

### **Minute of COFE meeting held on August 05, 2010**

COFE held its ninth regular meeting in 2010 on Thursday August 05, 2010 and considered the following subjects:

1. The quarterly reports of UN Secretary General and Iraqi Government pursuant paragraph (3 and 5) of UNSCR 1905 (2009), the minutes of meeting with the UN assistant Secretary General for legal affairs and her experts on July 12, 2010, and the minutes of meeting with the deputy of permanent representative of Russian Federation on July 14, 2010 to discuss the special claims of the Oil for Food program.
2. It was confirmed to follow up clearing of the remarks mentioned in E&Y and KPMG's audit reports that are still valid and under clearing in coordination with the BSA follow up team.
3. Letters issued by COFE, namely:
  - a. The letter on July 26, 2010 sent to the Ministry of Oil related to actions taken to reply to PWC request. It was agreed on sending a letter to the above – mentioned company relating to the contractual commitment on presenting a report during October 2010, on implementing the metering system plan with a copy to Ministry of Oil requesting to prepare all the necessary requirements to facilitate the company's mission.
  - b. The letter on July 27, 2010 sent to the Ministry of Oil and the Ministry's reply on July 27, 2010 related to the quarterly report of implementing the Oil metering system plan. The table attached to the ministry's letter was studied and some deviation in implementing the system by oil products company was found, accordingly it was decided to send a letter to the ministry to put exceptional efforts to improve the percentage of the

implementation before the issuance of the third report of the Iraqi Government.

- c. The letter on July 27, 2010 sent to the Ministry of Finance related to provide COFE with manual of the unified financial instructions, as the ministry did not reply to date, so it was decided to contact the BSA audit team's head in the ministry to obtain a copy.
  - d. The letter on July 28, 2010 sent to the General Secretariat of the Council of Ministers relating to oil sales of Kurdistan region, as it was requested from the region officials to deposit all revenues of the sales of crude oil, oil products and natural gas in the DFI and deduct the 5% for the UN compensation funds.
4. The following items were added to the agenda:
- a. Preparing a letter to the UN legal department relating to providing COFE with similar cases concerning protecting Iraqi funds of the unknown and un announced creditors after lifting the UN immunities in the end of 2010, and the request for extending the immunities is for a limited period in order to enable Iraq to complete the contacts and negotiations with the known creditors.
  - b. Consider the resolution of the Council of Ministers no 27 in 2010 related to the approval for settling the amounts of the Russian Federation's companies within the UN Oil for Food program regardless the existence of the goods delivery documents or not, requesting the ministerial committee to try to reduce the amounts of the above mentioned contracts.
  - c. Consider the report issued by SIGIR on DFI funds spent by the American agencies, as well as the declaration made by BSA commenting on what was mentioned in this report, that was sent to SIGIR office, US Treasury attachee, Office of anti corruption

coordination at US Embassy and IAMB members requesting from the IAMB to host representative from SIGIR and US Department of Defense to discuss the details of the above – mentioned report.