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10 DOWNING STREET

From the Private Secretary

28 January 1985

LUXEMBOURG: NUM RECEIVERSHIP

The Prime Minister has seen your letter of 25 January to Charles Powell. She looks forward to further reports when efforts have been made to reconcile the differing accounts which are being given of this episode.

I am copying this letter to Henry Steel (Law Officers Department).

Andrew Turnbull

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

25 January 1985

*Prime Minister (2)
Curious and curious. To await
further advice from Law Officers Dept*

*AT
25/1.*

Dear Charles,

Luxembourg: NUM Receivership

The Luxembourg Government have now given us an explanation of the position over the Receiver's arrangement with Nobis Finanz, about which I wrote to you on 24 January.

The Luxembourg Ambassador told us today, on instructions, that he could give an assurance that there had been no interference by the Luxembourg Government. Both his Prime Minister and the Foreign Minister, M. Poos, had told him this. M. Poos had stressed in particular that there was no question of a threat to withdraw Nobis's banking licence.

According to the Luxembourg Ambassador, Nobis reached an arrangement with the Receiver and then went to M. Poos in his capacity as Finance Minister to ask his advice. He had told them that the government's concern was not to intervene politically. As to the legal aspects, he felt bound to advise them to consider the question very carefully, since even if the Receiver had agreed to an indemnity there could still be considerable legal uncertainties should an action be brought against Nobis; for example, Nobis might find they had to go to the British courts for the enforcement of a judgement.

We went over with the Luxembourg Ambassador the divergence between our account of the facts of the case and what he had to tell us. We think the facts will have to be clarified by the Receiver with Nobis. It seems quite possible that Nobis have been claiming political interference by the government as a cover for reluctance on their part to proceed.

The Luxembourg Ambassador made two personal suggestions. First that the Receiver should seek judicial recognition by the Luxembourg courts of his status as such. This might unblock the problem. Second that the Receiver might find it useful to approach the Ministry of Finance direct and discuss the position with them. He added that his government stood ready to help, insofar as they could, to find a solution which respected Luxembourg law.

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We have passed his proposals on to Henry Steel. He, in turn will pass them to the member of the Treasury Solicitor's Department who is in touch with the Receiver's representatives. We shall of course go back to the Luxembourg Government as soon as Henry Steel has been able to clarify the facts, if this will be useful.

I am copying this letter to Henry Steel in the Law Officers' Department.

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

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