

Minute of COFE meeting held on Jan 03, 2011

COFE held its first regular meeting in 2011 on Tuesday January 3, 2011 and considered the following subjects:

1. The agenda of the IAMB meeting to be held in Geneva on Jan.6-7, 2011 as detailed below:
 - a. The third quarterly briefing presented by the UN Secretary General and the Head of COFE to the UNSC.
 - b. Discussing the arrangements of post – DFI mechanism.
 - c. The IAMB plan for 2011.
 - d. Briefing by PriceWaterhouseCoopers on the results of DFI audit for 2010.
 - e. Follow up briefing by SIGIR on the report issued on DFI funds.
 - f. COFE’s report on its activities to date and its plan for the remainder of 2011, discuss the regular and sub meetings held during November and December 2010, as for the remainder for 2011 COFE plans to the following activities:
 - I. Follow up clearing the observation contained in the external auditors report for 2010 and previous years.
 - II. Appointment of external auditor for DFI audit for 2011.
 - III. Complete the requirements related to strengthening the administrative and financial control.
 - IV. Ensure the proper mechanisms to take over the IAMB responsibilities after June 30, 2011.
 - g. Updating the implementation for earlier recommendations, implementation of oil metering system and clearing the external auditor observations.
 - h. COFE briefing on its activities to take over the role and function of the IAMB, COFE follows up the implementation of the successor

arrangements through correspondance with CBI, MoF and the ministerial committee charged with this task.

2. Follow up the time table for transition to post DFI mechanism as follows:
 - a. Identify the legal protections available for CBI's reserves and Iraqi funds, as COFE mentioned in its letter sent to the Prime Minister on Dec.11, 2010 that it is difficult under the current mechanism stated in UNSCR 1956 (2010) to grant protection for Iraqi funds, and they will be under the risk.
 - b. Arrangements with foreign banks selected to held Iraqi accounts, as COFE sent a letter to the MoF and CBI on Dec. 11, 2010 to provide it with information about the action taken to open the successor accounts of the DFI to deposit crude oil, oil products and compemsation funds, the CBI replied on Dec.21, 2010 that it will take action to open the aformentoned accounts before June 30, 2011.
 - c. As for the finalization of lawsuits against the Government of Iraq, the floowing letters were considered:
 - BSA letter on Dec.23, 2010 sent to the Minister of Justice and the legal councilor of Prime Minister requesting the last status of the subject.
 - The letter of the legal councilor of the Prime Minister on Dec.26, 2010 by which he stated that his office is following up these lawsuits.
 - d. Iraqi funds held by U.S. Agencies, the following letters were considered:
 - BSA letter on Dec.12, 2010 sent to the Minister of Justice and the legal councilor of Prime Minister requesting the

mechanism adopted to recover the Iraqi funds that US courts issued sentences on the lawsuits filed by US authorities pursuant SIGIR's reports.

- The letter of MoJ on Dec.27 requesting copies of the US courts sentences that contained refunding money to Iraq.
- e. Settlement of the debts according to Paris Club agreement, as COFE sent a letter to MoF on Dec.11, 2010 requesting information about the last status of debt settlement
- 3. The results of oil metering system implementation, as the table presented by MoO on oil metering system through Nov.30, 2010 was considered, and a letter will be sent to MoO requesting the results of implementation as of Dec.31, 2010
- 4. Regarding the deposit of oil products revenues in SOMO's bank account not in DFI, COFE's letter sent to the General Secretariat of Council of Ministers requesting the details provided to the auditor and SOMO's final position relating to the subject was considered as well as the letter sent by the UN controller dated Nov.5, 2010 to PWC the DFI auditor and PWC's reply to that letter on Dec.23, 2010 concerning the same subject.
- 5. Follow up clearing the observation contained in the external auditors report for 2007, 2008 and 2009 and the mechanism adopted in coordination with BSA to do so.
- 6. Identifying the subjects to be presented by COFE members during the meeting.