



United Nations Compensation Commission**Governing Council****Fourteenth Special Session**

Geneva, 18 December 2014

Decision concerning the level of Iraq's oil proceeds to be deposited into the Compensation Fund*The Governing Council,*

Recalling paragraph 3 of Security Council resolution 1956 (S/RES/1956 (2010)) which affirms the requirement established in paragraph 21 of Security Council resolution 1483 (2003) that five per cent of the proceeds from all export sales of petroleum, petroleum products and natural gas shall be deposited into the Compensation Fund established in accordance with resolution 687 (1991), and subsequent resolutions, and further decides that five per cent of the value of any non-monetary payments of petroleum, petroleum products and natural gas made to service providers shall be also deposited into the Compensation Fund, unless the Government of Iraq and the Governing Council, in the exercise of its authority over methods of ensuring that payments are made into the Compensation Fund, decide otherwise,

Recalling also that only one claim, awarded to the Government of Kuwait, has an outstanding balance remaining to be paid, and that all other claim awards have been paid in full,

Recalling further that decision 267 (2009) provides for payments of outstanding awards to be made on a quarterly basis utilizing all available amounts in the Compensation Fund, and that the next payment is scheduled for 29 January 2015,

Having considered the request by the Government of Iraq that the Governing Council agree to a postponement until 1 January 2016 of the requirement that Iraq deposit five per cent of the proceeds from all export sales of petroleum, petroleum products and natural gas and five per cent of the value of non-monetary payments of petroleum, petroleum products and natural gas made to service providers into the Compensation Fund,

Having also considered the request by the Government of Iraq that the quarterly payment scheduled to be made in January 2015 not be processed, and that deposits made by the Government of Iraq since 1 October 2014 towards that payment currently in the Compensation Fund be returned to the Government of Iraq,

Noting the extraordinarily difficult security circumstances in Iraq and the unusual budgetary challenges associated with confronting this issue,

Welcoming the Government of Kuwait's support for Iraq's requests,

Emphasizing the importance of Iraq fulfilling its obligations and completing the payment of the outstanding compensation in a timely manner,

Welcoming Iraq's commitment to paying the outstanding compensation in full,

Further emphasizing the importance of completing the successful and orderly wind-down of the Compensation Commission in a timely manner,

1. *Decides* to postpone until 1 January 2016 the requirement that Iraq deposit five per cent of the proceeds from all export sales of petroleum, petroleum products and natural gas and five per cent of the value of any non-monetary payments of petroleum, petroleum products and natural gas made to service providers into the Compensation Fund;
2. *Directs* the Secretariat to take the necessary administrative action for the return to the Government of Iraq of its deposits made into the Compensation Fund since 1 October 2014 towards the quarterly payment that had been scheduled to be made in January 2015;
3. *Directs also* that effective 1 January 2016, the Government of Iraq resume deposits of five per cent of the proceeds from all export sales of petroleum, petroleum products and natural gas and five per cent of the value of any non-monetary payments of petroleum, petroleum products and natural gas made to service providers into the Compensation Fund, unless the Government of Iraq and the Governing Council decide otherwise, as provided for in Security Council resolution 1956;
4. *Decides therefore* that payments of compensation towards the outstanding award will resume in 2016, in accordance with the payment mechanism set out in decision 267;
5. *Decides also* that the Governing Council will keep this matter under review.
