

PRESS RELEASE

The Governing Council of the United Nations Compensation Commission, under the Presidency of Australia, held a special session today to consider the issue of the level of Iraq's contributions to the Compensation Fund. This session was held in response to a request from the Government of Iraq that the Governing Council agree to a temporary postponement of the requirement under Security Council resolution 1956 (2010) 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. This Security Council resolution states that such deposits are to be made, unless the Government of Iraq and the Governing Council of the United Nations Compensation Commission, in the exercise of its authority over the methods of ensuring that payments are made into the Compensation Fund, decide otherwise.

Noting the extraordinarily difficult security circumstances in Iraq and the unusual budgetary challenges associated with confronting this issue, the Governing Council adopted decision 272 (2014). The decision postpones Iraq's obligation to deposit five per cent of oil proceeds and five per cent of the value of any non-monetary payments to service providers into the Compensation Fund until 1 January 2016. Quarterly payments of compensation under Governing Council decision 267 (2009) will resume in 2016. In adopting this decision, the Governing Council welcomed Kuwait's support for Iraq's request.

All successful claims have been paid in full under the auspices of the United Nations Compensation Commission with the exception of one claim submitted by the Government of the State of Kuwait on behalf of the Kuwait Petroleum Corporation. This claim was awarded \$14.7 billion in 2000 for oil production and sales losses as a result of damages to Kuwait's oil field assets, and \$4.6 billion remains outstanding. Today, the Governing Council welcomed Iraq's ongoing commitment to paying this outstanding claim in full.

General background information on the work of the Compensation Commission is provided below.

Background

The United Nations Compensation Commission (UNCC) is a subsidiary organ of the United Nations Security Council. It was established in accordance with Security Council resolutions 687 (1991) and 692 (1991) to process claims and pay compensation for direct losses and damage suffered by individuals, corporations, Governments and international organizations as a direct result of Iraq's unlawful invasion and occupation of Kuwait (2 August 1990 to 2 March 1991).

The Compensation Commission received approximately 2.7 million claims. The total asserted value of these claims (i.e., the amount sought by the claimants) amounts to approximately \$352.5 billion. Ninety-seven Governments filed claims on behalf of their nationals, corporations and themselves, as well as thirteen offices of three international organizations, which filed claims on behalf of individuals not in a position to submit their claims through a Government. They consisted of the claims of individuals for departure from Kuwait or Iraq (category A claims), the claims of individuals for serious personal injury or death (category B claims), the claims of individuals for losses up to \$100,000 (category C claims), the claims of individuals for losses over \$100,000 (category D claims), the claims of corporations, other private legal entities and public sector enterprises (category E claims), and the claims of Governments and international organizations (category F claims). In June 2005, the Commission completed its processing of all submitted claims. The total compensation awarded amounts to approximately \$52.4 billion.

To date, the Compensation Commission has made available to Governments and international organizations approximately \$47.8 billion for distribution to successful claimants in all categories. Funds to pay compensation are drawn from the United Nations Compensation Fund, which receives five per cent of the proceeds generated by the export sales of Iraqi petroleum and petroleum products.

Further information about the Compensation Commission can be found on its website located at www.uncc.ch.
