FOREWORD

It is with great pleasure that I present the IOPC Funds Annual Report for 2019 — a year in which the organisation continued to expand its membership as a result of the entry into force of the 1992 Conventions for Thailand in July and the deposit of instruments of accession by Guyana in February and the Gambia in October. I look forward to welcoming these new Member States to the 1992 Fund Assembly sessions in 2020.

It was an honour to preside over, together with my fellow Chairs, Mr Sungbum Kim for the Supplementary Fund Assembly and Ambassador Antonio Bandini for the 1992 Fund Executive Committee, the April and October 2019 sessions of the governing bodies. Whilst these meetings have become shorter in their duration, the subjects discussed and the decisions taken, remain key to the proper functioning of the organisation. It is essential, therefore, that Member States continue to participate in and contribute to these meetings. Although it was not the case in April, I was particularly pleased that the 1992 Fund Assembly was able to achieve a quorum at the October session, with some 63 Member States of the 1992 Fund present.

The April meeting provided its usual productive forum for interim reports on work undertaken by the Secretariat and developments in incidents since the regular sessions. It also began with a very fitting tribute session to our former colleague, serving Chair of the Audit Body and dear friend of the organisation, Mr Jerry Rysanek, who passed away suddenly in January 2019.

Following a tribute session in the main meeting, Canada hosted a gathering for friends and colleagues to remember Jerry Rysanek and to sign a book of condolences.

In October, the Audit Body, under the new Chair, Mr Harunari, prompted interesting discussions when it presented the initial results of its review into the common issues facing the Funds as a result of incidents involving unreliable insurers. It was certainly a promising start to a debate which hopes to lead us to more concrete solutions being found in the future. Reading the details of the current open incidents in this report alone, highlights that these issues are very real and can incur significant costs to the 1992 Fund.

The Secretariat provided its annual report on the quantities of oil received in States and on the payment of contributions in October. The final figures for 2019 are detailed in full in this publication and I am once again impressed to read that the vast majority of oil reports have been submitted and almost 100% of invoices have been paid by contributors, demonstrating the support and commitment that the industry and States continue to have for this successful international compensation regime.

This report also highlights the efficiency of the Secretariat and overall effectiveness of the IOPC Funds and, as we enter a new decade in which the protection of the environment is now the most pressing issue of all, I am confident that this invaluable organisation will continue to deliver and successfully fulfil its mission, covering the financial risks of major oil spills at sea.

Gaute Sivertsen
Chair of the 1992 Fund Assembly
Looking ahead to 2020, the Secretariat will continue to assist States with implementation by delivering further outreach activities and will also endeavour to widen its reach by delivering training through more short courses, via webinars and other such means. Internally, the Secretariat will continue to review and improve its internal management systems in respect of finance, online tools and other areas to further increase efficiency. I look forward to the coming year, working with the Secretariat, the Chairs, members of the Audit Body and Investment Advisory Body, whose efforts and contributions are all greatly appreciated.

Dealing with incidents and paying compensation is the ultimate role of the organisation. However, the Secretariat also devotes considerable time each year to ensuring States are prepared in the event that such an incident should affect their coastline. 2019 was no exception and as set out in this report, the Secretariat was involved in 7 national or regional workshops for audiences covering 37 States. A number of non-Member States were included in several of those workshops as the IOPC Funds continues to urge them to protect themselves by acceding to the 1992 Conventions. Particular focus was put into engaging with authorities in Brazil in light of the recent major incident affecting their coastline. Regrettably, despite its lengthy coastline, Brazil has yet to join the IOPC Funds but I remain hopeful that with further cooperation in 2020, that could change.

IOPC Funds attended the IMO Maritime Day Parallel Event in Colombia, and was happy to support the theme for 2019 ‘Empowering women in the maritime community’.

Head of Claims, Liliana Monsalve, pictured second from right, in Colombia with other women in the maritime sector, who spoke about their aspirations for the industry.

There was positive news in terms of the HNS Convention as South Africa deposited an instrument of accession with the Secretary General of IMO in July 2019. This brings the number of Contracting States to five and, together with the commitment of a number of European States to take a coordinated approach to ratification, confirms that real progress is being made towards entry into force.

José Maura
Director
The International Oil Pollution Compensation Funds (IOPC Funds) provide financial compensation for oil pollution damage that occurs in its Member States, resulting from spills of persistent oil from tankers.

An international regime of compensation for tanker spills was established by IMO through the adoption of the 1969 Civil Liability Convention and 1971 Fund Convention. The latter Convention established the first IOPC Fund.

Following a number of large incidents during the 1980s, it became clear that the amount available under the original Conventions was insufficient and IMO developed two Protocols which increased the limits and widened the scope of the original Conventions, creating the 1992 Civil Liability Convention and the 1992 Fund Convention.

In 2003 a third instrument, the Supplementary Fund Protocol, was adopted, providing 1992 Fund Member States with additional compensation above that available under the 1992 Fund Convention should they opt to also become Parties to that Protocol.

Since their establishment, the 1992 Fund and the preceding 1971 Fund have been involved in more than 150 incidents of varying sizes all over the world and have paid some €741 million in compensation. No incidents have occurred so far which have involved or are likely to involve the Supplementary Fund.

The IOPC Funds comprise two organisations, the 1992 Fund and Supplementary Fund. It has a Secretariat based in London, United Kingdom and employs international experts as required.

Since 1978, the IOPC Funds have been involved in over 150 incidents of varying sizes all over the world and have paid some €741 million in compensation. No incidents have occurred so far which have involved or are likely to involve the Supplementary Fund.

The 32 Member States of the Supplementary Fund are:

- Australia
- Barbados
- Belgium
- Canada
- Côte d’Ivoire
- Denmark
- El Salvador
- Estonia
- Fiji
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Japan
- Latvia
- Lithuania
- Montenegro
- Morocco
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Republic of Korea
- Slovakia
- Slovenia
- Spain
- Sweden
- Turkey
- United Kingdom

The IOPC Funds comprise two organisations, the 1992 Fund and Supplementary Fund. It has a Secretariat based in London, United Kingdom and employs international experts as required.

Since their establishment, the 1992 Fund and the preceding 1971 Fund have been involved in more than 150 incidents of varying sizes all over the world and have paid some €741 million in compensation. No incidents have occurred so far which have involved or are likely to involve the Supplementary Fund.

The IOPC Funds comprise two organisations, the 1992 Fund and Supplementary Fund. It has a Secretariat based in London, United Kingdom and employs international experts as required.

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The 32 Member States of the Supplementary Fund are:

- Australia
- Barbados
- Belgium
- Canada
- Côte d’Ivoire
- Denmark
- El Salvador
- Estonia
- Fiji
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Japan
- Latvia
- Lithuania
- Montenegro
- Morocco
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Republic of Korea
- Slovakia
- Slovenia
- Spain
- Sweden
- Turkey
- United Kingdom

This report focuses on the work of the IOPC Funds during 2019. For further general information about the organisations and their history, please visit www.iopcfunds.org.
**LEGAL FRAMEWORK**

The international liability and compensation regime is currently based on:

**Layer 1**
- The International Convention on Civil Liability for Oil Pollution Damage, 1992 (1992 CLC)

**Layer 2**
- The Protocol of 2003 to the 1992 Fund Convention (Supplementary Fund Protocol)

These three instruments all apply to pollution damage caused by spills of persistent oil from tankers in the territory (including the territorial sea) and the exclusive economic zone (EEZ) or equivalent area of a State Party to the respective treaty instrument.

**1992 CIVIL LIABILITY CONVENTION**

The 1992 CLC 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 pollution damage caused by the oil, i.e. the shipowner’s liability is independent of fault on the part of the ship or its crew. However, the shipowner can normally limit its liability to an amount that is determined by the tonnage of the ship.

For ships carrying more than 2,000 tonnes of oil as cargo in bulk, the shipowner is obliged to maintain insurance to cover its liability under the 1992 CLC, and claimants have a right of direct action against the insurer.

**1992 FUND CONVENTION**

The International Oil Pollution Compensation Fund, 1992 (1992 Fund) was set up under the 1992 Fund Convention and is financed by the oil industry and managed by governments.

The 1992 Fund provides a second tier of compensation when the amount available under the 1992 CLC is insufficient (i.e. the damage exceeds the limit of the shipowner’s liability) and also when the shipowner is exempt from liability or is financially incapable of meeting its obligations under the 1992 CLC.

The maximum compensation payable by the 1992 Fund is SDR 203 million, irrespective of the size of the ship. This maximum amount includes the sums actually paid by the shipowner under the 1992 CLC.

**SUPPLEMENTARY FUND PROTOCOL**

The Supplementary Fund provides a third tier of compensation on top of the amount available under the 1992 Fund Convention in States which are also Parties to the Supplementary Fund Protocol. The total amount available for compensation for each incident is SDR 750 million, including the amounts payable under the 1992 Conventions.
LEGAL FRAMEWORK

1969 CIVIL LIABILITY CONVENTION

The original international regime was based on the 1969 Civil Liability Convention (1969 CLC) and the 1971 Fund Convention. While the 1971 Fund Convention is no longer in force, the 1969 CLC remains active, but it offers lower limits of compensation than the 1992 CLC. It is recommended that any State still Party to the Convention should increase its protection by according to the 1992 CLC and should denounced the 1969 CLC as soon as possible.

The following States remain Party to the 1969 CLC only:

<table>
<thead>
<tr>
<th>Brazil</th>
<th>Kazakhstan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Rica</td>
<td>Libya</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>Sao Tomé and Principe</td>
</tr>
</tbody>
</table>

STOPIA AND TOPIA

The Small Tanker Oil Pollution Indemnification Agreement (STOPIA) and the Tanker Oil Pollution Indemnification Agreement (TOPIA) are two voluntary agreements set up by the shipowners and the P&I Clubs which are members of the International Group, to indemnify, up to certain amounts; the 1992 Fund and Supplementary Fund, respectively, for the compensation paid. Although not parties to these agreements, the 1992 Fund and Supplementary Fund have legally enforceable rights to indemnification from the shipowner in accordance with the agreements.

Indemnification was paid to the 1992 Fund under STOPIA in respect of the Solar 1 incident (Philippines, 2006). TOPIA is also applicable to the Trident Star incident (Malaysia, 2014) meaning the 1992 fund could be reimbursed up to SDR 20 million, should it be called upon to pay compensation. Since there have been no incidents involving the Supplementary Fund, TOPIA has not been applied.

The Full Texts of the 1992 Conventions and the Supplementary Fund Protocol may be obtained from the Publications Page of the Funds’ Website: www.iopcfunds.org.

In 2019, around 2,000 km of the coastline of Brazil was heavily polluted with oil from an unknown source. Regrettably Brazil is Party to the 1969 CLC only.
SECRETARIAT

The 1992 Fund and the Supplementary Fund share a joint Secretariat, consisting of 27 staff members as at 31 December 2019. The Director is the chief administrative officer and is responsible for the overall management of the Funds, including maintaining a sound system of internal control that supports the achievement of the Funds’ policies, aims and objectives and safeguards its assets. The system of internal control is based on procedures designed to ensure conformity with the Funds’ Financial Regulations, Internal Regulations and decisions of the respective governing bodies.

The Director is assisted by a Management Team, comprising the Deputy Director/Head of the Finance and Administration Department, the Head of the External Relations and Conference Department, the Head of the Claims Department and the Legal Counsel. In the event that the Director was unable to assume his functions, the members of the Management Team, in the order set out above, would take on the responsibilities of the Director.

In addition to the permanent staff of the Secretariat, the Funds use external consultants to provide advice on legal and technical matters, as well as on other matters relating to the management of the Funds, where necessary. Also, in connection with a number of major incidents, the Funds and the shipowner’s third-party liability insurer have jointly established local claims offices to provide more efficient handling of claims and to assist claimants.

The Secretariat is based within the same building as the International Maritime Organization in London, United Kingdom. The relationship between the Host State and the IOPC Funds is governed by a Headquarters Agreement between the Government of the United Kingdom and the IOPC Funds. The Agreement sets out the privileges and immunities of the IOPC Funds, of delegates to meetings and of staff members.

IOPC FUNDS’ SECRETARIAT AS OF FEBRUARY 2020

DIRECTOR’S OFFICE

José Maaza  
Director

Kenako Kadoya  
Legal Counsel

María Bazilio  
Executive Assistant

Q. HOW CAN I APPLY FOR A POST WITH THE SECRETARIAT?

A. All vacancy notices are published on the website under the vacancies page of the Secretariat section and are usually announced on the home page. Full details of the requirements for a post and how to apply are provided there.

CLAIMS DEPARTMENT

Liliane Moresalve  
Head of Department

Chiara Della Maa  
Claims Manager

Mark Homan  
Claims Manager

Ana Cuesta  
Claims Manager

Chrystelle Collin  
Claims Administrator

Q. DO YOU OFFER INTERNSHIPS?

A. No, unfortunately we do not. However, we do run an annual week-long self-funded short course covering the work of the IOPC Funds and the international liability and compensation regime in general. Participants must be nominated by 1992 Fund Member States.

FINANCE & ADMINISTRATION DEPARTMENT

Ranjit Pillai  
Deputy Director/Head of Department

Robert Owen  
IT Manager

Julia Shaw  
Human Resources Manager

Claire Montgomery  
Finance Manager

Dudley Colman  
IT Officer

Elizabeth Galdabines  
Finance Assistant

Kathy McBride  
Finance Assistant

Marina Singh  
Finance Assistant

Sarah Hayton  
Press/Reporting Administrator

Paul Davis  
IT Administrative Assistant

EXTERNAL RELATIONS & CONFERENCE DEPARTMENT

Thomas Liebert  
Head of Department

Victoria Turner  
Information Officer

Julia Sökan del Río  
External Relations & Conference Coordinator

Sylvia Leggaton  
Translation Coordinator

María Alonso Romero  
Associate Editor (Spanish)

Mariana Saul  
Claims Assistant

Ana Cuesta  
Claims Administrator

Johana Lanzeray  
External Relations & Conference Assistant

Claire Montgomery  
Executive Assistant

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RETIREMENT NEWS

The Funds’ Office Manager, Modesto Zotti (Italy), retired in February 2020 after more than 35 years at the organisation. As the only staff member to have worked with all four Directors of the IOPC Funds, Modesto was invited to speak on the occasion of the Funds’ 40th anniversary in October 2018. He is a familiar face both amongst delegations to IOPC Funds’ meetings and also among the IMO Secretariat. He will certainly be missed by his friends and colleagues at the IOPC Funds’ Secretariat, who wish him a long and very happy retirement.

Robert Owen  
IT Manager
ADMINISTRATION

JOINT SECRETARIAT EXPENSES
The joint administrative expenses (excluding the external audit fees which are paid directly by each of the Funds) for the Secretariat are set out below.

<table>
<thead>
<tr>
<th>Joint Secretariat expenditure</th>
<th>2019 unaudited £</th>
<th>2018 audited £</th>
<th>2017 audited £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>4 065 757</td>
<td>4 038 496</td>
<td></td>
</tr>
<tr>
<td>Budget</td>
<td>4 983 777</td>
<td>4 526 433</td>
<td>4 096 520</td>
</tr>
<tr>
<td>Expenditure as % of budget</td>
<td>0%</td>
<td>90%</td>
<td>92%</td>
</tr>
<tr>
<td>External audit fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1992 Fund</td>
<td>43 200</td>
<td>43 200</td>
<td>43 200</td>
</tr>
<tr>
<td>Supplementary Fund</td>
<td>3 200</td>
<td>3 200</td>
<td>3 200</td>
</tr>
<tr>
<td>Management fees received by 1992 Fund from Supplementary Fund</td>
<td>34 000</td>
<td>34 000</td>
<td>34 000</td>
</tr>
</tbody>
</table>

Commentary on the joint Secretariat expenditure is provided in Annex 1 of the 1992 Fund’s Financial Statements, which can be found in the 2018 Financial Review publications available on the Publications page of the Funds’ website. Further details relating to the financial administration of the organisations and key figures for 2019 are provided under the Financial Review section of this Annual Report (pages 48–53).

AUDIT BODY
The joint Audit Body, established by the IOPC Funds’ governing bodies, normally meets three times a year to review the adequacy and effectiveness of the organisations. The Audit Body looks at the key issues of management and financial systems, financial reporting, internal controls, operational procedures and risk management, and it reviews the organisations’ Financial Statements. It also considers all relevant reports by the External Auditor. The Audit Body reports to the governing bodies at their regular October/November sessions. The term of the current Audit Body expires in November 2020.

Following the sad passing of the Chair of the Audit Body, Mr Jerry Rysanek (Canada), in January 2019, the 1992 Fund Administrative Council was required to make a number of decisions regarding the composition of the Audit Body for the remainder of its three-year term. In April 2019, it decided to appoint Mr Makoto Harunari as Chair, created the post of Vice-Chair and appointed Mrs Birgit Sølling Olsen to that position.

EXTERNAL AUDITOR
An External Auditor is appointed by the 1992 Fund Assembly and Supplementary Fund Assembly every four years. The current IOPC Funds’ External Auditor is BDO International (BDO), who were first appointed in October 2015 to audit the Financial Statements of the 1992 Fund and the Supplementary Fund for a period of four years from 2016. Following a formal review of BDO and an assessment of its performance by the Audit Body, in October 2019 the governing bodies re-appointed BDO as the External Auditor for a further four-year term, i.e. the financial years 2020–2023 inclusive. BDO report on the audit of the Financial Statements of the 1992 Fund and Supplementary Fund at each regular session of the 1992 Fund and Supplementary Fund Assemblies (see Financial Review section, pages 48–53).

RISK MANAGEMENT
The Secretariat has a full risk management system in place, which is regularly reviewed and updated. In consultation with the Audit Body and the External Auditor, the risks are categorised either as operational risks or institutional issues. Operational risks have five further subcategories, namely, finance/contributions, governance/management, compensation, safety/security and communication/publications (including the website). These identified risks, institutional issues and any corresponding mitigation measures which are put in place are continuously monitored to ensure a robust risk management system is maintained.

INVESTMENT ADVISORY BODY
The joint investment Advisory Body (JAB), established by the IOPC Funds’ governing bodies, advises the Director on procedures for investment and cash management controls. The JAB also reviews the IOPC Funds’ investments and foreign exchange requirements, to ensure that reasonable investment returns are achieved without compromising the safety of the IOPC Funds’ assets. The JAB normally meets four times a year with the Secretariat. It also meets with the Audit Body and External Auditor to share information and reports to the governing bodies at their regular October/November sessions. The current term of the JAB expires in November 2020.
COMPENSATION AND CLAIMS MANAGEMENT

The principal role of the IOPC Funds is to pay compensation to those who have suffered oil pollution damage in a Member State who cannot obtain full compensation for the pollution damage from the shipowner under the 1992 Civil Liability Convention (1992 CLC).

THE PROCESS OF A CLAIM

WHO CAN CLAIM?

Claimants may be individuals, partnerships, companies, private organisations or public bodies, including States or local authorities.

WHEN SHOULD CLAIMS BE SUBMITTED?

Claimants ultimately lose their right to compensation under the 1992 Fund Convention unless they bring court action against the 1992 Fund within three years of the date on which the damage occurred. The same time limit applies in respect of claims against the shipowner's insurer under the 1992 CLC. Although damage may occur some time after an incident takes place, in both cases court action must in any event be brought within six years of the date of the incident.

HOW CAN CLAIMS BE SUBMITTED?

Claims should be presented clearly and with sufficient information and supporting documentation to enable the amount of the damage to be assessed. Each item of a claim must be substantiated by an invoice or other relevant supporting documentation, such as work sheets, explanatory notes, accounts and photographs. In the event of an incident, the process for claim submission will be explained and specific customised claims forms and facilities, including an online claims submission system, will normally be made available to claimants via the IOPC Funds' website (www.iopcfunds.org).

HOW ARE CLAIMS ASSESSED?

Claims are assessed according to criteria established by the Governments of Member States. These criteria, which also apply to claims against the Supplementary Fund, are set out in the 1992 Fund's Claims Manual, which is a practical guide on how to present claims for compensation. The Funds, normally in cooperation with the shipowner's insurer, usually appoint experts to monitor clean-up operations, to investigate the technical merits of claims and to make independent assessments of the losses.

WHAT TYPE OF CLAIMS ARE ADMISSIBLE?

To be entitled to compensation, the pollution damage must result in an actual and quantifiable economic loss. The 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 pollution damage:

1. Property damage
2. Economic losses
3. Costs of clean-up operations at sea
4. Costs for reinstate the environment
5. Costs for reinstatement of the tourism sector

HOW ARE CLAIMS SETTLED?

The IOPC Funds endeavor to pay claims as promptly as possible and normally make provisional payments of compensation to mitigate undue financial hardship to victims of pollution incidents. However, for incidents involving larger claims or where a specific claim gives rise to a question of principle which has not previously been decided by the governing bodies, the Director needs approval from the relevant governing body of the Fund in question. In most cases, claims are settled out of court.

If the total amount of the established claims exceeds the total amount of compensation available, the 1992 Fund may have to restrict compensation payments to a percentage of the established losses to ensure that all claimants are given equal treatment. The level of payments will increase at a later stage if the uncertainty about the total amount of the established losses is reduced. In Supplementary Fund Member States, in practically all cases, it should be possible from the outset to pay compensation for pollution damage at 100% of the amount of damage agreed between the Fund and the claimant.

HELPFUL RESOURCES

The Claims Manual and various guidelines for claimants are available at www.iopcfunds.org.
INCIDENTS INVOLVING THE 1992 FUND

Since their establishment in October 1978, the IOPC Funds have been involved in over 150 incidents. Details of all incidents, and in many cases a full case study, including latest developments, can be found under the Incidents section of the IOPC Funds’ website. A summary of key developments in a number of cases during 2019 and the position taken by the governing bodies in respect of claims is set out below.

NEW INCIDENTS

BOW JUBAIL
(NETHERLANDS, JUNE 2018)

On 23 June 2018, the oil and chemical tanker Bow Jubail collided with a jetty in a terminal in Rotterdam, the Netherlands, resulting in a spill of bunker oil into the harbour. Pollution damage claims submitted may be over USD 50 million.

The shipowner argued before the Rotterdam District Court that the incident was covered under Article 1.8 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (Bunkers Convention 2001). However, in November 2018, the Court decided that the shipowner had not proved that the tanker did not contain residues of persistent oil at the time of the incident and that, therefore, the Bow Jubail qualified as a ship as per Article I(1) of the 1992 Civil Liability Convention (1992 CLC). The shipowner appealed to the Court of Appeal in The Hague.

It is unlikely that this incident will involve the 1992 Fund. However, if the shipowner is unsuccessful in proving that there were no persistent residues on board, the 1992 CLC and Fund Conventions will apply to this incident. The Court of Appeal decision is expected in March 2020.

<table>
<thead>
<tr>
<th>Ship</th>
<th>Bow Jubail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of incident</td>
<td>23/06/2018</td>
</tr>
<tr>
<td>Place of incident</td>
<td>Rotterdam, the Netherlands</td>
</tr>
<tr>
<td>Cause of incident</td>
<td>Collision</td>
</tr>
<tr>
<td>Quantity of oil spilled</td>
<td>Approximately 217 tonnes of heavy fuel oil</td>
</tr>
<tr>
<td>Area affected</td>
<td>Rotterdam Port, the Netherlands</td>
</tr>
<tr>
<td>Flag State of ship</td>
<td>Norway</td>
</tr>
<tr>
<td>Gross tonnage</td>
<td>23 196 GT</td>
</tr>
<tr>
<td>P&amp;I Insurer</td>
<td>Gard P&amp;I (Bermuda) Ltd</td>
</tr>
</tbody>
</table>

AGIA ZONI II
(GREECE, SEPTEMBER 2017)

On 10 September 2017, the Greek flag tanker Agia Zoni II sank in the Saronic Gulf, Greece. An A Claims Submission Office was established in Piraeus, Greece to assist claimants with the submission of their claims relating to this incident. It was reported to the October 2019 session of the 1992 Fund Executive Committee that, in total, the 1992 Fund had received 373 claims amounting to EUR 94.64 million and USD 175 000 and had already made compensation payments totalling some EUR 11.27 million in respect of this incident. The 1992 Fund has been served with legal proceedings filed at the Piraeus Court of First Instance by three clean-up contractors for the balance of their unpaid claims amounting to EUR 30.26 million, EUR 24.74 million and EUR 8.99 million respectively. Proceedings against the 1992 Fund have also been filed by 78 fisherfolk, claiming EUR 2.18 million.

Two separate investigations into the cause of the incident have been carried out. The first concluded that the incident occurred as a result of an explosion and the second concluded that it resulted from the opening of the seawater ballast valves and the undue opening of the cargo tank seals or manifolds, which could only have been done from on board the vessel.

<table>
<thead>
<tr>
<th>Ship</th>
<th>Agia Zoni II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of incident</td>
<td>10/9/2017</td>
</tr>
<tr>
<td>Place of incident</td>
<td>Saronic Gulf, Greece</td>
</tr>
<tr>
<td>Cause of incident</td>
<td>Sinking – circumstances under investigation</td>
</tr>
<tr>
<td>Quantity of oil spilled</td>
<td>Estimated to be in the region of 500 tonnes</td>
</tr>
<tr>
<td>Area affected</td>
<td>3–4 km of the coastline of Salamina Island and 20–25 km of the coastline south of Piraeus Port and Athens, Saronic Gulf, Greece</td>
</tr>
<tr>
<td>Flag State of ship</td>
<td>Greece</td>
</tr>
<tr>
<td>Gross tonnage</td>
<td>1 597 GT</td>
</tr>
<tr>
<td>P&amp;I Insurer</td>
<td>Lodestar Marine Limited</td>
</tr>
</tbody>
</table>
All claims for this incident have been finalised by either mediation or judgment and a total of KRW 432.9 billion has been awarded. The 1992 Fund has paid a total of KRW 107.3 billion in compensation to the Government of the Republic of Korea. Following the conclusion of a bilateral agreement, the 1992 Fund paid to the Government the balance of compensation due totalling KRW 27,486,198,196 for it to pay all remaining claims. In return, the Government provided the safeguards the 1992 Fund needs to be protected from further actions in the Courts against the 1992 Fund. The Fund has brought a recourse action in the Republic of Korea to recover a proportion of the amounts paid for this incident from the Samsung Heavy Industries Co. Ltd (SHI) Limitation Fund. In April 2019 the 1992 Fund made an additional payment of KRW 22 billion to the shipowner’s insurer, the Skuld Club and set aside a balance of some KRW 3.4 billion to be paid when the legal proceedings have been concluded. Since this major incident, which led to some 128,000 claims for compensation, is drawing to a close, a meeting has been planned with key parties in May 2020 to discuss the lessons learned from the case.
Claims for pollution damage arising from the incident exceed the 1992 CLC limit applicable to the Trident Star. Therefore, the 1992 Fund is liable to pay compensation in respect of this incident and the 1992 Fund Executive Committee has authorised the Director to do so. However, the amounts paid by the 1992 Fund should be recovered from the shipowner’s insurer under the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006.

The application of the Conventions is not clear in this case as there is a question over whether the Nathan E. Stewart/DBL 55 ATB falls within the definition of ship under Article I(1) of the 1992 CLC. In addition, at the time of the incident, the barge was empty and therefore, was not carrying oil in bulk as cargo. Furthermore, it has not been established whether during any previous voyage it had carried any persistent oil in bulk as cargo.

The 1992 Fund has not received any claims in relation to this incident. However, a legal action has been brought against the owners, operators, the master and an officer of the Nathan E. Stewart/DBL 55 ATB in the Supreme Court of British Columbia and the claimants have included the 1992 Fund and the Supplementary Fund as third parties. The IOPC Funds are taking steps to obtain a clear confirmation of the product carried by the barge so as to obtain a declaration, by consent or by determination of the Court, that the 1992 Civil Liability and Fund Conventions do not apply to this case.

\[£741\text{ million}\]

paid by the IOPC Funds in compensation since 1978

\[£331\text{ million of which was in respect of the 1971 Fund}\]
12 December 2019 marked 20 years since the tanker Erika broke in two in the Bay of Biscay, some 60 nautical miles off the coast of Brittany, France. It was a case which highlighted the devastating impact that oil spills can have on the environment, the financial costs of dealing with such an incident and the need for regulatory change in terms of ship safety.

It also highlighted the importance of the international liability and compensation regime and in particular the value of having good cooperation between the insurer and the fund, having a local claims-handling office and experts available for as long as required and also the support and cooperation of the oil industry and Government, working together to ensure equal treatment of claimants.

PROMPT COMPENSATION OF LOSSES
The 1992 Fund had experts on site immediately after the incident and within one month it had opened a Claims Handling Office in Lorient which remained open until July 2004.

90% OF CLAIMS SETTLED OUT OF COURT
10% of claims led to legal actions against the insurer and the 1992 Fund. Out-of-court settlements were reached with the vast majority of claimants.

THE LEGAL PROCESS
Criminal charges were brought against several parties. A number of claimants including the French Government, joined the proceedings as civil parties, claiming compensation totalling EUR 400 million.

After several years of criminal proceedings, in 2012 the Court of Cassation confirmed that the following were criminally liable for causing pollution: the representative of the shipowner, the president of the management company, the classification society (RINA) and the charterer/cargo owner (Total SA). Total amount of compensation awarded was EUR 203.8 million. This judgment was not binding on the 1992 Fund, which was not a party to the criminal proceedings.

In 2011 the Director signed a global settlement with Steamship Mutual, RINA and Total. The surplus remaining in the Erika major claims Fund was reimbursed to contributors.

INTRODUCTION OF MARITIME SAFETY IMPROVEMENTS
The Erika incident was the catalyst for discussions within IMO which led to:
- The accelerated ban of single hull tankers;
- The increase in limits of compensation under the 1992 Conventions; and
- Other measures to improve ship safety

ADDITIONAL IMPROVEMENTS MADE
- Local claims offices established in subsequent incidents
- Claims Information Pack produced to assist claimants

SUPPLEMENTARY FUND ESTABLISHED
Governments established the Supplementary Fund Protocol. From now on, it should be possible for all admissible claims to be paid at 100% from the outset in Supplementary Fund Member States.

LEVEL OF PAYMENTS LIMITED
Level of payments initially limited to 50% of the amount of the loss but gradually increased to 100% by April 2003.

400 km OF FRENCH COASTLINE AFFECTED

>20 000 TONNES OIL SPILLED

>7 000 CLAIMANTS

>250 000 TONNES OF OILY WASTE COLLECTED

EUR 129.7 million COMPENSATION PAID BY INSURER & 1992 FUND
OIL REPORTING AND CONTRIBUTIONS

The IOPC Funds are financed by contributions levied on those entities in our Member States that receive more than 150,000 tonnes of contributing oil per calendar year, after carriage by sea. We refer to such entities as ‘contributors’ and they pay contributions directly to the Funds (see Financial Review).

Governments of Member States are obliged to report to the Secretariat the quantities of oil received by the contributors in their State each year. These quantities are used to calculate a levy per tonne of oil received in order to provide the contributions required to administer the Funds and to pay claims approved by the governing bodies. The formulas used to calculate the levy per tonne and the individual invoices for contributors are shown below. A system of deferred invoicing exists whereby the total amount to be levied in contributions for a given calendar year is fixed by the governing bodies, however, they may also decide that only a part of that amount should be invoiced for payment by 1 March. The Director is authorised to invoice the remaining amount, or a part thereof, later in the year if it is required to meet the Funds’ financial obligations.

Contributions to the General Funds are calculated using the quantities of contributing oil received in the preceding calendar year by each contributor. Contributions to Major Claims Funds and Claims Funds are calculated using the quantities of contributing oil received in the year preceding the year in which the incident occurred. Only contributors in States that were a Member of the relevant IOPC Fund at the time of the incident pay contributions to Major Claims Funds.

**CALCULATION OF CONTRIBUTIONS**

<table>
<thead>
<tr>
<th>TOTAL CONTRIBUTION LEVIED (£)</th>
<th>TOTAL OF CONTRIBUTING OIL RECEIVED IN ALL MEMBER STATES (METRIC TONNES)</th>
<th>AMOUNT PER TONNE OF OIL RECEIVED (£ PER T)</th>
</tr>
</thead>
</table>

**Q. WHAT IS CONTRIBUTING OIL?**

**A.** Contributing oil is crude or heavy fuel oil that has been transported by tanker to or within a Member State, before being discharged into a port or terminal installation. The IOPC Funds uses the total volume of oil transported in this manner to calculate contributions and allocate the costs of compensation, claims related expenditure and administrative expenses between the contributors in Member States.

**Q. DOES A COMPANY THAT RECEIVES OIL TEMPORARILY IN A STORAGE FACILITY HAVE TO PAY?**

**A.** It is the first physical receiver of the oil in a Member State who is normally liable to pay contributions, provided that the oil has previously been transported by sea. It does not matter whether the oil is received on behalf of another company. There may be exceptions based on national legislation.

**Q. IF NOBODY IN A MEMBER STATE RECEIVES OIL, WHAT HAPPENS?**

**A.** If there are no entities in a 1992 Fund Member State that receive more than 150,000 tonnes of contributing oil in a year, the State must still inform the Fund by submitting a nil report. The State will have financial protection for any tanker spills but would not have to make any contributions. If that State is also a Member of the Supplementary Fund, the State will pay contributions as if it had received one million tonnes.
### Contributing Oil Received in the Calendar Year 2018 in the Territories of States which were Members of the 1992 Fund on 31 December 2019

<table>
<thead>
<tr>
<th>Member State</th>
<th>Contributing Oil Received in 2018 (Tonnes)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>224,119,775</td>
<td>14.59%</td>
</tr>
<tr>
<td>Japan</td>
<td>185,977,188</td>
<td>12.10%</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>143,190,093</td>
<td>9.32%</td>
</tr>
<tr>
<td>Italy</td>
<td>111,896,688</td>
<td>7.28%</td>
</tr>
<tr>
<td>Netherlands (Kingdom of the Netherlands)</td>
<td>110,511,447</td>
<td>7.19%</td>
</tr>
<tr>
<td>Singapore</td>
<td>95,964,962</td>
<td>6.25%</td>
</tr>
<tr>
<td>Spain</td>
<td>78,212,787</td>
<td>5.09%</td>
</tr>
<tr>
<td>France</td>
<td>68,926,952</td>
<td>4.38%</td>
</tr>
<tr>
<td>Thailand</td>
<td>52,362,230</td>
<td>3.40%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>43,816,961</td>
<td>2.85%</td>
</tr>
<tr>
<td>Canada</td>
<td>32,476,999</td>
<td>2.18%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>28,249,055</td>
<td>1.84%</td>
</tr>
<tr>
<td>Turkey</td>
<td>26,429,057</td>
<td>1.72%</td>
</tr>
<tr>
<td>Sweden</td>
<td>21,902,968</td>
<td>1.43%</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>21,636,415</td>
<td>1.41%</td>
</tr>
<tr>
<td>Germany</td>
<td>21,070,868</td>
<td>1.37%</td>
</tr>
<tr>
<td>Australia</td>
<td>20,991,034</td>
<td>1.34%</td>
</tr>
<tr>
<td>South Africa</td>
<td>20,426,819</td>
<td>1.33%</td>
</tr>
<tr>
<td>Israel</td>
<td>14,970,932</td>
<td>0.95%</td>
</tr>
<tr>
<td>Finland</td>
<td>13,947,686</td>
<td>0.91%</td>
</tr>
<tr>
<td>Portugal</td>
<td>13,308,246</td>
<td>0.87%</td>
</tr>
<tr>
<td>Philippines</td>
<td>12,801,794</td>
<td>0.83%</td>
</tr>
<tr>
<td>Norway</td>
<td>12,068,885</td>
<td>0.78%</td>
</tr>
<tr>
<td>Poland</td>
<td>11,584,150</td>
<td>0.75%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>9,661,824</td>
<td>0.63%</td>
</tr>
<tr>
<td>Venezuela (Bolivarian Republic of)</td>
<td>9,389,318</td>
<td>0.61%</td>
</tr>
<tr>
<td>Croatia</td>
<td>8,387,210</td>
<td>0.55%</td>
</tr>
<tr>
<td>Bahamas</td>
<td>8,288,248</td>
<td>0.54%</td>
</tr>
<tr>
<td>China*</td>
<td>7,101,724</td>
<td>0.46%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>5,958,184</td>
<td>0.39%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>5,695,174</td>
<td>0.37%</td>
</tr>
<tr>
<td>Denmark</td>
<td>5,563,171</td>
<td>0.36%</td>
</tr>
</tbody>
</table>

**Total** 1,536,586,640

### 1992 Fund

At the October 2019 sessions of the governing bodies, the 1992 Fund Assembly decided to levy 2019 contributions to the General Fund of £2.3 million, based on oil received in the calendar year 2018 and payable by 1 March 2020. In 2018, the total contributing oil was 1,576,887,064 tonnes and contributions of £0.0014586 per tonne were levied. For the purpose of calculating the levy per tonne, the total contributing oil received in all Member States consists of the total amount reported to the IOPC Funds plus an estimate of the amount received by contributors whose reports are pending at the time of invoicing. The 10 largest contributing Member States to the 1992 Fund are shown in the pie chart below.

In addition, the 1992 Fund Assembly decided to levy contributions of £3.6 million to the Nesa R3 Major Claims Fund and £5 million to the Agia Zoni II Major Claims Fund, both payable by 1 March 2020. The contributions to the Prestige, Hebei Spirit and Nesa R3 Major Claims Funds were based on the oil reported for the calendar year 2018 in respect of the Nesa R3 and 2016 in respect of the Agia Zoni II.

The 1992 Fund Assembly decided not to levy 2019 contributions to the Prestige, Hebei Spirit and Agia Zoni II Major Claims Funds.
SUPPLEMENTARY FUND

At the October 2019 sessions of the governing bodies, the Supplementary Fund Assembly decided not to levy 2019 contributions, since there had been no incidents involving the Supplementary Fund.

CONTRIBUTING OIL RECEIVED IN SUPPLEMENTARY FUND MEMBER STATES IN 2018 (AS REPORTED BY 31 DECEMBER 2019)

- Japan 19%
- Republic of Korea 14%
- Italy 11%
- Kingdom of the Netherlands 11%
- Spain 8%
- France 6%
- United Kingdom 5%
- Canada 4%
- Greece 3%
- Turkey 3%
- Others 16%

Q. HOW MUCH DOES IT COST TO BE A MEMBER OF THE 1992 FUND OR THE SUPPLEMENTARY FUND?

A. States do not incur any direct costs. Rather it is the oil-receiving entities in States which are liable to pay contributions. There are no fixed fees to pay and the level of contributions varies each year, depending on the amounts of compensation and claims-related expenditure which the 1992 Fund or the Supplementary Fund has to pay. That depends on the incidents which have occurred. The annual administrative budget of the Secretariat is relatively small.

The amount invoiced per tonne of contributing oil (the levy) is dependent on the budget requirements for that year and the total amount of oil received in the relevant calendar year.

Contributing oil received in the calendar year 2018 in the territories of States which were Members of the Supplementary Fund on 31 December 2019.

<table>
<thead>
<tr>
<th>MEMBER STATE</th>
<th>CONTRIBUTING OIL RECEIVED IN 2018 (TONNES)</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>185,997,158</td>
<td>18.58%</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>143,190,093</td>
<td>14.30%</td>
</tr>
<tr>
<td>Italy</td>
<td>111,895,688</td>
<td>11.18%</td>
</tr>
<tr>
<td>Kingdom of the Netherlands</td>
<td>110,811,447</td>
<td>11.04%</td>
</tr>
<tr>
<td>Spain</td>
<td>78,212,787</td>
<td>7.81%</td>
</tr>
<tr>
<td>France</td>
<td>56,926,952</td>
<td>5.69%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>52,420,120</td>
<td>5.04%</td>
</tr>
<tr>
<td>Canada</td>
<td>43,818,966</td>
<td>4.38%</td>
</tr>
<tr>
<td>Greece</td>
<td>30,476,969</td>
<td>3.04%</td>
</tr>
<tr>
<td>Turkey</td>
<td>26,429,002</td>
<td>2.64%</td>
</tr>
<tr>
<td>Sweden</td>
<td>21,902,968</td>
<td>2.19%</td>
</tr>
<tr>
<td>Germany</td>
<td>21,070,868</td>
<td>2.10%</td>
</tr>
<tr>
<td>Australia</td>
<td>25,591,034</td>
<td>2.06%</td>
</tr>
<tr>
<td>Finland</td>
<td>12,947,955</td>
<td>1.33%</td>
</tr>
<tr>
<td>Portugal</td>
<td>12,058,685</td>
<td>1.20%</td>
</tr>
<tr>
<td>Norway</td>
<td>11,584,150</td>
<td>1.16%</td>
</tr>
<tr>
<td>Poland</td>
<td>9,661,824</td>
<td>0.97%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>8,387,210</td>
<td>0.84%</td>
</tr>
<tr>
<td>Croatia</td>
<td>7,918,174</td>
<td>0.65%</td>
</tr>
<tr>
<td>Denmark</td>
<td>6,563,171</td>
<td>0.56%</td>
</tr>
<tr>
<td>Belgium</td>
<td>4,978,402</td>
<td>0.50%</td>
</tr>
<tr>
<td>Ireland</td>
<td>2,988,991</td>
<td>0.30%</td>
</tr>
<tr>
<td>Estonia</td>
<td>2,445,547</td>
<td>0.24%</td>
</tr>
<tr>
<td>Congo (the)</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Hungary</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Latvia</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Montenegro</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Morocco</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Total</td>
<td>1,001,060,438</td>
<td></td>
</tr>
</tbody>
</table>

As at 31 December 2018, oil reports for the calendar year 2018 had not been received from Barbados.

*The Netherlands, Aruba, Curacao and Sint Maarten are autonomous partners within the Kingdom of the Netherlands, a status which obliged them to submit reports of contributing to the 1992 Fund directly. The Supplementary Fund has not been extended to Aruba, Curacao or Sint Maarten.
EXTERNAL RELATIONS

The Secretariat of the IOPC Funds undertakes a range of activities aimed at strengthening the IOPC Funds’ relationships with Member States and other international, intergovernmental or non-governmental organisations.

From time to time, the Secretariat organises a variety of events such as national and regional workshops or gives presentations to enhance understanding of the international liability and compensation regime, to assist with implementation of the Conventions at a national level and to assist potential claimants. Meetings between the Secretariat and government authorities within Member States are often highly beneficial to both parties. Such visits normally result in the resolution of longstanding issues such as the payment of outstanding contributions and submission of oil reports. The main activities in 2019 are outlined below and shown on the following map, together with other key outreach activities delivered since 2015.

KEY ACTIVITIES CONDUCTED DURING 2015–2019

1. Location: Ottawa, Canada
   Name of Event: SOPF 30th anniversary celebration
   Participation in the 30th anniversary of the Canadian Ship-source Oil Pollution Fund (SOPF). Presentation delivered on the work of the organisation, highlighting the close working relationship between the SOPF and the IOPC Funds.

2. Location: Cartagena de Indias, Colombia
   Name of Event: 2019 World Maritime Day Parallel Event & Maritime Law Seminar

3. Location: Rio de Janeiro, Brazil
   Name of Event: National workshop
   Participation in a national workshop on liability and cost recovery hosted by the International Group of P&I Associations. Presentation delivered on liability and compensation in respect of the removal of ships and cargo following an incident.

4. Location: London, United Kingdom
   Name of Event: IMCO/MEPC 66th GMM workshop
   Presentations delivered during a one-day workshop organised by IMO, for ROCRAM and ROCRAM-CA States, which focused on technical cooperation matters, including the implementation of key conventions.

5. Location: Kingston, Jamaica
   Name of Event: Liability and compensation workshop
   Participation in a liability and compensation workshop organised by the International Sealed Authority (ISA), the Centre for International Governance Innovation and the Commonwealth Secretariat. Presentation delivered on the Funds’ policy on claims for environmental damage and the possible future collaboration between the ISA and the Funds.

6. Location: San José, Costa Rica
   Name of Event: National workshop
   Participation in and presentations delivered at a national workshop on liability and compensation, in cooperation with IMO and the Central American Commission on Maritime Transport (COCAFAN).

7. Location: Abuja, Côte d’Ivoire
   Name of Event: National workshop
   Participation in the sub-regional workshop on the ratification and implementation of IMO international conventions organised by the Global Initiative for West, Central and Southern Africa (GI WACAF) Project. Presentations delivered on issues relating to the implementation of the 1992 Conventions into national law.

8. Location: Lagos, Nigeria
   Name of Event: National workshop
   Delivery of a national workshop on claims & compensation hosted by the National Oil Spill Detection and Response Agency (NOSDRA) and in collaboration with the Nigerian Maritime Administration and Safety Agency (NIMASA) and the Global Initiative for West, Central and Southern Africa (GI WACAF) Project. Presentations delivered on the international liability and compensation regime, the role of the IOPC Funds and the 2010 HNS Convention.

9. Location: Dubai, United Arab Emirates
   Name of Event: Regional workshop
   Participation in a regional workshop on the IMO Oil Liability Conventions hosted by the Federal Transport Authority of the UAE, in cooperation with IMO. Presentations delivered on the international liability and compensation regime, the role of the IOPC Funds and the 2010 HNS Convention.

10. Location: Sydney, Australia
    Name of Event: Short Course
    Delivery of Short Course in collaboration with the International Group of P&I Associations at the invitation of the Australian Maritime Safety Authority (AMSA). Presentations given on the legal framework behind the regime and the admissibility of claims, followed by an exercise on submitting clean-up claims for a theoretical incident.
COOPERATION WITH IMO

The Secretariat has continued its close cooperation with the IMO Secretariat on various matters, liaising regularly with the Legal Affairs and External Relations Division on items of mutual interest, including sharing information on progress by States towards ratification and implementation of the 1992 Conventions and Supplementary Fund Protocol as well as the 2010 HNS Convention. That cooperation also extended to the Technical Cooperation and Marine Environment Divisions, working together on the delivery of various outreach activities to widen awareness of the international liability and compensation regime.

WEB SITE

The IOPC Funds’ website is the hub for all information pertaining to the organisations and is available in English, French and Spanish. It is divided into five main sections covering the work and structure of the organisations, compensation and claims management, incidents, the latest news and upcoming events as well as a section containing the publications produced by the Funds, which includes an online archive of all Annual Reports issued since 1978. Additionally, the website incorporates various interactive features, such as a map of incidents involving the IOPC Funds, with case studies and information relating to incidents dating back to the establishment of the 1971 Fund and a map displaying the membership of the IOPC Funds, with country profiles for individual States. The online reporting system (ORS) and the HNS Convention website are also accessible via the main website. The Document Services section of the website contains all meeting documents, resolutions and circulars issued by the IOPC Funds as well as the online meeting registration system. It serves as an essential tool for delegates to Funds’ meetings, who are strongly encouraged to register for an account. Additional benefits for registered users include the facility to store and download documents in bulk, to receive direct notifications of meeting documents as they are published, regular updates of news and events from the IOPC Funds, including the confirmation of meeting dates and circulation of the invitation and agenda to those meetings, and the facility to more easily register multiple meeting attendees and to submit credentials online.

INDUCTION COURSE

Following the success of the Short Course and having received positive feedback on the first Induction Course held in 2017, the Secretariat experienced a continued demand from Member States to hold training specifically aimed at providing delegates with an insight into the functioning of the IOPC Funds and a better understanding of what exactly happens in the event of an oil spill. The half-day Induction Course was held for 1992 Fund Member States in October 2019 and included a morning presentation session which was followed by a networking lunch for all participants. The Director intends to offer the course to delegates annually and arrange for the course to be held just before the regular sessions of the governing bodies in order to maximise participation.

SHORT INTRODUCTORY VIDEO

In June 2019, the Secretariat published an updated version of the Funds’ introductory video to include the latest figures and a number of minor improvements. The video, which was first released in May 2018, covers the role, structure and activities of the IOPC Funds, as well as an overview of the legal framework behind the international liability and compensation regime. The video is intended to provide a general introduction for those not familiar with the organisation and its work and brings all the basic information from reports of contributing oil to the claims process. For quick, regular updates follow us @IOPCFUNDS

IN-HOUSE VISITS

In addition to these activities, delegations from a variety of organisations and universities visited the Funds’ offices when in London. In 2019, visitors included students from the Satakunta University of Applied Sciences in Finland, the International Tribunal for the Law of the Sea (ITLOS) in Germany, the universities of Deusto and Catalunya in Spain, Ghent in Belgium and the Centre for Transnational Legal Studies in the United Kingdom. During these visits, the Secretariat delivered presentations and held question and answer sessions on the international liability and compensation regime.

IOPC FUNDS’ SHORT COURSE

The ninth annual IOPC Funds’ Short Course took place in June 2019 with representatives from 17 Member States participating. The programme covered all aspects of the work of the IOPC Funds and the international liability and compensation regime in general and included practical exercises which allowed participants to study a theoretical incident and the subsequent claims submission process. Participants also had the opportunity to visit the IMO headquarters, the offices of the IOPC Funds, as well as the International Group of P&I Associations, and had a guided tour of Lloyds of London. The course is currently supported by IMO, the International Group, (ITLO) ICS and INTERTANKO. Each year the course is open to self-funded participants from 1992 Fund Member States, nominated directly by their government.
RELATIONS WITH INTERNATIONAL ORGANISATIONS

A number of interested intergovernmental and non-governmental organisations also have observer status with the IOPC Funds, enabling them to participate in discussions at meetings of the governing bodies.

INTERGOVERNMENTAL ORGANISATIONS GRANTED OBSERVER STATUS

- Baltic Marine Environment Protection Commission – Helsinki Commission (HELCOM)
- Central Commission for the Navigation of the Rhine (CCNR)
- European Commission
- International Institute for the Unification of Private Law (UNIDROIT)
- International Maritime Organization (IMO)
- Maritime Organisation of West and Central Africa (MOWCA)
- Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC)
- United Nations (UN)
- United Nations Environment Programme (UNEP)

NON-GOVERNMENTAL ORGANISATIONS GRANTED OBSERVER STATUS

- BIMCO
- Comité Maritime International (CMI)
- Conference of Peripheral Maritime Regions (CPMR)
- European Chemical Industry Council (CEFIC)
- Iberoamerican Maritime Law Institute (IIDM)
- International Association of Classification Societies Ltd (IACS)
- International Association of Independent Tanker Owners (INTERTANKO)
- International Chamber of Shipping (ICS)
- International Group of P&I Associations
- International Salvage Union (ISU)
- International Spill Control Organization (ISCO)
- International Union of Marine Insurance (IUMI)
- ITOPF
- Oil Companies International Marine Forum (OCIMF)
- Sea Alarm Foundation (Sea Alarm)
- World LPG Association (WLPGA)

RELATIONS WITH NON-MEMBER STATES

The 1992 Fund Assembly has granted observer status to a number of States that have never been Party to the 1992 Fund Convention. States which are invited to send observers to sessions of the Assembly of the 1992 Fund automatically also have observer status with the Supplementary Fund.

OBSERVER STATES OF THE 1992 FUND AND SUPPLEMENTARY FUND

- Afgha (Plurinational State of)
- Brazil
- Chile
- Democratic People’s Republic of Korea
- Egypt
- Gambia (the)
- Guatemala
- Guyana
- Honduras
- Indonesia
- Kuwait
- Lebanon
- Pakistan
- Peru
- Saudi Arabia
- Ukraine
- United States

PUBLICATIONS

In addition to the Annual Report 2018, during 2019 the Secretariat also printed a shortened version of the Guidelines for presenting claims for environmental damage. The six-page brochure, entitled ‘Claims for Environmental Damage: An Overview’ summarises the key points of the Funds’ policy on claims for environmental damage, and presents them in a more simplified, visual format. A new edition of the 1992 Fund Claims Manual was also published in April 2019. The latest edition incorporates the text approved by the governing bodies in April 2018 setting out revised assessment criteria for claims for compensation made by employees who have suffered a reduction in wages, been placed on part-time work or been made redundant as a consequence of an incident. The Guidelines for presenting claims in the fisheries, mariculture and fish processing sector (Fisheries Guidelines) and the Guidelines for presenting claims in the tourism sector (Tourism Guidelines) were also amended to reflect the change in the criteria. Two further publications, the 1992 Fund Financial Review 2018 and the Supplementary Fund Financial Review 2018, were also developed. These contain the full audited financial statements approved by the governing bodies at their regular sessions and are available to download from the Publications section of the website.

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THE 2010 HNS CONVENTION

The International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 2010 (2010 HNS Convention) aims to ensure adequate, prompt and effective compensation for personal injury, damage to property, costs of clean-up and reinstatement measures and economic losses resulting from the maritime transport of hazardous and noxious substances (HNS).

LEGAL FRAMEWORK

WHAT ARE HNS?

Hazardous and noxious substances covered by the HNS Convention are defined by references to various IMO Conventions and Codes. These include:

- OILS
- LIQUIFIED GASES
- Solid bulk materials defined as possessing chemical hazards
- Dangerous, hazardous, and harmful materials and substances carried in packaged form or in containers
- Other liquid substances defined as noxious or dangerous
- Harmful to marine life

THE HNS FUND IS DIVIDED INTO FOUR ACCOUNTS:

- General
  - bulk solids and other HNS
- Oil
- LPG
- LNG

Each separate account will meet claims attributable to the respective cargo and will be funded by the receivers of those cargoes in Member States, which means that there will be no cross-subsidisation between accounts.

ENTRY INTO FORCE CONDITIONS

The 2010 HNS Convention will enter into force 18 months after the date on which:

- There are 12 States that have ratified
- 4 contracting States each with no less than 2 million units of gross tonnage
- The general account’s contributing cargo volume is at least 40 million tonnes
- The general account’s contributing cargo volume is at least 40 million tonnes
- There are 4 contracting States with a total of SDR 250 million available per incident

STATUS OF THE CONVENTION

On 15 July 2019, the Republic of South Africa deposited with IMO an instrument of accession to the 2010 HNS Protocol, becoming the fifth Contracting State. Contracting States as at 1 February 2020:

- Canada
- Kingdom of Denmark
- Kingdom of Norway
- Republic of Turkey
- South Africa

Since four of those States have reported more than 2 million units of gross tonnage (Canada, Denmark, Norway and Turkey), one of the conditions for entry into force of the 2010 HNS Protocol is already fulfilled. A number of other States have indicated on several occasions that they are working towards implementation of the Convention in 2020 with a view to ratifying or acceding to it during the course of 2021 or 2022.

SMALL PRINT

- Shipowner
- Shipowner’s liability for packaged HNS
- HNS Fund

MAXIMUM LIMITS OF COMPENSATION

On 15 July 2019, the Republic of South Africa deposited with IMO an instrument of accession to the 2010 HNS Protocol, becoming the fifth Contracting State.
ROLE OF THE IOPC FUNDS AND WORK UNDERTAKEN IN 2019

The 1992 Fund Secretariat was assigned to carry out the administrative tasks necessary to set up the HNS Fund on the occasion of the international conference, held in April 2010, which adopted a Protocol to the HNS Convention (2010 HNS Protocol). In close cooperation with the IMO Secretariat, the 1992 Fund Secretariat has since continued to prepare for the entry into force of the Convention.

WEBSITE
The Secretariat maintains the website www.hnsconvention.org in English, French and Spanish. On the occasion of its migration to a new management platform during the first quarter of 2019, the look and feel of the site was modified and some new features were added.

ASSISTANCE
Given the relative complexity of the contributing cargo reporting obligations, IMO, with support from the IOPC Funds Secretariat when possible, has been offering assistance to new Contracting States in verifying contributing cargo data when required.

The 1992 Fund Secretariat participated in various workshops on the liability and compensation regime for oil spills in 2019 (see pages 32-33) which enabled the Secretariat to also deliver presentations on the importance of introducing a similar system for HNS. In particular, the IOPC Funds were invited to speak about HNS at events in Australia, Croatia, Mexico and United Arab Emirates.

A number of European States are making progress towards implementation of the HNS Convention, including Belgium, France, Germany and the Netherlands. Productive discussions were held at the end of 2019, during which a number of practical issues were clarified and a renewed commitment was made by all four of those States to jointly work towards an early implementation of the HNS Convention in their respective domestic legislation.

WEBSITE
The Secretariat maintains the website www.hnsconvention.org in English, French and Spanish. On the occasion of its migration to a new management platform during the first quarter of 2019, the look and feel of the site was modified and some new features were added.

HAVE A QUESTION OR COMMENT ABOUT THE HNS CONVENTION?
Use the HNS blog. A moderated blog section was incorporated into the site in 2019, allowing States and other interested stakeholders to share information, raise issues and ask questions. Any such questions will receive a response from the Secretariat, and those will be posted online. All interested parties are urged to use this tool so that other interested stakeholders can also benefit and widen their knowledge of the subject.

HNSCONVENTION.ORG
PROVIDES EASY ACCESS TO A NUMBER OF USEFUL TOOLS AND RESOURCES, INCLUDING:

- FULL OFFICIAL TEXT ENABLING THE CONVENTION
- IOPC-APPROVED HNS CONTRIBUTING CARGO REPORTING GUIDELINES
- MODEL REPORTING FORMS
- THE HNS FINDER
- THE HNS BLOG
- WORLDWIDE TEXT ENABLING THE CONVENTION

WANT TO CHECK WHETHER A SUBSTANCE SHOULD BE REPORTED OR WHETHER IT IS COVERED BY THE CONVENTION?
Use the HNS Finder. It enables users to determine whether a substance is contributing cargo that must be reported and whether it qualifies for compensation under the Convention. It is updated annually by the 1992 Fund Secretariat and in 2019, in cooperation with the relevant technical divisions of IMO and external experts, a full review of the list was undertaken and the updated version, which includes some improvements to its interface, is now available on the website.

WORK AHEAD
The Secretariat will continue to work together with IMO and other key stakeholders to facilitate the entry into force of the HNS Convention and prepare for the establishment of the HNS Fund and will regularly report on its progress to the 1992 Fund Assembly and the IMO Legal Committee.
STRUCTURE OF THE GOVERNING BODIES

1992 FUND EXECUTIVE COMMITTEE
Composition: All 1992 Fund Member States
Chair: Edouard De Gaulle (France)
Vice-Chair: Azara Prempeh (Ghana)
Frequency of meetings: Normaly twice a year.
Role: Subsidiary body, established by Assembly to take policy decisions on the admissibility of claims.

SUPPLEMENTARY FUND ASSEMBLY (Administrative Council if no quorum)
Composition: All Supplementary Fund Member States
Chair: Sungchul Lee (Korea)
Vice-Chair: Andrew Angel (United Kingdom)
Frequency of meetings: Normally twice a year.
Role: Supreme organ of Fund, deciding on budget, contributions, adoption of internal and financial regulations, policy, etc.

WORKING GROUPS
Working Groups are set up from time to time to consider specific areas of interest to the 1992 Fund. Details of the Working Groups established over the years and the issues they focused on are provided on the website.

NEW DELEGATE OF THE IOPC FUNDS? HERE ARE SOME TOP TIPS:

WHAT WE DO IN BRIEF
- Brochure, Annual Report, explanatory note
- IOPC Funds’ website
- Introductory video
- Document Services website
- Text of Conventions, Guidelines for Member States

WHAT TO EXPECT AT MEETINGS

BEFORE THE MEETING
- Download and review meeting documents
- Register for a document services account
- Prepare in advance
- Arrive early

DURING THE MEETING
- Be seated in the conference hall promptly
- Forward any lengthy statements to secretariat
- Adopt the record of decisions

AFTER THE MEETING
- Download final record of decisions
- Stay in touch
- For further information email conferences@iopcfunds.org
SESSIONS OF THE GOVERNING BODIES IN 2019

The IOPC Funds’ governing bodies held sessions on 1 and 2 April 2019 and from 28 to 31 October 2019. Both meetings took place at the International Maritime Organization (IMO) headquarters in London and included the following sessions.

- 1992 FUND ADMINISTRATIVE COUNCIL (19TH SESSION) (ACTING ON BEHALF OF THE ASSEMBLY)
- 1992 FUND ASSEMBLY (24TH SESSION)
- SUPPLEMENTARY FUND ASSEMBLY (7TH EXTRAORDINARY SESSION AND 16TH SESSION)
- 1992 FUND EXECUTIVE COMMITTEE (72ND AND 73RD SESSIONS)


1992 FUND ADMINISTRATIVE COUNCIL AND 1992 FUND ASSEMBLY

At its April 2019 session, the 1992 Fund Administrative Council noted developments and took decisions in respect of a number of items. In particular, following the sad passing of the Chair of the Audit Body in January 2019, the Administrative Council was required to make a number of decisions regarding the composition of the Audit Body for the remainder of its three-year term. It decided to appoint Mr Makoto Hanari as Chair and create the post of Vice-Chair, appointing Mrs Birgit Sølling Olesen to that position. It also requested the Audit Body to conduct a formal review of the current External Auditor, including an assessment of their performance and their proposals for a further term. Following discussions at its October 2019 session, the 1992 Fund Assembly decided to re-appoint BDO International as the 1992 Funds’ External Auditor for the financial years 2020–2023 inclusive and approved a new selection process for the External Auditor for the future.

Also at the April 2019 session, the Secretariat informed the Administrative Council that the Memorandum of Understanding relating to the agreement on rates for the use of the European Maritime Safety Agency’s (EMSA) Pollution Response Assets had been signed and that the Secretariat had offered its services to Member States and other companies that may also wish to discuss similar possible agreements. In addition, following an exchange of correspondence with the European Commission on the application of the General Data Protection Regulations (GDPR) and Directive 2016/680 to the IOPC Funds, the Director informed the Administrative Council that its applicability would depend on the privileges and immunities applicable under the Headquarters Agreement, which the Director intended to discuss with the Government of the United Kingdom.

One of the key discussions at the 1992 Fund Assembly’s October 2019 session was the update provided by the Audit Body on its ongoing review of the risks arising from incidents involving the IOPC Funds where the ships were insured by insurers that were not members of the International Group of P&I Associations. Details of potential measures to deal with the three key problem areas were considered. These included the development of a template or insurance card that could be used by non-IG insurers as evidence of insurance. A lengthy discussion took place regarding the measures proposed and the Audit Body confirmed that it would consider the points raised and provide a further report at a future session.

The Assembly also took a number of key decisions relating to the administration of the organisation, approving the Financial Statements for 2018 and adopting an administrative budget for the 1992 Fund of €4 875 731 for 2020. All decisions relating to the keying of contributions are set out on pages 28-30.

The Assembly was also informed of a number of activities and projects undertaken by the Secretariat and discussed various policy and treaty issues. In particular, the Secretariat reported on the recent work undertaken to promote the benefits of the 2010 HNS Convention and confirmed that South Africa had joined Canada, Denmark, Norway and Turkey in becoming a Contracting State to the Convention. At the meeting, a number of States reported on the progress made by their State towards implementation and ratification. The Assembly was encouraged by the positive steps being taken and noted that the Convention could enter into force in the next three-four years.

TRIBUTES TO MR JERRY RYSANEK

At the opening of the April 2019 sessions, the governing bodies held a minute’s silence in memory of Mr Jerry Rysanek, Chair of the Audit Body, former Chair of the 1992 Fund Assembly, and Head of the 1992 Fund Executive Committee of the International Oil Pollution Compensation Funds (IOPC Funds). Mr Rysanek passed away in January 2019. Time was set aside during the sessions for delegations to pay tribute to Mr Rysanek. The Director, Chairs of the governing bodies, members of the Audit Body and many delegations expressed their deepest condolences to Mr Rysanek’s family and the Canadian delegation and shared fond memories of their interactions with him.

ATTENDANCE AT THE OCTOBER 2019 SESSIONS

- 210 DELEGATES
- 15 OBSERVER ORGANISATIONS
- 25 SUPPLEMENTARY FUND MEMBER STATES
- 63 TIME-LIMITED MEMBER STATES
- 4 CONTRACTING STATES
The Executive Committee was informed of all key developments during the course of the year in respect of the 11 open incidents involving the 1992 Fund and was notified of one new incident (Bow Jubail, Netherlands, June 2018). Detailed presentations were given on a number of ongoing incidents and discussions took place on key points. In particular, the Executive Committee took decisions relating to the Prestige incident, authorising the Director at its April 2019 session to pay to the Spanish Court EUR 28 million less EUR 800 000 which was to be kept available to pay any judgments by French courts and EUR 4 800 which was to be kept available to pay the Portuguese Government. In October, the Director confirmed that all claims for this incident had been settled. It also noted the discussions taking place in relation to the Nathan E. Stewart incident and the uncertainty as to whether the Conventions would apply in that case.

With regard to the Agia Zoni II incident, authorising the Director in April 2019 to make an additional balancing payment to the Skuld Club and instructing him to enter into a bilateral agreement with the Government of the Republic of Korea under which the 1992 Fund would pay KRW 27 486 198 196 to the Government. In October, the Director confirmed that those payments had also been made and that all claims for this incident had been finalised by either mediation or judgment, with a total of KRW 432.9 billion awarded.

With regard to the Aja Zor II incident, it was reported in October that the 1992 Fund had received 373 claims and had already made payments of EUR 11.27 million. The Committee were informed that the 1992 Fund had been served with legal proceedings and were updated on the results of two separate investigations into the cause of the incident. In addition to the three incidents above, the Committee also took time during its sessions to consider the latest developments regarding the Nesa A3 incident, which was nearing closure after all claims had been settled. It also noted the discussions taking place in relation to the Nathan E. Stewart incident and the uncertainty as to whether the Conventions would apply in that case.

The Supplementary Fund Assembly participated in the debates and endorsed or took note of decisions taken by the 1992 Fund Administrative Council and 1992 Fund Assembly in respect of a number of items also relevant to the Supplementary Fund; in particular, with regard to the Audit Body’s review of the risks arising from incidents involving the IOPC Funds where the ships were insured by insurers that were not members of the International Group of P&I Associations. It approved the financial statements of the Supplementary Fund for 2018 and adopted an administrative budget for 2019 of EUR 28 491 000. The Assembly also noted the discussions taking place within the IOPC Funds in respect of UN Sustainable Development Goal 14, which advocates the conservation and sustainable use of the oceans, seas and marine resources.

The Supplementary Fund Assembly noted that the shipping industry also had an important responsibility in tackling climate change and for protecting the marine environment and referred to UN Sustainable Development Goal 14, which advocates the conservation and sustainable use of the oceans, seas and marine resources.

During the first day of the October 2019 sessions, Mr Ban Ki-moon, former Secretary-General of the United Nations (UN), visited IMO. As part of his visit he took the opportunity to address the IOPC Funds’ governing bodies, IMO Member States, affiliated organisations, IMO staff and the IOPC Funds’ Secretariat. Mr Ban shared his experience as head of the UN and discussed key issues concerning climate change and sustainability. He spoke on these particular challenges that face the world and the vital role that governments have both locally and internationally, in order to find global solutions to protect the environment for present and future generations. He acknowledged that the shipping industry also had an important responsibility in tackling climate change and for protecting the marine environment and referred to UN Sustainable Development Goal 14, which advocates the conservation and sustainable use of the oceans, seas and marine resources.
FINANCIAL REVIEW
**FINANCIAL ADMINISTRATION**

The 1992 Fund and the Supplementary Fund each have General Funds which cover administrative expenses, including the costs of running the joint Secretariat and, in respect of the 1992 Fund, for compensation payments and claims-related expenditure up to a maximum amount of SDR 4 million (approximately £4.3 million) per incident. Separate Major Claims Funds are established for incidents for which the total amounts payable exceed those amounts. A Claims Fund is established for any incident for which the Supplementary Fund has to pay compensation. Since there have been no incidents involving the Supplementary Fund, no Claims Funds have been established.

Financial Statements prepared under the International Public Sector Accounting Standards (IPSAS) provide a comprehensive view of the financial position and the financial performance of the organisation at the entity level. The Funds’ activities have been classified into segments on the basis of the General Funds and Major Claims Funds and disclosure about each stream of activity is provided in the notes to the Financial Statements.

The financial year runs from January to December, with income and expenditure information for 2019 published in this annual report. The annual accounts are subject to external audit, are reviewed by the Audit Body and presented to the governing bodies for approval at their October/November sessions. Once approved, they are reproduced in the form of an online publication entitled ‘Financial Review’ and published on the Funds’ website at www.iopcfunds.org under the Publications page.

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### Financial Highlights for 2019 - 1992 Fund

**Revenue**

<table>
<thead>
<tr>
<th>Contributions Due in 2019:</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>5,900,000</td>
</tr>
<tr>
<td>Volgofneft 139 Major Claims Fund</td>
<td>(3,675,000)</td>
</tr>
<tr>
<td>Agia Zoni II Major Claims Fund</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Other Revenue:</td>
<td>£</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>580,000</td>
</tr>
<tr>
<td>Management Fee Payable by Supplementary Fund</td>
<td>34,000</td>
</tr>
</tbody>
</table>

**Total Revenue**

12,839,000

**Expenditure**

<table>
<thead>
<tr>
<th>Administrative Costs</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Secretariat:</td>
<td>£</td>
</tr>
<tr>
<td>Budget (excluding external audit fees for respective IOPC Funds)</td>
<td>4,649,377</td>
</tr>
<tr>
<td>Expenditure (excluding external audit fees for respective IOPC Funds)</td>
<td>4,219,471</td>
</tr>
<tr>
<td>External audit fees in respect of 1992 Fund (for 2017 and 2018)</td>
<td>43,200</td>
</tr>
</tbody>
</table>

**Claims Expenditure 2019**

<table>
<thead>
<tr>
<th>Incident</th>
<th>Compensation</th>
<th>Claims-Related Expenditure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prestige</td>
<td>23,502,518</td>
<td>403,010</td>
<td>23,905,528</td>
</tr>
<tr>
<td>Volgofneft 139</td>
<td>-</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Hebei Spirit</td>
<td>33,188,143</td>
<td>553,096</td>
<td>33,741,239</td>
</tr>
<tr>
<td>Nesa R3</td>
<td>21,654</td>
<td>78,390</td>
<td>100,044</td>
</tr>
<tr>
<td>Alfa I</td>
<td>-</td>
<td>20,837</td>
<td>20,837</td>
</tr>
<tr>
<td>Agia Zoni II</td>
<td>959,049</td>
<td>916,618</td>
<td>1,875,667</td>
</tr>
<tr>
<td>Other Incidents</td>
<td>-</td>
<td>80,704</td>
<td>80,704</td>
</tr>
</tbody>
</table>

**Total Claims Expenditure**

57,671,364 | 2,052,671 | 59,724,035

*including interim reimbursements from the P&I Club for joint costs of £20,027 for Prestige MCF and £3,667 for Hebei Spirit MCF*
FINANCIAL HIGHLIGHTS FOR 2019 - SUPPLEMENTARY FUND

REVENUE

<table>
<thead>
<tr>
<th>CONTRIBUITIONS DUE IN 2019:</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

OTHER REVENUE:

<table>
<thead>
<tr>
<th>INTEREST ON INVESTMENTS</th>
<th>13 800</th>
</tr>
</thead>
</table>

TOTAL REVENUE

<table>
<thead>
<tr>
<th>TOTAL REVENUE</th>
<th>13 800</th>
</tr>
</thead>
</table>

EXPENDITURE

<table>
<thead>
<tr>
<th>ADMINISTRATIVE COSTS:</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANAGEMENT FEE PAYABLE TO 1992 FUND</td>
<td>34 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXTERNAL AUDIT FEES</th>
<th>3 200</th>
</tr>
</thead>
</table>

SUMMARY OF MAJOR CLAIMS FUNDS

The first SDR 4 million (£4.3 million) for all incidents is paid from the General Fund and covers compensation and claims-related expenditure. Separate Major Claims Funds are established for incidents for which the total amounts payable exceed these amounts. These cumulative incident costs include both General Fund and Major Claims Fund expenditure. All compensation is paid in the currency of the incident - see pages 18-23 for more details of each incident.

CUMULATIVE INCIDENT EXPENDITURE TO 31/12/2018 (UNAUDITED)

<table>
<thead>
<tr>
<th>Prestige</th>
<th>Hebei Spirit</th>
<th>Volgoenft 239</th>
<th>Alfa I</th>
<th>Agia Zoni II</th>
<th>Nesa R3</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Compensation paid to 31/12/2018</td>
<td>83 119 382</td>
<td>84 113 523</td>
<td>4 978 755</td>
<td>10 856 126</td>
<td>9 150 131</td>
</tr>
<tr>
<td>Compensation paid 2019</td>
<td>23 502 518</td>
<td>33 188 143</td>
<td>-</td>
<td>-</td>
<td>959 049</td>
</tr>
<tr>
<td>Total compensation</td>
<td>106 621 900</td>
<td>117 301 666</td>
<td>4 978 755</td>
<td>10 856 126</td>
<td>10 109 180</td>
</tr>
<tr>
<td>Claims-related expenditure paid to 31/12/2018</td>
<td>24 096 263</td>
<td>36 648 694</td>
<td>1 241 459</td>
<td>558 743</td>
<td>2 038 826</td>
</tr>
<tr>
<td>Claims-related expenditure paid 2019</td>
<td>403 010</td>
<td>553 096</td>
<td>15</td>
<td>20 837</td>
<td>916 618</td>
</tr>
<tr>
<td>Total Claims-related expenditure paid</td>
<td>24 499 275</td>
<td>37 201 790</td>
<td>1 241 465</td>
<td>570 580</td>
<td>2 955 444</td>
</tr>
</tbody>
</table>

| Total expenditure (cash basis, including SDR 4 million paid for each incident from General Fund) | 131 121 175 | 154 503 466 | 6 220 220 | 11 435 706 | 13 064 624 | 7 089 152 |

MAJOR CLAIMS FUND BALANCES

<table>
<thead>
<tr>
<th>Prestige</th>
<th>Hebei Spirit</th>
<th>Volgoenft 239</th>
<th>Alfa I</th>
<th>Agia Zoni II</th>
<th>Nesa R3</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Fund balance 31/12/2018 (accrual basis - see Financial Statements for more details)</td>
<td>995 274</td>
<td>5 327 554</td>
<td>3 716 864</td>
<td>(1 313 257)</td>
<td>18 211 370</td>
</tr>
<tr>
<td>Provision for compensation at 31/12/2018, added back</td>
<td>25 136 647</td>
<td>37 354 022</td>
<td>-</td>
<td>88 762</td>
<td>857 455</td>
</tr>
<tr>
<td>Fund balance 31/12/2018 (adjusted cash basis)</td>
<td>26 131 921</td>
<td>42 581 586</td>
<td>3 716 864</td>
<td>(1 313 257)</td>
<td>19 068 825</td>
</tr>
</tbody>
</table>

| Major Claims Funds are accounted for on an accruals basis and as such they recognise interest earned on investments, provision for compensation, exchange gains and losses, and other assets and liabilities. Full balance sheets for each Major Claims Fund are published in the Financial Statements.

CONTRIBUTIONS LEVIED TO MAJOR CLAIMS FUNDS

<table>
<thead>
<tr>
<th>Prestige</th>
<th>Hebei Spirit</th>
<th>Volgoenft 239</th>
<th>Alfa I</th>
<th>Agia Zoni II</th>
<th>Nesa R3</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Contributions levied, due by March 2019 or before</td>
<td>119 000 000</td>
<td>131 500 000</td>
<td>3 825 000</td>
<td>8 075 000</td>
<td>36 000 000</td>
</tr>
<tr>
<td>2019 levy, due 1 March 2020</td>
<td>5 000 000</td>
<td>3 600 000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total contributions levied or approved</td>
<td>119 000 000</td>
<td>131 500 000</td>
<td>3 825 000</td>
<td>8 075 000</td>
<td>41 000 000</td>
</tr>
</tbody>
</table>

Upon the establishment of a Major Claims Fund, the governing bodies can decide to levy contributions (see page 36 for more information on contributions). Levies are usually approved at the October/November meetings, invoices are issued to contributors in November and payment of contributions is due the following March, except in the case of deferred levies.
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