



## Security Council

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### United Nations Compensation Commission

Governing Council

Eighty-first session

Geneva, 2 November 2016

### Level of Iraq's oil proceeds to be deposited into the Compensation Fund in 2017

*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 (S/RES/1483 (2003)) that Iraq shall deposit five per cent of the proceeds from all export sales of petroleum, petroleum products and natural gas into the Compensation Fund established in accordance with resolution 687 (S/RES/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,

*Emphasising* that in accordance with Security Council resolution 1956 (2010), the above provisions remain in force 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* 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,

*Noting* that with the adoption of decisions 272 (2014) and 273 (2015), Iraq's requirements as set out in paragraph 3 of Security Council resolution 1956 (2010) have been postponed since 1 October 2014,

*Having received* correspondence from the Government of Iraq seeking an additional postponement 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,

*Noting with appreciation* that the Government of Kuwait has expressed its support for an additional one-year postponement,

*Recognizing* that the extraordinarily difficult security circumstances in Iraq and the unusual budgetary challenges associated with confronting this issue have continued since the adoption of decision 272 (2014),

*Noting with appreciation* Iraq's continued commitment to complying with its obligations as set out in paragraph 3 of Security Council resolution 1956 (2010),

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

*Stressing also* the importance of the integrity of the Commission and bringing its mandate to a conclusion,

1. *Decides* to extend for one year the postponement 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 any non-monetary payments of petroleum, petroleum products and natural gas made to service providers into the Compensation Fund;
2. *Directs* that, effective 1 January 2018, 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;
3. *Requests* that the Government of Iraq advise the Governing Council in writing no later than 31 August 2017 of Iraq's proposed arrangements for the resumption of deposits on 1 January 2018;
4. *Decides* that payments of compensation towards the outstanding award will resume in 2018, in accordance with the payment mechanism set out in decision 267 (2009);
5. *Directs* the Secretariat to explore, as a matter of importance, future options to ensure the continuation of the payment of the \$4.6 billion in compensation that remains to be paid to Kuwait and to report back to the Council on those options in advance of the next session, including any legal, procedural and financial implications;
6. *Encourages*, in this regard, the Government of Iraq and the Government of Kuwait to collaborate on future options to be shared with the Secretariat for inclusion in its report to the Council and further requests the Secretariat to follow up on this collaboration.
7. *Decides also* that the Governing Council will keep this matter under review.