



Treaty Series No. 65 (1988)

## Exchange of Notes

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Government of the Islamic Republic of Iran

concerning the Settlement  
of Mutual Claims in respect of damage  
incurred to the Diplomatic Premises of the  
United Kingdom in Iran and the Islamic  
Republic of Iran in London

London, 6 July 1988

[The Agreement entered into force on 6 July 1988]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
October 1988*

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**EXCHANGE OF NOTES  
BETWEEN THE GOVERNMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND  
AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN  
CONCERNING THE SETTLEMENT OF MUTUAL CLAIMS IN RESPECT  
OF DAMAGE INCURRED TO THE DIPLOMATIC PREMISES  
OF THE UNITED KINGDOM IN IRAN AND THE  
ISLAMIC REPUBLIC OF IRAN IN LONDON**

No. 1

*The Foreign and Commonwealth Office to the Embassy of the  
Islamic Republic of Iran at London*

*London  
6 July 1988*

Note No. NBP 404171

The Foreign and Commonwealth Office presents its compliments to the Embassy of the Islamic Republic of Iran and has the honour to refer to recent discussions between delegations of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Islamic Republic of Iran relating to the settlement of mutual claims in respect of damage incurred to the diplomatic premises of the United Kingdom in Iran and the Islamic Republic of Iran in London.

In the light of these discussions, the following terms of settlement were agreed between the delegations of the two countries:

- (a) the Government of the United Kingdom of Great Britain and Northern Ireland shall pay to the Government of the Islamic Republic of Iran the sum of £1.82 million in respect of the damage incurred on 5 May 1980 at the Embassy premises belonging to the Islamic Republic of Iran at 16 Prince's Gate, Westminster. The Government of the Islamic Republic of Iran shall not pursue any claim against the Government of the United Kingdom of Great Britain and Northern Ireland or any United Kingdom authority in respect of the above-mentioned damage;
- (b) the Government of the Islamic Republic of Iran shall pay to the Government of the United Kingdom of Great Britain and Northern Ireland the sum of Rials 120 million in respect of damage incurred between 1978 and 1980 at the buildings of the British Embassy and of the British Council in the Islamic Republic of Iran. The Government of the United Kingdom of Great Britain and Northern Ireland shall not pursue any claim against the Government of the Islamic Republic of Iran or any Iranian authority in respect of the above-mentioned damage;
- (c) the Government of the United Kingdom of Great Britain and Northern Ireland shall pay to the Government of the Islamic Republic of Iran the sum mentioned in paragraph (a) above according to the following schedule:
  - (i) 20 per cent as soon as work has physically begun on the refurbishment of the premises belonging to the Islamic Republic of Iran at 16 Prince's Gate;
  - (ii) 30 per cent 180 days from the day on which the first payment was made;
  - (iii) the remaining 50 per cent on the basis of the submission of a professional certificate by the architects engaged by the authorities of the Islamic Republic of Iran for the purposes of the refurbishment, stating that the refurbishment is half-way to completion, and acceptance of this certificate by architects acting on behalf of the Government of the United Kingdom of Great Britain and Northern Ireland following a joint inspection of the site;
- (d) the Government of the Islamic Republic of Iran shall pay to the Government of the United Kingdom of Great Britain and Northern Ireland the sum referred to in paragraph (b) above in three stages, simultaneously with, and in the same proportions as the payments made by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Islamic Republic of Iran under paragraph (c) above;

- (e) as regards the claims of the Westminster City Council against the Embassy of the Government of the Islamic Republic of Iran in respect of all expenditure incurred by the Westminster City Council at 16 Prince's Gate after 5 May 1980, the Government of the United Kingdom of Great Britain and Northern Ireland shall, as part of the above arrangements, obtain a discharge from the Westminster City Council in respect of settling these claims. The conditions for such a discharge shall be a matter solely for the Government of the United Kingdom of Great Britain and Northern Ireland and the Westminster City Council;
- (f) the present arrangements are made on the understanding that the authorities of the Islamic Republic of Iran shall proceed without undue delay to reinstate the premises belonging to the Islamic Republic of Iran at 16 Prince's Gate;
- (g) on final implementation of these terms of settlement, the question of the mutual outstanding claims referred to above shall be regarded as having been finally settled and neither Government or its authorities shall pursue any further claims against the other in respect of the damages incurred at the above-mentioned premises.

If the above terms of settlement, as agreed by the two delegations, are acceptable to the Government of the Islamic Republic of Iran the Foreign and Commonwealth Office has the honour to propose that this Note and the Embassy's reply to that effect shall be regarded as constituting an Agreement between the two Governments in this matter which shall enter into force on the date of the Embassy's reply.

The Foreign and Commonwealth Office avails itself of this opportunity to extend to the Embassy of the Islamic Republic of Iran the renewed assurances of its highest consideration.

No. 2

*The Embassy of the Islamic Republic of Iran at London to the  
Foreign and Commonwealth Office*

*London  
6 July 1988*

The Embassy of the Islamic Republic of Iran in London presents its compliments to the Foreign and Commonwealth Office and has the honour to acknowledge receipt of the Foreign and Commonwealth Office's Note No. NPB 404171 which reads as follows:

[As in No. 1]

In reply, the Embassy of the Islamic Republic of Iran has the honour to confirm that the terms of settlement as set out in the above Note are acceptable to the Government of the Islamic Republic of Iran and that the Foreign and Commonwealth Office's Note and this reply shall constitute an agreement between the two Governments which shall enter into force on today's date.

The Embassy of the Islamic Republic of Iran avails itself of this opportunity to extend to the Foreign and Commonwealth Office the renewed assurances of its highest consideration.

Date: 6th July 1988

Ref: 430-6