



**Security Council**

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FIRST SESSION OF THE GOVERNING  
COUNCIL OF THE UNITED NATIONS  
COMPENSATION COMMISSION

Decision taken by the Governing Council of the United Nations  
Compensation Commission, at its 10th meeting, held on 2 August 1991

Arrangements for ensuring payments to the Compensation Fund

The elaboration of a system for ensuring payments to the Fund with respect to future Iraqi oil exports is too complex for adoption at the first session of the Governing Council. It is clear that the Governing Council will require adequate factual information to understand the pre-invasion and current oil situation and on options for holding revenues from Iraqi exports of petroleum and petroleum products. The Governing Council taking into account the decision of the Security Council, decides:

- to request the Executive Secretary, with the assistance of an expert in the oil trade, to report to the Governing Council by early September on the following: the legal, financial, market and other technical aspects of Iraq's pre-invasion oil trade; the quantity, quality and value of oil subject to paragraph 6 of the Security Council resolution 692 (1991); the capacity of Iraq to resume oil exports, in what quantities, quality and time-frame and the estimated value of resumed oil exports under various possible scenarios; the technical possibilities for monitoring Iraq's oil exports, including oil pipeline flows, metering, measurements at terminals (tank and/or flange), and the resources needed to implement various options.

- to request the Executive Secretary, with the assistance of an expert or experts in international financial transactions, and after contacting appropriate institutions, to report to the Governing Council by early September on options for holding and managing revenues from Iraqi exports of petroleum and petroleum products.
  
- to request a Working Group of Governing Council members, after consultation with an expert or experts in the oil trade and in related financial transactions, to meet in September to develop a proposal for a mechanism for ensuring payments to the Fund for presentation to the second session of the Governing Council in October. The Working Group would take into account the reports of the Executive Secretary and the experts' advice, as well as paragraph 19 of Security Council resolution 687 (1991) and the Secretary-General's report.

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