



Miscellaneous No. 34 (1994)

The Forty-fourth Annual Report  
of the  
Foreign Compensation Commission  
for the Financial Year ended  
31 March 1994

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
July 1994*

LONDON : HMSO



**THE FORTY FOURTH ANNUAL REPORT  
OF THE FOREIGN COMPENSATION COMMISSION FOR THE  
FINANCIAL YEAR ENDED 31 MARCH 1994**

**Functions of the Commission**

1. The Foreign Compensation Commission was established under the Foreign Compensation Act 1950<sup>1</sup>. It is primarily a judicial tribunal but it also has administrative functions. The Commission's judicial duties involve the adjudication of claims put forward by applicants to participate in the distribution of compensation from funds made available by Her Majesty's Government in the United Kingdom out of moneys received from another country or from an international organisation or an international tribunal. The Commission's administrative functions include the examination of claims pending adjudication, the investment of various funds, the payment of adjudicated claims where appropriate and, as a separate matter, registering and reporting upon applications to participate in compensations which Her Majesty's Government has received or contemplate receiving from another country or from an international organisation or tribunal. The current statutory instruments applicable to the Commission are listed with their references in the Schedule to this Report.

**Personnel**

2. The number of Commissioners remained two, both part-time, namely Mr A W E Wheeler, C.B.E., Chairman and Mr J A S Hall D.F.C., Q.C.

3. Mr D H Wright continued as the Secretary and Chief Examiner on a part-time basis.

**Legislation**

4. During the year under review the Foreign Compensation Act 1950 (the Act) was amended by the Foreign Compensation (Amendment) Act 1993 (1993 c.16) which came into force on 27 May 1993. Its main purpose was to extend the powers to make Orders in Council under section 3 of the Act so as to encompass situations where Her Majesty's Government contemplate receiving or have received compensation paid by an international organisation or an international tribunal, as defined in the new section. In addition, the Foreign Compensation (Financial Provisions) (No. 2) Order 1993 was made under section 7(2) of the Act and came into effect on the 31 December 1993 (see paragraph 13).

UNION OF SOVIET SOCIALIST REPUBLICS ORDER 1986

UNION OF SOVIET SOCIALIST REPUBLICS (DISTRIBUTION) ORDER 1987

*Progress of Work*

5. While, as previously reported, all claims had been determined by the Commission by May 1990, residual work in connection with these Orders continued in the year under review. That work is nearing completion and the associated Fund is in the process of being wound up.

**Payments**

6. Payments began on 24 May 1990 and by 31 March 1994 the net total payments out of the Fund, including the interim payments, amounted to £62,388,874.73.

**Investment**

7. In accordance with Article 2 of the Foreign Compensation (Union of Soviet Socialist Republics) (Distribution Order) 1987, the Commission, with the approval of the Treasury, has periodically invested such sums standing to the credit of the Fund as were not required for payment of dividends or expenses.

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<sup>1</sup> 1950 c.12 as amended by the Foreign Compensation Act 1969 c.20 and the Foreign Compensation (Amendment) Act 1993 c.16.

**Income**

8. At the end of the financial year, income from the Union of Soviet Socialist Republics (Tsarist Assets) Fund (its full title) since its inception amounted to £16,985,016.73, from which has been deducted the sum of £4,318,474.11, being the income tax assessed on the Fund's total income. Under current revenue law, none of the expenses of the Commission can be set off against the income tax payable.

**People's Republic of China Order 1987**

9. As previously reported, all claims under this Order had been determined by the Commission by 31 March 1991. Administrative work in connection with the Order is in its final stages and the related Fund (People's Republic of China Fund) is in the process of being wound up.

**Investment**

10. In accordance with Article 4 of the Foreign Compensation (People's Republic of China) Order 1987, the Commission, with the approval of the Treasury, has periodically invested such sums standing to the credit of the Fund as were not required for the payment of expenses.

**Income**

11. By 31 March 1994 income from the People's Republic of China Fund's investments since its inception amounted to £8,786,835.29 from which has been deducted the sum of £2,198,277.30 representing the income tax assessed on the Fund's total income. As previously explained, none of the expenses of the Commission can be set off against the income tax payable.

**Payments**

12. By 31 March 1994 the net total payments out of the Fund, including the interim payments, amounted to £25,126,952.31.

**Expenses of the Commission**

13. In accordance with the Foreign Compensation (Financial Provisions) Order 1993, made under section 7(2) of the Foreign Compensation Act 1950, the Commission paid into the Exchequer out of the Funds named below, the sums shown, being the expenses of the Commission attributable to those Funds for the period indicated—

	£	Period
Union of Soviet Socialist Republics' (Tsarist Assets) Fund	5,310	1.10.1992 to 31.3.1993
People's Republic of China Fund	38,897	1.10.1992 to 31.3.1993

14. The total sums payable by the Commission into the Exchequer by way of expenses out of the respective Funds since their inception are as follows:—

Union of Soviet Socialist Republic's (Tsarist Assets) Fund	£4,262,473
People's Republic of China Fund	£3,324,105

**SCHEDULE**

<i>Orders in Council</i>	<i>Statutory Instrument No.</i>
Foreign Compensation (German Democratic Republic) (Registration) Order 1975 ... ..	S.I. 1975 No. 410
Foreign Compensation (People's Republic of China) (Registration) Order 1980 ... ..	S.I. 1980 No. 1720

Foreign Compensation (Union of Socialist Republics) Order 1986 ... ..	S.I. 1986 No. 2222
Foreign Compensation (Union of Socialist Republics) (Distribution) Order 1987 ... ..	S.I. 1987 No. 663
Foreign Compensation (People's Republic of China) Order 1987	S.I. 1987 No. 2201
Foreign Compensation (Financial Provisions) (No. 2) Order 1993	S.I. 1993 No. 224
Tribunals and Enquiries (Foreign Compensation Commission) Order 1984 ... ..	S.I. 1984 No. 1247

**Rules**

Foreign Compensation Commission (Union of Soviet Socialist Republics) Rules Approval Instrument 1987 ... ..	S.I. 1987 No. 143
Foreign Compensation Commission (People's Republic of China) Rules Approval Instrument 1988 ... ..	S.I. 1988 No. 153







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