

Organisation Overview

International Oil Pollution
Compensation Funds



Who Are We?

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

Why do we exist?

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

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

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

How does the system work?

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

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

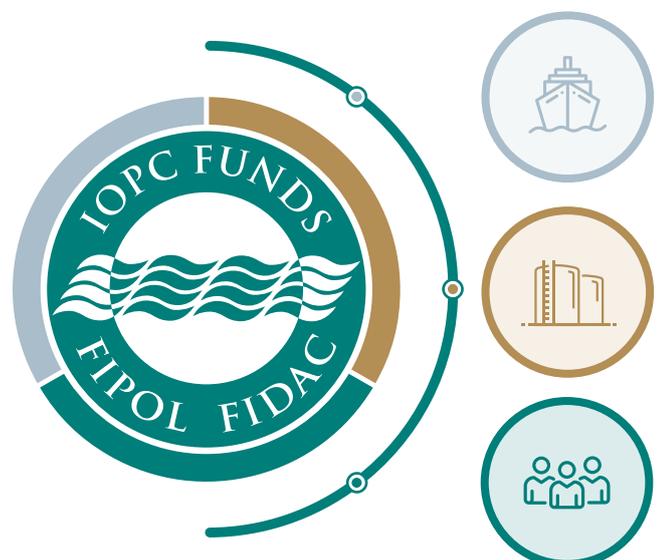
The 1992 Fund Convention provides a second tier of compensation which is financed by receivers of oil in 1992 Fund Member States after sea transport. An extra layer of compensation is available to Supplementary Fund Member States.

Structure

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



All data correct as at 1 June 2022





In operation
since
1978

>120
Member States
of the 1992 Fund

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

>8000
tankers
operating
at sea*

>150
incidents involving
the IOPC Funds
since 1978

>£745
million
paid in
compensation
since 1978

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

Shipowners

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

Oil Receivers

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

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

Member States

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



What claims do we pay?

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

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

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

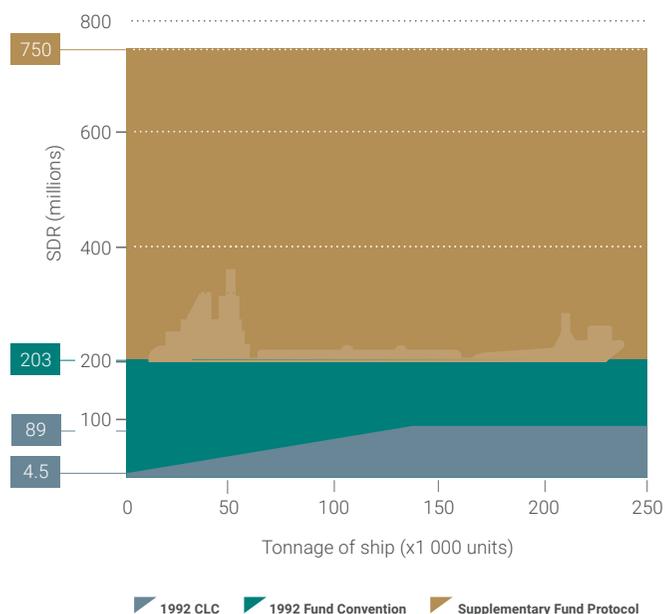


Photo credit: Hans de Visser



How much can we pay?

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



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

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

For current exchange rates please visit www.imf.org

What other services does the Secretariat provide?

Assistance with correct implementation of the Conventions.



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



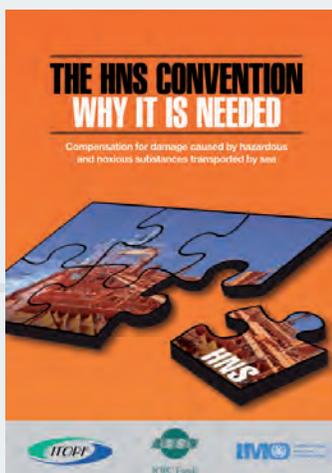
Services to stakeholders



Delivery of annual Short Course for participants nominated by Member States



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



HNS

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

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

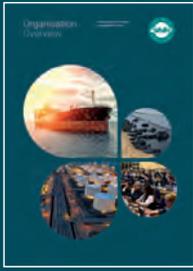
For further information please consult www.hnsconvention.org.

Other resources

Publications

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

General



Overview Brochure



Annual Report



Text of Conventions



1992 Fund
Financial Review



Supplementary Fund
Financial Review

Claims information pack



Claims Manual



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



Guidelines for presenting
claims in the tourism sector



Guidelines for presenting
claims for clean up and
preventive measures



Guidelines for presenting
claims for environmental
damage



Example Claim Form

Guidance for Member States



Measures to facilitate the
claims handling process



Management of fisheries
closures and restrictions
following an oil spill



Consideration of the
definition of 'ship'

Online Services

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

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

www.iopcfunds.org



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