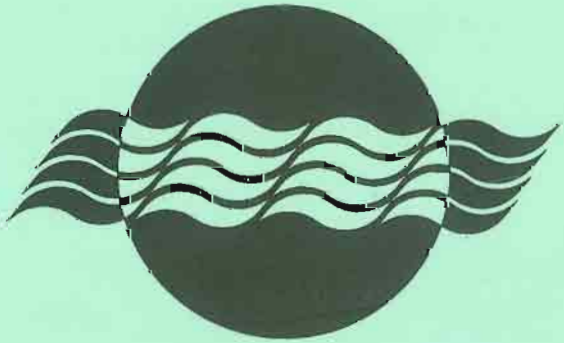
INTERNATIONAL OIL POLLUTION COMPENSATION FUND

ANNUAL REPORT 1992



REPORT ON THE ACTIVITIES OF THE INTERNATIONAL OIL POLLUTION COMPENSATION FUND IN THE CALENDAR YEAR 1992

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CONTENTS

Annexes

1 INTRODUCTION

The International Oil Pollution Compensation Fund (IOPC Fund) is a worldwide inter-governmental organisation which was set up in October 1978 for the purpose of providing compensation for oil pollution damage resulting from spills of persistent oil from laden tankers. This Annual Report for the calendar year 1992 covers the activities of the IOPC Fund during its fourteenth year of operation.

The IOPC Fund operates within the framework of two international Conventions establishing a legal regime for compensation for damage caused by oil spills from laden tankers, namely the 1969 International Convention on Civil Liability for Oil Pollution Damage (Civil Liability Convention) and the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (Fund Convention). The Civil Liability Convention deals with the liability of shipowners for oil pollution damage. This Convention lays down the principle of strict liability for shipowners and creates a system of compulsory liability insurance. The shipowner is normally entitled to limit his liability to an amount which is linked to the tonnage of his ship. The Fund Convention, which is supplementary to the Civil Liability Convention, establishes a system of additional compensation.

The IOPC Fund was established to administer the regime of compensation created by the Fund Convention. The organisation has its headquarters in London. Details of the IOPC Fund's organs (the Assembly, the Executive Committee and the Secretariat) are given in Annex I.

The main function of the IOPC Fund is to provide supplementary compensation to those suffering oil pollution damage in Fund Member States who cannot obtain full compensation for the damage under the Civil Liability Convention. The compensation payable by the IOPC Fund in respect of any one incident is limited to 900 million (gold) francs which is equivalent to 60 million Special Drawing Rights (approximately £55 million or US$82 million), including the sum actually paid by the shipowner or his insurer under the Civil Liability Convention.

This Annual Report contains a review of some of the main issues relating to the IOPC Fund's activities during 1992. It summarises the decisions taken by the IOPC Fund Assembly and Executive Committee, and deals with the development of the IOPC Fund's membership and the Fund's contacts with governments, intergovernmental organisations and interested circles. The Report includes a section on the International Conference held in November 1992 which adopted two Protocols amending the Civil Liability Convention and the Fund Convention in order to ensure the viability in the future of the system of compensation established by the Conventions. The finances of the IOPC Fund are also presented, in particular the payment of contributions. A major part of the Report contains information on the settlement of claims for compensation against the IOPC Fund.

2 MEMBERSHIP OF THE IOPC FUND

At the time of the entry into force of the Fund Convention in October 1978, 14 States were Parties to the Convention and thus Members of the IOPC Fund. Since then, there has been a constant growth in the number of Member States. At the end of 1991, there were 46 Member States.

Five States have become Parties to the Fund Convention and thus Members of the IOPC Fund during 1992. The Fund Convention entered into force for the Gambia on 30 January 1992, for Venezuela on 20 April 1992 and for Brunei Darussalam on 28 December 1992. By letter dated 27 July 1992, the Secretary-General of IMO was informed that the Republic of Croatia had decided to succeed to certain conventions deposited with IMO to which the Socialist Federal Republic of Yugoslavia was a Party at the time of Croatia's independence, including the Fund Convention, and that the succession would take effect from 8 October 1991. In addition, by letter of 12 November 1992, the Secretary-General of IMO was informed that the Republic of Slovenia considered itself being bound by virtue of succession to the Socialist Federal Republic of Yugoslavia by certain conventions deposited with IMO, including the Fund Convention, with effect from 25 June 1992. As a result of this development, the IOPC Fund had 51 Member States at the end of 1992.

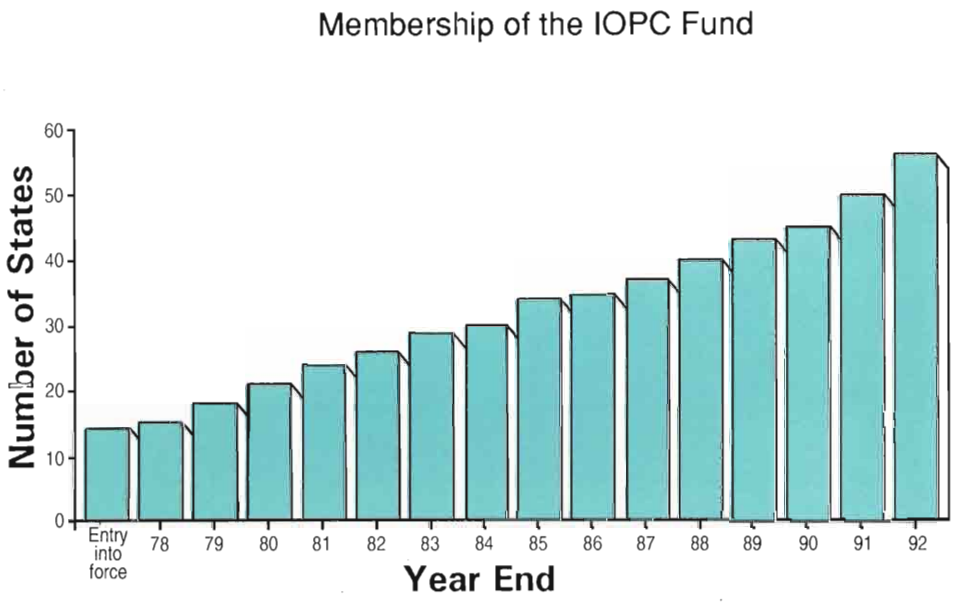
In addition, in November and December 1992 five States acceded to the Fund Convention. The Fund Convention will enter into force in respect of Ireland on 17 February 1993, in respect of Estonia on 1 March 1993, in respect of the Republic of Korea on 8 March 1993, in respect of Kenya on 15 March 1993 and in respect of the Kingdom of Morocco on 31 March 1993, bringing the number of Member States to 56.

As at 31 December 1992, the following 56 States were Members of the IOPC Fund:

Algeria
Bahamas
Benin
Brunei Darussalam
Cameroon
Canada
Côte d'Ivoire
Croatia
Cyprus
Denmark
Djibouti
Estonia (from 1 March 1993)
Federal Republic of Yugoslavia (Serbia and Montenegro)
Fiji
Finland
France
Gabon
Gambia
Germany
Ghana
Greece
Iceland
India
Indonesia
Ireland (from 17 February 1993)
Italy
Japan
Kenya (from 15 March 1993)
Kuwait
Liberia
Maldives
Malta
Monaco
Morocco (from 31 March 1993)
Netherlands

Nigeria
Norway
Oman
Papua New Guinea
Poland
Portugal
Qatar
Republic of Korea (from 8 March 1993)
Russian Federation
Seychelles
Slovenia
Spain
Sri Lanka
Sweden
Syrian Arab Republic
Tunisia
Tuvalu
United Arab Emirates
United Kingdom
Vanuatu
Venezuela

The development of the IOPC Fund's membership over the years is illustrated in the following graph.



On the basis of the information available to the IOPC Fund's Secretariat, it is expected that several States will join the IOPC Fund in the near future. Legislation implementing the Fund Convention is in an advanced stage in Australia, Belgium, Brazil, Chile, Colombia, Malaysia, Panama, Saudi Arabia and Senegal. Many other States are also examining the question of accession to the Fund Convention.

The Assembly of the IOPC Fund has, over the years, granted observer status to a number of non-Member States. At the end of 1992, the following States had observer status:

Argentina
Australia
Belgium
Brazil
Chile
China
Colombia
Democratic People's Republic of Korea
Ecuador
Egypt
Jamaica
Mexico
Panama
Philippines
Saudi Arabia
Switzerland
United States

3 CONTACTS WITH GOVERNMENTS

A major reason for the smooth functioning of the system of compensation established by the Civil Liability Convention and the Fund Convention is the strong support that Governments of Member States have given the IOPC Fund and its Secretariat over the years. In order to establish and maintain personal contacts between the IOPC Fund's Secretariat and officials within the national administrations dealing with Fund matters, the Director visits some Member States every year. During 1992 the Director visited nine Member States - Canada, France, the Gambia, Italy, Japan, Malta, Netherlands, Spain and Sweden - for discussions with government officials on the Fund Convention and the operations of the IOPC Fund. The Legal Officer visited India and Sri Lanka for the same purpose.

The IOPC Fund's Secretariat has continued its efforts to increase the number of Member States. One important way of promoting membership is to convey information on the functioning of the compensation system created by the Civil Liability Convention and the Fund Convention. For this purpose, the Director went to Brazil, Colombia, Mexico and the Republic of Korea for discussions on these Conventions and the operations of the IOPC Fund with government officials and interested circles in these States. The Legal Officer held similar discussions in Kenya.

The Director and the Legal Officer also had discussions with government representatives of both Member and non-Member States in connection with meetings within IMO, in particular during the sessions of the IMO Council in June and November 1992 and during the International Conference on the Revision of the Civil Liability Convention and the Fund Convention, held in November 1992.

The IOPC Fund's Secretariat has, on request, assisted some non-Member States in the elaboration of the national legislation necessary for the implementation of the Civil Liability Convention and the Fund Convention.

4 RELATIONS WITH INTERNATIONAL ORGANISATIONS AND INTERESTED CIRCLES

As in previous years, the IOPC Fund has benefited from close co-operation with many international inter-governmental organisations.

The United Nations and the International Maritime Organization (IMO) are always invited to be represented as observers at the sessions of the Assembly and the Executive Committee. The United Nations Environment Programme (UNEP) and two other inter-governmental organisations, the European Economic Community (EEC) and the International Institute for the Unification of Private Law (UNIDROIT), also have observer status.

The IOPC Fund has a particularly close co-operation with IMO and it has observer status with that organization. The Secretariat represented the IOPC Fund at meetings of the Assembly, the Council and various Committees of IMO. The IOPC Fund also participated as an observer at the International Conference on the revision of the Civil Liability Convention and the Fund Convention, held in November 1992 under the auspices of IMO.

Over the years the IOPC Fund has maintained close co-operation with a number of international non-governmental organisations.

In the great majority of incidents involving the IOPC Fund, the monitoring of the clean-up operations and the claims assessment is made in close co-operation between the Fund and the P & I Club concerned. The technical assistance required by the IOPC Fund with regard to oil pollution incidents is usually given by the International Tanker Owners Pollution Federation Limited (ITOPF). There is also close co-operation between the IOPC Fund and oil industry interests represented by the Oil Companies International Marine Forum (OCIMF) and Cristal Limited. The co-operation between the IOPC Fund and Cristal is very important, in view of the link which exists between the system of compensation governed by the international Conventions and the voluntary industry schemes (TOVALOP and CRISTAL).

The following international non-governmental organisations have observer status with the IOPC Fund:

Advisory Committee on Pollution of the Sea (ACOPS)
Baltic and International Maritime Council (BIMCO)
Comité Maritime International (CMI)
Cristal Ltd
Friends of the Earth International (FOEI)
International Association of Independent Tanker Owners (INTERTANKO)
International Chamber of Shipping (ICS)
International Group of P & I Clubs
International Tanker Owners Pollution Federation Ltd (ITOPF)
International Union for the Conservation of Nature and Natural Resources (IUCN)
Oil Companies International Marine Forum (OCIMF)

5 CONFERENCES AND SEMINARS

The IOPC Fund participated as an observer in the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro (Brazil) in June 1992. The IOPC Fund was represented at the Conference by the Director, whereas the Legal Officer took part in the final session of the Preparatory Committee held in New York (United States of America) in March 1992.

As already mentioned, the IOPC Fund participated as observer in the International Conference on the Revision of the Civil Liability Convention and the Fund Convention, held in November 1992 under the auspices of IMO.

During 1992, the Director and the Legal Officer gave lectures at a number of seminars, conferences and workshops on liability and compensation for oil pollution damage and on the operations of the IOPC Fund.

The Director participated in a seminar on oil pollution liability and compensation in Madrid (Spain), organised jointly by the Spanish Government, the Spanish oil industry and the IOPC Fund. He also took part in a meeting of Heads of Legal Departments of Maritime Authorities in Latin America in Cartagena (Colombia). The Director gave lectures on liability and compensation for oil pollution damage to students at the World Maritime University in Malmö (Sweden) and to students at the IMO International Maritime Law Institute in Msida (Malta). He participated in a seminar held in Genoa (Italy), organised by the Comité Maritime International (CMI), where he made a presentation entitled "The International Conventions on Liability and Compensation for Oil Pollution Damage and the Activities of the International Oil Pollution Compensation Fund". The Director also gave lectures on the system of compensation established by the Conventions to representatives of the Japanese Government, Government agencies and interested circles in Tokyo (Japan) and to a similar audience in Seoul (Republic of Korea).

The Legal Officer represented the IOPC Fund at a meeting of Senior Advisors to the Executive Director of the United Nations Environment Programme (UNEP) on an International Fund for Immediate Response Action and for Compensation for Damage Resulting from the Transboundary Movement of Hazardous Wastes and their Disposal. He also gave a presentation at the 8th Meeting of the Indian Ocean Marine Affairs Co-operation Standing Committee, held in Colombo (Sri Lanka). The Claims Officer participated in a meeting of focal points of the Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC), held on Manoel Island (Malta).

6 ASSEMBLY AND EXECUTIVE COMMITTEE

6.1 Assembly

The Assembly, which is composed of representatives of all Member States, held its 15th session from 6 to 9 October 1992. Mr J Bredholt (Denmark) was re-elected Chairman of the Assembly.

The major decisions taken at this session were as follows.

(a) The Assembly took note of the External Auditor's Report and his Opinion on the Financial Statements of the IOPC Fund and approved the accounts for the financial period 1 January to 31 December 1991.

(b) The Assembly decided to maintain the working capital of the IOPC Fund at £6 million.

(c) The budget appropriations for 1993, with an administrative expenditure totalling £776 200, were adopted by the Assembly.

(d) The Assembly decided to levy 1992 annual contributions in the amount of £10 million for the HAVEN Major Claims Fund and in the amount of £950 000 for the VOLGONEFT 263 Major Claims Fund, to be paid by 1 February 1993, whereas it decided not to levy any 1992 annual contributions to the General Fund.

(e) The Assembly approved the agreement between the Secretary-General of IMO and the Director concerning the extension of the lease of the IOPC Fund's offices in the IMO building for a period of ten years from 1 November 1992.

(f) The following States were elected members of the Executive Committee to hold office until the end of the next regular session of the Assembly:

Algeria
Canada
Germany
Ghana
India
Japan
Kuwait
Liberia
Netherlands
Nigeria
Norway
Poland
Russian Federation
Spain
Venezuela

(g) The Assembly made certain decisions in respect of the IOPC Fund's investment policy, as set out in Section 10.

(h) The Assembly considered a study made by the Director, at the Assembly's request, as to whether it would be useful for the IOPC Fund to carry out its own independent investigations into the cause of incidents to enable the Fund to form an opinion at an early stage as to whether an incident was due to the fault or privity of the shipowner, thus depriving the owner of his right to limitation of liability, or whether there were any grounds for taking recourse action against

third parties. The Assembly agreed with the Director's conclusions that the IOPC Fund should continue with the flexible policy followed so far, ie to appoint legal and technical experts to carry out independent investigations into the cause of a particular incident involving the IOPC Fund in cases where the Director considers it to be in the best interest of the Fund to do so.

During the discussion of this matter several delegations stressed the importance of the IOPC Fund being afforded the opportunity to become involved in the investigations carried out by the competent coastal or flag State into the cause of incidents and of the Fund being granted access as soon as possible to the results of any such investigations. The Assembly accepted with appreciation an offer by the United Kingdom delegation to study this matter further, in consultation with other interested Governments.

(i) It was decided that the product known as "orimulsion" should be considered as "persistent oil" for the purpose of Article I.5 of the Civil Liability Convention and as falling within the definition of "contributing oil" laid down in Article 1.3 of the Fund Convention.

(j) The Assembly agreed with the Director that work carried out by lawyers and other experts on behalf of the IOPC Fund in connection with incidents involving the Fund should be considered as fulfilling the criterion of "important work which is necessary for the exercise of its official activities", and that the Governments of Member States were thus under an obligation, pursuant to Article 34.2 of the Fund Convention, to take appropriate measures for the remission or refund of the amount of indirect taxes or sales taxes included in the cost of such services.

(k) It was decided by the Assembly that the July 1991 Amendments to MARPOL 73/78 should be included in the list of instruments contained in Article 5.3(a) of the Fund Convention, with effect from 4 October 1993. As a consequence of this decision, Article 5.3 of the Fund Convention will read as follows from that date:

"The Fund may be exonerated wholly or partially from its obligations under paragraph 1 towards the owner and his guarantor if the Fund proves that as a result of the actual fault or privity of the owner:

(a) the ship from which the oil causing the pollution damage escaped did not comply with the requirements laid down in:

(i) the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, and as amended by Resolutions MEPC.14(20) and MEPC.47(31) adopted by the Marine Environment Protection Committee of the International Maritime Organization on 7 September 1984 and 4 July 1991, respectively;

(ii) the International Convention for the Safety of Life at Sea, 1974, as modified by the Protocol of 1978 relating thereto, and as amended by Resolutions MSC.1(XLV), MSC.6(48) and MSC.13(57) adopted by the Maritime Safety Committee of the

International Maritime Organization on 20 November 1981, 17 June 1983 and 11 April 1989, respectively, and as amended by Resolution 1 adopted on 9 November 1988 by the Conference of Contracting Governments to the International Convention for the Safety of Life at Sea, 1974 on the Global Maritime Distress and Safety System;

(iii) the International Convention on Load Lines, 1966; and

(iv) the Convention on the International Regulations for Preventing Collisions at Sea, 1972;

(v) any amendments to the above-mentioned Conventions which have been determined as being of an important nature in accordance with Article XVI(5) of the Convention mentioned under (i), Article IX(e) of the Convention mentioned under (ii) or Article 29(3)(d) or (4)(d) of the Convention mentioned under (iii), provided, however, that such amendments had been in force for at least twelve months at the time of the incident;

and

(b) the incident or damage was caused wholly or partially by such non-compliance.

The provisions of this paragraph shall apply irrespective of whether the Contracting State in which the ship was registered or whose flag it was flying is a Party to the relevant Instrument."

(l) Requests for observer status with the IOPC Fund from Colombia, Ecuador, Egypt, Panama and the Philippines were granted by the Assembly.

6.2 Executive Committee

The Executive Committee is composed of 15 Member States. The main function of the Committee is to approve settlements of claims for compensation against the IOPC Fund, to the extent that the Director is not authorised to make such settlements.

The Executive Committee held three sessions during 1992 under the chairmanship of Dr R Renger (Germany). The 31st session was held on 28 May 1992, the 32nd session on 5 and 6 October 1992 and the 33rd session on 8 October 1992.

The 31st session of the Executive Committee was convened to discuss certain questions relating to the HAVEN incident which occurred off Genoa (Italy) in April 1991. The main issue was the decision rendered on 14 March 1992 by the judge of the Court of first instance in Genoa who is in charge of the limitation proceedings in the HAVEN case. Under this decision, the maximum amount payable by the IOPC Fund pursuant to Article 4.4 of the Fund Convention should be calculated by the application of the free market value of gold, which gives an amount of Llt 771 397 947 400 (£350 million) (including the amount paid by the shipowner under the Civil Liability Convention),

instead of Llt 102 864 000 000 (£47 million), as maintained by the IOPC Fund, calculated on the basis of the Special Drawing Right (SDR) of the International Monetary Fund. The Committee was informed that the IOPC Fund had lodged opposition to this decision.

The Executive Committee expressed grave concern as regards the consequences of the decision rendered by the judge of the Court of first instance in Genoa for the future of the international regime of liability and compensation established by the Civil Liability Convention and the Fund Convention. It shared the view set out in the pleadings presented by the IOPC Fund that the universally accepted interpretation of the Fund Convention was that the limit of the IOPC Fund's cover should be determined by using the SDR. The Italian delegation stated that it did not take any position on this point. The Committee instructed the Director to pursue the IOPC Fund's opposition to this decision.

At its 31st session, the Executive Committee also discussed the developments in the RIO ORINOCO incident which occurred in Canada in October 1990. In particular, the Committee approved a claim submitted by the Canadian Government for an aggregate amount of Can$1 573 000 (£815 000), in addition to a claim approved for Can$10.2 million (£5.3 million) by the Committee at a previous session. The Canadian Government expressed its great satisfaction with the way in which this incident had been handled and the speed with which the Canadian Government's claims had been settled and paid. The Canadian delegation stressed the value of the close co-operation between the Canadian administration and the IOPC Fund during the operations and in connection with the preparation and examination of the claims. In the view of the Canadian delegation, this incident demonstrated the viability of the system of compensation established by the Civil Liability Convention and the Fund Convention.

Finally, the Executive Committee noted that the Swedish Government's claim arising out of the VOLGONEFT 263 incident, which took place in Sweden in May 1990, had been settled at SKr17 365 000 (£1.6 million).

The HAVEN incident was the major issue also at the 32nd session of the Executive Committee. The Committee discussed the situation in respect of the conversion of the (gold) franc into national currency. It took note of the fact that the IOPC Fund had not yet been given access to the report of the Italian Panel of Enquiry which had carried out an investigation into the cause of the incident. The Director was instructed to study, with the assistance of technical experts, the findings of the Panel as soon as its report was made available. The Committee was informed of the situation in respect of the examination of the claims and the hearings on the individual claims held by the judge in charge of the limitation proceedings. The Executive Committee authorised the Director to state in the court proceedings, when appropriate, on the basis of the examination carried out by the IOPC Fund's experts, the Fund's position as to the admissibility of the individual claims and the amounts which, in the view of the Fund, were acceptable. The Director was instructed to submit any questions of principle to the Executive Committee for consideration, if time allowed him to do so.

The Executive Committee took note of the situation as regards the settlement of claims arising out of the AGIP ABRUZZO incident which occurred in Italy in April 1991 and expressed its appreciation of the fact that all major claims presented so far had been settled. The Committee authorised the Director to take recourse action against the owner of the colliding vessel (the passenger ferry MOBY PRINCE) to recover any amount paid by the IOPC Fund as a result of this incident.

The Executive Committee was informed of the situation in respect of claims arising out of other incidents involving the IOPC Fund and took note of the settlements made by the Director. In particular, the Committee discussed the developments in respect of the AKARI, TOLMIROS, AMAZZONE, KAZUEI MARU N°10, VOLGONEFT 263, RIO ORINOCO and VISTABELLA incidents.

At its 33rd session, the Executive Committee re-elected Dr R Renger (Germany) as its Chairman.

7 SECRETARIAT

The Secretariat administers the IOPC Fund and, in particular, deals with claims for compensation.

At the end of 1992, the Secretariat of the IOPC Fund was composed of nine staff members: the Director, the Legal Officer, the Finance/Personnel Officer, the Claims Officer, the Director's Secretary/Administrative Officer, three Secretaries and a Messenger.

In view of the small size of the IOPC Fund Secretariat, the Fund makes use of consultants to carry out various tasks. Consultants may thus be employed to perform legal or technical studies relating to the IOPC Fund's activities. The Fund also makes extensive use of outside experts for the monitoring of incidents and for technical examination of claims for compensation presented to the organisation.

Assembly - Director (left), Chairman (centre) and Legal Officer (right)

8 ACCOUNTS OF THE IOPC FUND

The accounts of the IOPC Fund for the financial period 1 January to 31 December 1991 were approved by the Assembly in October 1992. Statements containing a summary of the information given in the IOPC Fund's audited financial statements for this period are given in Annexes II-VII to this Report.

As in previous years, the accounts were audited by the Comptroller and Auditor General of the United Kingdom. The Auditor's report and his opinion on the financial statements for 1991 are reproduced in full as Annexes VIII and IX.

There are separate income and expenditure accounts for the General Fund and for each Major Claims Fund. Separate Major Claims Funds are established for each incident in respect of which the total amount payable by the IOPC Fund exceeds one million SDR (approximately £910 000).

Regarding the General Fund (Annex III), the major part of the income in 1991 (£1 087 778 out of a total income of £1 603 648) was derived from interest on the investment of the IOPC Fund's assets. A considerable amount (£488 125) consisted of initial and annual contributions. The administrative expenditure was £517 583, about 2.4% less than the budgetary appropriations. Expenditure on minor claims was £2 068 854. A shortfall of income over expenditure of £979 314 was recorded for the financial year 1991, and this amount was deducted from the accumulated surplus from previous years, bringing the surplus to £5 240 658. This latter amount includes the working capital which, during 1991, was £4 million.

In respect of the BRADY MARIA Major Claims Fund (Annex IV), there was a balance of £76 387 as at 31 December 1991. Except for the receipt of interest of £11 822 on investments, no transactions were made during 1991 in respect of this Major Claims Fund.

With regard to the KASUGA MARU N°1 Major Claims Fund (Annex V), an amount of £53 330 was derived from interest on the investment of its assets. The total expenditure was £33 932. There was a balance on this Major Claims Fund of £301 536 as at 31 December 1991.

As for the THUNTANK 5 Major Claims Fund (Annex VI), there was a balance of £101 719 as at 31 December 1991. Except for the receipt of interest of £18 153 on investments, no significant transactions were made during 1991 in respect of this Major Claims Fund.

It should be noted that the Major Claims Funds relating to the RIO ORINOCO and HAVEN incidents were only constituted in 1992.

The balance sheet of the IOPC Fund as at 31 December 1991 is shown in Annex VII to this Report, showing net assets of £5 240 658.

Details of the IOPC Fund's contingent liabilities are given in a Schedule to the Financial Statements. As at 31 December 1991 there were contingent liabilities estimated at £55 191 900 in respect of claims for compensation arising out of 14 incidents.

It should be noted that as regards the HAVEN incident which occurred in Italy in April 1991 claims have been submitted for a total amount of approximately £720 million as at 31 December 1991. The contingent liabilities were estimated at £41 467 780, based on the assumption that the maximum amount payable by the IOPC Fund under Article 4.4 of the Fund Convention, viz 900 million (gold) francs (including any amount paid by the shipowner under the Civil Liability Convention), should be converted into national currency on the basis of 15 (gold) francs equal to one SDR. As indicated previously, in March 1992 a judge of the Court of first instance in Genoa rendered a decision according to which the maximum amount payable by the IOPC Fund should be calculated by the application of the free market value of gold which gives an amount of Llt 771 397 947 400 (£359 million), instead of Llt 102 864 000 000 (£48 million) as maintained by the IOPC Fund, calculated on the basis of the SDR. The IOPC Fund has lodged opposition to this decision. As for this problem reference is made to page 69 of this Annual Report.

The accounts of the IOPC Fund for the financial period 1 January to 31 December 1992 will be submitted in the spring of 1993 to the External Auditor for an audit opinion, and will be presented to the Assembly for approval at its session in October 1993. These accounts will then be reproduced in the Report on the Activities of the IOPC Fund for the calendar year 1993.

Assembly in session

9 CONTRIBUTIONS

The IOPC Fund is financed by contributions paid by any person who has received in the relevant calendar year more than 150 000 tonnes of crude oil or heavy fuel oil (contributing oil) in a Member State after carriage by sea. The levy of contributions is based on reports on oil receipts in respect of individual contributors which are submitted by Governments of Member States. The contributions are paid by the individual contributors directly to the IOPC Fund. Governments have no responsibility for these payments, unless they have voluntarily accepted such responsibility.

There are initial and annual contributions. Initial contributions are payable when a State becomes a Member of the IOPC Fund on the basis of a fixed amount per tonne of contributing oil received the year preceding that in which the Fund Convention entered into force for that State. This amount was fixed by the Assembly at 0.04718 (gold) francs per tonne (0.003145 SDR, which at 29 December 1992 corresponded to £0.0028654). Annual contributions are levied to meet the anticipated payments of compensation and indemnification by the IOPC Fund and the administrative expenses of the Fund during the coming year.

At the Assembly's session in October 1992, the Director expressed concerns relating to the failure of some Member States to submit their reports on contributing oil receipts. The Assembly agreed with the Director that the non-submission of these reports constituted a considerable problem. The Assembly emphasised that, if the reports on contributing oil are not submitted to the IOPC Fund, the Director is unable to issue invoices for the contributions in respect of the State concerned, and the system of levying contributions will not function in an equitable manner. For these reasons, the Assembly stressed the importance which these reports have for the functioning of the IOPC Fund and invited those States which had not yet done so to submit their reports as soon as possible.

In October 1991 the Assembly decided to levy 1991 annual contributions in the amount of £5 million for the General Fund, £6.7 million for the RIO ORINOCO Major Claims Fund and £15 million for the HAVEN Major Claims Fund, to be paid by 1 February 1992. The amount payable by each contributor per tonne of contributing oil received was £0.0053225 in respect of the General Fund, based on the quantities of oil received in 1990, £0.0074113 in respect of the RIO ORINOCO Major Claims Fund, based on the quantities received in 1989 (the year before the incident), and £0.0159675 in respect of the HAVEN Major Claims Fund, based on the quantities received in 1990 (the year before the incident). Only a small part of these contributions remains unpaid.

At its session in October 1992, the Assembly decided not to levy any 1992 annual contributions to the General Fund. As regards the HAVEN Major Claims Fund, the Assembly noted that although it was likely that there would only be limited payments by the IOPC Fund during 1993, it would nevertheless, from the point of view of the contributors, be advantageous to spread the financial burden as a result of this incident over several years. It was considered, on the other hand, that since it might be several years before major payments of compensation were to be made, the IOPC

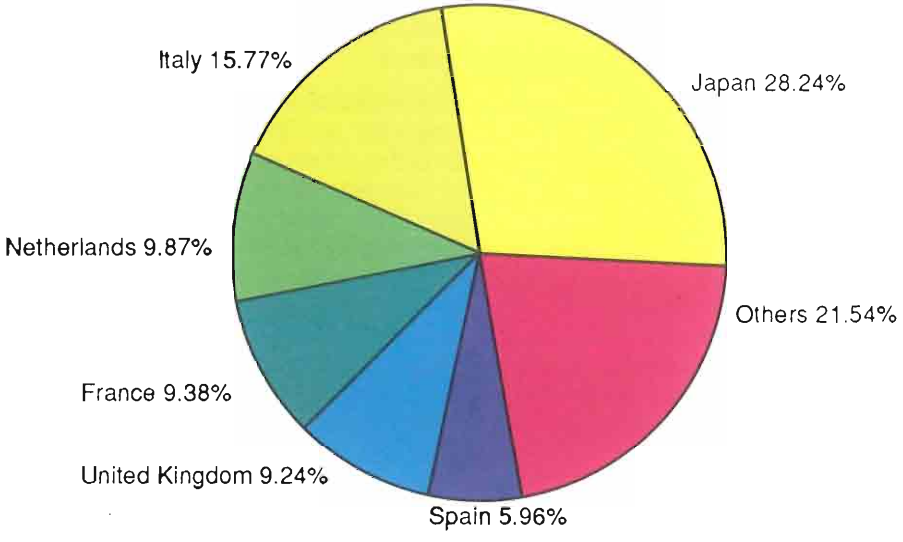
Fund should take a prudent approach as regards the levying of contributions. After considering the various aspects of this issue, it was decided to make a second levy of £10 million to the HAVEN Major Claims Fund. The Assembly also decided to raise 1992 annual contributions in the amount of £950 000 to the VOLGONEFT 263 Major Claims Fund. The contributions to these Major Claims Funds are payable by 1 February 1993. The amount payable by each contributor per tonne of contributing oil received was £0.0105380 in respect of the HAVEN Major Claims Fund, based on the quantities received in 1990 (the year before the incident), and £0.0010830 in respect of the VOLGONEFT 263 Major Claims Fund, based on the quantities received during 1989 (the year before the incident). Only small amounts of these contributions had been received by 31 December 1992.

In respect of contributions levied for previous years, on 31 December 1992 an amount of £727 193 was outstanding. Of the arrears, 70% relates to contributors in the former Union of Soviet Socialist Republics and the former Socialist Federal Republic of Yugoslavia. In October 1992, the Assembly again expressed its satisfaction with the situation regarding the payment of contributions.

The quantities of contributing oil received in 1991 in Member States are given in Annex X to this Report.

The shares of the 1992 annual contributions to the Haven Major Claims Fund in respect of Member States, based on the quantities of oil received in 1990, are illustrated by the chart shown below.

1992 Annual Contributions to the HAVEN Major Claims Fund



The payments made by the IOPC Fund in respect of claims for compensation for oil pollution damage vary considerably from year to year. As a result, the level of contributions to the Fund varies from one year to another, as illustrated in the following table which sets out the contributions levied during the period 1979-1992.

Year	General Fund	Major Claims Funds	Total Levy
	£	£	£
1979	750 000	0	750 000
1980	800 000	9 200 000	10 000 000
1981	500 000	0	500 000
1982	600 000	260 000	860 000
1983	1 000 000	23 106 000	24 106 000
1984	0	0	0
1985	1 500 000	0	1 500 000
1986	1 800 000	0	1 800 000
1987	800 000	400 000	1 200 000
1988	2 900 000	90 000	2 990 000
1989	1 600 000	3 200 000	4 800 000
1990	500 000	0	500 000
1991	5 000 000	21 700 000	26 700 000
1992	0	10 950 000	10 950 000

If contributions to a Major Claims Fund are not totally used for the payments made by the IOPC Fund in respect of the particular incident for which they were levied, the balance is repaid to the contributors. Repayments were thus made in 1981 (£750 000 of the 1980 levy for the ANTONIO GRAMSCI Major Claims Fund), in 1986 (£700 000 of the 1983 levy for the ONDINA/FUKUTOKU MARU N°8 Major Claims Fund) and in 1989 (£13.9 million of the 1983 levy for the TANIO Major Claims Fund). The high balance on the TANIO Major Claims Fund resulted from the recovery of a very substantial amount in an out-of-court settlement.

As mentioned above, contributions are levied on persons who have received contributing oil after sea transport. During 1991 two storage companies in the Netherlands argued that the interpretation of the notion of "received" in the Fund Convention applied by the IOPC Fund was incorrect. These companies maintained that they could not be considered as receivers of contributing oil, since they were only storage companies receiving oil on behalf of other companies. One of these companies appealed to the Administrative Court against the decision of the Ministry of Economic Affairs to include the company in its report to the IOPC Fund as having received contributing oil. The company requested that the Court should state that the company was not liable to pay contributions to the IOPC Fund and that the Court should therefore annul the notification made by the Government of the Netherlands which stated that the company had received contributing oil during 1991 and indicated the quantity received.

The appeal by that company was referred by the Court to the Ministry of Economic Affairs under the applicable administrative legislation for a formal decision. The Ministry rejected the appeal in September 1992. The company has lodged an appeal against this decision to the Administrative Court.

The interpretation of the notion of "received" was discussed by the IOPC Fund Assembly in October 1992. The Assembly confirmed the position taken in 1980 that Member States should have a certain flexibility to adopt a practical reporting system allowing for an effective and easy checking of the figures and taking into account the particularities of oil movements and the local circumstances of a particular country. It was emphasised by the Assembly that, failing payment by persons reported other than the physical receivers, the physical receivers should ultimately be liable for contributions irrespective of whether the persons reported have their place of business or residence in a Member State or not. The Assembly also maintained that the storage companies in the Netherlands were liable to pay contributions in respect of any quantities actually received by them.

AEGEAN SEA - Smoke rising above La Coruña

10 INVESTMENT OF FUNDS

In accordance with the IOPC Fund's Internal Regulations, the Director invests funds which are not required for the short-term operation of the IOPC Fund. The investments are made mainly in pounds sterling. The assets are placed on term deposit. Pursuant to the Financial Regulations, investments may be made with banks, discount houses and building societies which fulfil certain requirements as to their financial standing.

During 1992, investments were made with several banks, discount houses and building societies in the United Kingdom. Apart from deposits placed for up to seven days fixed, the investments were made at interest rates varying from 7% to 11.25% per annum, with an average of 10%. Interest due in 1992 on the investments amounted to £1 388 000, on an average capital of £23 million.

As at 31 December 1992, the IOPC Fund's portfolio of investments totalled £24 014 000. This amount was made up of the assets of the IOPC Fund, the Staff Provident Fund and a credit balance of £174 000 on the contributors' account.

In view of certain events in the London banking market during the summer of 1991, the Assembly had, in October 1991, instructed the Director to examine the IOPC Fund's investment policy in consultation with the External Auditor. In October 1992, the Assembly examined the results of the Director's examination of this issue as well as a report on the Fund's investment policy presented by the External Auditor.

The Assembly considered, in particular, the types of investments which the IOPC Fund should make, which kinds of institutions should be used for investment purposes, the extent to which investments should be made in currencies other than pounds sterling, the maximum investment in any one institution, the maximum period of investments and the internal procedures of the Fund relating to investments. The Assembly made the following decisions on these points:

(a) The IOPC Fund should not, at least for the time being, broaden its investment policy beyond deposits and bank bills.

(b) The IOPC Fund should maintain, at least for the time being, its policy of investing only with banks, building societies and discount houses.

(c) The Director should retain the possibility of keeping assets in any currency required to meet payments of claims arising out of a particular incident which have been settled or are likely to be settled in that currency in the near future. He should also retain the possibility of buying currencies other than pounds sterling through forward contracts or through options, to cover payments of such claims.

(d) As regards incidents which have given rise to substantial claims against the IOPC Fund, significant investments in the relevant currency at an early stage to meet such claims should require prior approval by the Assembly.

(e) The normal limit for investment in any one institution should be 25% of the IOPC Fund's total assets, provided however that investments with any one institution should not normally exceed £4 million.

(f) The maximum period for investments should be maintained at one year.

The Assembly instructed the Director to study further the question of the investment of the IOPC Fund's assets in currencies (including the European Currency Unit) other than pounds sterling. He should examine whether it would be appropriate for the IOPC Fund to set up a special body to advise the Director on investment matters and to consider the composition of such a body. Finally, he was invited to consider whether the fact that the IOPC Fund will be holding significant amounts of money would necessitate any increase in the resources of the IOPC Fund Secretariat to deal with matters relating to the IOPC Fund's finances in general, and investment matters in particular. These matters will be considered by the Assembly at its session in October 1993.

AEGEAN SEA - Helicopter over vessel

11 REVISION OF THE CIVIL LIABILITY CONVENTION AND THE FUND CONVENTION

11.1 The 1984 Protocols

In 1984, a Diplomatic Conference held in London under the auspices of IMO adopted two Protocols amending the Civil Liability Convention and the Fund Convention, respectively. These Protocols provide higher limits of compensation and a wider scope of application than the Conventions in their original versions.

The 1984 Protocol to the Civil Liability Convention has been ratified by seven States. Three States have become Parties to the 1984 Protocol to the Fund Convention. The entry into force conditions laid down in the 1984 Protocol to the Fund Convention meant, however, that the Protocol would not enter into force unless ratified by the United States of America. In the United States, Congress had for some time considered proposals for new comprehensive oil spill legislation. In that context, consideration was given to ratification of the 1984 Protocols. However, the legislation adopted by Congress which entered into force on 18 August 1990 did not contain provisions implementing the 1984 Protocols; this legislation is in fact incompatible with the Protocols. It thus became clear that the United States would not ratify the Protocols.

11.2 Work Within the IOPC Fund

In view of this development, and taking into account the requirements for their entry into force, it became obvious that the 1984 Protocols would not come into force in the foreseeable future. For this reason the IOPC Fund Assembly decided in 1990 to set up an Intersessional Working Group with the mandate to consider the future development of the intergovernmental oil pollution liability and compensation system. The report of the Working Group was considered by the Assembly in October 1991.

During the discussions in the Assembly, many delegations expressed their strong support of the system of compensation established by the 1969 Civil Liability Convention and the 1971 Fund Convention, which they considered to be working remarkably well. For this reason, a number of delegations stressed the importance that the 1984 Protocols to these Conventions should enter into force as soon as possible, so as to ensure the viability of this system in the future. The Assembly concluded that the best way of facilitating the entry into force of the 1984 Protocols would be to amend their entry into force provisions but retain the substantive provisions of those Protocols. The Assembly agreed in general with the draft texts elaborated by the Director for new Protocols containing entry into force provisions differing from those of the 1984 Protocols. On the basis of a proposal by the delegation of Japan, the Assembly also discussed whether a "cap" on contributions payable by oil receivers in any given State should be introduced in the Fund Convention.

The IOPC Fund Assembly adopted a resolution containing a request addressed to the Secretary-General of IMO to convene an international conference, to be held if possible before the end of 1992, to consider the draft protocols elaborated within the

IOPC Fund modifying the 1969 Civil Liability Convention and the 1971 Fund Convention; the conference should also consider whether there should be introduced in the Fund Convention a system of setting a cap on contributions payable by oil receivers in any given State for a transitional period.

11.3 Work Within IMO

In November 1991, the Assembly of IMO adopted a resolution requesting the Legal Committee of IMO to consider draft protocols modifying the Civil Liability Convention and the Fund Convention as well as the question of "capping" contributions payable by oil receivers in any given State. The Assembly of IMO also decided that an international conference of one week's duration be held during 1992 to adopt these Protocols. The draft Protocols were examined and approved by the Legal Committee of IMO in March 1992.

11.4 International Conference

The International Conference was held under the auspices of IMO from 23 to 27 November 1992 in London. The Conference adopted two Protocols amending the 1969 Civil Liability Convention and the 1971 Fund Convention, respectively (the 1992 Protocols).

The new Protocols retain the substantive provisions of the 1984 Protocols but with lower entry into force conditions. The 1992 Protocol to the Civil Liability Convention requires for its entry into force that it be ratified by ten States, including four States each with not less than one million units of gross tanker tonnage, whereas the 1984 Protocol to that Convention required six such States. The 1992 Protocol to the Fund Convention requires for its entry into force, inter alia, ratification by States representing together 450 million tonnes of contributing oil received, a reduction from the figure of 600 million tonnes laid down in the 1984 Protocol to the Fund Convention.

The 1992 Protocol to the Fund Convention introduces provisions setting a cap on contributions to the IOPC Fund payable by oil receivers in any given State. This cap was fixed by the Conference at 27.5% of the total annual contributions to the IOPC Fund. The capping system will cease to apply when the total quantity of contributing oil received during a calendar year in all Member States of the new Fund set up under the 1992 Protocol exceeds 750 million tonnes, or at the expiry of a period of five years from the entry into force of the 1992 Protocol to the Fund Convention, whichever is the earlier.

The Conference adopted a Resolution which invited the Assembly of the IOPC Fund to instruct the Director of the IOPC Fund to carry out duties under the revised Fund Convention (in addition to his functions under the 1971 Fund Convention), and to make the necessary preparations for the entry into force of the 1992 Protocol to the 1971 Fund Convention in particular as regards the administration of the organisation ("the 1992 Fund") which will be established under that Protocol.

11.5 Main Amendments to the Conventions

The main differences between the Civil Liability Convention and the Fund Convention in their original version, on the one hand, and the Conventions as amended by the 1992 Protocols, on the other, are as follows.

(a) Higher Limits of Compensation

The limit of the shipowner's liability is changed by the introduction of a special liability limit for small vessels and by a substantial increase of the limitation amounts. The limitation figures under the 1992 Protocol to the Civil Liability Convention are:

(i) for a ship not exceeding 5 000 gross tonnage, 3 million SDR (£2.7 million or US $4.1 million);

(ii) for a ship with a tonnage between 5 000 and 140 000 gross tonnage, 3 million SDR plus 420 SDR (£382 or US $577) for each additional unit of tonnage;

(iii) for a ship exceeding 140 000 gross tonnage, 59.7 million SDR (£54.4 million or US $82 million).

The maximum compensation payable by the IOPC Fund under the 1992 Protocol to the Fund Convention in respect of any one incident is increased to 135 million SDR (£123 million or US $186 million), including the compensation payable by the shipowner under the Civil Liability Convention as amended by the 1992 Protocol thereto. The limitation figure will be increased automatically to 200 million SDR (£182 million or US $275 million) when there are three States Parties to the 1992 Protocol to the Fund Convention whose combined quantity of contributing oil received during a given year in their respective territories exceeds 600 million tonnes.

The 1992 Protocols provide for a simplified procedure to increase these limits, if the experience of incidents should justify it.

(b) No Indemnification of Shipowners

Pursuant to the Fund Convention in its original version, the IOPC Fund indemnifies the shipowner, under certain conditions, for part of the total amount of his liability under the Civil Liability Convention. Under the 1984 Protocol to the Fund Convention there is no indemnification payable to the shipowner. The shipowner's liability under the revised Civil Liability Convention is, therefore, the net liability to be borne by him or his insurer.

(c) Geographical Scope of Application

The Conventions in their original versions apply only to pollution damage in the territory, including the territorial sea, of a Contracting State. The geographical scope of application of the Conventions is extended by the 1992 Protocols to the exclusive economic zone (EEZ), established under the United Nations Convention on the Law of the Sea.

(d) **Spills from Unladen Tankers**

Pollution damage caused by spills of persistent oil from unladen tankers is to be compensated under the Civil Liability Convention and the Fund Convention as amended by the 1992 Protocols. This is in contrast to the Conventions in their original versions.

(e) **Pre-spill Preventive Measures**

Unlike under the original texts of the Conventions, expenses incurred for preventive measures are recoverable under the amended Conventions even when there is no spill of oil as a result of the incident, provided that there is a grave and imminent danger of pollution damage.

(f) **Definition of "Pollution Damage"**

The 1992 Protocol to the Civil Liability Convention contains a new definition of the notion of "pollution damage" which retains the basic wording of the present definition with the addition of a phrase to clarify the question of whether and to what extent damage to the environment is covered by the definition. It is provided that compensation for impairment of the environment (other than loss of profit from such impairment) shall be limited to costs of reasonable measures of reinstatement actually undertaken or to be undertaken.

AEGEAN SEA - Skimmers in use

12 SETTLEMENT OF CLAIMS

12.1 General Information

Since its establishment in October 1978 the IOPC Fund has, up to 31 December 1992, been involved in the settlement of claims for compensation arising out of 62 incidents. Thirty-three of these incidents occurred in Japan, whereas 20 incidents, leading in general to much larger claims, took place in European waters, one in Indonesia, one in Algeria, one in the Caribbean, four in Canada and two in the Persian Gulf. However, some of these incidents did not result in any payments of compensation by the IOPC Fund. The total amount of compensation and indemnification paid by the IOPC Fund to date is £51 million.

During 1992, only two incidents occurred that have given or will give rise to claims against the IOPC Fund, namely the FUKKOL MARU N°12 incident which happened in Japan and the AEGEAN SEA incident which took place in Spain. The first of these incidents caused only very limited pollution whereas the latter caused serious pollution damage.

The Greek OBO carrier AEGEAN SEA grounded on 3 December 1992 in bad weather off the port of La Coruña in north-western Spain while carrying 80 000 tonnes of crude oil. The incident resulted in the escape of considerable quantities of crude oil and necessitated extensive clean-up operations at sea and on shore. It also resulted in economic loss for a large number of fishermen. As at 31 December 1992 it was premature to make any estimate of the total amount of the pollution damage caused by this incident.

The IOPC Fund closely followed the developments in respect of three other incidents which occurred in 1992 and which could have resulted in the IOPC Fund having to pay compensation or indemnification, namely the BLUE SEA (Tunisia, 9 February 1992), KATINA P (Mozambique, 16 April 1992) and GEROI CHERNOMORYA (Greece, 3 May 1992) incidents. The total amount of the established claims in these three cases will, however, be covered by the respective shipowner's limitation amount, and the IOPC Fund will not be called upon to pay any compensation or indemnification in these cases.

A collision between the tanker NAGASAKI SPIRIT and a container vessel which occurred on 19 September 1992 in the Strait of Malacca resulted in the escape of a large quantity of crude oil. Due to the prevailing winds and currents, the oil mainly affected the coast of Malaysia, which is not Party to the Fund Convention. However, claims for compensation against the IOPC Fund in respect of pollution damage in Indonesia, the only Fund Member State in the area, cannot be ruled out.

As at 31 December 1992, there were six incidents involving the IOPC Fund which had taken place in previous years and in respect of which final settlements had not yet been reached as regards the third party claims, namely the PATMOS, BONITO, PORTFIELD, VISTABELLA, AGIP ABRUZZO and HAVEN incidents.

The most serious case in which the IOPC Fund has been involved since its establishment is the HAVEN incident which occurred in Italy in April 1991. The incident

caused extensive pollution damage in Italy, France and Monaco, and some 1 350 claims for compensation have been submitted for a total amount corresponding to approximately £715 million; however, a number of claims are duplications. The claims are being examined by the IOPC Fund Secretariat. The aggregate amount of the claims greatly exceeds the total amount of compensation available under the Civil Liability Convention and the Fund Convention, viz 900 million (gold) francs, which in the IOPC Fund's view corresponds to 60 million Special Drawing Rights or Llt 102 864 000 000 (£47 million). However, a judge in the Court of Genoa has fixed the maximum amount payable by the IOPC Fund at Llt 771 397 947 400 (£350 million), calculated on the basis of the free market value of gold. The IOPC Fund has lodged opposition to the judge's decision.

Large claims have also been submitted to the IOPC Fund in respect of the AGIP ABRUZZO incident which took place in Italy in 1991. Claims have been settled for a total of £8.2 million. Claims totalling £0.7 million are pending. A claim will be submitted by the Italian Government.

Other important developments during 1992 relate to the settlement of the Swedish Government's claim in respect of the VOLGONEFT 263 incident, of the remaining part of the Canadian Government's claim in respect of the RIO ORINOCO incident, of all remaining claims arising out of the AMAZZONE incident and of all claims resulting from the KAIKO MARU N°86 incident.

As for the PATMOS incident, which took place in Italy in 1985, the IOPC Fund has become involved in complex legal proceedings concerning a claim submitted by the Italian Government for compensation for damage to the marine environment which was rejected by the Court of first instance. The Court of Appeal rendered a non-final judgement in March 1989 concerning that claim. In that judgement the Court stated that the owner of the PATMOS, his P & I insurer and the IOPC Fund were liable for the damage covered by the claim made by the Italian Government. It is expected that the Court will render its judgement in 1993 on the quantum of the damage.

A claim for compensation can be accepted by the IOPC Fund only to the extent that the claim meets the criteria laid down in the Civil Liability Convention and the Fund Convention. The definition of "pollution damage" in the Conventions is not very clear. Over the years, however, the IOPC Fund has developed certain principles as to the admissibility of claims. The Assembly and the Executive Committee have taken a number of important decisions in this regard. These principles have also been developed by the Director in his negotiations with claimants. The settlements made by the Director and the principles upon which these settlements have been based have either been explicitly approved by the Executive Committee, or have been reported to and endorsed by the Committee. It should be noted that the Assembly has expressed the opinion that a uniform interpretation of the definition of "pollution damage" is essential for the functioning of the regime of compensation established by the Civil Liability Convention and the Fund Convention.

Details relating to incidents with which the IOPC Fund has dealt in 1992 are given in Section 12.2 of this Report. The conversion of foreign currencies into Pounds Sterling is as at 24 December 1992, except for those claims in respect of which

payments have been made; with regard to the latter, conversion is made at the rate of exchange on the date of payment.

Annex XI contains a summary of all incidents with which the IOPC Fund has dealt over the years, and in respect of which the Fund has paid compensation or indemnification, or in respect of which it is possible that such payments will be made by the Fund. It also includes some other incidents in which the IOPC Fund was involved but in respect of which the Fund ultimately was not called upon to make any payments.

12.2 Incidents dealt with by the IOPC Fund during 1992

PATMOS

(Italy, 21 March 1985)

The Incident

The Greek tanker PATMOS (51 627 GRT), carrying 83 689 tonnes of crude oil, collided with the Spanish tanker CASTILLO DE MONTEARAGON (92 289 GRT), which was in ballast, off the coast of Calabria in the Straits of Messina (Italy). Approximately 700 tonnes of oil escaped from the PATMOS. Most of the spilt oil drifted on the surface of the sea and dispersed naturally. Only a few tonnes of oil came ashore on the Sicilian coast. The Italian authorities undertook extensive operations in order to contain the spilt oil and to prevent it from polluting the Sicilian and Calabrian coasts.

The owner of the PATMOS and the owner's insurer, the United Kingdom Steamship Assurance Association (Bermuda) Ltd (UK Club), established a limitation fund with the Court of Messina. The Court fixed the limitation amount at Llt 13 263 703 650 (£6.1 million).

The Claims

Claims were lodged against the limitation fund, totalling Llt 76 112 040 216 (£34.9 million). Most of the claims were settled out of court at an early stage, and these settlements were approved by the Court of first instance. Some claimants appealed against the judgement of the Court of first instance. During the appeal proceedings, out-of-court settlements were reached with two claimants, and these settlements were approved by the Court of Appeal.

The aggregate amount of the claims accepted by the courts during the limitation proceedings and in the appeal proceedings is Llt 9 418 318 650 (£4.3 million). These claims have been paid by the UK Club.

Outstanding Claims in Appeal Proceedings

A claim of Llt 20 000 million (£9.2 million), later reduced to Llt 5 000 million (£2.3 million), was submitted by the Italian Government for damage to the marine environment. The Italian Government did not provide any documentation indicating the kind of damage which had allegedly been caused or the basis on which the amount claimed had been calculated. The IOPC Fund Assembly had in 1980 unanimously adopted a Resolution stating that "the assessment of compensation to be paid by the IOPC Fund is not to be made on the basis of an abstract quantification of damage

calculated in accordance with theoretical models". In view of this Resolution, the IOPC Fund rejected this claim. The shipowner and the UK Club took the same position as the IOPC Fund.

The Italian Government maintained that the damage was a violation of the right of sovereignty over the territorial sea of the State of Italy. The Court of first instance stated that this right was not one of ownership and could not be violated by acts committed by private subjects. In addition, the Court declared that the State had not suffered any loss of profit nor incurred any costs as a result of the alleged damage to the territorial waters, or the fauna or flora. The State had, therefore, not suffered any economic loss. The Court also drew attention to the above-mentioned Resolution adopted by the IOPC Fund Assembly. For these reasons the Court of first instance rejected this claim.

The Italian Government appealed against the decision of the Court of first instance. In the appeal proceedings the Italian Government has taken the position that this claim relates to actual damage to the marine environment and to actual economic loss suffered by the tourist industry and fishermen. For this reason, the Italian Government has maintained that the claim is not in contravention of the interpretation of the definition of pollution damage adopted by the Assembly in that Resolution.

When discussing the incident, the Executive Committee reiterated the IOPC Fund's position that a claimant was entitled to compensation under the Civil Liability Convention and the Fund Convention only if he had suffered quantifiable economic loss. In view of the position of the Italian Government that this claim relates to actual damage to the marine environment, the Committee referred to the interpretation of the definition of pollution damage laid down in the Resolution. With regard to the economic loss which had allegedly been suffered by the tourist industry and fishermen, the Committee expressed the opinion that compensation in respect of such damage could only be claimed by the individual person having suffered the damage who, in addition, had to prove the amount of the economic loss sustained.

The Italian Government's claim was dealt with by the Court of Appeal in a non-final judgement, rendered in 1989. In that judgement the Court stated that the owner of the PATMOS, the UK Club and the IOPC Fund were liable for the damage covered by the claim made by the Italian Government. By order of the same date, the Court appointed three experts with the task of ascertaining the existence, if any, of damage to the marine resources off the coasts of Sicily and Calabria consequent on the oil pollution; if such damage existed, they should determine the amount thereof or, in any case, supply any useful element suitable for the equitable assessment of the damage.

The Court experts submitted their report in March 1990. In the report, the experts held that, except in respect of fishing activities, there was a lack of data to evaluate the economic impact on other activities and that a precise assessment of the damage to such activities was impossible. In the view of the experts, the evaluation should be carried out by the Court. The experts quantified the damage to the fishing activities at not less than Llt 1 000 million (£460 000).

After the publication of the report of the Court experts, the parties exchanged pleadings. The IOPC Fund, the owner of the PATMOS and the UK Club pointed out

that the Court had instructed the surveyors to deal with damage which could not be assessed in monetary terms. They argued that the court surveyors had exceeded their mandate, since the damage allegedly suffered by fishermen and the tourist industry was not damage to the marine resources but economic loss. It was pointed out that, in any event, the surveyors had admitted that the damage to the tourist industry could not be quantified. The owner, the Club and the IOPC Fund referred to the fact that, as regards the damage to the environment properly speaking, the surveyors had used expressions such as "non-existent", "negligible", "modest", "of short duration" and "reversible".

In October 1991, the Court of Appeal requested clarifications from the experts. In April 1992 the Court experts produced a second report in which they stated that their conclusions were only hypothetical and not confirmed by factual evidence. The quantity of water affected by the oil was estimated, and the experts then considered how the oil might affect the plankton and the development and growth of fish. A mathematical formula was used to calculate a quantity of fish which allegedly were not born or did not develop, due to lack of nutrition. The experts stated that only a percentage of the quantity of fish not having come into existence would have been caught and gave a nominal value to the quantity which would have been caught. An allowance was also made for the days when fishing was banned following the incident, to take account of loss of earnings. The experts excluded damage to the beaches because neither the authorities nor the tourist operators had submitted claims.

In addition to the Italian Government's claim, there are three claims subject to appeal proceedings, totalling approximately Llt 690 million (£320 000).

A hearing has been fixed by the Court of Appeal for 19 January 1993. There is no indication of when the judgement will be rendered.

Possible Appeal to the Supreme Court

It is possible that, if the Italian Government's claim were to be accepted for the amount claimed or a major part of it, the total amount of the accepted claims would exceed the limitation amount applicable to the PATMOS and would result in the IOPC Fund's being called upon to pay compensation in respect of this incident. In October 1991, the Director was instructed by the Executive Committee to lodge an appeal against a judgement by the Court of Appeal accepting the Italian Government's claim, if the judgement could lead to the IOPC Fund's being called upon to pay compensation.

THUNTANK 5

(Sweden, 21 December 1986)

The Swedish vessel THUNTANK 5 (2 866 GRT), carrying 5 024 tonnes of heavy fuel oil, ran aground in very bad weather outside Gävle, on the east coast of Sweden, 200 kilometres north of Stockholm. It was estimated that 150-200 tonnes of oil escaped as a result of the incident. The oil affected various areas along a 150 kilometre stretch of coast around Gävle, including a number of small islands. The pollution necessitated extensive clean-up operations which were undertaken by the Swedish Coast Guard and the five municipalities affected by the spill.

A claim by the Swedish Government in respect of the operations carried out by the Coast Guard and the on-shore operations carried out by the municipalities concerned was settled at SKr21 931 232 (£2.0 million) plus interest. In November 1989, the IOPC Fund paid SKr23 168 271 (£2 291 257) to the Swedish Government, representing the accepted amount of the claim plus interest (SKr3 978 785), minus the shipowner's limitation amount of SKr2 741 746.

Claims submitted by seven fishermen and two other private claimants were accepted at an aggregate amount of SKr49 361 (£4 925). These claims were paid during the period of December 1987 - August 1988.

Indemnification of the shipowner, SKr685 437 (£68 393), was paid by the IOPC Fund in December 1989.

The Swedish authorities feared that oil from the THUNTANK 5 which had sunk to the bottom of the sea might resurface and come ashore, necessitating further clean-up operations in subsequent years. In the Settlement Agreement with the IOPC Fund and the shipowner, the Swedish Government reserved its right to claim supplementary compensation in respect of such operations, subject to the provisions on time bar in the Civil Liability Convention and the Fund Convention. In September 1990 and August 1991, there were reports of further pollution on the coast caused by oil from the THUNTANK 5, but this pollution was very limited. The Swedish Government informed the IOPC Fund that it would not present any claim for compensation in respect of the pollution which occurred in 1990 and 1991. There have been no reports on further pollution.

Any further claims for compensation in respect of this incident were time-barred on 21 December 1992.

AKARI

(United Arab Emirates, 25 August 1987)

The Incident

While outside Dubai (United Arab Emirates), the Panamanian coastal tanker AKARI (1 345 GRT) had a switchboard fire on 24 August 1987 resulting in a loss of electrical power and of the use of the main engines. The ship took in water and was towed towards the port of Jebel Ali, where she was refused entry. The AKARI was then towed along the coast. Since the vessel was listing badly, she was beached to the east of the port of Jebel Ali with tug assistance. Approximately 1 000 tonnes of her cargo of heavy fuel oil escaped on 25 and 26 August before the AKARI was refloated. The remaining cargo was then transferred to another vessel, and the AKARI was towed back to the port of Jebel Ali. It is estimated that 30-40 kilometres of the coast were polluted as a result of the incident. Clean-up operations were undertaken at sea and on the shore.

The limitation amount applicable to the AKARI under the Civil Liability Convention was estimated at 121 500 Special Drawing Rights (£110 700).

Negotiations with Shipowner and P & I Insurer

Under Article VII.1 of the Civil Liability Convention, the owner is required to maintain insurance in respect of any ship registered in a Contracting State and carrying more than 2 000 tonnes of oil in bulk as cargo. At the time of the incident the AKARI was carrying only 1 899 tonnes and was therefore not under any obligation to maintain insurance in accordance with the Convention.

The AKARI was entered with the Shipowners' Mutual Protection and Indemnity Association (the Shipowners' Club). The Director held several meetings with those representing the Shipowners' Club and the shipowner to discuss the legal problems involved. It was apparent that the shipowner had no assets and would not, without the Club's support, establish a limitation fund. The Club made it clear that it would not constitute any such fund. The Club consistently refused to confirm that the AKARI was insured with the Club in respect of matters arising from this incident and subsequently stated that the vessel was not insured for such matters. The Club argued that the right of direct action against the insurer under Article VII.8 of the Civil Liability Convention did not apply in this case, since the ship was carrying less than 2 000 tonnes of oil. This argument was not accepted by the Director who maintained that a right of direct action against the Club as the shipowner's liability insurer did exist. Finally, after protracted discussions, the Club offered to make an ex gratia payment of US$160 000 to the IOPC Fund, recognising its potential liabilities to third parties but without any admission on this issue.

In view of the financial situation of the shipowner, the uncertainty surrounding the outcome of any direct action against the Club and the likely high costs of litigation, the Director considered that the best course of action was to accept the Club's offer to make an ex gratia payment of US$160 000, without in any way conceding the validity of the Club's contention that no right of direct action existed. In consideration thereof, he gave an undertaking, on behalf of the IOPC Fund, not to pursue any claims against the owner of the AKARI or against the Club and to hold the owner and the Club harmless for any claim for compensation for pollution damage arising out of this incident. An agreement to this effect was signed by the IOPC Fund and the Club in August 1990.

The Claims

Any claims would become time-barred after the expiry of a period of three years from the date when the damage occurred (ie on or shortly after 25 August 1990), in accordance with Article VIII of the Civil Liability Convention and Article 6.1 of the Fund Convention. For this reason, in June 1990 the IOPC Fund, through its lawyers in Dubai, made contact with the persons whom the Fund had reason to believe had suffered damage as a result of the incident and drew their attention to their right to obtain compensation from the IOPC Fund and the necessity of bringing legal action against the shipowner before 25 August 1990, so as to prevent the claims from being time-barred. The claimants were informed that as soon as such actions had been brought, the Fund would enter into negotiations with them for the purpose of arriving at an out-of-court settlement.

As a result of these contacts, six claimants brought legal actions against the owner of the AKARI in the Court of Dubai for an aggregate amount of £320 000. The claimants notified the IOPC Fund of the actions under Article 7.6 of the Fund Convention.

After negotiations, agreements were reached during 1991 in respect of five of the claims. The outstanding claim, that of Smit Tak International, in the amount of US$176 941 (£115 500), partly covered operations which in the Director's view related to salvage operations. It was settled in February 1992 at US$40 600 (£22 518).

The settlements of the claims arising out of this incident are shown below:

	Dhs	
Coast Guard of the United Arab Emirates	296 300	(£46 023)
Dubai Municipality	153 589	(£24 495)
Dubai Electricity Company	50 514	(£7 846)
Dubai Aluminium Company	363 890	(£55 983)
	864 293	(£134 347)
	US$	
Dubai Petroleum Company	146 565	(£83 181)
Smit Tak International	40 600	(£22 518)
	187 165	(£105 699)
		(£240 046)

In April 1992, after all claims arising out of this incident had been settled and paid by the IOPC Fund, the Fund received payment of US$160 000 (£90 129) from the Shipowners' Club, in accordance with the agreement mentioned above.

TOLMIROS

(Sweden, 11 September 1987)

The Incident

On 11 September 1987 a Swedish passenger ferry sighted an oil slick which was two nautical miles long and one mile wide off the Skaw, the northern point of Jutland (Denmark), and reported its observations to the Swedish authorities which immediately commenced air reconnaissance flights. The prevailing winds and currents caused the oil to drift rapidly towards the west coast of Sweden. The oil started reaching the Swedish coast in the evening of the same day. It is estimated that 200 tonnes of oil came ashore. Extensive pollution was caused to a long stretch of coast, north of Gothenburg. Clean-up operations at sea were carried out by the Swedish Coast Guard, whereas the on-shore clean-up was the responsibility of the municipalities concerned. The Swedish Government reimbursed the municipalities for the costs incurred by them as a result of the incident.

The Legal Action

In August 1990, the Swedish Government took legal action in the Court of Gothenburg against the owner of the Greek vessel TOLMIROS (48 914 GRT) and his P & I insurer, Assuranceforeningen Gard (the Gard Club), claiming compensation for

pollution damage. The Swedish Government's claim totalled SKr100 639 999 (£9.3 million). The IOPC Fund was notified of the action, in accordance with Article 7.6 of the Fund Convention. The Fund availed itself of its right to intervene as a party to the legal proceedings, pursuant to Article 7.4.

The limitation amount applicable to the TOLMIROS under the Civil Liability Convention was approximately SKr50 million (£4.6 million).

The Swedish Government alleged that the oil causing the pollution emanated from the TOLMIROS and that the TOLMIROS at the time of the incident was carrying oil in bulk as cargo. As a subsidiary ground for its action, the Swedish Government based its claim on the Swedish legislation relating to oil pollution damage caused by ships not covered by the Civil Liability Convention, should it be considered that the TOLMIROS was not carrying oil in bulk as cargo. It should be noted that liability based on that legislation would not have resulted in the IOPC Fund being called upon to pay any supplementary compensation.

The owner of the TOLMIROS and the Gard Club rejected any liability for the damage caused by this oil spill, and took the position that the oil which polluted the coast did not come from the TOLMIROS. They pointed out that a thorough investigation undertaken by the Greek authorities at the request of the Swedish Government had acquitted the TOLMIROS of the allegation of having caused the spill. The master and the chief engineer were prosecuted in Greece for pollution offences but were acquitted in September 1991. The owner and the Gard Club did not take any position as to whether the vessel was carrying oil in bulk as cargo during her voyage from Gothenburg.

In the opinion of the Director, the documentation presented by the Swedish Government did not exclude sources other than the TOLMIROS. In the Court proceedings the IOPC Fund took the position that the oil did not emanate from the TOLMIROS.

Under Article 4.2(b) of the Fund Convention, the IOPC Fund shall incur no obligation to pay compensation for pollution damage if the claimant cannot prove that the damage resulted from an incident involving one or more ships. A "ship" is defined in the Civil Liability Convention and the Fund Convention as "any sea-going vessel and any seaborne craft of any type whatsoever, actually carrying oil in bulk as cargo". The IOPC Fund took the position that the TOLMIROS was not actually carrying oil in bulk as cargo and that therefore the Conventions would not apply even if it were proved that the oil which polluted the coast came from the TOLMIROS. Consequently the IOPC Fund rejected any liability to pay compensation.

Withdrawal of Legal Action

In December 1991, the Swedish Government withdrew its action against the shipowner and his P & I insurer. As a reason for the withdrawal, the Swedish Government stated that further investigations into the winds and currents at the time of the spill had shown that it was not possible to prove that the oil which polluted the coast actually emanated from the TOLMIROS.

The shipowner, the Gard Club and the IOPC Fund claimed compensation from the Swedish Government in respect of the costs incurred in defending this matter. In July 1992, the Court of Gothenburg issued a decision awarding the Gard Club, the shipowner and the IOPC Fund costs plus interest. The IOPC Fund was awarded SKr463 932 (£46 344), which covered the costs and expenses incurred by the Fund in dealing with this incident.

AMAZZONE

(France, 31 January 1988)

The Incident

During the night of 30 - 31 January 1988, the Italian tanker AMAZZONE (18 325 GRT) was damaged in a severe storm off the west coast of Brittany (France). The vessel was on a voyage from Libya to Antwerp (Belgium), carrying about 30 000 tonnes of heavy fuel oil. Several covers were lost from the Butterworth openings (access points for tank washing) of two cargo tanks and, as a result, approximately 2 000 tonnes of the cargo escaped, displaced by seawater entering the open holes. Over the following three to four weeks, oil came ashore in patches along 450-500 kilometres of coastline, affecting four different departments in France (Finistère, Côtes-d'Armor, Manche and Calvados) and the Channel Islands (Jersey and Guernsey).

Constitution of Limitation Fund

The limitation amount of the shipowner's liability was fixed by the Court in Brest at FFr13 860 369 (£1.7 million).

In the Italian registration document the vessel was registered in the name of two persons, indicated as "proprietario" and "armatore". The limitation fund was therefore constituted on behalf of these two persons. The IOPC Fund objected to this procedure, and after discussions with the shipowner and his P & I insurer (the Standard Club) it was agreed that the limitation fund should be established on behalf of only the person indicated in the registration document as "proprietario".

The Claims

In 1990, the French Government submitted a claim in an aggregate amount of FFr22 255 375 (£2.7 million), covering the operations carried out by the Ministries concerned. The claimed amount was later reduced to FFr20 960 056 (£2.5 million). After negotiations, an agreement was reached in May 1991 between the French Government, on the one side, and the IOPC Fund, the Standard Club and the shipowner, on the other side, to settle the Government's claim at FFr17 150 000 (£2.1 million) plus interest from 1 January 1991. In November 1991 the Standard Club paid FFr18 755 325 (£2.3 million) to the French Government covering principal and interest.

A claim submitted by the Department of Côtes-d'Armor for an amount of FFr141 326 (£14 180) plus interest was accepted in full. In addition, claims presented by 25 communes in Côtes-d'Armor were settled at an aggregate amount of FFr814 964 (£81 780) plus interest. The claims of the Department and the communes were paid by the IOPC Fund.

The Department of Calvados claimed compensation in respect of clean-up operations in the amount of FFr74 250 (£8 900). Fifteen communes in Calvados presented claims relating to clean-up costs, totalling FFr144 600 (£17 400). These claims were settled during the period November 1991 to February 1992 in the total amount of FFr132 630 (£13 640) and were paid by the IOPC Fund.

Claims for clean-up costs were submitted by the authorities in Jersey and in Guernsey in the amounts of £11 380 and £13 396, respectively. These claims were accepted in full and were paid by the IOPC Fund in 1990.

Claims submitted by five French fishermen for a total amount of FFr249 102 (£29 900) were settled at an aggregate amount of FFr145 850 (£17 500). A claim submitted by a private organisation, in the amount of FFr50 949 (£6 100), which related to the cost of cleaning oiled sea-birds, was accepted in full. These claims were paid by the Standard Club.

The amounts paid in settlement of claims as a result of this incident are shown below:

	FFr	FFr
Total amount of claims paid		20 587 776
Limitation amount	13 860 369	
Interest on limitation amount	5 440 430	
	19 300 799	19 300 799
Balance paid by IOPC Fund		1 286 977
		(£132 300)

Legal Action against Shipowner, Charterer and P & I Insurer

As mentioned above, the AMAZZONE was equipped with deck openings which made it possible to clean the cargo tanks by using pressurised water (the so-called "Butterworth" system). Many tankers had this system before it was gradually replaced, from the 1980s, by cleaning facilities integrated in the tanks themselves which use the cargo as a cleaning fluid (crude oil washing). During the storm on 30 and 31 January, probably on the evening of 31 January, the Butterworth deck covers on several tanks became unfastened, perhaps as a result of shocks caused by broken power cables, and fell into the sea. Heavy waves washing the deck then penetrated the tanks through the Butterworth openings and ejected the oil.

Investigations into the cause of the incident were carried out on behalf of the Commercial Court in Antwerp and by an investigating judge ("juge d'instruction") in Paris. The French Government and the IOPC Fund employed their own experts for the same purpose. After having examined the results of these investigations, the French Government and the Director came to the following conclusions:

> The AMAZZONE was not seaworthy at the time of the incident, as a result of inadequate maintenance of the Butterworth system. The shipowner and the charterer had not taken any measures to examine the condition of the Butterworth holes, neither when the ship was

acquired in 1987 nor thereafter, not even by taking samples of the thickness of the steel plates. Immediately after the incident, during the night in the port of Antwerp, the charterer of the AMAZZONE cut the edges of certain Butterworth openings, disregarding the most elementary safety rules. He then replaced the system for tightening the deck covers which had vanished in the storm with covers tightened by a conventional mechanism, ie using nuts for tightening. The experts interpreted this act as a clumsy attempt to "eliminate the trace of the most flagrant corrosion". The action taken by the charterer shows that he must have been aware of the bad condition of the ship in this regard. In addition, the shipowner and the charterer had not given their personnel the necessary training and proper instructions so as to ensure that the Butterworth deck covers remained fastened in bad weather. The shipowner was responsible for the proper maintenance of the vessel and the training of the crew, and he could not escape this responsibility by chartering out the vessel.

In view of these considerations, the IOPC Fund and the French Government decided to take legal action in the Court of Cherbourg (France) against the owner of the AMAZZONE and the charterer of the vessel, as well as against the Standard Club, in its capacity as third party liability insurer of the charterer. In respect of the action against the shipowner, the French Government and the IOPC Fund invoked the strict liability laid down in the Civil Liability Convention and maintained that the owner was not entitled to limit his liability, since the incident had occurred as a result of the actual fault or privity of the owner. The action against the charterer was based on his fault as regards the lack of maintenance of the Butterworth system, and it was argued that his lack of care would deprive him of the right to limit his liability under the 1976 Convention on Limitation of Liability for Maritime Claims.

As the French Government's claim for compensation against the shipowner and the IOPC Fund had not been settled when the action was brought, the French Government claimed compensation from the three defendants for pollution damage for a total amount of FFr20 960 056 (£2.5 million) plus interest. The IOPC Fund claimed to be indemnified in respect of any amounts already paid or to be paid by it to claimants as a result of the incident. After the French Government's claim had been paid in November 1991, the Government withdrew its action.

Out-of-Court Settlement

In March 1992 the parties to the court action entered into negotiations for the purpose of reaching an out-of-court settlement. A Settlement Agreement was signed in June 1992.

Under the Settlement Agreement, the shipowner waived his claim for indemnification pursuant to Article 5 of the Fund Convention in the amount of FFr3 465 092 (£416 400). The shipowner, the charterer and the Standard Club undertook to indemnify the IOPC Fund for FFr1 million (£102 830) in respect of payments made by the IOPC Fund to the victims. As mentioned above, the total amount paid by the IOPC Fund in compensation was FFr1 286 977.

The settlement amount of FFr1 million (£102 830) was remitted to the IOPC Fund in June 1992.

KASUGA MARU N°1

(Japan, 10 December 1988)

While carrying approximately 1 100 tonnes of heavy fuel oil along the west coast of Japan, the Japanese coastal tanker KASUGA MARU N°1 (480 GRT) capsized and sank in stormy weather off Kyoga Misaki in the Kyoto prefecture (Japan). The sunken tanker, lying at a depth of approximately 270 metres, was leaking oil. Extensive fishing is carried out by local fishermen in the area.

All claims for compensation presented so far were settled during the period October-December 1989 at a total amount of ¥442 380 207 (£2.2 million). The IOPC Fund paid ¥425 365 167 (£1 887 819), representing the aggregate amount of the agreed claims minus the shipowner's liability of ¥17 015 040 (£75 515). Indemnification of the shipowner, ¥4 253 760 (£16 813), was paid by the IOPC Fund in March 1991.

There is no reliable estimate of the quantity of oil remaining in the sunken vessel. In the Settlement Agreements concluded with the claimants, they reserved their right to claim further compensation in respect of pollution damage caused by further leakage of oil after the date of the respective agreements. For this reason, further claims against the IOPC Fund cannot be ruled out, although it is very unlikely that such claims will be presented.

Any further claims for compensation in respect of this incident will become time-barred in December 1994.

KAZUEI MARU N°10

(Japan, 11 April 1990)

While the Japanese tanker KAZUEI MARU N°10 (121 GRT) was supplying heavy fuel oil to a ferry in the port of Osaka (Japan), it collided with a cargo vessel, the SUMRYU MARU. As a result of the collision, a cargo tank of the KAZUEI MARU N°10 was damaged, and some 30 tonnes of the cargo oil escaped into the sea. The spilt oil spread over the port area, and some oil drifted outside the port. The clean-up operations lasted five days.

Claims totalling ¥61 181 038 (£322 000) were submitted in December 1990 in respect of the clean-up operations. In addition, a fishery association presented a claim for ¥691 364 (£3 650) relating to contamination of fishing nets and loss of earnings. The claims were approved for a total amount of ¥52 919 786 (£280 000).

In February 1991, the IOPC Fund paid ¥49 443 626 (£191 724), representing the total amount of the agreed claims, minus the shipowner's liability, ¥3 476 160 (£13 470). Indemnification of the shipowner, amounting to ¥869 040 (£3 730), was paid in September 1991.

In the view of the IOPC Fund's lawyer in Japan, the incident was entirely due to negligent navigation on the part of the SUMRYU MARU. The IOPC Fund made preparations to initiate a recourse action against the owner of that vessel. Investigations

into the cause of the incident showed that the SUMRYU MARU would be entitled to limit her liability under the 1976 Convention on Limitation of Liability for Maritime Claims. The limitation amount applicable to that vessel was ¥60 574 645 (£320 500). In a recourse action, the IOPC Fund would have competed with other claimants, mainly the hull underwriters, for the distribution of the limitation amount of the SUMRYU MARU. After negotiations with the other parties concerned, the IOPC Fund agreed in May 1992 that its share of the limitation amount would be ¥45 038 833 (£212 447). The IOPC Fund received that amount in September 1992.

VOLGONEFT 263

(Sweden, 14 May 1990)

The USSR tanker VOLGONEFT 263 (3 566 GRT) collided in thick fog with the general cargo vessel BETTY (499 GRT), registered in the Federal Republic of Germany, 22 kilometres off the Swedish east coast, south of Karlskrona. The VOLGONEFT 263, which was carrying 4 546 tonnes of waste oil, suffered damage to two cargo tanks and it is estimated that 800 tonnes of oil escaped into the sea. The spilt oil spread rapidly over a large area of the sea.

The coastal region north of where the collision occurred is an archipelago consisting of numerous small islands, inlets and very shallow water. Extensive fishing activities are carried out in the region.

The Swedish Coast Guard took extensive measures to combat the oil at sea. As the conditions for off-shore recovery were ideal, the Swedish authorities decided to request assistance from the neighbouring countries in accordance with the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention). In response Denmark, Finland, the Federal Republic of Germany and the USSR each sent a combatting vessel, and these units arrived at the site of the spill during the second and third day after the collision. Nine recovery vessels and fifteen support craft participated in the operations. Aircraft and helicopters were used to locate floating oil. As the threat of extensive shore pollution subsided the operations were gradually reduced and were terminated on 27 May 1990. The impact on the coast and islands was very limited, as only small quantities of oil reached the shore.

A fisherman suffered considerable damage, as 400 of his salmon nets became polluted and the deck of his fishing boat was damaged by the oil. The fisherman's claim for SKr530 239 (£49 157), which was accepted in full, was paid in stages during the period June-September 1990. The IOPC Fund also approved and paid a claim for SKr6 250 (£573) relating to the cleaning of a polluted pier in a small fishing port.

The VOLGONEFT 263 was owned by a USSR company. The vessel did not have any P & I insurance but was covered by a State guarantee, in accordance with Article VII.12 of the Civil Liability Convention.

The Swedish Government took legal action against the owner of the VOLGONEFT 263 in the competent Swedish Court, claiming compensation for oil pollution damage. The Court fixed the limitation amount applicable to the vessel at

SKr3 205 204 (£297 000). The limitation fund was established in May 1992. In October 1991, the Swedish Government submitted a claim in the amount of SKr17 668 153 (£1.6 million) in respect of the cost of oil combatting at sea by both Swedish and foreign ships, and the costs and expenses incurred by the local authorities in cleaning the shore. The Swedish Government's claim raised some questions of principle, namely the tariffs applied in respect of certain vessels used for oil combatting operations and owned by public authorities, and the rates of personnel of Government agencies used for such operations.

Negotiations were held in Stockholm in May 1992 between the Swedish Government and the IOPC Fund concerning this claim. After discussion of the various issues, agreement was reached to settle the claim in the amount of SKr17 365 000 (£1 610 000) plus interest.

In June 1992 the IOPC Fund paid SKr15 517 563 (£1 473 373) to the Swedish Government, being the settlement amount less the limitation amount (SKr3 205 204) plus interest (SKr1 357 767). Indemnification of the shipowner in the amount of SKr795 276 (£78 006) was paid by the IOPC Fund in September 1992.

It was alleged by the owner of the VOLGONEFT 263 that the collision was wholly caused by the BETTY, the main reason being that there was no proper watch-keeping on board and that the master of the BETTY was under the influence of alcohol at the time of the collision. However, the master of the BETTY maintained that the blame for the collision fell entirely on the VOLGONEFT 263, which had taken the wrong route, and during the police investigations he claimed that he had not drunk any alcohol before the collision but that, as a result of the shock caused by the collision, he had drunk alcohol after the event. The Swedish police investigation did not give any conclusive evidence on this point. The limitation amount of the BETTY was estimated at SKr2 million (£185 300). After careful consideration of the matter the IOPC Fund decided that it would not be worthwhile to take recourse action against the owner of the BETTY.

BONITO

(United Kingdom, 12 October 1990)

The Swedish registered tanker BONITO - previously the THUNTANK 5 - (2 866 GRT) spilled about 20 tonnes of heavy fuel oil into the River Thames whilst loading at the Mobil terminal at Coryton (United Kingdom). Most of the oil was confined within the Coryton industrial area where it adhered to the sea walls. Some sheens and scattered tar balls extended into the Thames Estuary. Bulk oil held against the sea walls was collected using vacuum tankers where access was possible. Clean-up of the sea walls themselves was undertaken manually.

Claims totalling approximately £260 000 have been submitted to the shipowner. In the IOPC Fund's view, however, a considerable part of this amount relates to operations which do not fall within the definition of "pollution damage" laid down in the Civil Liability Convention. Some claims relating to oiled boats have been settled at £1 969. Further claims may be submitted.

The limitation amount applicable to the BONITO is approximately £241 000. After allowing for indemnification of the shipowner (£60 250), the IOPC Fund would be called upon to make payments if the aggregate amount of the accepted claims were to exceed around £181 000. It appears unlikely that the IOPC Fund will be called upon to pay compensation or indemnification as a result of this incident, although this cannot be ruled out.

RIO ORINOCO

(Canada, 16 October 1990)

The Incident

The asphalt carrier RIO ORINOCO (5 999 GRT), registered in the Cayman Islands, experienced problems with her main engine whilst en route from Curacao to Montreal with about 9 000 tonnes of heated asphalt cargo and about 300 tonnes of intermediate fuel oil and heavy diesel oil on board. While repairs were being effected in the Gulf of St Lawrence, the ship dragged anchor in bad weather and grounded on the south coast of Anticosti Island on 16 October 1990. An estimated 185 tonnes of the intermediate fuel oil was spilled and came ashore east of the grounding position. About ten kilometres of the coastline were heavily polluted, and small patches were spread over a further 30 kilometres. No asphalt cargo was spilled. Over subsequent weeks the cargo cooled and a significant part became solid.

The weather deteriorated and the grounded ship moved, finally coming to rest wedged between two rock shelves. Three attempts were made by the shipowner between 1 and 5 November to pull the ship free, but without success. Renewed attempts to refloat the vessel were made by the Canadian Coast Guard in December 1990, but these attempts also failed. After extensive preparations, the ship was finally refloated on 7 August 1991 and taken to a safe haven at Sept Iles.

The RIO ORINOCO was entered with Sveriges Ångfartygs Assurans Förening (the "Swedish Club") in respect of both hull and P & I insurance.

The RIO ORINOCO was declared a constructive total loss by the hull insurer on 18 November 1990, and the Canadian Coast Guard then assumed control of the ship. On 23 November, the shipowner informed the Coast Guard that he was financially incapable of removing the ship and her cargo.

The limitation amount applicable to the RIO ORINOCO was fixed by the Canadian Court at Can$1 182 617 (£615 000). The limitation fund was constituted by the Swedish Club by means of letter of guarantee.

Clean-up Operations and Waste Disposal

The Canadian Coast Guard made attempts to collect oil at sea but with little success in the difficult sea conditions.

On-shore clean-up operations on Anticosti island were carried out during the period up to 10 November 1990 by contractors on behalf of the shipowner. The operations were terminated for the winter on that date, due to deteriorating weather conditions. By then most of the beaches had been cleaned, and the environmental impact is believed to have been minimal.

A joint inspection of the affected coast was carried out in June 1991 by the Canadian authorities and experts representing the Swedish Club and the IOPC Fund. The inspection showed that the natural weathering processes during the winter had resulted in considerable improvements in all previously oiled areas, and no new areas of oiling were observed. Although remaining oily residues constituted little or no threat to wildlife, rising temperatures were softening thicker accumulations, and some further cleaning was justified in view of the use of the shores by hunters, fishermen, hikers and residents. This cleaning was carried out in July 1991.

During the clean-up operations carried out in the autumn of 1990, about 300 tonnes of oily waste were recovered. Various possibilities of treating the waste were investigated. It proved impossible to obtain permission from the local authorities for disposal within the Province of Quebec. After the disposal operations had been put out to tender, the waste was exported to disposal facilities in the United States in October 1991.

Oily waste recovered during the clean-up in July 1991 was transported by helicopter to Port Menier, where disposal was effected during experiments with a burning system developed by the Coast Guard.

Removal of the RIO ORINOCO, her Bunker Oil and her Cargo

Under Canadian law, the Government may take the necessary measures to minimise or prevent pollution from a ship, including the removal and destruction of the ship. The Coast Guard maintained that the RIO ORINOCO, her asphalt cargo and remaining bunker oil represented a threat of pollution, as there was a serious risk that the ship would break if left over the winter. The Coast Guard considered therefore that all options to prevent the ship from losing her cargo should be explored.

The IOPC Fund engaged an independent expert to follow closely the operations taken for the purpose of removing the RIO ORINOCO and her cargo. This expert was present at the site of the wreck during a large part of the operations and took part in numerous discussions with the Canadian authorities concerning the various options available. Discussions were also held on these issues between the Canadian Government and the Director.

It was decided by the Coast Guard that the remaining bunker oil (some 115 tonnes) should be removed and an operation for this purpose was carried out in December 1990. Only unpumpable residues remained on board the RIO ORINOCO.

After the attempts made by the shipowner in November 1990 to pull the ship free of the ground had failed, the various options for removing the ship were discussed between the Coast Guard, the Swedish Club and the IOPC Fund. The RIO ORINOCO had been damaged to such an extent that there was insufficient residual buoyancy for the ship to refloat. It was not possible to remove the cargo by pumping because it had become solid. The Coast Guard decided to try to refloat the vessel by using two barges, one connected to each side of the RIO ORINOCO, to provide additional buoyancy. The preparations for the operation were completed in early December. Due to unusually bad weather, however, it was decided on 21 December 1990 to call off any attempt to remove the vessel until the following spring. The Coast Guard then retained a contractor to maintain the ship over the winter period.

RIO ORINOCO - The icebound tanker

AEGEAN SEA - Thick oil in bay

The Coast Guard, in consultation with the IOPC Fund, gave further consideration to the various options for removing the vessel and her cargo. After the task had been put out to tender, a contract was concluded between the Canadian Government and a Canadian contractor (Groupe Desgagnés). Under the contract, Groupe Desgagnés should, against a lump sum, remove the RIO ORINOCO from her grounded position and take her to a place of safety. The method to be used would consist of removing part of the asphalt cargo so as to facilitate the refloating of the vessel. The contract was based on a "no cure, no pay" formula.

Between 23 July and 5 August 1991, some 2 300 tonnes of asphalt were removed. The RIO ORINOCO was refloated and pulled free on 7 August. The ship was then towed to Sept Iles without any complications arising. No spill of bunker oil or asphalt occurred during the refloating or during the towing operation.

The Canadian authorities arranged for a judicial sale of the RIO ORINOCO. The vessel and her cargo were acquired by the Groupe Desgagnés, the only bidder, for an amount of Can$100 000 (£51 900). The RIO ORINOCO was then towed to the port of Quebec, where the remaining asphalt cargo (about 6 000 tonnes) was removed.

The Claims

In August and September 1991 the Canadian Government submitted claims totalling Can$10 759 213 (£5.6 million) in respect of the operations carried out by or on behalf of the Coast Guard up to 31 January 1991 in connection with attempts to remove the ship from its grounded position and the cost of the actual removal of the ship to a place of safety. This claim related to the operations carried out by various private companies under contract with the Coast Guard, eg inspection of the vessel by divers, inspection and repair of the ship's boilers, services of a naval architect and a salvage master, hire of two barges, services connected with the attempts to remove the ship, supervision of the ship during the winter and the cost of the Coast Guard's monitoring of these operations. The claim gave rise to some important questions, in particular the reasonableness of certain operations, the relationship between salvage and preventive measures, the rates charged for certain vessels and aircraft owned by public authorities and used during the operations, and the costs claimed for Government employees.

After negotiations these claims were settled in October 1991 at a total amount of Can$10 218 848 (£4 926 771). The IOPC Fund paid Can$6 million (£2 962 232) to the Canadian Government in November 1991 and Can$4 218 848 (£1 964 539) in February 1992.

In March 1992 a further claim was submitted by the Canadian Government for Can$1 623 011 (£842 000) in respect of the operations carried out by the Canadian Coast Guard from 31 January 1991 to the end of the incident, as well as the operations carried out by the Ministry of Environment and the Ministry of Fisheries and Oceans. The claim was approved by the Executive Committee in May 1992 for Can$1 573 000 (£718 429). The IOPC Fund paid that amount to the Canadian Government in June 1992.

The Swedish Club submitted subrogated claims in respect of the cost of clean-up and waste disposal totalling Can$2 111 437 (£927 900). These claims were

accepted in full by the IOPC Fund. After making a reduction to take account of the limitation amount (Can$1 182 617), the IOPC Fund paid during the period from September 1991 to February 1992 a total amount of Can$928 820 (£408 182) in respect of these claims.

In March 1992 a further claim for waste disposal costs was submitted by the Swedish Club in the amount of Can$118 562 (£61 500). In May 1992 the Executive Committee approved this claim in the amount of Can$111 224 (£50 453), and payment was made by the IOPC Fund in June 1992.

Indemnification of the shipowner, Can$295 654 (£153 300), has not yet been paid as the limitation proceedings have not been completed.

Investigation into the Cause of the Incident

The Canadian authorities have carried out an investigation into the cause of the incident. The report of this investigation is not yet available. It is expected that the report will be issued in early 1993.

PORTFIELD

(United Kingdom, 5 November 1990)

The British tanker PORTFIELD (481 GRT) sank at her berth in Pembroke Dock, Wales (United Kingdom) with a cargo of 80 tonnes of diesel oil and 220 tonnes of medium fuel oil. It is estimated that approximately 110 tonnes of the medium fuel oil was spilt as a result of the sinking. Due to a favourable wind most of the spilt oil could be contained in the berth by booms deployed by the port authority. This oil was recovered with skimmers and vacuum suction trucks over a period of a week and disposed of at a local refinery. A relatively small proportion of the spilt oil escaped from the confines of the berth on the first day and affected numerous pleasure craft moored in the Milford Haven estuary. After the cargo tanks had been emptied, the ship was refloated on 11 November 1990 and the main clean-up operations were terminated soon thereafter.

The local authorities carried out shoreline cleaning on a small scale at a few key locations. A nearby fish farming facility was also contaminated by oil, but fortunately no fish were being cultivated at the time.

Claims in respect of clean-up operations and preventive measures were submitted by the shipowner, the United Kingdom Government, local oil companies and the local authorities for a total amount of £464 763. After negotiations with the parties these claims were settled in an amount of £246 853. Some 70 individuals claimed compensation for damage to small craft and fishing equipment for a total amount of £57 492, and these claims were settled at an aggregate amount of £56 584.

A claim in the amount of £19 063 submitted by the Ministry of Defence for costs incurred in connection with this incident is being discussed with the claimant. A claim for £188 268 presented by the owner of the above-mentioned fish farming facility relating to damage to the facility and loss of income is also pending.

The limitation amount applicable to the PORTFIELD is estimated at £39 970.

VISTABELLA

(Caribbean, 7 March 1991)

The sea-going barge VISTABELLA (1 090 GRT), registered in Trinidad and Tobago and carrying approximately 2 000 tonnes of heavy fuel oil, was being towed by a tug on a voyage from a storage facility in the Netherlands Antilles to Antigua. The tow line parted and the barge sank to a depth of over 600 metres, 15 miles south-east of Nevis. An unknown quantity of oil was spilled as a result of the incident, and the quantity remaining in the barge is not known.

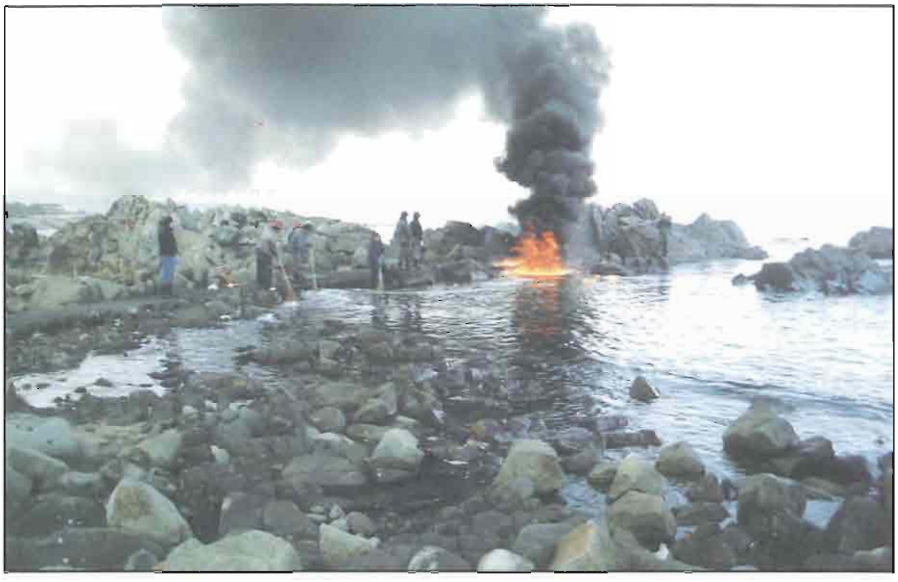
Under the influence of the current, the spilt oil spread northwards and some oil came ashore on St Barthélemy (Department of Guadeloupe, France), where a number of yachts and fishing boats were polluted. Off-shore clean-up operations were carried out by the French Navy, applying dispersants in the sea area between the sinking site and St Barthélemy. This activity was terminated after a few days when it was confirmed that the dispersant treatment was having little effect because of the high viscosity of the spilt oil. Manual clean-up of the oiled shoreline was also carried out by French army personnel on St Barthélemy.

Oil continued to seep from the wreck, and as a result of easterly winds the windward shores of Saint Kitts, Nevis, Saba and Sint Maarten were also polluted. The two former islands form the independent State of Saint Christopher and Nevis, whilst Saba and Sint Maarten are part of the Netherlands Antilles.

On 22 March, oil started coming ashore on the British Virgin Islands and the United States Virgin Islands. Within a week oil was also reported to have reached Puerto Rico (United States). Analysis of oil samples and studies of the prevailing winds and currents indicated that the oil which polluted the British Virgin Islands emanated from the VISTABELLA. Some limited manual cleaning of beaches was carried out by public authorities.

In total, five jurisdictions were affected as a result of this incident. However, only the pollution damage in the French Department of Guadeloupe and in the British Virgin Islands qualified for compensation from the IOPC Fund. Neither the independent State of Saint Christopher and Nevis nor Puerto Rico and the United States Virgin Islands are covered by the Fund Convention. Likewise, the Fund Convention does not cover damage in the Netherlands Antilles since the Kingdom of the Netherlands has not extended the application of the Convention to that area.

The VISTABELLA was not entered in any P & I Club. It appears that the vessel was covered by a third party liability insurance, but the IOPC Fund has so far been unable to establish the extent of this cover. The limitation amount applicable to the ship is not known. Attempts have been made to contact the shipowner and his insurer in order to get their co-operation in the settlement procedure. So far, these attempts have been without any results. The financial position of the shipowner is being investigated. In the Director's view it is unlikely that the shipowner would be able to meet his obligations under the Civil Liability Convention unless there is an effective insurance cover.



HOKUNAN MARU N°12 - Spilt oil being burned by fishermen

HOKUNAN MARU °12 - Salvage vessel attending tanker

The French Government brought legal action against the owner of the VISTABELLA in the Court in Basse-Terre (Guadeloupe), claiming compensation for clean-up operations carried out by the French Navy. The IOPC Fund is following the legal proceedings and will intervene if the Director considers that it is in the IOPC Fund's interest to do so.

In November 1992, the French Government submitted its claim for compensation in the amount of FFr8 711 275 (£1 050 000). The supporting documents are being examined by the IOPC Fund Secretariat.

Claims totalling FFr189 202 (£22 700) were submitted by some 30 owners of yachts and fishing vessels in St Barthélemy. In July and August 1991, the IOPC Fund settled and paid these claims for an aggregate amount of FFr110 010 (£11 040).

In January 1992 a claim for US$6 099 (£3 198) in respect of clean-up operations was submitted by the owner of a hotel on Peter Island, British Virgin Islands. In May 1992 the Authorities of the British Virgin Islands submitted a claim in the amount of US$1 969 (£1 033) in respect of on shore clean-up operations. Both claims were accepted in full and were paid by the IOPC Fund in April 1992 and June 1992, respectively.

HOKUNAN MARU N°12

(Japan, 5 April 1991)

The Japanese tanker HOKUNAN MARU N°12 (209 GRT), laden with 230 tonnes of heavy fuel oil, ran aground near Okushiri Island in Hokkaido prefecture (Japan). As a result of the incident, a small quantity of the cargo escaped into the sea. The tanker was safely refloated later the same day. Clean-up operations were immediately undertaken and were completed on 6 April.

The area around the grounding site is of great importance for the cultivation of seaweed, abalone and sea urchin.

A claim relating to clean-up operations for ¥4 020 889 (£21 190) was settled at ¥3 336 389 (£17 580). A claim for loss of income suffered by fishermen in the amount of ¥31 714 344 (£167 100) was settled at ¥6 331 960 (£33 370).

In April 1992, the IOPC Fund paid ¥6 144 829 (£26 601), representing the aggregate amount of the agreed claims minus the shipowner's limitation amount of ¥3 523 520 (£15 253).

The indemnification of the shipowner, amounting to ¥880 880 (£4 640), has not yet been paid by the IOPC Fund, since the limitation proceedings have not been completed.

AGIP ABRUZZO

(Italy, 10 April 1991)

The Incident

Whilst lying at anchor two miles off the port of Livorno (Italy) on 10 April 1991, the Italian tanker AGIP ABRUZZO (98 544 GRT) was struck at night by the Italian ro-

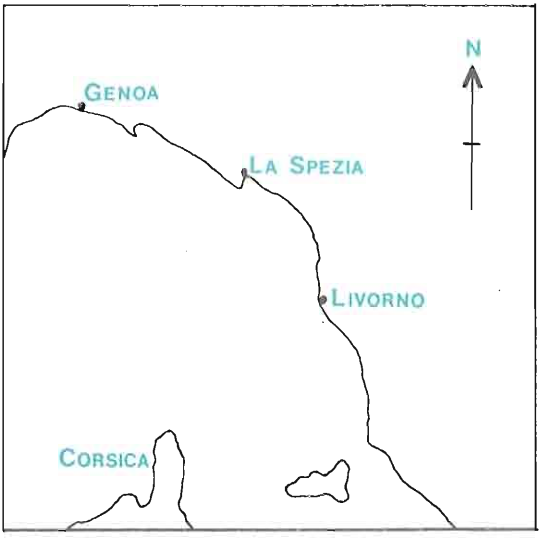
ro ferry MOBY PRINCE. Both vessels caught fire. All passengers and all crew members but one on board the ferry (143 persons in all) died, and the ferry was totally burned out. There were no fatalities on board the tanker, although some crew members were injured.

The AGIP ABRUZZO was carrying about 80 000 tonnes of Iranian light crude oil. As a result of the collision, a cargo tank was damaged and about 2 000 tonnes of cargo oil were lost, part of which was consumed by fire. The fire on board the tanker lasted seven days and destroyed the accommodation area and engine room. Explosions in a bunker tank three days after the incident caused extensive structural damage to the ship and a subsequent loss of an unknown quantity of bunker fuel oil.

Clean-up Operations and Salvage

Initially it was envisaged that the water from the flooded engine room and other spaces of the AGIP ABRUZZO would be pumped so as to reduce her draught sufficiently to make it possible to bring her into the port of Livorno to discharge the remainder of her cargo. However, due to difficulties that arose in preventing the engine room from flooding again, it was decided to conduct a ship-to-ship transfer of the cargo at the anchorage. The cargo transfer was carried out from 12 to 17 May, with several interruptions due to bad weather and operating difficulties. The AGIP ABRUZZO remained at the anchorage until October 1991 when she was towed away, having been sold for scrap.

As a result of bad weather and the operations on board, further small releases of oil occurred some two weeks after the initial incident. The Italian Government then insisted that the number of vessels available for containment of oil at sea and recovery of floating oil be increased, and that these vessels should remain in place while the transfer of the cargo was being carried out.



Attempts to recover the oil at sea were partially successful, but difficulties were experienced due to the high viscosity of the burnt oil residue and because the spilt fuel oil was distributed over a wide area. The spilt oil eventually stranded over some 130 kilometres of shoreline, mostly north of Livorno, although the pollution was intermittent and for the most part consisted of a light scattering of tar balls.

Shoreline cleaning in the Livorno area was undertaken by local contractors. While most of these operations were completed by early June 1991, before the beginning of the main tourist season, two areas required work to be continued through the summer.

Limitation Proceedings

In December 1992, legal action was taken against the owner of the AGIP ABRUZZO (SNAM, a company belonging to the State-owned ENI group) in the Court of first instance in Livorno. It is expected that the owner will initiate limitation proceedings in January 1993.

The limitation amount applicable to the AGIP ABRUZZO under the Civil Liability Convention is estimated at approximately Llt 19 370 million (£8.9 million).

Claims for Compensation

A number of claims for compensation were presented to the shipowner and the IOPC Fund. Negotiations were held concerning these claims and most of them were settled as set out below.

Labromare

A claim was submitted by a contractor, Labromare, in the amount of Llt 6 825 861 365 (£3.1 million). The claim related mainly to shoreline clean-up, the storage and treatment of collected waste and the provision of small oil recovery craft. This contractor also carried out work on board the AGIP ABRUZZO to prevent oil leaking from the damaged hull. This claim was settled in December 1991 at Llt 4 799 million (£2.2 million).

Labromare presented an additional claim in respect of the costs for disposal of collected oily waste in the amount of Llt 459 647 000 (£210 600). A settlement was agreed in July 1992 in the amount of Llt 359 million (£164 500).

Neri

A claim submitted by another contractor, Neri, amounted to Llt 13 446 833 500 (£6.2 million). Neri supplied tugs and other craft which provided a range of services to the AGIP ABRUZZO, including fire fighting, pollution prevention, the pumping of the engine room and the disposal of solid and liquid waste. Of the claimed amount, Llt 5 160 171 500 (£2.4 million) related to pollution prevention, whereas the remaining parts related to services rendered to the shipowner and to costs of salvage operations and salvage removal. Some of the services rendered to the shipowner contained certain elements which related to pollution prevention activities. The parts of Neri's claim which were considered as falling within the definitions of "pollution damage" and "preventive measures" were settled in November 1991 at Llt 2 500 million (£1.1 million).

Castalia

A claim was submitted by RTI Castalia, another contractor, in the amount of Llt 11 352 880 984 (£5.2 million). This claim related to clean-up operations at sea and the supply of vessels, booms and skimmers in response to the requirements laid down by the Livorno Harbour Master. The claim was settled in April 1992 in the amount of Llt 8 730 million (£4 000 450).

SNAM

The shipowner (SNAM) submitted a claim in the amount of Llt 10 303 035 703 (£4.7 million) in respect of services in connection with the incident. These services were partly rendered by SNAM and partly by 55 sub-contractors who were paid by SNAM.

On the basis of the analysis of this claim carried out by experts appointed by the IOPC Fund, the Director took the position that the major part of the operations covered by the claim could not be considered as falling within the definitions of "pollution damage" and "preventive measures" laid down in the Civil Liability Convention and the Fund Convention. A major part of the amount claimed related, in his view, to operations of a salvage nature, the primary purpose of which was not to prevent oil pollution. Certain operations had, in the Director's view, a dual purpose and it was not possible to establish with any certainty what was the primary purpose of the operations. It was therefore necessary to distribute the costs incurred between pollution prevention and other activities, in view of the particular circumstances in which the operations were carried out. Parts of the claim related to costs which, in the Director's view, should be considered as general overheads, and the policy of the IOPC Fund is not to accept such costs.

In September 1992 agreement was reached to settle this claim at an aggregate amount of Llt 1 325 000 000 (£607 200), inclusive of interest, with respect to operations falling within the scope of application of the Civil Liability Convention and the Fund Convention.

Other Claims Which Have Been Settled

A claim was submitted by Azienda Autonoma Municipalizzata Pubblici Servizi (AAMPS), a wholly owned subsidiary of the Municipality of Livorno, in the amount of Llt 230 359 720 (£105 600). AAMPS sells its services of waste disposal and removal to private companies and public bodies at tariffs approved by the Municipality. This claim was settled in February 1992 in the amount of Llt 180 million (£82 500).

The owner of a fishing boat submitted a claim in the amount of Llt 1 487 500 (£680) in respect of the costs associated with the cleaning and repainting of the hull after it had been contaminated by oil following this incident. This claim was settled at Llt 500 000 (£230),

A claim was presented by a person operating a sea-bathing amenity in Livorno, in the amount of Llt 31 904 107 (£14 600). This claim related to beach cleaning and restoration. In November 1992, this claim was settled at Llt 24 million (£11 000).

Total Amount of Claims Settled

Claims settled as at 31 December 1992 total Llt 17 917 500 000 (£8.2 million). With the exception of the claim presented by the shipowner himself, these claims were paid by the shipowner (SNAM).

Pending Claims

The Italian Government has informed the IOPC Fund that it will submit a claim for Llt 1 333 million (£610 000) relating to costs incurred in connection with the use of military aircraft and ships. The Government has further stated that it has not yet been able to decide whether to submit a claim relating to damage to the marine environment, since the investigation into the effects of the spill on the environment had not been completed.

The owner of a number of pleasure boats has submitted a claim for Llt 65 335 000 (£30 000) relating to contamination of his boats.

It is possible that there will be some further claims from individuals and small businesses.

Enquiry into the Cause of the Incident

An administrative enquiry into the cause of the incident has been carried out by a special Board appointed by the Ministry of Merchant Marine. It is expected that the Board will issue a report on its findings in the near future. A criminal investigation has been carried out by the public prosecutor but this investigation has not been completed. As instructed by the Executive Committee, the Director has followed the administrative enquiry and criminal investigation, through the IOPC Fund's Italian lawyer.

Limitation of Liability and Recourse Action

At its session in October 1992, the Executive Committee noted the Director's view that there were so far no indications that there was any fault or privity on the part of the owner of the AGIP ABRUZZO and that it would therefore not be possible to deprive the shipowner of the right to limit his liability.

The owner of the MOBY PRINCE is, under Italian law, entitled to limit his liability unless it can be shown that the incident was a result of the wilful misconduct or the recklessness of the owner himself. It is for the claimants to show that the owner himself was guilty of wilful misconduct or recklessness to deprive him of the right of limitation.

In view of the jurisprudence of the Italian Constitutional Court relating to the liability of air carriers in accordance with the 1929 Convention for the Unification of Certain Rules relating to International Carriage by Air (Warsaw Convention), it is generally considered that a shipowner would not be entitled to limit his liability for loss of life or personal injury. In fact, the owner of the MOBY PRINCE has agreed to settle all claims for loss of life or personal injury without invoking the right of limitation.

At the Executive Committee's session in October 1992, the Director reported that the information available indicated that the collision between the AGIP ABRUZZO and the MOBY PRINCE resulted from the negligence of the crew of the latter vessel.

The Committee therefore authorised the Director to take recourse action against the owner of the MOBY PRINCE to recover any amount paid by the IOPC Fund as a result of the incident, unless the findings of the Board of Enquiry were to show that there were no grounds for such an action. Noting the Director's view that, given the information currently available, it would not be possible for the IOPC Fund to break the limit of liability of the MOBY PRINCE, the Committee instructed him to re-examine this issue in the light of the findings of the Board of Enquiry.

The owner of the MOBY PRINCE might present subrogated claims against his own limitation fund in respect of claims other than those relating to loss of life or personal injury. The AGIP ABRUZZO's hull underwriters and cargo interests are expected to make claims against the owner of the MOBY PRINCE. It is not possible to make an estimate at this stage of the total amount of the claims which will be made against this latter owner.

It is estimated that the limitation amount applicable to the MOBY PRINCE in this case will be between Llt 3 200 million (£1.5 million) and Llt 4 000 million (£1.8 million).

HAVEN

(Italy, 11 April 1991)

The Incident

The Cypriot tanker HAVEN (109 977 GRT) caught fire and sustained a series of explosions on 11 April 1991 whilst at anchor seven miles off Genoa. The tanker, which carried approximately 144 000 tonnes of crude oil at the time, broke into three parts. A large section of deck became separated from the main structure and sank to a depth of about 80 metres. In a position about seven miles south of Arenzano, the bow section became detached and sank to a depth of about 500 metres. The remaining main part of the ship was towed into shallower water where, after a further series of explosions, it sank on 14 April, some 1.5 miles off the coast at Arenzano to a depth of 90 metres.

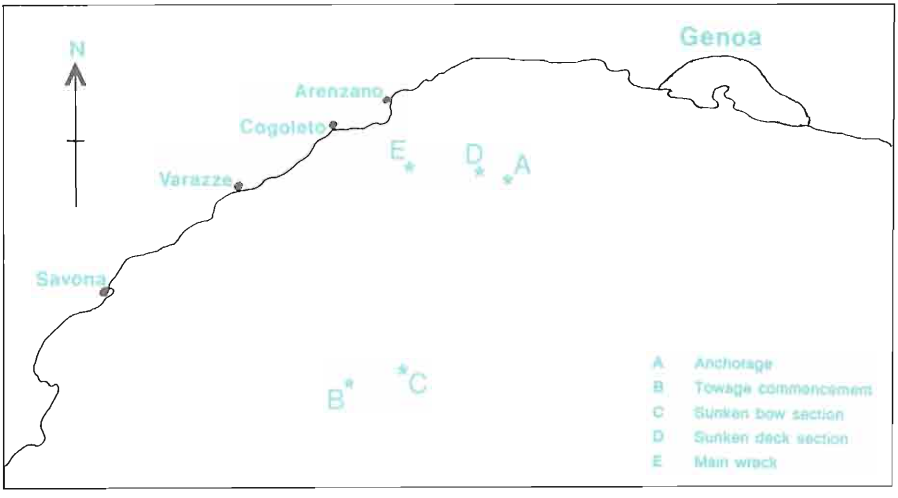
Clean-up Operations and Related Issues

Operations in Italy

The quantity of oil consumed by the fire has not been established, but it is estimated that over 10 000 tonnes of fresh and partially burnt oil were spilled into the sea. Oil continued to seep from the wreck at a slow rate and small quantities of oil appeared on the surface. Divers were able to stop the main leakage within about ten days of the incident. Since then, there has been minor seepage from the wreck.

Underwater surveys of the main section of the wreck showed it to be in a severely damaged condition with quantities of burnt residue lying on deck. The cargo tanks which had contained oil were found to be virtually free of liquid cargo. Only small quantities of burnt residue remained, clinging to the structure. The deck area was cleared of burnt oil residue using a vacuum lift.

Since most of the oil spilt initially consisted of burnt residue which was highly viscous, collection of this oil at sea proved very difficult. The authorities concentrated



on deploying booms to protect sensitive areas along the coast, primarily amenity beaches. These measures were quite successful when weather conditions were favourable, but gale force winds soon carried both oil and booms ashore.

A significant quantity of floating oil came ashore between Genoa and Savona, and emulsified oil was left stranded on the beaches at Arenzano, Cogoleto and Varazze. West of Varazze pollution was very light and consisted mainly of tar balls and patches of burnt residue. The clean-up on shore was initially conducted by local authorities. The work mainly consisted of manual and mechanical removal of stranded oil and contaminated beach sediment.

Oil entered a marina in Arenzano, resulting in the oiling of moorings, harbour walls and about 130 yachts and fishing boats. Smaller quantities of oil entered a marina at Varazze and approximately 200 boats became polluted.

On 24 May 1991, a contract on pollution monitoring and clean-up was concluded between the Italian Government and a consortium of contractors known as ATI. This contract was intended to apply retroactively from 14 April. The beach clean-up activities as outlined in the contract were completed by the end of August. However, increased water temperatures and wave action resulted in droplets of sunken oil floating to the surface causing limited but regular re-contamination of some beaches during the summer of 1991. Attempts were made by divers to chart the extent of the problem and to recover sunken oil in shallow water off the coast from Arenzano to Varazze by using a hydraulic lift. A survey was conducted of the sea bed under the presumed track of the tanker during the three days prior to the sinking, and some oiled areas were identified and mapped. Attempts have also been made to trace oil on the sea bed by using trawling nets.

Approximately 1 000 tonnes of oily waste and some 10 000 tonnes of oily water were collected and are awaiting disposal. In addition, some 20 000 metres of contaminated booms had to be destroyed.

The Italian authorities are continuing to monitor the water surface and water column. Investigations into alleged environmental damage are also being carried out.

Operations in France

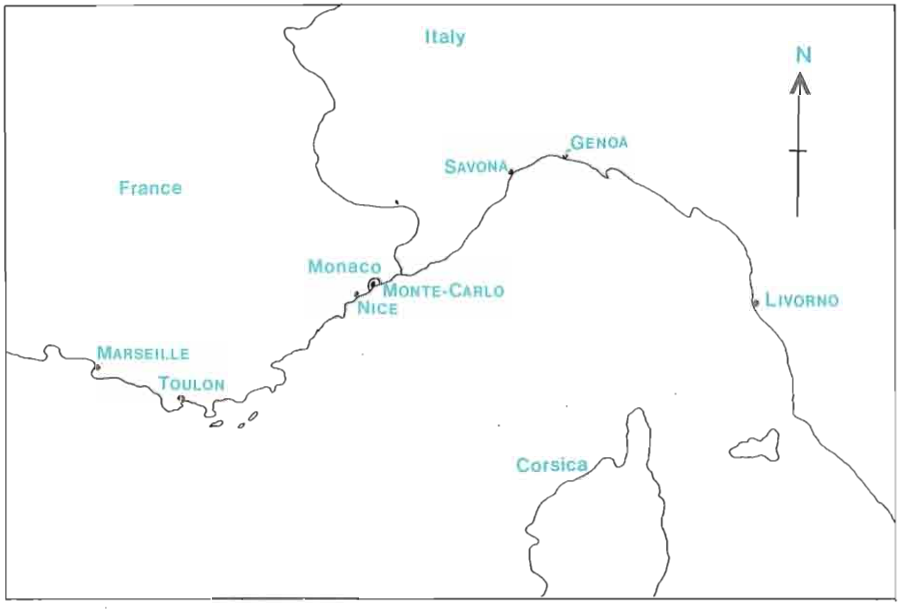
Some oil spread as far west as Hyères near Toulon in France, affecting also the coast of Monaco. Oil combatting operations at sea were carried out by the French authorities. The oil affected the coast in four French departments (Alpes Maritimes, Bouches-du-Rhone, Var and Corsica). The clean-up operations involved mechanical and manual collection of tar balls on amenity beaches. Most of this activity was completed by the end of June 1991. However, small quantities of tar balls continued to arrive on beaches, necessitating some clean-up activity during the summer months.

Operations in Monaco

The authorities in Monaco carried out operations to collect oil at sea and to clean some beaches which had become polluted. These operations were limited in scope.

Investigations into the Cause of the Incident

Three separate enquiries into the cause of the incident have been conducted by different Italian authorities. The IOPC Fund has been following these enquiries through lawyers and technical experts appointed for this purpose.



Summary Enquiry

A Summary Enquiry into the cause of the incident was conducted by the Genoa Port Authority pursuant to the Code of Navigation. Many persons were heard during this enquiry. The conclusion of the Summary Enquiry was that there had been negligence both on the part of the shipowner and on the part of the crew, but that the negligence of the owner had no link of causation with the incident. The report on the Summary Enquiry has no legal value.

Formal Enquiry

In each maritime area there is a permanent Panel of Enquiry. The mandate of a Panel of Enquiry is by law to ascertain the cause of a maritime incident in the area and, if possible, identify the person or persons liable. The Panel may investigate any aspect it considers relevant. It can hear witnesses (although not under oath) and require the production of documents. The facts established by the Panel in its report are prima facie evidence, subject to evidence to the contrary in civil proceedings. However, the conclusions of the panel do not have any value as evidence.

The Panel of Enquiry for the Ligurian area carried out a formal enquiry into the cause of the HAVEN incident. The Chairman of the Panel was the Maritime Director of the area, three members of the Panel were naval officers and three other members had expertise in special fields, viz one officer from the Genoa fire brigade, one expert from the Italian classification society (Register Italiano Navale, RINa) and a chemical expert.

The Panel of Enquiry held public hearings from 14 November 1991 to 13 February 1992. Six crew members and 22 other persons were heard by the Panel, and extensive documentation concerning the vessel and concerning major repairs carried out in Singapore prior to this voyage was examined. The report of the Panel was made available to the IOPC Fund in November 1992.

In its report, the Panel of Enquiry discussed various hypotheses as to the cause of the incident, viz structural failure in central tank N°1, leakage of cargo into central tank N°2 which was a dedicated ballast tank, and explosion in the pump room. The Panel concluded that it could not establish the cause. Nevertheless, the Panel deemed that four persons, namely the master, the chief mate, the chief engineer and the shipowner, had been guilty of negligence or gross negligence in certain regards, although the Panel did not link the incident to such negligence. The Panel also held that the owner had been guilty of gross negligence for not having ensured the efficiency of certain essential equipment before allowing the ship to return to commercial operation, for not having ordered the ship to stop sailing in view of certain technical problems which had arisen and for not having informed the classification society of the fact that one inert gas generator was out of order.

The Panel's report is being examined by the IOPC Fund Secretariat, with the assistance of technical experts.

Criminal Investigation

The Public Prosecutor is at present examining the report of the Panel of Enquiry. He has notified four persons of their being suspected of criminal offenses,

namely two persons involved in the ownership of the HAVEN, a superintendent of the shipyard in Singapore which repaired the HAVEN and a superintendent of the owner.

Legal Proceedings

After legal action had been taken against the shipowner, the Court of first instance in Genoa opened limitation proceedings in May 1991 and fixed the limitation amount at Llt 23 950 220 000 (£11.0 million), which corresponds to 14 million SDR, ie the maximum amount under the Civil Liability Convention. The limitation fund was established by the P & I insurer, the United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Ltd (the UK Club), by means of a letter of guarantee. The IOPC Fund intervened in the limitation proceedings, pursuant to Article 7.4 of the Fund Convention.

The IOPC Fund lodged an opposition against the Court's decision to open the limitation proceedings and challenged the shipowner's right of limitation. Corresponding oppositions were also lodged by the Italian Government and some other claimants.

By a judgement dated 2 July 1992, the Court held that in order to deprive the owner of his right of limitation, it was for the claimant to prove the existence of the actual fault or privity of the owner. The Court confirmed the judgement against the UK Club as regards its right of limitation whereas it referred the case back to the judge in charge of the limitation proceedings for further investigation as to the shipowner's right of limitation.

In addition, the IOPC Fund lodged an opposition against the acceptance by the Court of a bank guarantee to constitute the limitation fund. The reason for the opposition is that no interest accrues on a bank guarantee, whereas if the limitation amount had been paid in cash, it would have been invested by the Court and would have earned interest to the benefit of third parties and the IOPC Fund. For this reason, the IOPC Fund asked the Court either to declare that the guarantee was insufficient and that no limitation fund had been validly established, or to order that the guarantee should be increased to Llt 42 003 500 000, so as to cover interest for a period of five years before the end of which no final judgement could be expected.

In a decision rendered on 14 March 1992, the judge who is in charge of the limitation proceedings held that the bank guarantee should also cover interest on the limitation amount. The judge further held that the interest should accrue to the benefit of the victims and not to the benefit of the IOPC Fund, as the Fund had argued.

The shipowner and the UK Club have lodged oppositions to that decision. Their main argument is that under Article V.1 of the Civil Liability Convention, the aggregate amount of the shipowner's liability shall in no event exceed 14 million SDR. They maintain that for this reason this limit cannot be exceeded by the addition of interest. If the judge's decision that the guarantee should also cover interest is correct, however, then they agree with the IOPC Fund that the interest should be to the benefit of the IOPC Fund and not to the benefit of the victims. The IOPC Fund has also lodged opposition, maintaining that the interest should accrue to the Fund. This question will be dealt with by the Court at a later stage.

Claims for Compensation

Italian Claims

Some 1 300 Italian claimants have presented claims to the Court of Genoa within the prescribed time limit. However, many claims do not indicate any figures, and a number of claims state that the amount indicated is provisional. The total amount of those claims which indicate figures is Llt 1 541 488 793 305 (£705 million). A number of claims are duplications.

The largest claim has been presented by the Italian Government, whose claim totals Llt 242 899 669 151 (£110 million). This claim includes items relating to initial clean-up costs incurred by contractors instructed by several government authorities, reimbursement of the value of oil booms lost or destroyed, expenses incurred by various ministries and public bodies, and costs associated with the execution of a contract relating to clean-up operations and monitoring concluded between the Italian Government and ATI.

The Italian Government's claim also includes an item relating to presumed damage to the marine environment in the amount of Llt 100 000 million (£45 million). The claim documents do not indicate the kind of "environmental damage" which was allegedly sustained, nor do they give any indication as to the method used to calculate the amount claimed. The Italian Government has informed the IOPC Fund that it has not been possible to describe the environmental damage because the study of the effects of the incident on the marine environment has not yet been completed. The Government has also stated that the figure given in the claim is only provisional. It is expected that this study will be ready in February 1993.

The Region of Liguria has requested that the figure in the Italian Government's claim relating to environmental damage, Llt 100 000 million, be increased to Llt 200 000 million (£90 million). The Region has maintained that the amount should be apportioned between the various territorial entities which have directly suffered or are suffering ecological damage. Two provinces and 14 communes have included items relating to environmental damage in their respective claims. None of these claims contain any description of the alleged damage and the claims setting out an amount do not explain how these amounts have been calculated.

The owners of 33 yachts and 150 fishing boats have claimed compensation for contamination of their boats in the amounts of Llt 168 143 771 (£77 000) and Llt 1 264 303 328 (£579 000), respectively. Claims for loss of income have been presented by some 700 hotel owners for Llt 80 284 601 128 (£37 million) and by 150 fishermen for Llt 3 549 496 500 (£1.6 million).

The table on page 65 contains a preliminary breakdown of the Italian claims into 15 categories.

Seven hundred claims have been filed with the Court. One of these covers 600 individual hotels. No details are yet available in respect of these 600 hotels. A number of claims contain items which relate to several categories.

	No of Claims	Amount Claimed Llt
Boom cleaning/disposal	1	5 000 000 000
Boom deployment/recovery	4	14 471 501 388
Clean-up on shore	23	9 597 328 671
Damage to tourism	15	7 447 000 000
Disposal	1	650 880 096
Environmental damage	18	452 878 318 121
Fishing boats	150	4 813 799 828
Future liabilities	2	2 206 604 070
Monitoring	3	1 366 138 208
Office services	1	19 579 800
Other clean-up	77	912 415 266 703
Restaurant/hotels	118	80 284 601 128
Retailers/beaches	292	21 248 485 937
Tugs/supply boats	7	28 921 145 584
Yachts	33	168 143 771
TOTAL	745	1 541 488 793 305

As mentioned above, a number of the claims presented by Italian claimants are duplications. The duplications are mainly due to the fact that the State and a number of contractors and subcontractors have presented claims in respect of the same operations. In its evaluation of the claims, the IOPC Fund has tried to establish the aggregate amount of the claims after elimination of duplications and leaving aside claims relating to damage to the marine environment totalling Llt 452 878 318 121. It appears that one item of the State claim has been repeated in forty-four other claims, and these duplications represent a total amount of Llt 789 449 121 296. In addition, there are other obvious duplications which amount to Llt 82 325 442 961. After deducting these amounts from the total figure, a balance of Llt 216 835 910 927 (£100 million) remains in respect of claims other than those relating to damage to the marine environment.

It should be emphasised that the IOPC Fund's experts have not yet finalised the examination and analysis of the claims. For this reason, the tables are presented on the understanding that the figures will have to be adjusted. In addition, the information given in the tables should not be taken as in any way representing the position of the IOPC Fund as regards the admissibility of the respective claims, nor as regards the reasonableness of the amounts claimed.

As mentioned above, many claims do not indicate any figures and a number of claims state that the amounts indicated are provisional. In addition, it cannot be ruled out that further claims will be submitted. Consequently, the total amount of the claims may increase.

Judge's Examination of the Italian Claims

The judge in charge of the limitation proceedings started hearings in September 1991 to discuss the individual claims. The hearings for this purpose were suspended in December 1991 in order to allow the judge to concentrate on issues relating to the amount of compensation available under the Civil Liability Convention and the Fund Convention. The hearings concerning the individual claims were resumed in October 1992. So far, some 300 claims have been given preliminary consideration. In respect of many claims, the judge invited the claimants to present further supporting documentation. The claims submitted by the Italian Government and other public bodies have not yet been considered. It is expected that the judge will not be able to establish the list of admissible claims ("stato passivo") until late in 1993.

At its session in October 1992, the Executive Committee authorised the Director to state in the court proceedings, when appropriate, the IOPC Fund's position as to the admissibility of individual claims and the amounts which, in the view of the Fund, were acceptable.

It is the Director's intention to start discussions with the Italian Government concerning its claim in the near future.

Italian Claims relating to Environmental Damage

The claims relating to damage to the marine environment, which have not yet been dealt with by the judge, were discussed by the Executive Committee in December 1991 on the basis of a study made by the Director. In his study the Director drew attention to the fact that the Civil Liability Convention and the Fund Convention had been implemented into Italian legislation by the Act of 27 May 1978 (N°506) and thus formed part of Italian law. It was emphasised that if a conflict arose between the Conventions and any other Italian statute, the Conventions would prevail, since they were "special laws". The study also contained a short presentation of the Italian legislation relating to protection of the marine environment, in particular the Act of 31 December 1982 (N°979) which contained provisions for the protection of the sea and the Act of 8 July 1986 (N°349) which established the Ministry of the Environment. In the study, reference was also made to Italian jurisprudence and doctrine.

In his study, the Director expressed the view that certain elements of damage to the marine environment were non-quantifiable. It was pointed out that the IOPC Fund had consistently taken the position that claims relating to non-quantifiable elements of damage to the environment could not be admitted. In its interpretation of the Civil Liability Convention and the Fund Convention, the IOPC Fund Assembly had excluded the assessment of compensation for damage to the marine environment on the basis of an abstract quantification of damage calculated in accordance with theoretical models (Resolution N°3 adopted by the Assembly in 1980). The Intersessional Working Group set up by the Assembly in 1980 to examine whether and, if so, to what extent claims for environmental damage were admissible under the Conventions, had used similar language, viz that compensation could only be granted if a claimant had suffered quantifiable economic loss. It was mentioned that the conclusions of the Working Group had been endorsed by the Assembly.

HAVEN - Booms in use in marina

HAVEN - Firefighting vessels attending the blazing tanker

Attention was drawn in the study to the fact that the Civil Liability Convention and the Fund Convention were Conventions in the field of civil law adopted for the purpose of providing compensation to victims of pollution damage. For this reason, it was maintained that claims which did not relate to compensation did not fall within the scope of the Conventions, for example, damages awarded under the above-mentioned Italian Act of 1986 relating to non-quantifiable elements of damage to the environment which were of a punitive character. Since claims of this kind did not relate to compensation, such claims could be pursued, in the Director's view, outside the Conventions on the basis of national law. In the Director's opinion, it could not have been the intention of the drafters of the Fund Convention that the IOPC Fund should pay damages of a punitive character, calculated on the basis of the seriousness of the fault of the wrong-doer or the profit earned by the wrong-doer. He maintained that if such damages were to fall within the scope of the Conventions, the results would be unacceptable.

During the discussions in the Executive Committee, the Italian delegation stated that it did not agree with the basis of the Director's analysis of the problem nor with his conclusions. This delegation noted that Italy had ratified the Civil Liability Convention and the Fund Convention and that these Conventions were part of the Italian legal system constituting special laws. However, in the view of this delegation, the Conventions did not contain any provisions excluding or limiting the right of compensation for environmental damage. It was pointed out that pollution damage was defined in the Civil Liability Convention as any "loss or damage ..... caused by contamination resulting from the escape or discharge of oil". The Italian delegation could not agree with the Director's interpretation of the Conventions under which only quantifiable elements of damage to the marine environment were admissible. In the view of the Italian delegation, compensation was mainly governed by the 1982 Act which envisaged the possibility of compensation for damage to the marine environment both for quantifiable and unquantifiable elements; this Act explicitly mentioned compensation for damage to marine resources, and compensation under that Act should be quantified without reference to the seriousness of the fault of the wrong-doer. The Italian delegation did not accept that compensation under the 1986 Act should be considered as a sanction.

The Executive Committee agreed in general with the Director's analysis of the problem.

The IOPC Fund will submit further pleadings concerning the claims relating to environmental damage when the judge resumes his consideration of this issue.

French Claims

The French Government has brought legal action in the Court of Genoa claiming compensation for the cost of operations at sea and beach clean-up in France for a total amount of FFr16 284 592 (£2.0 million). The French Government has reserved its right to claim compensation in respect of costs incurred for restoration of the marine environment, referring to the Resolution concerning damage to the environment adopted by the IOPC Fund Assembly in 1980.

Claims totalling FFr78 410 591 (£9.4 million) have been presented to the Court in Genoa by 32 French communes and one other public body. These claims relate almost exclusively to shoreline clean-up activity and loss of income in the tourist industry. The claimants have reserved the right to submit evidence of additional expenditure. One of the public bodies (Parc National de Port-Cros) has claimed compensation for damage to the marine environment.

In February 1992 the Director held discussions with the French Government and the French local authorities concerned as to the best procedure for handling these claims. It was agreed that negotiations should be commenced as soon as possible for the purpose of arriving at an agreement between the claimants, on the one hand, and the shipowner, the UK Club and the IOPC Fund, on the other hand, as to the quantum of the claims. Any such agreement will be subject to examination by the Court in Genoa.

The French claims have been examined by the IOPC Fund Secretariat with the assistance of experts. The Director intends to submit observations in writing to the claimants concerning their claims in early 1993, and he hopes that discussions with the claimants can start soon thereafter.

The IOPC Fund has been notified of some small claims from private individuals in France.

Claims relating to Monaco

No claim has so far been presented by the Government of Monaco. The costs incurred for the operations in the Principality have been indicated at FFr324 000 (£38 900).

Method of Conversion of (gold) francs

Under Article 4.4 of the Fund Convention, the maximum amount of compensation payable pursuant to the Civil Liability Convention and the Fund Convention in respect of any one incident is 450 million (gold) francs, including the sum actually paid by the shipowner or his insurer. This amount was increased by the IOPC Fund Assembly in stages to 900 million (gold) francs, pursuant to Article 4.6 of the Fund Convention. Under certain conditions the shipowner is indemnified by the IOPC Fund for a part of the total amount of his liability under the Civil Liability Convention, in accordance with Article 5.1 of the Fund Convention.

The amounts in the Civil Liability Convention and the Fund Convention in their original versions are expressed in (gold) francs (Poincaré francs). Under the Civil Liability Convention, the amount expressed in (gold) francs should be converted into the national currency of the State in which the shipowner's limitation fund is constituted on the basis of the official value of that currency by reference to the franc on the date of the establishment of the limitation fund.

The relevant provisions are Article V.9 of the Civil Liability Convention and Article 1.4 of the Fund Convention which read as follows:

Article V.9 of the Civil Liability Convention:

> The franc mentioned in this Article shall be a unit consisting of sixty-five and a half milligrams of gold of millesimal fineness nine hundred. The amount mentioned in paragraph 1 of this Article shall be converted into the national currency of the State in which the fund is being constituted on the basis of the official value of that currency by reference to the unit defined above on the date of the constitution of the fund.

Article 1.4 of the Fund Convention:

> "Franc" means the unit referred to in Article V, paragraph 9 of the Liability Convention.

In 1976, Protocols were adopted to amend both Conventions. Under the Protocols, the (gold) franc was replaced as the monetary unit by the Special Drawing Right (SDR) of the International Monetary Fund (IMF). One SDR was then considered equal to 15 (gold) francs. Pursuant to the 1976 Protocol to the Fund Convention the amounts of 450 million (gold) francs and 900 million (gold) francs laid down in Articles 4.4 and 4.6 of the Fund Convention were thus replaced by 30 million SDR and 60 million SDR, respectively. The (gold) franc was replaced by the SDR also in Article 5.1, which governs the indemnification of the shipowner. The SDR is to be converted into the national currency of the State in which the shipowner's limitation fund is constituted on the basis of the value of that currency by reference to the SDR on the date of the constitution of the limitation fund. The 1976 Protocol to the Civil Liability Convention entered into force in 1981, whereas the 1976 Protocol to the Fund Convention has not yet come into force.

In the limitation proceedings, an important legal question has arisen, viz the method to be applied for converting the maximum amount payable by the IOPC Fund (900 million (gold) francs) into Italian Lire. The IOPC Fund had taken it for granted that the conversion should be made on the basis of the SDR. It was maintained by some claimants, however, that the conversion should be made by using the free market price of gold, since the 1976 Protocol to the Fund Convention which replaced the (gold) franc with the SDR was not in force.

The IOPC Fund submitted extensive pleadings to the judge in November 1991 and January 1992. These pleadings were supported by legal opinions given by four eminent lawyers.

The IOPC Fund's main argument in support of its position is that the inclusion of the word "official" in the definition of the unit of account laid down in the original text of the 1969 Civil Liability Convention was made deliberately in order to ensure stability in the system and that it was clearly meant to rule out the application of the free market price of gold; this definition was by reference included in the Fund Convention. The IOPC Fund has stressed that the application of different units of account in the Civil Liability Convention and the Fund Convention would lead to unacceptable results, in particular as regards the relationship between the portion of liability to be borne by the shipowner and the IOPC Fund, respectively, on the basis of Article 5.1 of the Fund Convention.

The judge in charge of the limitation proceedings rendered his decision on this issue on 14 March 1992. He held that the maximum amount payable by the IOPC Fund should be calculated by the application of the free market value of gold which gives an amount of Llt 771 397 947 400 (£350 million) (including the amount paid by the shipowner under the Civil Liability Convention), instead of Llt 102 864 000 000 (£47 million), as maintained by the IOPC Fund, calculated on the basis of the SDR. The IOPC Fund lodged opposition to this decision.

At its session in May 1992, the Executive Committee expressed grave concern as regards the consequences of the judge's decision for the future of the international regime of liability and compensation established by the Civil Liability Convention and the Fund Convention. The Committee shared the view expressed in the pleadings presented by the IOPC Fund that the universally accepted interpretation of the Fund Convention was that the limit of the IOPC Fund's cover should be determined by using the SDR. The Italian delegation stated that it did not take any position on this point. The Committee agreed with the legal analyses made in the various pleadings submitted by the IOPC Fund in the court proceedings, and instructed the Director to pursue the IOPC Fund's opposition to this decision.

Under Italian law the oppositions to decisions taken by a judge in charge of limitation proceedings are to be considered by the Court of first instance composed of three judges (including the judge who rendered the decision to which opposition is lodged).

In the opposition proceedings the IOPC Fund presented extensive pleadings. The oppositions were dealt with at a hearing held by the Court of first instance on 12 June 1992, and it was expected that the Court would render its judgement in July 1992. In a decision rendered on 2 July 1992, however, the Court stated that it was unable to deal with the substantive issue. The Court held that the shipowner and the UK Club had failed to observe certain procedural formalities and that the owner, the UK Club and the IOPC Fund had not properly notified two claimants of the opposition pleadings. As a result of the Court's decision, the notifications of these two claimants had to be repeated. A new hearing on this issue will take place on 29 January 1993, and it is expected that the judgement will be rendered soon thereafter.

If the IOPC Fund's opposition were to be unsuccessful, an appeal against the judgement of the Court of first instance may be made to the Court of Appeal. From there, an appeal may be lodged with the Supreme Court of Cassation.

In the context of the determination of the maximum amount payable by the IOPC Fund, the judge also considered the question of whether that amount should be increased by the addition of interest, as requested by some claimants. The judge answered this question in the negative, as maintained by the IOPC Fund. No objections were lodged to the judge's decision on this point.

KAIKO MARU N°86

(Japan, 12 April 1991)

The Japanese tanker KAIKO MARU N°86 (499 GRT), laden with 1 000 tonnes of heavy fuel oil, collided in dense fog with two coastal barges off Nomazaki in Aichi

prefecture (Japan). As a result of the collision, approximately 25 tonnes of cargo oil escaped into the sea.

The area is of great importance for fishing and the cultivation of seaweed. Clean-up operations were immediately undertaken. The operations at sea were completed on 14 April. Due to strong winds, part of the oil reached some small islands. The clean-up operations on shore lasted until 19 April.

The following claims were submitted in respect of clean-up operations and fishery damage, and these claims were settled in May 1992 as follows:

	Claimed	Agreed
	¥	¥
Maritime Safety Agency	25 066 624	18 007 792
Japan Maritime Disaster Prevention Centre	34 159 205	31 378 860
Oil Company Group	18 702 164	12 528 890
Fishery Co-operative Associations	62 680 286	45 812 751
Total	140 608 279	107 728 293
	(£741 000)	(£567 700)

In August 1992, the IOPC Fund paid ¥93 067 813 (£374 368), representing the aggregate amount of the agreed claims minus the shipowner's limitation amount of ¥14 660 480 (£58 970).

After an investigation into the cause of the incident, the Marine Court concluded that the collision was caused by navigational error both on the part of the KAIKO MARU N°86 and on the part of the barges. According to the Court, there was no actual fault or privity on the part of the owner of the KAIKO MARU N°86.

The IOPC Fund's lawyer was instructed to investigate the possibility of taking recourse action against the owners of the colliding barges. His investigation established that there was no P & I insurance in respect of the barges, and that the financial situation of the barge owners was very uncertain. For these reasons, the Director considered that it was not worth while taking such recourse action.

The indemnification of the shipowner, amounting to ¥3 665 120 (£15 530), has not been paid, since the limitation proceedings have not been completed.

KUMI MARU N°12

(Japan, 27 December 1991)

The Japanese tanker KUMI MARU N°12 (113 GRT) collided with a container ship in Tokyo Bay (Japan). As a result of the collision, the KUMI MARU N°12 sustained damage to her starboard shell plating and N°4 tank, allowing some five tonnes of heavy fuel oil to spill into the sea. In order to prevent further pollution, the remaining cargo was transferred to another vessel. Clean-up operations were begun immediately by the Maritime Disaster Prevention Centre and were completed the following day.

The cause of the incident is under investigation.

Claims in respect of clean-up operations were submitted for a total amount of ¥6 211 309 (£32 860). These claims were settled in October 1992 at ¥4 115 079 (£21 770). In November 1992, the IOPC Fund paid ¥1 056 519 (£5 629), representing the settlement amount minus the limitation amount applicable to the KUMI MARU N°12, ¥3 058 560 (£16 290).

Indemnification of the shipowner, ¥764 640 (£3 200), has not yet been paid.

FUKKOL MARU N°12

(Japan, 9 June 1992)

While the Japanese tanker FUKKOL MARU N°12 (94 GRT) was supplying heavy fuel oil to a fishing boat in the port of Ishinomaki (Japan), a bunkering hose was mishandled, resulting in a small quantity of oil flowing into a cargo hold where about 50 tonnes of fish were being stored. Some 20 tonnes of fish were contaminated and had to be destroyed. The remaining part of the cargo was sold but at a lower price than usual.

In this case the question arose as to whether the damage to the fish and the cost of cleaning the cargo hold should be considered as being covered by the definition of "pollution damage" laid down in the Civil Liability Convention.

The notion of "pollution damage" covers damage by contamination which occurs outside the ship carrying the oil which caused the damage. The IOPC Fund had, in several previous cases in Japan, paid compensation for damage covered by an overflow of oil during the transfer of oil from a tanker to another vessel, but in these cases the oil had escaped into the sea and necessitated clean-up operations. The FUKKOL MARU N°12 case was different in that no oil escaped into the sea and no clean-up operations took place. However, in two previous cases similar to this incident, the IOPC Fund had taken the position that the damage caused to a fish cargo in nearly identical circumstances should be considered as being covered by the definition of "pollution damage". In view of the IOPC Fund's position in these previous cases, the Director decided that the damage in the FUKKOL MARU N°12 case should be considered as falling within that definition.

A claim for compensation in the amount of ¥6 442 397 (£34 000) presented by the owner of the fishing boat relating to damage to the fish cargo and costs for cleaning the cargo tank was accepted in full in December 1992. The claim has not yet been paid.

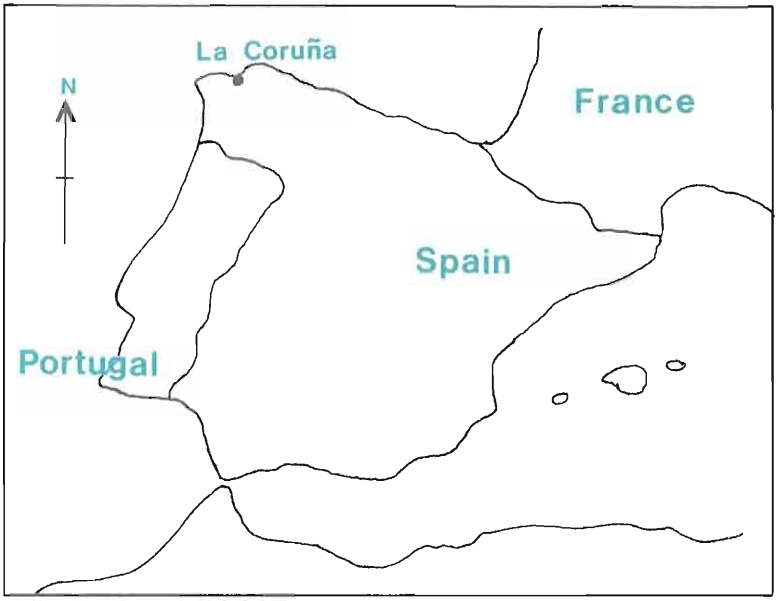
The limitation amount applicable to the FUKKOL MARU N°12 is estimated at ¥2 198 400 (£9 200).

AEGEAN SEA

(Spain, 3 December 1992)

Early in the morning of 3 December 1992, during a heavy storm, the Greek OBO carrier AEGEAN SEA (57 801 GRT) ran aground some 100 metres off the coast while approaching La Coruña harbour in north-western Spain. All 32 crew members were rescued by helicopter after the grounding. The ship was carrying approximately 80 000 tonnes of crude oil. The tanker broke in two and burnt fiercely for some 24

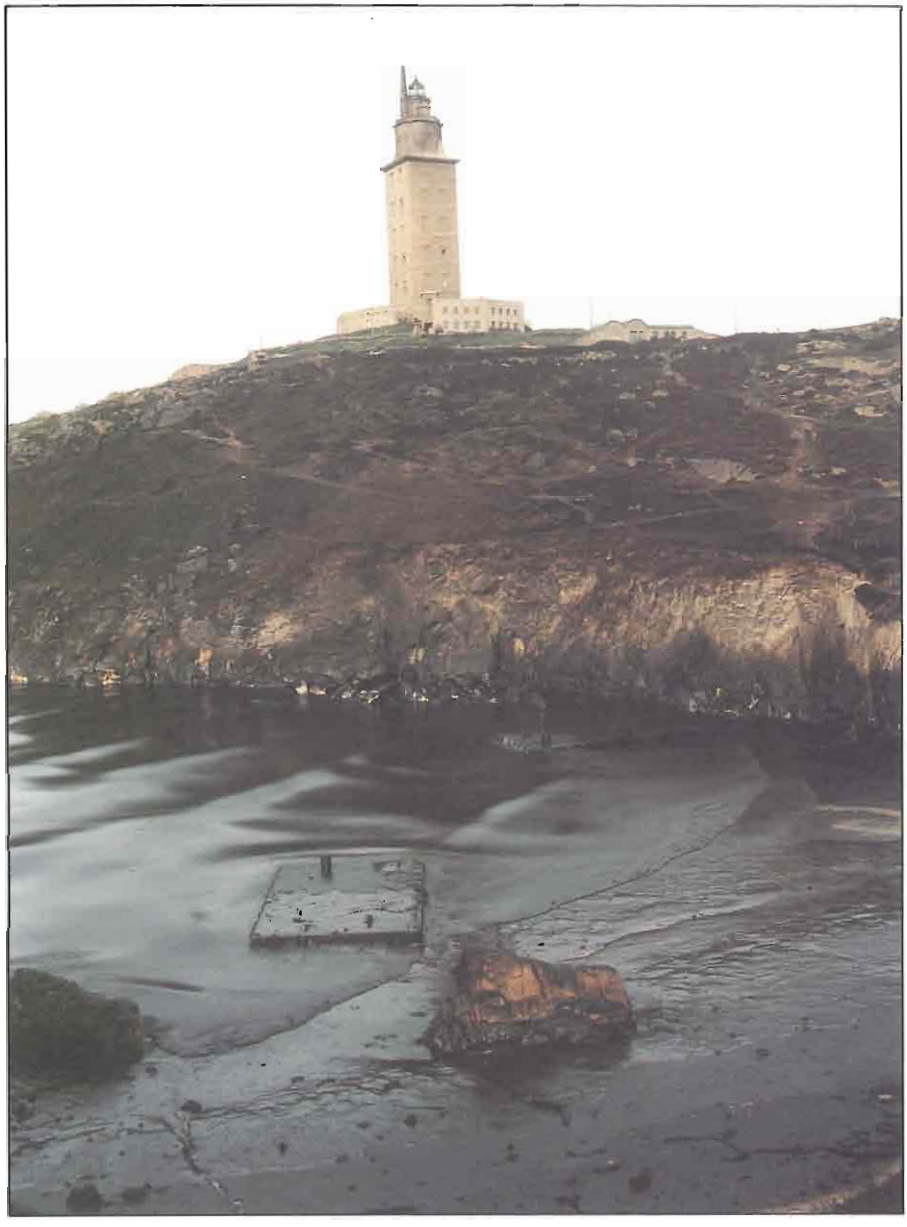
hours, whereafter both parts sunk some 50 metres from the coast. Approximately 6 500 tonnes of crude oil and 1 700 tonnes of heavy fuel oil remained in the aft section. This oil was removed by salvors working from the shore. It has been confirmed that no oil remains in the sunken forward section. Whilst the quantity of oil spilled is unknown, it appears that the major part of the cargo was either consumed in the fire onboard the tanker or dispersed naturally in the sea.



Experts from the International Tanker Owners' Pollution Federation Limited (ITOPF) were engaged by the shipowner and his P&I insurer, the United Kingdom Mutual Steamship Assurance Association (Bermuda) Ltd (the UK Club), and by the IOPC Fund, and they arrived in La Coruña in the afternoon of the day of the incident.

Due to the severe weather, little could be done to recover oil at sea but attempts were made to protect sensitive areas using booms deployed from ships and from the shore. However, as a result of the light nature of the oil cargo (Brent Blend Crude) and the vigorous wave action typical of the exposed coast, there was considerable natural dispersion of the oil slicks. The coast is predominantly rocky and heavily indented, with some major estuaries. A number of shorelines north-east of La Coruña were contaminated and the Port of El Ferrol was heavily polluted.

Much of the floating oil either dispersed naturally or was recovered. In areas where access from the shore was possible, efforts were made to remove floating oil, using locally-available vacuum trucks, skimmers and pumps. A total quantity of about 6 000m^3 of oil/water mixture was collected and delivered to local oil reception facilities



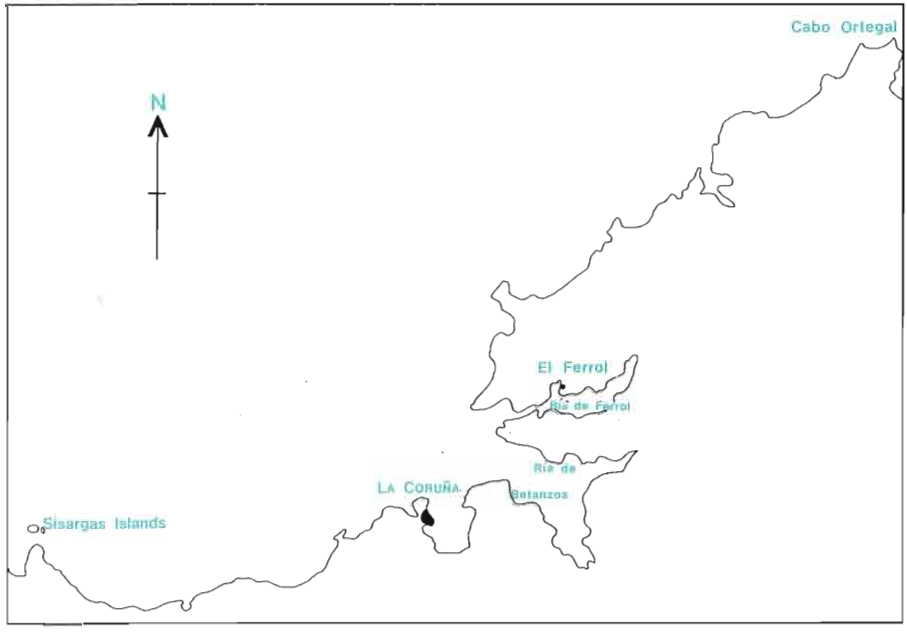
AEGEAN SEA - Thick oil and lighthouse

for processing. The resources available to the Spanish authorities were sufficient for these operations, given the quantity of oil available for recovery, difficulties of access to the coast and the severe weather conditions. Some additional pumps and portable storage tanks were, however, brought to La Coruña from France and Northern Ireland by the P&I insurer, after consultation with the IOPC Fund.

The cleaning of polluted beaches commenced in late December 1992, using manual methods to remove an estimated quantity of 1 200m^3 of oil and heavily oiled sand. The regional authorities have proposed to incinerate the oil after it has been separated from the sand.

The innermost part of Ria de Ferrol consisting of mudflats and saltmarsh has been oiled, but given the sensitivity of this environment to physical damage from clean-up activity, particular care has been taken to select appropriate clean-up measures. A plan of action will be put into effect in mid January 1993.

A comprehensive fishing ban was imposed from the outset in the affected sea area comprising near shore waters and shoreline between Sisargas Islands and Cabo Ortegal. The gathering of clams, cockles, sea urchins and goose barnacles, which are the species of greatest importance, was prohibited. There is extensive mussel raft cultivation in Ria de Betanzos but physical contamination of these rafts by oil has been slight. There are also other mariculture facilities in the area, namely turbot and salmon



farms, and clam and mussel purification plants. These farms have only been slightly affected. An expert from a French research organisation, Centre de Documentation de Recherche et d'Experimentations sur les Pollutions Accidentelles des Eaux (CEDRE), is assisting ITOPF in their assessment of the impact on fisheries.

The Spanish Government and the provincial and local authorities have incurred costs for clean-up and preventive measures. The shoreline clean-up is to some extent being carried out by contractors engaged by the authorities. It is premature to make any estimate of the costs incurred.

In the affected area over 2 500 fishermen are licensed to collect clams, cockles, etc and many of them have suffered loss of revenue as a result of the incident. It can be expected, therefore, that a large number of fishermen will submit claims for compensation. In addition, several hundred small fishing boats have been contaminated to varying degrees and a cleaning programme is anticipated. It is not possible at this stage to make any assessment of the magnitude of the claims relating to loss of revenue and cleaning costs.

After consultation with the Spanish Government, the shipowner, the UK Club and the IOPC Fund have established a joint office in La Coruña which will receive claims for compensation. This office will work closely with the Spanish authorities and the claimants in order to facilitate the handling of the claims.

The court in La Coruña has ordered the shipowner to constitute a limitation fund and has fixed the limitation amount at 1 121 219 450 pesetas (£6.5 million).

The court is carrying out an investigation into the cause of the incident. The IOPC Fund will be following this investigation through its Spanish lawyer and such technical experts as may become necessary.

13 CONCLUDING REMARKS

Unfortunately, a major oil pollution incident occurred in an IOPC Fund Member State during 1992, namely the AEGEAN SEA incident, which occurred in Spain in December. Some incidents in other Member States caused only limited pollution damage.

The worldwide public debate concerning problems relating to oil pollution from ships which resulted from recent incidents, such as the HAVEN, focused on the need to enhance the safety of navigation, to study tanker design and construction, to improve contingency plans and to develop better equipment and materials for oil spill clean-up. This debate has also increased the awareness in all States, including States which are not Members of the IOPC Fund, of the importance of an effective system for compensating victims of oil pollution damage.

During the last five years, the number of IOPC Fund Member States has grown from 36 to 56, and there are reasons to believe that a number of States will join the IOPC Fund in the near future. This continuing expansion of membership demonstrates that the international community has found the system of compensation created by the Civil Liability Convention and the Fund Convention a viable one, providing rapid compensation to victims of oil pollution damage.

During discussions within the IOPC Fund as well as within IMO, Fund Member States have expressed their strong support of the system of compensation established by the Civil Liability Convention and the Fund Convention. The adoption of the 1992 Protocols to amend the Civil Liability Convention and the Fund Convention shows that States attach great importance to the future development of the system, and wish to ensure its viability. In the light of statements made by a number of States at the 1992 International Conference, there is a great likelihood that the 1992 Protocols will enter into force in the near future.

ANNEX I

Structure of the IOPC Fund

ASSEMBLY

Composed of all Member States

Chairman:	Mr J Bredholt	(Denmark)
Vice-Chairmen:	Professor H Tanikawa	(Japan)
	Mr A Al-Yagout	(Kuwait)

EXECUTIVE COMMITTEE

31st and 32nd sessions

Chairman:	Dr R Renger (Germany)
Vice-Chairman:	Mr E H Benabouba (Algeria)
Algeria	Japan
France	Kuwait
Germany	Liberia
Ghana	Norway
Greece	Russian Federation
India	Sri Lanka
Indonesia	United Kingdom
Italy	

33rd session

Chairman:	Dr R Renger (Germany)
Vice-Chairman:	Mr G B Cooper (Liberia)
Algeria	Netherlands
Canada	Nigeria
Germany	Norway
Ghana	Poland
India	Russian Federation
Japan	Spain
Kuwait	Venezuela
Liberia	

IOPC FUND SECRETARIAT

Officers

Mr M Jacobsson	Director
Mr R Sonoda	Legal Officer
Mr S O Nte	Finance/Personnel Officer
Mrs S Broadley	Claims Officer
Mrs H Rubin	Administrative Officer

AUDITORS

Comptroller and Auditor General
United Kingdom

ANNEX II

Note on Published Financial Statements

The financial statements reproduced in Annexes III to VII are a summary of information contained in the audited financial statements of the International Oil Pollution Compensation Fund for the year ended 31 December 1991, approved by the Assembly at its 15th session.

EXTERNAL AUDITOR'S STATEMENT

The summary financial statements set out in Annexes III to VII are consistent with the audited Financial Statements of the International Oil Pollution Compensation Fund for the year ended 31 December 1991.

National Audit Office
for the Comptroller and Auditor General
United Kingdom

January 1993

ANNEX III

General Fund

INCOME AND EXPENDITURE ACCOUNT FOR THE FINANCIAL PERIOD 1 JANUARY - 31 DECEMBER 1991

	1991		*1990*	
INCOME	£	£	£	£
Contributions				
Initial Contributions		-		*5 983*
Annual Contributions		488 125		*1 594 491*
Adjustment to Prior Years' Assessments		(17 534)		*4 208*
		470 591		*1 604 682*
Miscellaneous				
Miscellaneous Income	3 720		*43 962*	
Interest on loan to MCF Kasuga Maru N°1	-		*13 821*	
Interest on loan to MCF Thuntank 5	-		*20 912*	
Interest on loan to MCF Rio Orinoco	30 102		-	
Interest on Overdue Contributions	11 457		*16 825*	
Interest on Investments	1 087 778		*546 780*	
	1 133 057	1 133 057	*642 300*	*642 300*
		1 603 648		*2 246 982*
EXPENDITURE				
Secretariat Expenses				
Obligations incurred	517 583		*437 305*	
Claims				
General Claims	2 068 854		*652 907*	
	2 586 437	2 586 437	*1 090 212*	*1 090 212*
		(982 789)		*1 156 770*
Exchange Adjustment		3 475		*(2 194)*
Excess/(Shortfall) of Income over Expenditure		(979 314)		*1 154 576*

ANNEX IV

Major Claims Fund - Brady Maria

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 1991

	1991		*1990*	
INCOME	£	£	£	£
Interest on Overdue Contributions	-		*295*	
Interest on Investments	11 822		*5 347*	
	11 822	11 822	*5 642*	*5 642*
EXPENDITURE				
Fees		-		-
Excess of Income over Expenditure		11 822		*5 642*
Balance b/f: 1 January		64 565		*58 923*
Balance as at 31 December		76 387		*64 565*

ANNEX V

Major Claims Fund - Kasuga Maru N°1

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 1991

	1991		*1990*	
INCOME	£	£	£	£
Contributions				
Annual Contributions		-		*1 499 995*
Miscellaneous				
Interest on Overdue Contributions	6 383		*4 609*	
Interest on Investments	53 330		*21 500*	
	59 713	59 713	*26 109*	*26 109*
		59 713		*1 526 104*
EXPENDITURE				
Compensation	16 813		-	
Fees	17 112		*59 030*	
Interest on Loans	-		*13 821*	
Miscellaneous	7		*14*	
	33 932	33 932	*72 865*	*72 865*
Excess of Income over Expenditure		25 781		*1 453 239*
Balance b/f: 1 January		275 755		*(1 177 484)*
Balance as at 31 December		301 536		*275 755*

ANNEX VI

Major Claims Fund - Thuntank 5

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 1991

	1991		*1990*	
INCOME	£	£	£	£
Contributions				
Annual Contributions		-		*1 700 747*
Miscellaneous				
Interest on Overdue Contributions	4 272		*5 009*	
Interest on Investments	18 153		*5 389*	
	22 425	22 425	*10 398*	*10 398*
		22 425		*1 711 145*
EXPENDITURE				
Interest on Loans	-		*20 912*	
Fees	513		-	
Miscellaneous	20		*36*	
	533	533	*20 948*	*20 948*
Excess of Income over Expenditure		21 892		*1 690 197*
Balance b/f: 1 January		79 827		*(1 610 370)*
Balance as at 31 December		101 719		*79 827*

ANNEX VII

Balance Sheet of the IOPC Fund as at 31 December 1991

	1991		*1990*	
	£	£	£	£
ASSETS				
Cash at Banks and in Hand		4 728 513		*7 702 410*
Contributions Outstanding		23 628		*122 218*
Due from MCF Rio Orinoco		2 591 075		-
VAT Recoverable		5 278		*5 288*
Miscellaneous Receivable		8 867		*8 172*
Interest on Overdue Contributions		3 119		*3 440*
		7 360 480		*7 841 528*
LESS				
LIABILITIES				
Staff Provident Fund	343 368		*239 259*	
Accounts Payable	10 283		*6 618*	
Unliquidated Obligations	55 583		*19 225*	
Prepaid Contributions	512 161		*59 052*	
Contributors' Account	718 785		*877 255*	
Due to MCF Brady Maria	76 387		*64 565*	
Due to MCF Kasuga Maru N°1	301 536		*275 755*	
Due to MCF Thuntank 5	101 719		*79 827*	
	2 119 822	2 119 822	*1 621 556*	*1 621 556*
NET ASSETS		5 240 658		*6 219 972*
REPRESENTED BY				
Accumulated Surplus		1 240 658		*2 219 972*
Working Capital		4 000 000		*4 000 000*
		5 240 658		*6 219 972*

ANNEX VIII

REPORT OF THE EXTERNAL AUDITOR ON THE FINANCIAL STATEMENTS OF THE INTERNATIONAL OIL POLLUTION COMPENSATION FUND FOR THE FINANCIAL PERIOD 1 JANUARY TO 31 DECEMBER 1991

GENERAL

Scope of the Audit

1 I have audited the financial statements of the International Oil Pollution Compensation Fund ("the Fund") for the thirteenth financial period ended 31 December 1991. My examination was carried out with due regard to the provisions of the Fund Convention and the Financial Regulations. The scope of my examination of claims and contributions has been restricted for the reasons explained in paragraphs 6 and 7 below.

2 My audit included a general review of the accounting procedures and an examination of the accounting records and supporting evidence sufficient to enable me to form an opinion on the financial statements.

Reporting

3 During the audit my staff sought such explanations from the Fund as they considered necessary in the circumstances on matters arising from their examination of the internal controls, accounting records and financial statements. My observations on those matters arising from the audit which I consider should be brought to the attention of the Assembly are set out in the paragraphs below.

Audit Objectives

4 The main purpose of the audit was to enable me to form an opinion as to whether the income and expenditure recorded against both the General and Major Claims Funds in 1991 had been received and incurred for the purposes approved by the Assembly; whether income and expenditure were properly classified and recorded in accordance with the Financial Regulations; and whether the financial statements presented fairly the financial position at 31 December 1991.

Audit Approach

General

5 My examination was based on a test audit, in which all areas of the financial statements were subject to verification and validation procedures. The audit included:

- a broad assessment of the internal controls for income and expenditure; cash management; accounts receivable and payable; and supplies and equipment;
- direct substantive testing of transactions and analytical review across all sources of funds; and
- a review of the claims and contributions procedures to the extent set out in paragraphs 6 and 7 below.

Claims

6 Payments were made in 1991 in respect of claims for damage suffered and to meet associated expenses resulting from pollution incidents involving various vessels. In the case of claims for compensation for damage, the Fund and the tanker owner's insurers had joint surveys made by marine surveyors who also examined and reported on the reasonableness of the claims presented. These reports were examined by the Fund's staff and settlements were negotiated. As in previous years, my examination of these settlements was limited to seeing that satisfactory procedures were followed by the Fund and that properly stated accounts were drawn up for each incident.

Contributions

7 Contributions to the General Fund and Major Claims Funds were assessed on the basis of reports from the Contracting States of oil quantities received in their territories. As in previous years, I have accepted these reports for the purposes of my audit and have not sought access to local records nor confirmation from National Auditors-General (or equivalent) of the countries concerned, which the External Auditor may do under Financial Regulation 10.7. Accordingly, my examination was restricted to establishing that appropriate checks were made by the Fund to verify all reports received; and to ensuring that the financial statements state fairly contributions received.

Overall Results

8 My examination revealed no weaknesses or errors considered material to the accuracy, completeness and validity of the financial statements as a whole. Subject to the restrictions on the scope of my examination referred to in paragraphs 6 and 7 above and to the uncertainty surrounding the outcome of the court action on the Haven incident (paragraphs 15 to 17 below), I am able to confirm that, in my opinion, the financial statements present fairly the financial position as at 31 December 1991.

9 The detailed findings of my audit are set out in paragraphs 11 to 21 below.

REPORT SUMMARY

10 The first section of my Report draws attention to significant financial matters and includes comments on the budgetary outturn (paragraphs 11 and 12), revisions to the format of the financial statements (paragraph 13) and contingent liabilities (paragraphs 14 to 17). The second section of my Report considers financial control matters and comments upon the accounting systems (paragraph 18) and the control of supplies and equipment (paragraphs 19 to 20).

DETAILED FINDINGS

FINANCIAL MATTERS

Budgetary Outturn and Transfers

11 Statement I to the financial statements shows that the total obligations incurred for the period ended 31 December 1991 were £517 583, this being £12 807 within the budget of £530 390.

12 During 1991, the Director made transfers of appropriations within and between Chapters of the budget in accordance with Financial Regulation 4.3 and with the approval of the Assembly given at its 14th session in October 1991. The Director has reported on these transfers in his Comments which accompany the audited financial statements.

Format of the Financial Statements

13 In my Report on the financial statements for the year ended 31 December 1990, I drew attention to the changes made by the Fund to the format of the financial statements. A further change has been made to the format in 1991 financial statements: the notes relating to the Fund's assets and the contingent liabilities, previously disclosed as footnotes to the Balance Sheet, are now shown within the main notes to the financial statements. I fully support this amendment.

Contingent Liabilities

14 Schedule III to the Financial Statements details the Fund's assessment of contingent liabilities as at 31 December 1991. The Fund's estimate of the total contingent liabilities relating to incidents was £55 191 900 (1990: £17 778 871). Those liabilities which mature will, under the Fund Convention, be met from contributions assessed by the Assembly.

15 Following the Haven incident which occurred in April 1991, claims for oil pollution compensation totalling the equivalent of £720 million were submitted to an Italian Court in Genoa. As at 31 December 1991, the Court had made no ruling on the extent of the Fund's liability under the Fund Convention. However, since the Balance Sheet date, the Court has rendered a decision which, if implemented, would mean that the Fund could face a potential maximum liability of £359 million, compared with the Fund's own assessment of £48 million noted in the 1991 financial statements.

16 The Director told me that, as at 31 May 1992, the Fund maintain that their own assessment of the liability under the Fund Convention, equivalent to £48 million, is valid. The Director also told me that the Fund have already lodged opposition to the decision of the Genoa Court. At its 31st session on 28 May 1992, the Executive Committee endorsed the Director's analysis of the legal position and instructed him to pursue the Fund's opposition to the Court's decision.

17 I note the Fund's assessment of the contingent liability in the Haven case; the Court's initial decision; and the Executive Committee's full support of the position taken by the Director in the legal proceedings. Because of the uncertainty of the outcome of the current legal action, I have qualified my opinion in respect of this contingent liability.

FINANCIAL CONTROL MATTERS

The Accounting Systems

18 During my 1991 audit my staff carried out a review of the accounting systems to the extent considered necessary for the purpose of forming an opinion on the financial statements. As a result of their examination, my staff concluded that proper books of account had been maintained and that the accounting records were, in all significant respects, sufficient to form the basis of the 1991 financial statements.

Control of Supplies and Equipment

19 In accordance with the Fund's accounting policies, investment in equipment, furniture, office machines, supplies and library books is not shown in the Balance Sheet as an asset. Note 12(b) to the financial statements shows that the value of these assets held by the Fund as at 31 December 1991 amounted to £96 407.

20 My staff carried out a test examination of the Funds records of supplies and equipment assets under Financial Regulation 10.12. As a result of this examination, I am satisfied that the supplies and equipment records as at 31 December 1991 properly reflect the assets held by the Fund. No inventory losses were reported by the Fund during the year.

OTHER MATTERS

Amounts Written Off and Fraud

21 The Fund told me that there were no amounts written off or cases of fraud or presumptive fraud during the financial period.

ACKNOWLEDGEMENT

22 I wish to record my appreciation of the willing co-operation and assistance extended by the Director and his staff during the audit.

SIR JOHN BOURN KCB
Comptroller and Auditor General, United Kingdom
External Auditor 21st July 1992

ANNEX IX

FINANCIAL STATEMENTS OF THE INTERNATIONAL OIL POLLUTION COMPENSATION FUND FOR THE PERIOD ENDED 31 DECEMBER 1991

OPINION OF THE EXTERNAL AUDITOR

To: the Assembly of the International Oil Pollution Compensation Fund

I have examined the appended financial statements, comprising Statements I to VII, Schedules I to III and Notes, of the International Oil Pollution Compensation Fund for the period ended 31 December 1991 in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

Subject to the scope restrictions referred to in paragraphs 6 and 7 and to the uncertainty relating to a contingent liability referred to in paragraphs 15 to 17 of my Report, as a result of my examination, I am of the opinion that the financial statements present fairly the financial position as at 31 December 1991 and the results of the operations for the period then ended; that they were prepared in accordance with the Fund's stated accounting policies which were applied on a basis consistent with that of the preceding financial year; and that the transactions were in accordance with the Financial Regulations and legislative authority.

SIR JOHN BOURN KCB

Comptroller and Auditor General, United Kingdom

External Auditor

21st July 1992

ANNEX X

Contributing Oil Received in the Territories of Member States in the Calendar Year 1991

As reported by 31 December 1992

Member State	Contributing Oil (tonnes)	% of Total
Japan	266 411 278	28.89
Italy	121 292 963	13.15
Netherlands	97 452 566	10.56
France	93 071 886	10.10
United Kingdom	84 343 346	9.15
Spain	58 612 239	6.35
Canada	35 622 602	3.86
India	33 474 000	3.63
Germany	24 867 459	2.70
Norway	20 865 388	2.26
Sweden	17 219 238	1.87
Portugal	11 645 184	1.26
Finland	11 056 468	1.20
Indonesia	9 875 087	1.07
Denmark	7 931 624	0.86
Bahamas	6 428 569	0.70
Poland	5 058 160	0.55
Russian Federation	3 481 000	0.38
Tunisia	3 466 462	0.37
Côte d'Ivoire	3 253 441	0.35
Kuwait	2 982 000	0.32
Sri Lanka	1 636 795	0.18
Cyprus	1 329 192	0.14
Ghana	947 031	0.10
Djibouti	0	0.00
Iceland	0	0.00
Monaco	0	0.00
Oman	0	0.00
Papua New Guinea	0	0.00
Seychelles	0	0.00
	922 323 978	100.00

<Note> No report from Algeria, Benin, Brunei Darussalam, Cameroon, Croatia, Federal Republic of Yugoslavia (Serbia and Montenegro), Fiji, Gabon, Gambia, Greece, Liberia, Maldives, Malta, Nigeria, Qatar, Slovenia, Syrian Arab Republic, Tuvalu, United Arab Emirates, Vanuatu and Venezuela.

ANNEX XI
Summary of Incidents
(31 December 1992)

Vessel (Flag State)	Gross Tonnage (CLC Liability)	Date & Place of Incident	Cause of Incident & Quantity of Oil Spilled (tonnes)	Claims: Compensation & Indemnification			Remarks
ANTONIO GRAMSCI (USSR)	27 694 GRT Rbls2 431 584	27.2.79 off Ventspils, USSR	Grounding (5 500)	Clean-up costs of Swedish authorities Interest Total	SKr89 057 717 6 649 440 SKr95 707 157	paid paid	
MIYA MARU N°8 (Japan)	997 GRT ¥37 710 340	22.3.79 Bisan Seto, Japan	Collision (540)	Clean-up costs Fishery damage Indemnification Total	¥108 589 104 31 521 478 9 427 585 ¥149 538 167	paid paid paid	¥5 438 909 recovered by way of recourse
TARPENBEK (FRG)	999 GRT £64 356	21.6.79 off Selsey Bill, UK	Collision (not known)	UK Government Nature Conservancy Council Local authorities Owner's clean-up costs Total	£175 000 1 400 7 150 180 000 £363 550	paid paid paid paid	
MEBARUZAKI MARU N°5 (Japan)	19 GRT ¥845 480	8.12.79 Mebaru Port, Japan	Sinking (10)	Clean-up costs Fishery damage Indemnification Total	¥7 477 481 2 710 854 211 370 ¥10 399 705	paid paid paid	
SHOWA MARU (Japan)	199 GRT ¥8 123 140	9.1.80 Naruto Strait, Japan	Collision (100)	Clean-up costs Fishery damage Indemnification Total	¥10 408 369 92 696 505 2 030 785 ¥105 135 659	paid paid paid	¥9 893 196 recovered by way of recourse

UNSEI MARU (Japan)	99 GRT ¥3 143 180	9.1.80 off Akune Port, Japan	Collision (no information but less than 140 tonnes)	Owner's clean-up costs	¥6 903 461	esti-mated	Because of recourse against same insurer, no compensation paid by IOPC Fund
TANIO (Madagascar)	18 048 GRT FFr11 833 718	7.3.80 off Brittany, France	Breaking (13 500)	French Government French local authorities Private claimants Port Autonome du Havre UK P & I Club Total	FFr208 736 142 5 689 025 2 961 290 74 444 4 679 742 FFr222 140 643	paid paid paid paid paid	US$17 480 028 recovered by way of recourse; total payment equalled limit of compen-sation available under Fund Convention
FURENAS (Sweden)	999 GRT SKr612 443	3.6.80 Oresund, Sweden	Collision (200)	Clean-up costs: - Swedish authorities - Swedish private claimants Sub-total Clean-up costs: - Danish authorities - Danish private claimants Sub-total Indemnification	SKr2 911 637 276 050 SKr3 187 687 DKr408 633 9 956 DKr418 589 SKr153 111	paid paid paid paid paid	SKr449 961 recovered by way of recourse
HOSEI MARU (Japan)	983 GRT ¥35 765 920	21.8.80 off Miyagi, Japan	Collision (270)	Clean-up costs Fishery damage Indemnification Total	¥163 051 598 50 271 267 8 941 480 ¥222 264 345	paid paid paid	¥18 221 905 recovered by way of recourse
JOSE MARTI (USSR)	27 706 GRT SKr23 844 593	7.1.81 off Dalarö, Sweden	Grounding (1 000)	Clean-up costs of Swedish authorities 4 Private claimants Total	SKr19 296 000 1 065 000 SKr20 361 000	claimed claimed	Total damage less than owner's liability. Owner's defence that he should be exonerated from liability rejected by final judgement.

Vessel (Flag State)	Gross Tonnage (CLC Liability)	Date & Place of Incident	Cause of Incident & Quantity of Oil Spilled (tonnes)	Claims: Compensation & Indemnification			Remarks
SUMA MARU N°11 (Japan)	199 GRT ¥7 396 340	21.11.81 off Karatsu, Japan	Grounding (10)	Owner's clean-up costs Indemnification Total	¥6 426 857 1 849 085 ¥8 275 942	paid paid	
GLOBE ASIMI (Gibraltar)	12 404 GRT Rbls1 350 324	22.11.81 Klaipeda, USSR	Grounding (estimated at more than 16 000 tonnes)	Indemnification	US$467 953	paid	No damage in Member State
ONDINA (Netherlands)	31 030 GRT DM10 080 383 (including interest)	3.3.82 Hamburg, FRG	Discharge (estimated 200-300 tonnes)	Clean-up costs: - Owner - Authorities Total	 DM11 303 011 42 163 DM11 345 174	 paid paid	
SHIOTA MARU N°2 (Japan)	161 GRT ¥6 304 300	31.3.82 Takashima Island, Japan	Grounding (20)	Clean-up costs Fishery damage Indemnification Total	¥46 524 524 24 571 190 1 576 075 ¥72 671 789	paid paid paid	
FUKUTOKU MARU N°8 (Japan)	499 GRT ¥20 844 440	3.4.82 Tachibana Bay, Japan	Collision (85)	Clean-up costs Fishery damage Indemnification Total	¥200 476 274 163 255 481 5 211 110 ¥368 942 865	paid paid paid	
KIFUKU MARU N°35 (Japan)	107 GRT ¥4 271 560	1.12.82 Ishinomaki, Japan	Sinking (33)	Indemnification	¥598 181	paid	Total damage less than owner's liability

SHINKAI MARU N°3 (Japan)	48 GRT ¥1 880 940	21.6.83 Ichikawa, Japan	Discharge (3.5)	Clean-up costs Indemnification Total	¥1 005 160 470 235 ¥1 475 395	paid paid	
EIKO MARU N°1 (Japan)	999 GRT ¥39 445 920	13.8.83 Karakuwazaki, Japan	Collision (357)	Clean-up costs Fishery damage Indemnification Total	¥23 193 525 1 541 584 9 861 480 ¥34 596 589	paid paid paid	¥14 843 746 recovered by way of recourse
KOEI MARU N°3 (Japan)	82 GRT ¥3 091 660	22.12.83 Nagoya, Japan	Collision (49)	Clean-up costs Fishery damage Indemnification Total	¥18 010 269 8 971 979 772 915 ¥27 755 163	paid paid paid	¥8 994 083 recovered by way of recourse
TSUNEHISA MARU N°8 (Japan)	38 GRT ¥964 800	26.8.84 Osaka, Japan	Sinking (30)	Clean-up costs Indemnification Total	¥16 610 200 241 200 ¥16 851 400	paid paid	
KOHO MARU N°3 (Japan)	199 GRT ¥5 385 920	5.11.84 Hiroshima, Japan	Grounding (20)	Clean-up costs Fishery damage Indemnification Total	¥68 609 674 25 502 144 1 346 480 ¥95 458 298	paid paid paid	
KOSHUN MARU N°1 (Japan)	68 GRT ¥1 896 320	5.3.85 Tokyo Bay, Japan	Collision (80)	Clean-up costs Indemnification Total	¥26 124 589 474 080 ¥26 598 669	paid paid	¥8 866 222 recovered by way of recourse
PATMOS (Greece)	51 627 GRT Lit13 263 703 650	21.3.85 Straits of Messina, Italy	Collision (700)	Preventive measures} and clean-up costs } (including salvage)} Damage to marine environment Total	Lit9 418 318 650 735 268 884 5 000 000 000 Lit15 153 587 534	agreed claimed claimed	Most claims settled; Lit9 418 318 650 paid by P & I insurer; court proceedings in progress against IOPC Fund.

Vessel (Flag State)	Gross Tonnage (CLC Liability)	Date & Place of Incident	Cause of Incident & Quantity of Oil Spilled (tonnes)	Claims: Compensation & Indemnification			Remarks
JAN (FRG)	1 400 GRT DKr1 576 170	2.8.85 Aalborg, Denmark	Grounding (300)	Danish authorities	DKr9 378 528	paid	
				Municipality	24 126	paid	
				Private claimants	53 007	paid	
				Indemnification	394 043	paid	
				Total	DKr9 849 704		
ROSE GARDEN MARU (Panama)	2 621 GRT US $364 182 (estimate)	26.12.85 Umm Al Qaiwain, UAE	Discharge of oil (unknown)	P & I Club in subrogation	US$44 204	claimed	Claim against IOPC Fund withdrawn
BRADY MARIA (Panama)	996 GRT DM324 629	3.1.86 Elbe Estuary, FRG	Collision (200)	German authorities	DM3 219 425	paid	DM333 027 recovered by way of recourse
				Private claimants	1 086	paid	
				Total	DM3 220 511		
TAKE MARU N°6 (Japan)	83 GRT ¥3 876 800	9.1.86 Sakai-Senboku Port, Japan	Discharge of oil (0.1)	Indemnification	¥104 987	paid	Total damage less than owner's liability
OUED GUETERINI (Algeria)	1 576 GRT Din1 175 064	18.12.86 Algiers, Algeria	Discharge (estimated 15)	Power station	US$1 133	paid	
				Power station	FFr708 824	paid	
				Power station	£126 120	paid	
				Owners clean-up costs	Din5 650	paid	
				Indemnification	Din293 766	paid	
THUNTANK 5 (Sweden)	2 866 GRT SKr2 741 746	21.12.86 Gävle, Sweden	Grounding (150-200)	Swedish authorities	SKr23 168 271	paid	
				Private claimants	49 361	paid	
				Indemnification	685 437	paid	
				Total	SKr23 903 069		

ANTONIO GRAMSCI (USSR)	27 706 GRT Rbls2 431 854	6.2.87 Borgå, Finland	Grounding (600-700)	Finnish authorities USSR claimants	FM1 849 924 Rbls1 417 448	paid agreed	USSR not Member of IOPC Fund at time of incident; USSR claims paid by shipowner
SOUTHERN EAGLE (Panama)	4 461 GRT ¥93 874 528	15.6.87 Sada Misaki, Japan	Collision (15)	Clean-up costs Fishery damage Total	¥35 346 679 51 521 183 ¥86 867 862	agreed agreed	Total damage less than owner's liability. Indemnification not payable.
EL HANI (Libya)	81 412 GRT ¥7 900 000 (estimate)	22.7.87 Indonesia	Grounding (3 000)	Indonesian authorities: request for advance payment	US$242 800	claimed	Claim not pursued
AKARI (Panama)	1 345 GRT £92 800 (estimate)	25.8.87 Dubai, UAE	Fire (1 000)	Clean-up costs Clean-up costs	Dhs864 293 US$187 165	paid paid	US$160 000 refunded by P & I insurer
TOLMIROS (Greece)	48 914 GRT SKr50 000 000 (estimate)	11.9.87 West coast of Sweden	Unknown (200)	Swedish Government	SKr100 639 999	claimed	Legal action against shipowner and IOPC Fund withdrawn.
HINODE MARU N°1 (Japan)	19 GRT ¥608 000	18.12.87 Yawatahama, Japan	Mishandling of cargo (25)	Clean-up costs Indemnification Total	¥1 847 225 152 000 ¥1 999 225	paid paid	
AMAZZONE (Italy)	18 325 GRT FFr13 860 369	31.1.88 Brittany, France	Storm damage to tanks (2 000)	French Government, public authorities and individuals	FF1 286 977	paid	FFr1 000 000 recovered from shipowner, charterer and P & I insurer
TAIYO MARU N°13 (Japan)	86 GRT ¥2 476 800	12.3.88 Port of Yokohama, Japan	Discharge (6)	Clean-up costs Indemnification Total	¥6 134 885 619 200 ¥6 754 085	paid paid	

Vessel (Flag State)	Gross Tonnage (CLC Liability)	Date & Place of Incident	Cause of Incident & Quantity of Oil Spilled (tonnes)	Claims: Compensation & Indemnification			Remarks
CZANTORIA (Canada)	81 197 GRT (unknown)	8.5.88 St Romuald, Canada	Collision with berth (unknown)	Clean-up costs	Can$1 787 771	claimed	Fund Convention not applicable, as incident occurred before entry into force of Fund Convention for Canada; claim not pursued.
KASUGA MARU N°1 (Japan)	480 GRT ¥17 015 040	10.12.88 Kyoga Misaki, Japan	Sinking (1 100)	Clean-up costs Fishery damage Indemnification Total	¥371 865 167 53 500 000 4 253 760 ¥429 618 927	paid paid paid	Further claims may be submitted
NESTUCCA (United States of America)	1 612 GRT (unknown)	23.12.88 Vancouver Island, Canada	Collision (unknown)	Private claimants	Can$10 475	claimed	Fund Convention not applicable, as incident occurred before entry into force of Fund Convention
FUKKOL MARU N°12 (Japan)	94 GRT ¥2 198 400	15.5.89 Shiogama, Japan	Overflow from supply pipe (0.5)	Clean-up costs Indemnification Total	¥492 635 549 600 ¥1 042 235	paid paid	
TSUBAME MARU N°58 (Japan)	74 GRT ¥2 971 520	18.5.89 Shiogama, Japan	Mishandling of oil transfer (7)	Damage to fish cargo Indemnification Total	¥19 159 905 742 880 ¥19 902 785	paid paid	

TSUBAME MARU N°16 (Japan)	56 GRT ¥1 613 120	15.6.89 Kushiro, Japan	Discharge (unknown)	Damage to fish cargo Indemnification Total	¥273 580 403 280 ¥676 860	paid paid	
KIFUKU MARU N°103 (Japan)	59 GRT ¥1 727 040	28.6.89 Port of Otsuji, Japan	Mishandling of cargo (unknown)	Clean-up costs Indemnification Total	¥8 285 960 431 761 ¥8 717 720	paid paid	
NANCY ORR GAUCHER (Liberia)	2 829 GRT Can$473 766	25.7.89 Hamilton, Canada	Overflow during discharge (250)	Clean-up costs	Can$292 110	agreed	Total damage less than owner's liability. Original claim Can$648 743.
DAINICHI MARU N°5 (Japan)	174 GRT ¥4 199 680	28.10.89 Yaizu, Japan	Mishandling of cargo (0.2)	Loss of earnings Clean-up costs Indemnification Total	¥1 792 100 368 510 1 049 920 ¥3 210 530	paid paid paid	
DAITO MARU N°3 (Japan)	93 GRT ¥2 495 360	5.4.90 Yokohama, Japan	Mishandling of cargo (3)	Clean-up costs Indemnification Total	¥5 490 570 623 840 ¥6 114 410	paid paid	
KAZUEI MARU N°10 (Japan)	121 GRT ¥3 476 160	11.4.90 Osaka, Japan	Collision (30)	Clean-up costs Fishery damage Indemnification Total	¥48 883 038 560 588 869 040 ¥50 312 666	paid paid paid	¥45 038 833 recovered by way of recourse
FUJI MARU N°3 (Japan)	199 GRT ¥5 352 000	12.4.90 Yokohama, Japan	Overflow during supply operation (unknown)	Clean-up costs Indemnification Total	¥96 431 1 338 000 ¥1 434 431	paid paid	¥430 329 recovered by way of recourse

Vessel (Flag State)	Gross Tonnage (CLC Liability)	Date & Place of Incident	Cause of Incident & Quantity of Oil Spilled (tonnes)	Claims: Compensation & Indemnification			Remarks
VOLGONEFT 263 (USSR)	3 566 GRT SKr3 123 585 (estimate)	14.5.90 Karlskrona, Sweden	Collision (800)	Swedish Government Fishery damage Pollution damage Indemnification Total	SKr15 517 563 530 239 6 250 795 276 Skr16 849 328	paid paid paid paid	
HATO MARU N°2 (Japan)	31 GRT ¥803 200	27.7.90 Kobe, Japan	Mishandling of cargo (unknown)	Damage to cargo Indemnification Total	¥1 087 700 200 800 ¥1 288 500	paid paid	
BONITO (Sweden)	2 866 GRT £241 000 (estimate)	12.10.90 River Thames, United Kingdom	Mishandling of cargo (20)	Clean-up costs Clean-up costs Total	£1 969 259 011 £260 980	paid claimed	£1 969 paid by P & I insurer; unlikely that shipowner's limit will be exceeded.
RIO ORINOCO (Cayman Islands)	5 999 GRT Can$1 182 167	16.10.90 Anticosti Island, Canada	Grounding (185)	Canadian Govt P & I insurer Total Indemnification	Can$11 791 848 1 041 043 Can$12 832 891 Can$295 654	paid paid not yet paid	
PORTFIELD (United Kingdom)	481 GRT £39 970 (estimate)	5.11.90 Pembroke Dock, Wales, United Kingdom	Sinking (110 tonnes)	Clean-up costs Clean-up costs Fishery damage Total Indemnification	£303 437 19 063 188 268 £510 768 £9 993	paid claimed claimed not yet paid	£39 472 paid by P & I insurer

VISTABELLA (Trinidad & Tobago)	1 090 GRT US$100 000 (estimate)	7.3.91 (Caribbean)	Sinking (unknown)	Private claimants French Government Total		FFr110 010 8 711 275 FFr8 821 285	paid claimed	
				Clean-up costs		US$8 068	paid	
HOKUNAN MARU N°12 (Japan)	209 GRT ¥3 523 520	5.4.91 Okushiri Island, Japan	Grounding (small quantity)	Clean-up costs & Fishery damage		¥6 144 829	paid	
				Indemnification		¥880 880	not yet paid	
AGIP ABRUZZO (Italy)	98 544 GRT Llt 19 370 million (estimate)	10.4.91 Livorno, Italy	Collision (2 000)	Clean-up costs Private claimants Private claimant Total		Llt 17 893 000 000 24 500 000 65 335 000 Llt 17 982 835 000	paid paid claimed	Llt 17 917 500 000 paid by P & I Club. Limitation proceedings not yet commenced. Claim will be submitted by the Italian Government.
HAVEN (Cyprus)	109 977 GRT Llt 23 950 220 000	11.4.91 Genoa, Italy	Fire and explosion (unknown)	Italian Government Italian local authorities & private claimants Total		Llt 242 899 669 151 1 298 589 124 154 Llt 1 541 488 793 305	claimed claimed	No amounts yet indicated for some claims; further claims may be submitted.
				French Government French local authorities Total		FFr16 284 592 78 410 591 FFr94 695 183	claimed claimed	
KAIKO MARU N°86 (Japan)	499 GRT ¥14 660 480	12.4.91 Nomazaki, Japan	Collision (25)	Clean-up costs and fishery damage		¥93 067 813	paid	
				Indemnification		¥3 665 120	not yet paid	

Vessel (Flag State)	Gross Tonnage (CLC Liability)	Date & Place of Incident	Cause of Incident & Quantity of Oil Spilled (tonnes)	Claims: Compensation & Indemnification			Remarks
KUMI MARU N°12 (Japan)	113 GRT ¥3 058 560	27.12.91 Tokyo Bay, Japan	Collision (5)	Clean-up costs	¥1 056 519	paid	
				Indemnification	¥764 640	not yet paid	
FUKKOL MARU N°12 (Japan)	94 GRT ¥2 198 400	9.6.92 Ishinomaki, Japan	Mishandling of oil transfer (unknown)	Damage to fish cargo	¥6 442 397	agreed	
AEGEAN SEA (Greece)	57 801 GRT Pts 1 100 million	3.12.92 La Coruña Spain	Grounding (unknown)	Clean-up costs fishery damage			Claims not yet submitted

Notes

1 Amounts are given in national currencies; the relevant conversion rates as at 24 December 1992 are as follows:

£ =	Din	33.86	£ =	FM	7.9905	£ =	Lit	2182.25	£ =	Pts	172.40
	Can$	1.9275		FFr	8.3225		¥	189.75		SKr	10.7925
	DKr	9.4075		DM	2.4400		Rbls	0.8762		Dhs	5.6245
										US$	1.5320

2 Claims: Except where claims are indicated as paid, the amounts shown are as claimed against the IOPC Fund. The inclusion of an amount for a claim is not to be understood as indicating that either the claim or the amount is accepted by the IOPC Fund. Where claims are indicated as paid, the figure given shows the actual amount paid by the IOPC Fund (ie excluding the shipowners liability).