

# Organisation Overview

International Oil Pollution  
Compensation Funds





Who Are We?

The International Oil Pollution Compensation Funds are two intergovernmental organisations (the 1992 Fund and the Supplementary Fund) which provide compensation for oil pollution damage resulting from spills of persistent oil from tankers.

Why do we exist?

During the late 1960s, the International Maritime Organization (IMO) adopted two international treaties, that organised the sharing of the cost of oil spill incidents at sea between the shipowner and the oil receivers and established the first International Oil Pollution Compensation Fund. This international liability and compensation regime evolved over time and the current IOPC Funds were established through the entry into force of:

- the 1992 Civil Liability Convention (CLC);
- the 1992 Fund Convention; and
- the 2003 Supplementary Fund Protocol.

Today, safer shipping means fewer incidents, however, the risk of a major spill remains with some 2 billion tonnes of oil transported by sea every year. This risk has led to 121 States opting to join the 1992 Fund and 32 of those opting to join the Supplementary Fund as well.

How does the system work?

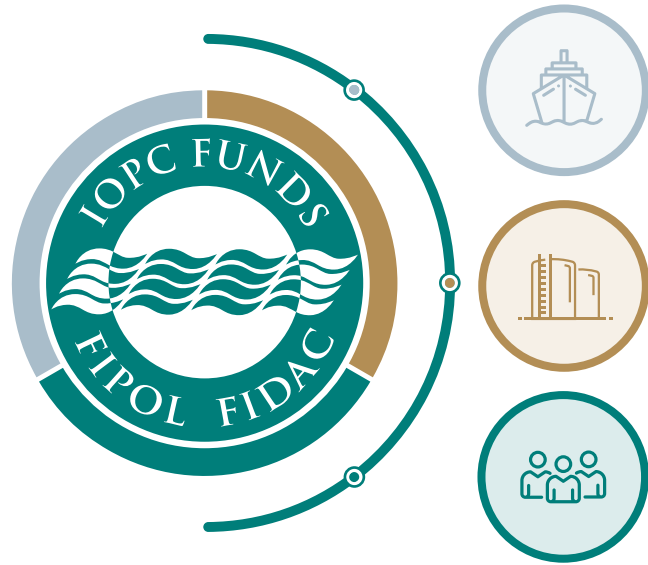
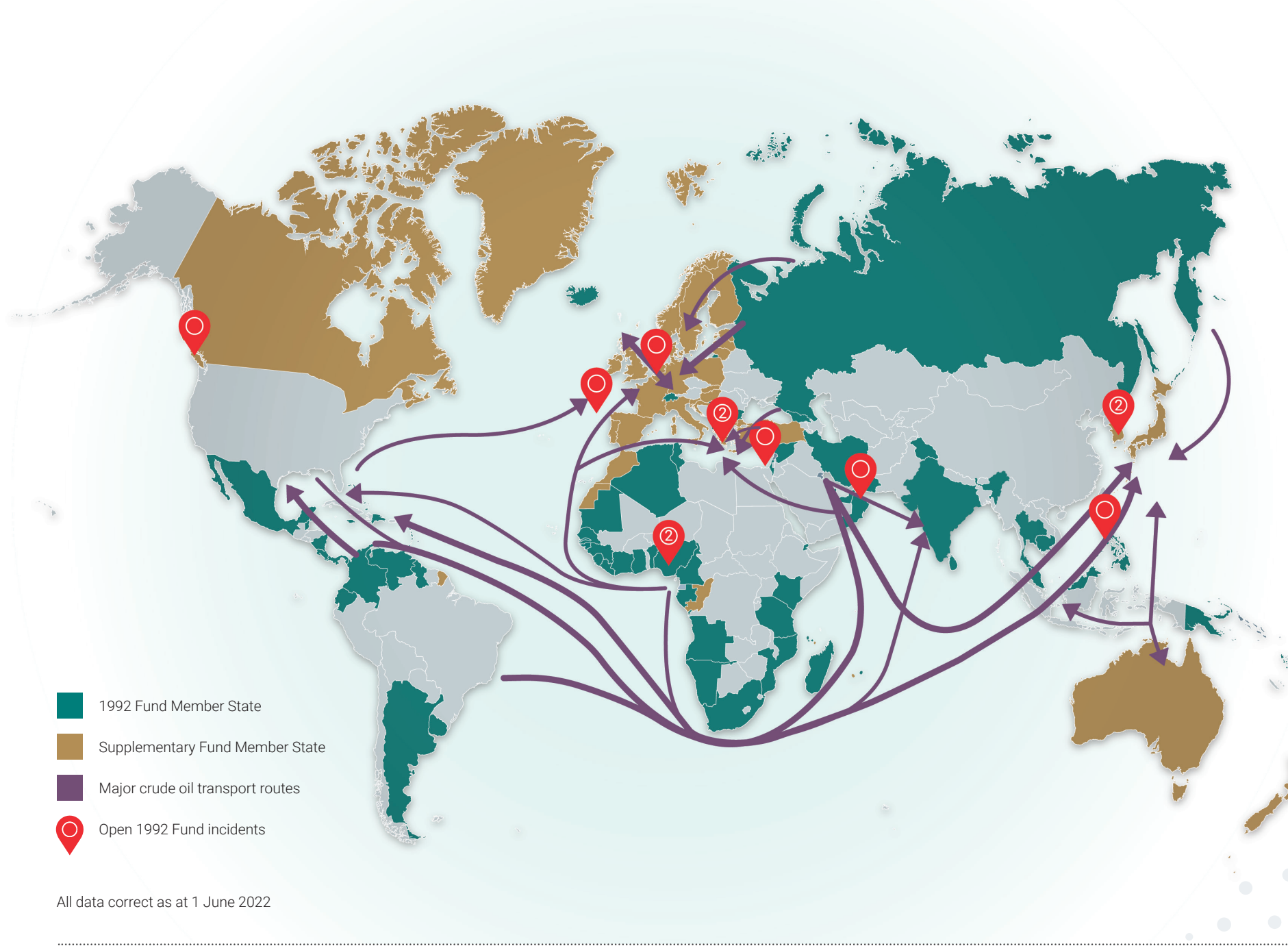
The 1992 Civil Liability Convention provides a first tier of compensation which is paid by the owner of a ship which causes pollution damage.

Under the 1992 CLC, the shipowner has strict liability for any pollution damage caused by the oil, i.e. the owner is liable even if there was no fault on the part of the ship or its crew. However, the shipowner can normally limit their financial liability to an amount that is determined by the tonnage of the ship. This amount is guaranteed by the shipowner's liability insurer.

The 1992 Fund Convention provides a second tier of compensation which is financed by receivers of oil in 1992 Fund Member States after sea transport. An extra layer of compensation is available to Supplementary Fund Member States.

Structure

The IOPC Funds are funded by the oil industry and managed by governments. The governing bodies of the organisations, consisting of each Fund's Member States, meet twice per year to make decisions on compensation payments, policy and budgetary matters, including the amounts to levy in contributions. Only those entities receiving in excess of 150 000 tonnes of contributing oil (crude oil and heavy fuel oil) after transport by sea in a year will be invoiced for contributions.



Shipowners

The first tier of compensation is paid by the ship's insurers under the 1992 CLC.

Oil Receivers

>420 oil receivers finance the 1992 Fund, providing the second tier of compensation.

>130 are also liable to contribute to the Supplementary Fund, which can provide a third tier of compensation.

Member States

The Member States participate in IOPC Funds meetings, deciding on compensation, policy matters and management of the organisations.



In operation since 1978

>120 Member States of the 1992 Fund

>1500 million tonnes of contributing oil received annually in 1992 Fund Member States

>8000 tankers operating at sea\*

>150 incidents involving the IOPC Funds since 1978

>£745 million paid in compensation since 1978

\*over 2 000 dwt (figures as at 01.06.22 provided by Clarkson Research)

What claims do we pay?

Anyone in a Member State of the 1992 Fund who has suffered pollution damage caused by oil transported by a tanker can claim compensation from the shipowner/insurer, the 1992 Fund and, if applicable, the Supplementary Fund. This applies to individuals, businesses, local authorities and States.

To be entitled to compensation, the damage must result from oil pollution and have caused a quantifiable cost or economic loss. Claimants must be able to show the amount of their loss or damage by producing accounting records or other appropriate evidence.

An oil pollution incident can generally give rise to claims for five types of damage:

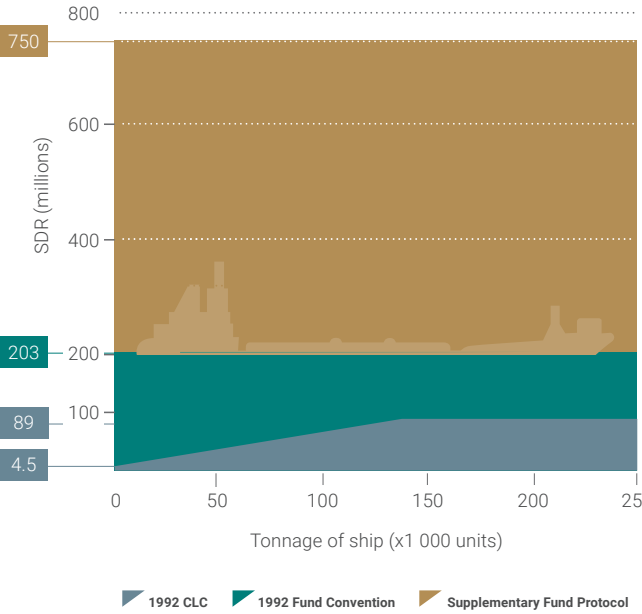


Photo credit: Hans de Visser



How much can we pay?

The international liability and compensation regime can provide up to SDR 203 million (USD 271 million) to 1992 Fund Member States and SDR 750 million (USD 927 million) to Supplementary Fund Member States.



Claims against the 1992 Fund are assessed according to criteria established by governments of Member States. These criteria, which apply to both Funds, are set out in the Claims Manual, which is a practical guide on how to present claims for compensation.

A **Claims Information Pack** can be downloaded from the publications section of the Funds website which contains the Claims Manual and a number of sector-specific guidelines.

For current exchange rates please visit [www.imf.org](http://www.imf.org)



## What other services does the Secretariat provide?

Assistance with correct implementation of the Conventions.



Delivery of national and regional workshops on the international liability and compensation regime, including claims and oil reporting.



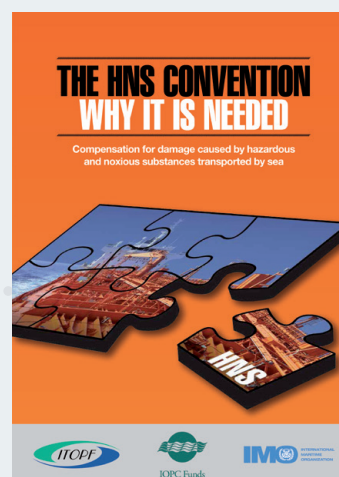
Services to stakeholders



Delivery of annual Short Course for participants nominated by Member States



Delivery of lectures, presentations and papers at conferences, exhibitions and educational institutions.



## HNS

In addition to its work compensating victims of oil pollution, the IOPC Funds has been tasked to work together with IMO to facilitate the entry into force of the 2010 Protocol to the International Convention on the Carriage of Hazardous and Noxious Substances by Sea, 1996 (2010 HNS Protocol) and to carry out preparations for the setting up of the HNS Fund.

To assist States preparing for ratification of the HNS Protocol, the IOPC Funds has developed a number of tools, including a searchable online consolidated list of substances covered by the Convention (the HNS Finder) and the HNS website itself. Other resources have been made available by IMO, in cooperation with the IOPC Funds, including a brochure focusing on why the Convention is needed and a presentation on HNS incidents.

**For further information please consult** [www.hnsconvention.org](http://www.hnsconvention.org).

## Other resources

### Publications

The following publications are available to download from the website or in hard copy upon request.

#### General



Overview Brochure



Annual Report



Text of Conventions



1992 Fund Financial Review

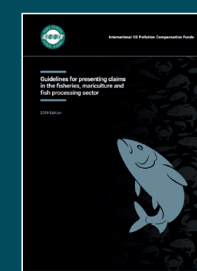


Supplementary Fund Financial Review

#### Claims information pack



Claims Manual



Guidelines for presenting claims in the fisheries, mariculture and fish processing sector



Guidelines for presenting claims in the tourism sector



Guidelines for presenting claims for clean up and preventive measures



Guidelines for presenting claims for environmental damage

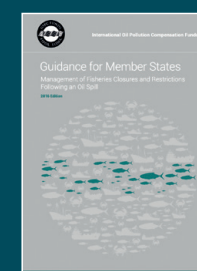


Example Claim Form

#### Guidance for Member States



Measures to facilitate the claims handling process



Management of fisheries closures and restrictions following an oil spill



Consideration of the definition of 'ship'

### Online Services

The IOPC Funds website is the hub for all information pertaining to the Organisations. It is available in English, French and Spanish and incorporates various interactive features and data relating to IOPC Funds incidents, membership and claims-related guidance. The website also provides access to other services and websites, including:

- **Document Services, which is primarily aimed at meeting delegates;**
- **the Online Reporting System for contributors; and**
- **the HNS Convention website.**

[www.iopcfunds.org](http://www.iopcfunds.org)



**International Oil Pollution Compensation Funds**

4 Albert Embankment  
London SE1 7SR  
United Kingdom

Telephone: +44 (0)20 7592 7100

E-mail: [info@iopcfunds.org](mailto:info@iopcfunds.org)

Website: [www.iopcfunds.org](http://www.iopcfunds.org)

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