

**PRESS RELEASE****UNITED NATIONS COMPENSATION COMMISSION PAYS OUT US\$396.5 MILLION**

The United Nations Compensation Commission has made available today a total of \$396,488,991.74 to four Governments for distribution to 31 successful claimants. Payment is being made in respect of six claims in category D (claims of individuals for damages above \$100,000), six claims in category E (claims of corporations, other private legal entities and public sector enterprises) and 19 claims in category F (claims of Governments and international organizations).

The present round of payments is being made in accordance with Governing Council decision 256 (S/AC.26/Dec.256 (2005)). As a result of this payment, claimants will be paid up to \$59 million or the unpaid amount of the award, if less. In order to fully disburse the funds available for this round of payments, a number of claims will be paid up to \$61 million, depending on the order in which they had been approved. With this payment, all individuals having filed claims in categories A (claims of individuals for departures from Kuwait or Iraq), B (claims for death or serious personal injury), C (claims of individuals for damages up to \$100,000) and D (claims of individuals for damages above \$100,000) will have been paid in full, except in those cases where claimants have yet to be located by their respective Governments or other submitting entities or where some issues are still outstanding and need to be clarified in cooperation with Governments or submitting entities. Governments have a deadline of 30 September 2006, as set by the Governing Council, for the location and payment to unlocated claimants.

Following this round of payments, 49 claims in categories E and F, including environmental claims, remain to be paid in future.

The attached table lists the countries receiving funds, and the amounts of money to be made available to each of them.

The present payment brings the overall amount of compensation made available to date by the United Nations Compensation Commission to \$20,997,611,930.48.

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**Background**

The first phase of payments, which commenced in June 1994, involved an initial payment of \$2,500 to each successful individual claimant in categories A and C, as well as payment of the full amount to all successful individual claimants in category B. In the second phase, which commenced in September 1999, payments of up to \$100,000 were subsequently made available to approved claims in categories A, C, D, E, and F in two rounds comprising payment amounts of up to \$25,000 and

\$75,000, respectively. The second phase concluded payment of the full amount to all successful claimants in categories A and C, with the exception of claimants who have not yet been located and late claims that were accepted for filing by the Governing Council at a later stage. A total of \$8,401,166,672.89 was made available to 1,503,241 claimants in all categories under the first and second phases of payments.

In the third phase of the payments mechanism, which commenced in October 2000, each successful claimant in categories D, E and F received an initial amount of up to \$5 million in accordance with decision 100 of the Governing Council of the Compensation Commission. Subsequent rounds of payments of up to \$10 million were made to successful claimants in these categories of claims in the order in which they have been approved. A total of \$9,219,619,525.13 has been made available to 7,921 claimants in categories D, E and F under the third phase.

At the forty-eighth session (June 2003), the Governing Council adopted decision 197, establishing a temporary payment mechanism in light of the reduction in the Compensation Fund's income, following the adoption of Security Council resolution 1483 (2003), which provides in paragraph 21 that the Compensation Fund shall receive 5 per cent of all export sales of petroleum, petroleum products, and natural gas from Iraq. Under this temporary payment mechanism, up to \$200 million from the Compensation Fund was made available for the payment of successful claims on a quarterly basis following each session of the Governing Council (from the forty-eighth to the fifty-first sessions, inclusive). Successful claimants in all categories received an initial amount of \$100,000 or the unpaid amount of the award, if less, with the disbursement of subsequent rounds of payments of \$100,000 to successful claimants in all categories in the order in which they had been approved at the sessions described above, until the available funds for distribution had been exhausted. This temporary mechanism was extended by the Governing Council in its decision 227 at its fifty-second session (June-July 2004).

At the fifty-seventh session (September 2005), as a result of the completion of the review of all claims and of the higher than anticipated income into the Compensation Fund, the Governing Council adopted decision 253, which lifted the ceiling of \$200 million established under decisions 197 and 227, and made available for payment the entire balance in the Compensation Fund for each quarterly payment.

At the fifty-eighth session (December 2005), the Governing Council adopted decision 256 concerning the payment mechanism and the priority of payment of the outstanding claims. Under the first phase of this decision, quarterly payments are being made in rounds of \$2 million until completion of payments to individual claimants and payment to all claims up to the level of \$65 million. Under the second phase, claimants with outstanding amounts greater than \$500 million will receive a maximum amount of \$2 million per quarter, whereas claimants with outstanding amounts smaller than \$500 million and environmental awards approved for the third, fourth and fifth instalments of category F4 environmental remediation claims, will receive rounds of payments of \$2 million, or the unpaid balance of the award, if less, until all available amounts in the Compensation Fund have been exhausted.

The Governing Council monitors the distribution of payments to claimants by the relevant Governments and international organizations. Governments and international organizations are obligated to distribute funds to successful claimants expeditiously and to report to the Commission on payments made to claimants. Any funds undistributed to claimants by Governments and international organizations within twelve months of receiving payment shall be returned to the Commission. Further payments to Governments and international organizations shall be suspended where they fail to report on the distribution of funds to successful claimants or fail to return undistributed funds on time.

Further information about the Compensation Commission can be found on its website located at [www.uncc.ch](http://www.uncc.ch).

CONSOLIDATED REPORT OF PAYMENTS OF CATEGORIES D, E AND F CLAIMS (27 JULY 2006)

<i>Country</i>		<i>Category D</i>		<i>Category E</i>		<i>Category F</i>		<i>Totals</i>	
		<i>Amount (US\$)</i>	<i>Number of claims</i>	<i>Amount (US\$)</i>	<i>Number of claims</i>	<i>Amount (US\$)</i>	<i>Number of claims</i>	<i>Amount (US\$)</i>	<i>Number of claims</i>
1	Jordan	-	-	-	-	29,766,285.00	1	29,766,285.00	1
2	Kuwait	54,330,161.74	6	62,947,376.00	5	156,131,463.00	14	273,409,000.74	25
3	Saudi Arabia	-	-	-	-	87,313,706.00	4	87,313,706.00	4
4	Turkey	-	-	6,000,000.00	1	-	-	6,000,000.00	1
<b>Total</b>		<b>54,330,161.74</b>	<b>6</b>	<b>68,947,376.00</b>	<b>6</b>	<b>273,211,454.00</b>	<b>19</b>	<b>396,488,991.74</b>	<b>31</b>

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