Appendix 24)

Prevention of the Manipulation of Competitions

Legislation

The Code on the Prevention of Competition Manipulations has been unanimously approved and adopted by AIBA Executive Committee on October 30, 2018.

Awareness-Raising Program

Two (2) awareness raising programs have been implemented in both the Youth Men and Women's World Boxing Championships Budapest in August and at the Youth Olympic Games in Buenos Aires 2018. Both programs were well attended, especially the IF Focus Day program at the Youth Olympic Village with an Athletes' Role Model, Alberto Palmetta present, a total of 80 participants from 21 nations showed up across two working sessions.

<https://www.aiba.org/blog/sport-integrity-education-takes-center-stage-aiba-focus-day-buenos-aires/>

<https://www.aiba.org/blog/aiba-strength-anti-doping-efforts-education-ground-youth-world-championships-budapest/>

Monitoring and Intelligence

The AIBA Integrity hotline, a confidential reporting scheme, is now in place. AIBA is committed to properly following up on all reports and ensuring that appropriate actions are taken.

APPENDICES

Governance

1. AIBA Governance ASOIF re-assessment scores

Transparency

2. AIBA Congress Agenda 2018
3. AIBA EC Meetings Minutes & Decisions 2018 Moscow draft

Democracy

4. AIBA Election Procedures 2018
5. Summary of AIBA Elections with voting numbers
6. CAS Media Release
7. CAS 2018/A/5949
8. CAS 2011/A/2452
9. AIBA Statutes' Amendments Congress November 2018
10. AIBA Statutes' Amendments Extraordinary Congress January 2018

Integrity

11. Changes at the AIBA Executive Committee (Gender percentage)
12. AIBA Ordinary Congress 2018 Moscow Minutes and Decisions draft
13. AIBA Athlete Commission Election Guidelines

Finances

14. Finance Presentation to AIBA Congress
15. AIBA accounting policies and procedures manual June 2018
16. AIBA_Audit-30.06.2018_Independent-auditor-report_BSPLNotes
17. Comprehensive report AIBA/WSB by E&Y

Ethics

18. AIBA Ethics Commission members' CVs
19. AIBA Code of Ethics
20. AIBA Conflict of Interest Policy & Disclosure form
21. Gafur Rahimov documents

Refereeing and Judging

22. PWC Highlights

Anti-Doping & Prevention of Competitions Manipulations

23. The WADA letter clearing the RUSADA issue
24. AD Activities Report AIBA by ITA
25. AIBA Code on the Prevention of the Manipulation of Competitions