



Contributions to the 1992 Fund (International Oil Pollution Compensation Fund, 1992)

Payable by 1 March 2022

INFORMATION SHEET

November 2021

Dear Sir/Madam:

This Information Sheet explains the 2021 invoices for contributions to the 1992 Fund. It also provides background information about the IOPC Funds and the levying process, and how you can obtain additional information.

1 What are the IOPC Funds?

The International Oil Pollution Compensation Fund, 1992 (the 1992 Fund) and the International Oil Pollution Compensation Supplementary Fund, 2003 (the Supplementary Fund) are two intergovernmental organisations which provide compensation for oil pollution damage resulting from spills of persistent oil from tankers. The two Funds are jointly called the IOPC Funds but they are separate legal entities. This invoice relates to the 1992 Fund only.

The 1992 Fund was established under the 1992 Fund Convention. As at 1 November 2021, 118 States were Members of the 1992 Fund. You can find a list of the current Member States on our website, www.iopcfunds.org.

2 Who pays? (Financing of the 1992 Fund)

The 1992 Fund has the right to levy contributions from oil receivers in Member States to finance compensation for oil pollution damage in accordance with the 1992 Fund Convention. Companies and other entities ('contributors') in the territory of a Member State which receive, in a calendar year, more than 150 000 tonnes of crude or heavy fuel oil ('contributing oil') after transport by sea, are liable to pay contributions to the 1992 Fund. In the case of commonly controlled entities ('associated persons'), the combined quantities received by the associated entities are taken into account to establish whether the figure of 150 000 tonnes is reached.

Member States provide the Secretariat with annual reports giving details of the individual contributors and the quantities of contributing oil received by each contributor. Your company has been identified as a contributor to the 1992 Fund by one of its Member States.

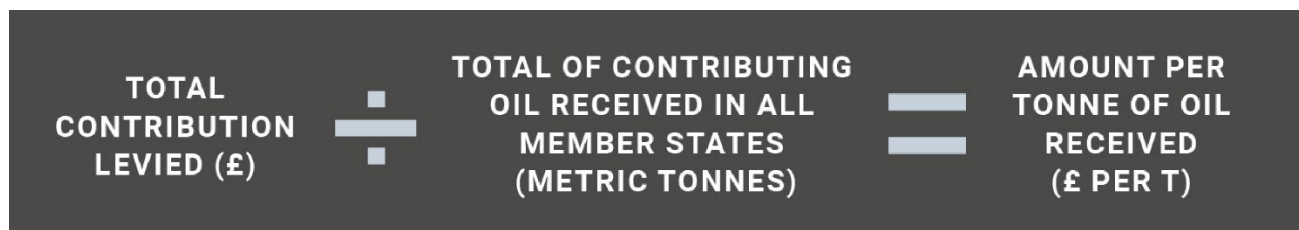
Invoices for contributions are sent directly to contributors. We also send a copy of each invoice to the competent authority in relevant Member State.

3 Who determines the amount of the levy and how is it calculated?

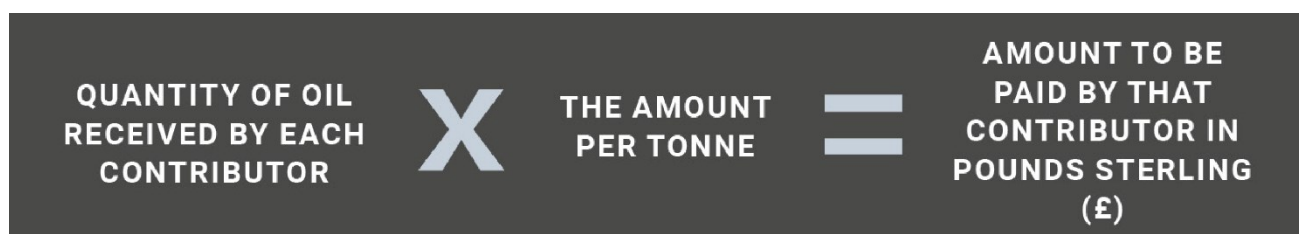
The 1992 Fund's governing body, the 1992 Fund Assembly, is composed of representatives of the governments

of Member States. They decide the total levy required to enable the payment of compensation and administrative costs. The amount to be levied is divided by the total quantity of contributing oil received (i.e., oil reported plus estimates for oil reports not yet provided) in all Member States in the relevant year to give a levy per tonne of oil received. The quantity of oil received by each contributor is then multiplied by the levy per tonne, to arrive at the amount in pounds sterling to be paid by that contributor.

Calculation of levy per tonne



Calculation of invoice



The total levy varies considerably from year to year, depending on the pollution incidents that have occurred and the amounts and timing of compensation and claims-related expenditure which the 1992 Fund expects to have to pay.

The 1992 Fund also operates a deferred levying system. Under this system, the governing body fixes the total amount to be levied in contributions for a given calendar year but may decide that only a specific lower amount should be invoiced for payment by 1 March of the following year. The remaining amount would be invoiced for payment later in the year, if and to the extent necessary.

4 What expenditure is covered by the contribution levy?

There are two types of contributions to the 1992 Fund: (a) contributions to the General Fund and (b) contributions to funds which are related to specific incidents, known as Major Claims Funds. Major Claims Funds are earmarked for the payment of compensation and claims-related expenditure for specific incidents. Both types of contributions are explained below.

(a) Contributions to the General Fund

The General Fund covers the 1992 Fund’s expenses for administration as well as compensation payments and claims-related expenditure in relation to incidents up to a limit of SDR 4 million^{<1>}.

Contributions to the General Fund are calculated according to the quantities of contributing oil received in the preceding calendar year by each contributor. For contributors in a State which has become a Member of the

<1> The SDR (Special Drawing Right) is a currency unit created by the International Monetary Fund. As at 1 November 2021, SDR 4 million was equivalent to £4.13 million.

1992 Fund during the current calendar year, contributions are pro-rated according to the proportion of the year for which the State has been a Member of that Fund.

(b) Contributions to Major Claims Funds

If an incident gives rise to substantial payments of compensation and claims-related expenditure, a Major Claims Fund is established to cover payments in excess of SDR 4 million.

Contributions to Major Claims Funds are calculated according to the quantities of contributing oil received in the year preceding the year in which the incident occurred. Contributors are only liable to contribute to a Major Claims Fund if their State was a Member of the 1992 Fund on the date of the incident.

5 What decisions were made by the 1992 Fund Assembly in 2021?

In November 2021, the 1992 Fund Assembly made the following decisions in respect of 2021 contributions to the 1992 Fund which are payable in 2022:

- to levy contributions to the General Fund of £12.2 million, payable by 1 March 2022; and
- to levy contributions to the [Incident in Israel](#) Major Claims Fund of £8 million, with £4 million to be payable by 1 March 2022 and £4 million to be deferred.

The 1992 Fund Assembly also decided not to levy 2021 contributions to the following Major Claims Funds:

- the [Agia Zoni II](#) Major Claims Fund;
- the [Nesa R3](#) Major Claims Fund;
- the [Alfa I](#) Major Claims Fund;
- the [Hebei Spirit](#) Major Claims Fund; and
- the [Prestige](#) Major Claims Fund.

Payable by 1 March 2022

	Total levy for payment by 1 March 2022 £	Oil year	Total oil quantity (tonnes) (reported & estimated)	Levy per tonne £
General Fund 2021	12 200 000	2020	1 358 782 680	0.0089786

Major Claims Fund	Date of Incident	Total previously levied £	Levy for payment by 1 March 2022 £	Oil year	Total oil quantity (tonnes) (reported & estimated)	Levy per tonne £
Incident in Israel	01.02.2021	-	4 000 000	2021	1 358 782 680	0.0029438

Deferred levy

The Director was also authorised to invoice all or part of the deferred levy of £4 million to the Incident in Israel Major Claims Fund for payment no later than 1 September 2022, if and to the extent required. The Director will inform contributors by June 2022 whether the deferred levy is required.

6 What if there is a balance outstanding from previous levies?

If your account has a balance outstanding or in credit from previous levies, you will receive a statement indicating the balance or credit brought forward and the net amount due for payment.

In accordance with the Internal Regulations of the IOPC Funds, interest will be charged on unpaid contributions from the date on which payment is due, at an annual rate, which for each period of 12 months from 1 March, shall be 2% higher than the lowest London clearing bank base rate prevailing on 1 March.

7 Where can further information be found?

You can obtain further information about the incidents involving the IOPC Funds, the calculation of contributions and the operation of the IOPC Funds in general from the Funds' website at www.iopcfunds.org or by contacting the Secretariat via email at contributions@iopcfunds.org.

José Maura
Director
IOPC Funds