

# Annual Report 2022

International Oil Pollution  
Compensation Funds



# Annual Report 2022

## INTRODUCTION

Foreword	<b>04</b>
Director's Review	<b>06</b>
Funds' Overview	<b>08</b>
Legal Framework	<b>10</b>

## OPERATIONAL REVIEW

Secretariat	<b>16</b>
Administration	<b>18</b>
Compensation and Claims Management	<b>20</b>
Incidents Involving the IOPC Funds	<b>23</b>

Oil Reporting and Contributions	<b>34</b>
External Relations	<b>40</b>
Reflections of women in the IOPC Funds 2022	<b>44</b>
The 2010 HNS Convention	<b>46</b>

## GOVERNING BODIES

Structure of the Governing Bodies and post-holders in 2022	<b>52</b>
Observers to sessions of the Governing Bodies	<b>54</b>
Sessions of the Governing Bodies in 2022	<b>56</b>

## FINANCIAL REVIEW

Financial Administration	<b>64</b>
Financial Highlights for 2022	<b>65</b>
Summary of Major Claims Funds	<b>67</b>

## ACKNOWLEDGEMENTS



# Foreword

I was delighted to serve another year as Chair of the 1992 Fund Assembly in 2022 and it is with great pleasure that I introduce this Annual Report. The purpose of this publication is to set out the main activities and achievements of the organisation over the past year and also provide key statistics relating to the volumes of oil reported by Member States and a brief financial overview of the organisation.



In my position as Chair, I have been kept regularly updated on developments by the Secretariat, have participated in numerous internal meetings and have enjoyed the direct conversations and close cooperation with the new Director in 2022.

The 1992 Fund was pleased to welcome two new Member States in 2022, San Marino and Costa Rica and a further State, Guinea-Bissau, is set join the organisation in 2023, bringing the total number of Member States to 121.

We were all very keen to return to in-person meetings in 2022, however, since the

audio-visual facilities of the International Maritime Organization (IMO) main hall and committee rooms were undergoing refurbishment at the time, the sessions of the governing bodies in March were again held remotely. Fortunately, our experience of holding such remote meetings during the previous two years, meant that even with a reduced timetable, we were able to cover a full agenda.

That said, the return to a fully in-person meeting in October was very welcome. That four-day physical meeting allowed for lively debates within the hall itself,

the return of open dialogue between delegates outside of meeting times, which always facilitates decision making, and the opportunity to say a final goodbye in person to the former Director, Mr José Maura, which had not been possible in 2021.

I was pleased to be seated for the first time next to the new 1992 Fund Executive Committee Chair, Mr Samuel Soo, who chaired both sessions efficiently and with ease. Whilst there were no new incidents to discuss, there were a number of important developments in the 11 open cases that the 1992 Fund was dealing with in 2022. In particular, the legal proceedings relating to the *Bow Jubail* incident and their potential impact on the 1992 Fund were the subject of a key report presented to the Committee.

The 1992 Fund and Supplementary Fund Assemblies were also presented with important reports at the March and October meetings, including those by the Audit and Investment Advisory Bodies. The impact of international developments, including the deteriorating security situation, on the insurance and financial markets, and subsequently on the

IOPC Funds, was the subject of discussion by the governing bodies. It is certainly reassuring to note that the organisation has such experienced experts, who are able to closely monitor developments and advise the Secretariat accordingly, safeguarding the Funds' assets and protecting the compensation regime as far as possible.

The October meeting was the last occasion that I would share the podium with Mr Sungbum Kim, Chair of the Supplementary Fund Assembly. Mr Kim showed great leadership throughout his 11 years in post, he served the Supplementary Fund Member States with unwavering professionalism, worked together with the Secretariat with great positivity and highly cooperative spirit, and, personally, I have been extremely grateful for his support as a fellow Chair. Nor should I omit to mention the fundamental support he gave, together with the Secretariat and the previous Director, in finding solutions to the challenges resulting from the *Hebei Spirit* incident, possibly the most difficult confronting the 1992 Fund so far. Looking ahead to 2023, I will be delighted to work alongside the new Supplementary Fund

Assembly Chair, Mr François Marier (Canada). His experience as an old IOPC and IMO hand is certainly most welcome.

I hope to see more States represented at meetings of the governing bodies in the year ahead. There has been a welcome gradual increase in attendance of States in recent years, largely as a result of the new ways of working post-pandemic. Whilst practices were amended on a temporary basis, there were certainly benefits to those changes and the IOPC Funds is already taking steps to make the meetings more accessible by providing a streaming service in May 2023. States will also be invited to consider whether meetings should be provided in a hybrid format of both in person and remote attendance in the future. The participation of a wide representation of the organisation's membership is extremely beneficial to discussions and important for decision making to ensure the integrity of the international regime.

*Antonio Bandini*

Antonio Bandini  
Chair of the 1992 Fund Assembly

## 2022 A year in brief

**New Director joins IOPC Funds**  
Secretary-General of IMO, Mr Kitack Lim, welcomes Gaute Sivertsen to the IMO building.



**Signing of new Headquarters Agreements and remote meeting of the governing bodies**

Parliamentary Under Secretary of State at the Department of Transport (UK), Robert Courts, and IOPC Funds Director sign the new Agreements.



**Director visits Japan**

The new Director is introduced to the Japanese Government and PIMA, one of the IOPC Funds' most significant contributors.



**IOPC Funds' Annual short course**  
13 Member States participate in this week-long annual course.



**Meeting on the lessons learned from the *Trident Star* incident**

The Secretariat and the Shipowners' Club (the insurer of the ship) meet in Singapore to review the handling of the case, which was closed in April 2022.

**JANUARY**



**FEBRUARY**

**Secretariat returns to office and introduces new working practices post-pandemic.**

**MARCH**

**IOPC FUNDS' MEETING OF GOVERNING BODIES**

**APRIL**

**First meeting of the Audit Body in person since the outbreak of the pandemic.**



**MAY**

**JUNE**

**Workshop on the lessons learned from the *Hebei Spirit* incident**  
The Secretariat, the Government of the Republic of Korea and the Skuld Club (the insurer of the ship) meet in Republic of Korea to review the handling of the case, which was closed in October 2022.

**JULY**



**AUGUST**

**Oil Spill India**  
The new Director is invited as a key-note speaker at this conference and also uses the visit to meet with key Indian authorities and contributors.

**SEPTEMBER**

**New IOPC Funds introductory video released**

**IOPC FUNDS' MEETING OF GOVERNING BODIES**

**OCTOBER**

**Induction course and in-person meeting of the governing bodies**  
New representatives of Member States attend induction course.

**NOVEMBER**

**DECEMBER**

**Engagement with contributors over previous oil data**  
Large exercise undertaken to issue invoices and credit notes to over almost 350 contributors, in accordance with October 2022 1992 Fund Assembly decision on levies for 2022.



## Director's Review

**When I provided my thoughts in the last Annual Report in 2022, it was as a newly appointed Director. At that time, I had just started in my new role and I was looking to the tasks ahead of me to deliver on the commitment I had given at the time of my election. I had promised to serve the Member States and the victims of oil pollution, to protect the Funds' interests and to adapt to changing needs.**

Now, looking back on my first full year in the post and the various activities of the organisation during that time, I hope that my commitment is reflected in the initial advances that have already been made in some key areas.

Recognising that the payment of contributions is crucial to the functioning of the compensation regime and the Funds, and that it is intrinsically linked to the submission of oil reports, we have continued to follow up directly with those States who have outstanding oil reports in order to offer assistance and address the root cause as far as possible. In addition, the Secretariat, in consultation with the Audit Body, has been preparing a draft Resolution on the issuing of invoices based on estimated oil reports when such reports are not submitted.

Another issue that has been highlighted previously, and has become even more of a concern in 2022, is the increasing risks relating to incidents involving insurers who are not members of the

International Group of P&I Associations. The Secretariat and the Audit Body have continued to highlight its potential impact on the liability and compensation regime, and the IOPC Funds in particular, and we are following discussions on the matter within the IMO closely.

Addressing such issues and increasing awareness and understanding of the role of the organisation, have all been priorities for myself and for the Secretariat in 2022. We have participated in various outreach activities, which have taken place at the Funds' offices in London, on location in a number of States, and online. We have certainly made every effort to maintain regular engagement with our Member States and I endeavoured to introduce myself and meet personally with a number of State representatives during the year whenever the opportunity arose.

I was delighted that in March 2022, the IOPC Funds and the United Kingdom signed new Headquarters Agreements

for the 1992 Fund and Supplementary Fund. The organisation has always maintained an excellent relationship with the Host State and I am extremely pleased that that is set to continue under these new Agreements.

I had the benefit of joining a very experienced and efficient Secretariat last January and appreciated the welcome and support I received, particularly from the Deputy Director, Mr Ranjit Pillai. I was fortunate to have the benefit of his guidance until June when he retired after 25 years' service at the organisation. Ranjit was an exceptional professional and had always provided a calm and steady influence with a wealth of experience both as Deputy Director and as Head of Finance and Administration at the organisation. Following his departure, I appointed the Head of Claims, Ms Liliana Monsalve, as the new Deputy Director and Mr Robert Owen as Head of Administration.

As a Secretariat, we have embraced more flexible and dynamic ways of working since the COVID-19 pandemic and are looking to keep in line with current trends across all areas, including new technologies, communication tools and management systems for claims and finance.

We saw the closure of the *Hebei Spirit* incident and the 20th anniversary of the *Prestige* incident in 2022. These were major incidents which have led the organisation to implement new practices to ensure that claims were handled efficiently in both cases and that the international Conventions were applied uniformly, ensuring the equal treatment of claimants. These practices have



### Our global responsibility

#### A diver's perspective

**As a dedicated diver I'm passionate about the oceans and the marine environment. I began exploring the oceans as a child and have been fortunate to have dived at some of the most beautiful locations in the world. This experience has instilled in me a sense of duty to protect this precious environment. As the Director of the IOPC Funds, I do believe I have the opportunity to make a difference in some way. This unique organisation provides funds for the clean up of oil spills contributing to the restoration of the marine environment in the event of such incidents. Clean and healthy oceans is every diver's dream and certainly provides me with motivation to ensure the IOPC Funds continues to deliver its mission each year.**



continued to be applied to more recent incidents very successfully.

In 2023, we will be looking to establish the necessary systems and to determine essential processes in respect of the reporting of contributing cargo and the handling of different types of claims, ahead of the entry into force of the 2010 HNS Convention. Last year a larger number of States expressed their commitment to this pending treaty, with many reporting concrete developments towards ratification. The Secretariat must therefore increase its activity in this area over the year ahead. With this in mind, the 1992 Fund Assembly approved an increased budget for HNS matters in October 2022.

Even with the few activities that I have chosen to highlight in this review and those which our Chair of the 1992 Fund Assembly has opted to mention in his foreword, I believe I have been true to my promises, serving Member States and victims of oil pollution through the payment of compensation and the application of the assessment criteria to ensure equal treatment; protecting the Funds' interests both in legal proceedings and by exploring ways in which we can ensure the payment of contributions; and adapting to changing needs by exploring and implementing new technologies to deliver outreach activities and meetings of the governing bodies.

In 2023, I will of course seek to continue to carry out my duties with those three underlying principles in mind. Personally, I am looking forward, with the support of the Secretariat, to my second year in office and am confident that Member States will also join me in my efforts to address the challenges that lie ahead in 2023.

  
Gaute Sivertsen  
Director

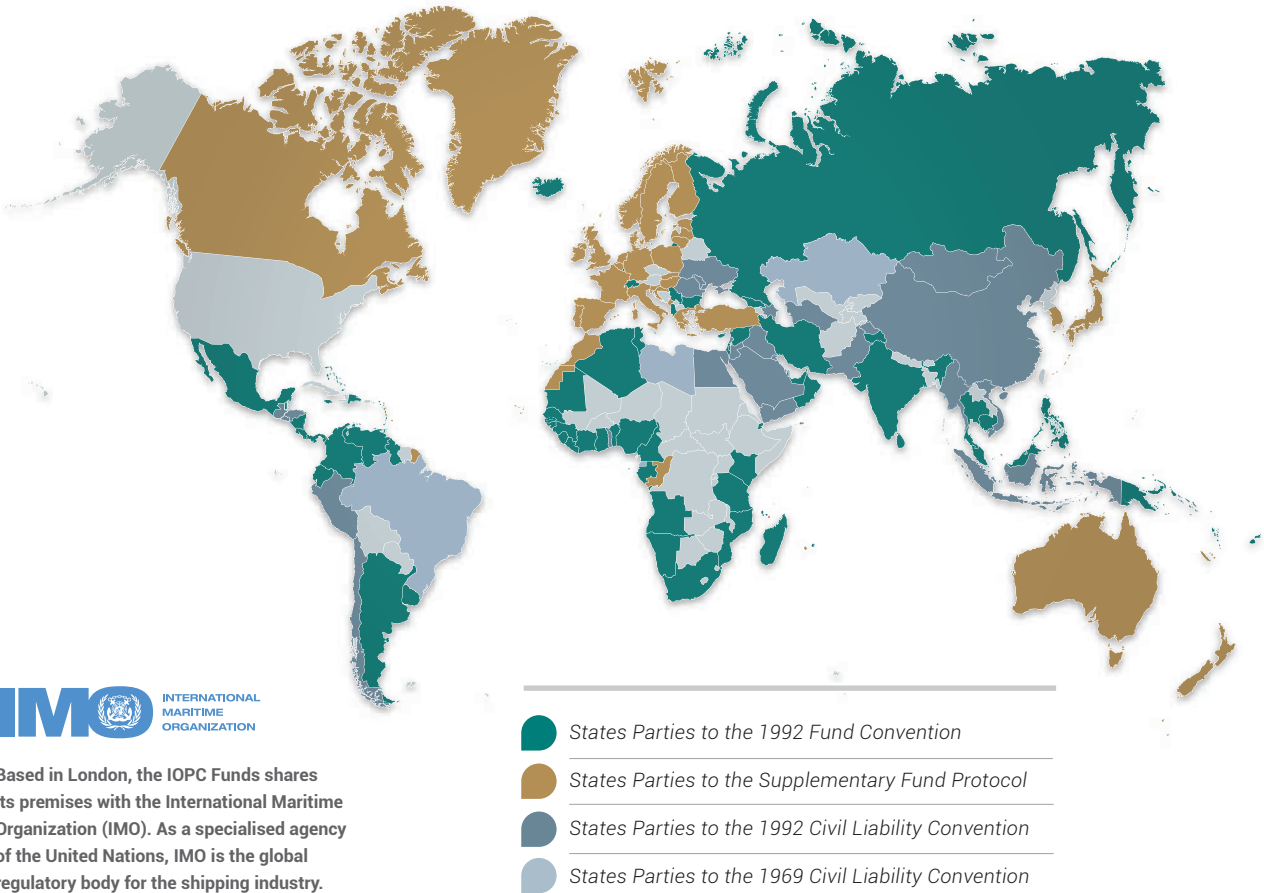


# Funds' overview

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.



This report focuses on the work of the IOPC Funds during 2022. For further general information about the organisation and its history, please visit [iopcfunds.org](https://iopcfunds.org).



32 Member States of the Supplementary Fund	121 Member States of the 1992 Fund			
Australia	Albania	Ecuador	Malaysia	Samoa
Barbados	Algeria	Estonia	Maldives	San Marino
Belgium	Angola	Fiji	Malta	Senegal
Canada	Antigua and Barbuda	Finland	Marshall Islands	Serbia
Congo (the)	Argentina	France	Mauritania	Seychelles
Croatia	Australia	Gabon	Mauritius	Sierra Leone
Denmark	Bahamas	Gambia (the)	Mexico	Singapore
Estonia	Bahrain	Georgia	Monaco	Slovakia
Finland	Barbados	Germany	Montenegro	Slovenia
France	Belgium	Ghana	Morocco	South Africa
Germany	Belize	Greece	Mozambique	Spain
Greece	Benin	Grenada	Namibia	Sri Lanka
Hungary	Brunei Darussalam	Guinea	Nauru	Sweden
Ireland	Bulgaria	Guinea-Bissau	Netherlands	Switzerland
Italy	Cabo Verde	(from 12.05.2023)	New Zealand	Syrian Arab Republic
Japan	Cambodia	Guyana	Nicaragua	Thailand
Latvia	Cameroon	Hungary	Nigeria	Tonga
Lithuania	Canada	Iceland	Niue	Trinidad and Tobago
Montenegro	China*	India	Norway	Tunisia
Morocco	Colombia	Iran (Islamic Republic of)	Oman	Türkiye
Netherlands	Comoros	Ireland	Palau	Tuvalu
New Zealand	Congo (the)	Israel	Panama	United Arab Emirates
Norway	Cook Islands	Italy	Papua New Guinea	United Kingdom
Poland	Costa Rica	Jamaica	Philippines	United Republic of Tanzania
Portugal	Côte d'Ivoire	Japan	Poland	Uruguay
Republic of Korea	Croatia	Kenya	Portugal	Vanuatu
Slovakia	Cyprus	Kiribati	Qatar	Venezuela
Slovenia	Denmark	Latvia	Republic of Korea	(Bolivarian Republic of)
Spain	Djibouti	Liberia	Russian Federation	
Sweden	Dominica	Lithuania	Saint Kitts and Nevis	
Türkiye	Dominican Republic	Luxembourg	Saint Lucia	
United Kingdom		Madagascar	Saint Vincent and the Grenadines	

\* The 1992 Fund Convention applies to the Hong Kong Special Administrative Region only.



# 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 Civil Liability Convention or 1992 CLC);

LAYER  
2

- the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992 (1992 Fund Convention); and

LAYER  
3

- 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.

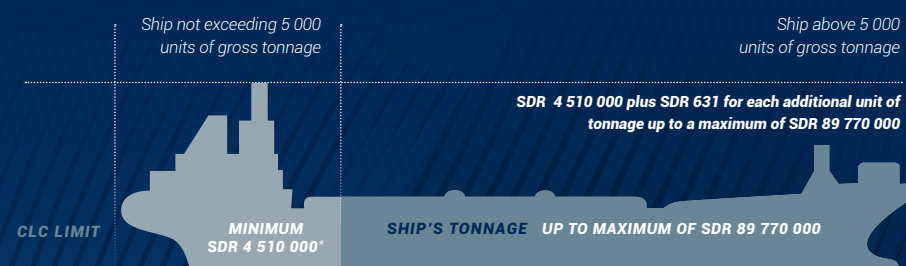
LAYER  
1

## 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.



\* The unit of account in the Conventions is the Special Drawing Right (SDR) as defined by the International Monetary Fund.

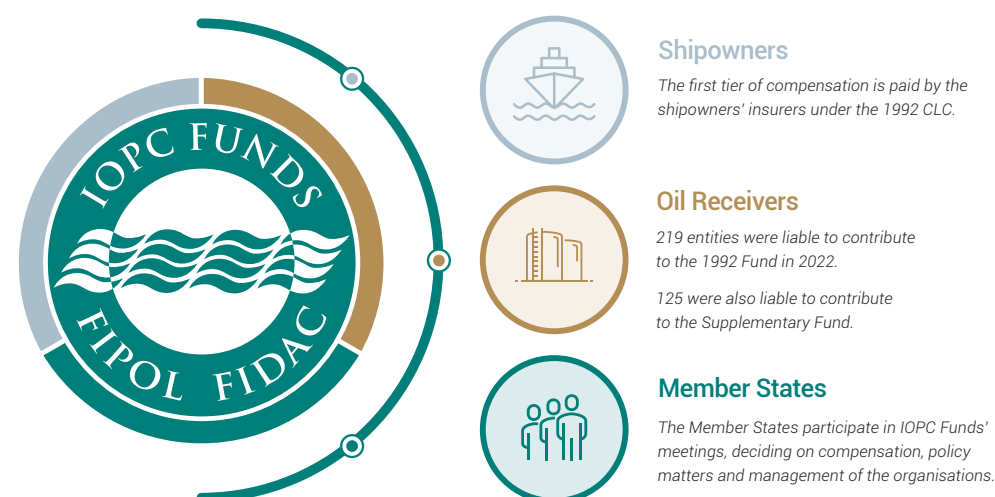
LAYER  
2

## 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 spill. This maximum amount includes the sums actually paid by the shipowner under the 1992 CLC.



LAYER  
3

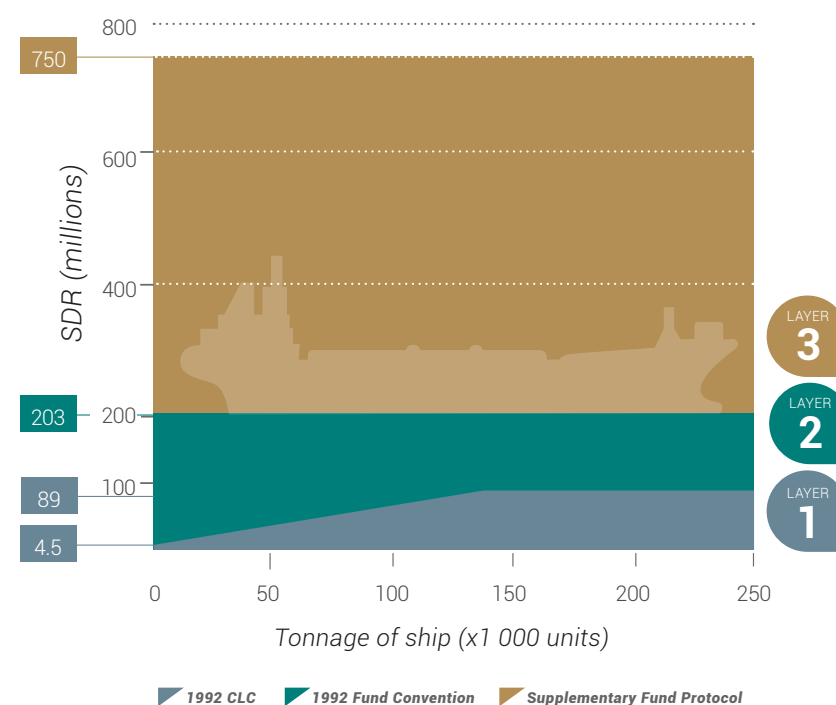
## Supplementary Fund Protocol

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.

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



## MAXIMUM LIMITS OF COMPENSATION





# Legal Framework

## 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) and the *Trident Star* incident (Malaysia, 2014). Since there have been no incidents involving the Supplementary Fund, TOPIA has not been applied.

### STOPIA & TOPIA

2 voluntary agreements by shipowners and IG P&I Clubs

### Incident involving STOPIA ship:

1992 Fund indemnified by the Club for compensation paid up to SDR 20 million

### Incident involving TOPIA ship:

Supplementary Fund indemnified by the Club for 50% of any compensation paid

## 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 acceding to the 1992 CLC and denounce the 1969 CLC as soon as possible.

### The following States remain Party to the 1969 CLC only:

Brazil

Equatorial Guinea

Kazakhstan

Libya

Sao Tomé and Príncipe



## New Member States

### San Marino



The Republic of San Marino became a 1992 Fund Member State in April 2022. Instruments of accession to the 1992 Civil Liability and Fund Conventions and a number of other IMO Conventions, including the Protocol of 1996 to amend the Convention on Limitation of Liability for Maritime Claims, 1976 (LLMC Protocol 1996) and International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (Bunkers Convention, 2001), were deposited on 19 April 2021. San Marino is landlocked and the fifth-smallest country in the world; however, it is situated ten kilometres from the Italian coast.

The Director looks forward to San Marino's participation in meetings and contribution to the work of the IOPC Funds in the future.

### Costa Rica



Costa Rica became the 120th Member State of the 1992 Fund in May 2022 after it deposited instruments of accession to the 1992 Civil Liability and Fund Conventions on 19 May 2021.

The IOPC Funds Secretariat had regularly engaged with Costa Rica to encourage it to join the 1992 Fund over the years, most recently at a national workshop organised by the IMO and the Central American Commission on Maritime Transport (COCATRAM), in 2019.

With a Pacific Ocean and Caribbean Sea coastline of some 1300km, Costa Rica's exposure to the risk of a major tanker incident is significant. The Director is therefore very pleased that Costa Rica has decided to join the 1992 Fund, and ensured it is better protected from the economic consequences of such a spill.



# Operational Review

16	Secretariat
18	Administration
20	Compensation and Claims Management
23	Incidents Involving the IOPC Funds
34	Oil Reporting and Contributions
40	External Relations
44	Reflections of women in the IOPC Funds 2022
46	The 2010 HNS Convention



# Secretariat

The 1992 Fund and the Supplementary Fund share a joint Secretariat, consisting of 24 staff members as at February 2023. 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 Secretariat is divided into three departments, namely: the Claims Department; the Administration Department; and the External Relations and Conference Department. The Director's Office sits outside the departmental structure. The Director is assisted by a Management Team, comprising the Deputy Director and the Heads of each Department.

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.

The former Deputy Director/Head of Finance and Administration, Mr Ranjit Pillai, retired from the organisation in June 2022 after 25 years' service. During that time, he played a key role in the management of financial issues and overall administrative management of the Funds. Having worked with four of the five directors in the history of the organisation, Mr Pillai's expertise, long-term experience and insight will be sorely missed by all in the Secretariat. At the October 2022 sessions of the governing bodies, the Director presented Mr Pillai with an inscribed glass ornament in recognition of his long, dedicated and invaluable service to the organisation.



## IOPC Funds' Secretariat as of February 2023

### > DIRECTOR'S OFFICE



**Gaute Sivertsen**  
Director



**Maria Basilico**  
Executive Assistant



**Yuji Okugawa**  
Policy Officer

### > CLAIMS DEPARTMENT



**Liliana Monsalve**  
Deputy Director/  
Head of Department



**Chiara Della Mea**  
Senior Claims Manager



**Mark Homan**  
Claims Manager



**Ana Cuesta**  
Claims Manager



**Chrystelle Collier**  
Claims Administrator

### > ADMINISTRATION DEPARTMENT



**Robert Owen**  
Head of Department



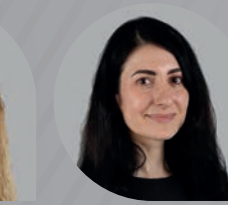
**Claire Montgomery**  
Chief of Finance



**Asayehegn Woldegebrail**  
Finance Manager



**Elisabeth Galobardes**  
Finance Assistant



**Marina Singh**  
Finance Assistant



**Thamina Begum**  
Finance Assistant



**Julia Shaw**  
Human Resources Manager



**Stuart Colman**  
IT Officer



**Paul Davis**  
IT/Office Administrator

### > EXTERNAL RELATIONS & CONFERENCE DEPARTMENT



**Thomas Liebert**  
Head of Department



**Victoria Turner**  
Information Officer



**Sylvie Legidos**  
Translation Coordinator



**Maria Alonso Romero**  
Associate Editor (Spanish)



**Mariana Saúl**  
Associate Editor (Spanish)



**Johana Lanzeray**  
Associate Editor (French)



**Dušana Šupica**  
External Relations &  
Conference Assistant



**Vacant Post**  
External Relations  
& Conference  
Coordinator



# 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.

Joint Secretariat expenditure	2022 unaudited £	2021 audited £	2020 audited £
Expenditure	4 492 194	3 961 283	3 934 204
Budget	4 855 778	4 708 287	4 875 731
Expenditure as % of budget	92%	84%	81%
External audit fees:			
1992 Fund	65 908	53 600	53 600
Supplementary Fund	5 433	4 400	4 400
Management fees received by 1992 Fund from Supplementary Fund	38 000	36 000	38 000

Commentary on the joint Secretariat expenditure is provided in Annex I of the 1992 Fund's Financial Statements, which can be found in the 2021 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 2022 are provided under the Financial Review section of this Annual Report (pages 62-67).

## External Auditor

An External Auditor is appointed by the 1992 Fund Assembly and Supplementary Fund Assembly. The current IOPC Funds' External Auditor is BDO International (BDO), who were first appointed by the governing bodies in October 2015. They were reappointed in October 2019 for a four-year term, and again in October 2022 for a further two-year term, as proposed by the Audit Body. A full tender for the position of External Auditor will next be undertaken in 2024 for the accounting year 2026. 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 62-67).



## Audit Body

The joint Audit Body, established by the IOPC Funds' governing bodies, normally meets in person three times a year to review the adequacy and effectiveness of the organisations. During 2022, the Audit Body discharged its duties by holding all meetings in person.

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 and oversees the selection process of the External Auditor. In that respect, in 2022, the Audit Body examined the options and related issues regarding the appointment of the next Auditor. The Audit Body members also continued to examine the possibility of issuing invoices based on estimated oil receipts if no reports were submitted, and considered the corresponding amendments that would be required to the 1992 Fund and Supplementary Fund Internal Regulations. The Audit Body also continued to monitor the progress of the IMO Legal Committee discussions on the risks relating to incidents involving insurers who are not members of the International Group of P&I Associations.

The current Audit Body consists of the following six members, who were elected by the governing bodies in December 2020 for a period of three years:

- Mr Alfred H.E. Popp, CM, K.C. (Canada)
- Mrs Birgit Sølling Olsen (Denmark) (Chair)
- Mr Arnold Rondeau (France)
- Mr Vatsalya Saxena (India) (Vice-Chair)
- Dr Hideo Osuga (Japan)
- Captain Thomas F. Heinan (Marshall Islands)

The composition of the Audit Body also includes an external expert, that is not related to the organisations and has expertise and experience in financial matters. That position is currently held by Mrs Alison Baker, who was appointed in November 2021 for a three-year term commencing 1 January 2022.

## 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 risks. Operational risks have five further subcategories, namely: finance/contributions, governance/management, compensation, safety/security and communication/publications (including the website). These identified risks 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 (IAB), established by the IOPC Funds' governing bodies, advises the Director on procedures for investment and cash management controls. The IAB 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 IAB normally meets four times a year with the Secretariat and also meets with the Audit Body and External Auditor to share information and reports to the governing bodies at their regular sessions.

In 2022, the Investment Advisory Body's support and guidance was particularly useful in light of the unpredictability in global markets due to international events and the potential impact on the assets of the IOPC Funds. Having said farewell to long serving outgoing member Brian Turner (see below) they were pleased to welcome new member Marcel Zimmerman who brings a wealth of experience from his work in central banking.



The three current members of the joint Investment Advisory Body are (left to right):

- Mr Alan Moore  
Ms Beate Grosskurth  
Mr Marcel Zimmerman



Mr Brian Turner stepped down as a member of the Investment Advisory Body in 2022 after 20 years. During that time, he had provided expert advice and invaluable guidance to the Secretariat. At the October 2022 session of the governing bodies he was presented with a gift in recognition of his service and contribution to the work of the organisation.



# 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 Claims Process:

1

### Who can claim?

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

3

### 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 claim forms and facilities, including an online claims submission system, will normally be made available to claimants via the IOPC Funds' website ([iopcfunds.org](http://iopcfunds.org)).

2

### 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, or make formal notification to the 1992 Fund of a court action against the shipowner or their insurer within the three-year period. The same time limit applies in respect of claims against the shipowner or their 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.

4

### 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.

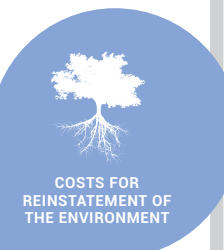
The Funds, normally in cooperation with the shipowner's insurer, usually appoint experts to monitor clean-up operations, to investigate the technical merits of claims and to make independent assessments of the losses.

5

### 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:



6

### How are claims settled?

The IOPC Funds endeavour 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.

## Key factors in the successful management of claims

### Existing relationship with key contacts within the affected Government

The Secretariat makes every effort through outreach activities, bilateral meetings and during sessions of the governing bodies to develop and maintain contacts with Member State representatives

### Strong cooperation with the insurer

The IOPC Funds has an excellent relationship with the International Group of P&I Associations and its members and endeavours to engage with other insurers regularly

### Experienced staff

The Claims Department alone have a combined >100 years of experience managing claims

### Accessible network of international and national experts

The Secretariat has built a reliable network of experts that is able to call upon in the event of an incident, working closely with ITOPF and others

### Technology

The IOPC Funds has developed a bespoke online claims handling system to facilitate the management of large numbers of claims

## Helpful resources

The Claims Manual and various guidelines for claimants are available at [www.iopcfunds.org](http://www.iopcfunds.org)





## Compensation and Claims Management

### The process in brief



## 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 2022 and the position taken by the governing bodies in respect of claims is set out below.

List of open 1992 Fund incidents as at 31 December 2022

Ship	Place of incident	Year
<i>Prestige</i>	Spain	2002
<i>Solar 1</i>	Philippines	2006
<i>Redferm</i>	Nigeria	2009
<i>Haekup Pacific</i>	Republic of Korea	2010
<i>Alfa I</i>	Greece	2012
<i>Nesa R3</i>	Sultanate of Oman	2013
<i>Nathan E. Stewart (formerly Incident in Canada)</i>	Canada	2016
<i>Agia Zoni II</i>	Greece	2017
<i>Bow Jubail</i>	The Netherlands	2018
<i>MT Harcourt</i>	Nigeria	2020
Incident in Israel	Israel	2021

**£752 million**

paid by the IOPC Funds in compensation since 1978 (£331 million of which was in respect of the 1971 Fund).

Incidents Involving The Supplementary Fund

As at 31 December 2022, there have been no incidents involving, or likely to involve, the Supplementary Fund.





# Ongoing incidents

Ship	Unknown
Date of incident	17.02.21 (date of the oil reaching the shoreline)
Place of incident	Israeli EEZ (presumed)
Cause of incident	Unknown (presumed to be crude oil washing)
Quantity of oil spilled	Unknown
Area affected	Israeli coastline (approximately 170 km) with tar balls
Flag State of ship	Unknown
Gross tonnage	Unknown
P&I Insurer	Unknown

## INCIDENT IN ISRAEL (ISRAEL, FEBRUARY 2021)

In February 2021, the Government of Israel contacted the 1992 Fund requesting assistance with a mystery spill, which resulted in tar balls being washed up along the Israeli coastline. The Israeli Ministry of Environment organised a full response to the spill and an investigation was undertaken to identify the source.

Analyses of samples collected from the polluted site confirmed that they were of crude oil which had originated from a single source. As there were no offshore platforms or pipelines in the area, experts concluded that the only possible source was a tanker carrying crude oil. Following its investigation, the Government of Israel identified only one tanker that it considered likely to be responsible for the spill. However, there was insufficient proof to establish that it was that specific tanker that had caused the pollution.

The 1992 Fund Convention applies to spills of persistent oil even if the ship from which the oil is released cannot be identified, provided it is shown that the oil originated from a ship as defined in the 1992 Civil Liability Convention (CLC). With this in mind, the Executive Committee decided, in July 2021, that the 1992 Civil Liability and Fund Conventions would apply to this incident and authorised the Director to make compensation payments for admissible claims. As at 31 December 2022, 33 claims had been submitted for the amount of ILS 16.1 million (£3.08 million). Of these, two claims had been approved at a total of ILS 105 000 (£24 000) and 22 claims had been rejected. Estimates of the cost of the response to the oil spill are in the region of ILS 55 million (£12.5 million) and further claims for the cost of the response are expected. Additional claims for economic losses are also expected.



ILS 105 024  
Compensation paid  
by 1992 Fund as at  
31/12/22



Ship	Bow Jubail
Date of incident	23.06.2018
Place of incident	Rotterdam, the Netherlands
Cause of incident	Collision
Quantity of oil spilled	Approximately 217 tonnes of heavy fuel oil
Area affected	Rotterdam Port, the Netherlands
Flag State of ship	Norway
Gross tonnage	23 196 GT
P&I Insurer	Gard P&I (Bermuda) Ltd

## BOW JUBAIL (NETHERLANDS, JUNE 2018)

Pollution damage claims submitted in this case may be over USD 50 million, however, it is not clear whether the IOPC Funds will be liable to pay compensation in this incident.

In 2018 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 that year, 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 Court of Appeal in The Hague later upheld that decision and the shipowner appealed (filed for cassation) against the judgment to the Supreme Court of the Netherlands on several grounds, mainly on the undue burden of proof imposed on the shipowner.

The 1992 Fund has a financial interest in this case, since if a final judgment were to decide that the 1992 Civil Liability and Fund Conventions apply, the 1992 Fund would pay compensation. However, if the Bunkers Convention 2001 applies, then the Fund would not be involved.

In a ruling on 24 December 2021, the Supreme Court in the Netherlands decided to grant the Fund's subsidiary application to be admitted as an interested party in the proceedings, based on the civil procedural law of the Netherlands.

The Fund requested the Court to reverse its decision that the 1992 Fund Convention is no basis for intervention in limitation proceedings and that the intervention of the Fund should be based on national law instead. The Fund also submitted that the Court of Appeal was obliged to summon the Fund as an interested party to the proceedings but had failed to do so.

The Fund joined the complaints of the shipowner in the principal appeal in cassation against the decision of the Court of Appeal that it is not the Bunker Convention 2001 but the 1992 CLC that applies to the incident.

Legal actions have been brought by several claimants before the District Court in Rotterdam against the shipowner, its insurer and other parties. The 1992 Fund has been notified or included as a defendant in some of the actions, in case the 1992 Civil Liability and Fund Conventions were to apply to this incident. The 1992 Fund has requested a stay of the proceedings until such time as the Supreme Court renders its decision on whether the Bunkers Convention 2001 or the 1992 CLC apply.



Ship	Agia Zoni II
Date of incident	10.09.2017
Place of incident	Saronic Gulf, Greece
Cause of incident	Sinking — circumstances under investigation
Quantity of oil spilled	Estimated to be in the region of 500 tonnes
Area affected	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
Flag State of ship	Greece
Gross tonnage	1 597 GT
P&I Insurer	Lodestar Marine Limited

AGIA ZONI II  
(GREECE, SEPTEMBER 2017)

The three-year time bar period for this incident expired in September 2020.

It was reported to the October 2022 session of the 1992 Fund Executive Committee that, in total, the 1992 Fund had received 423 claims amounting to EUR 99.89 million and USD 175 000 and had made compensation payments totalling some EUR 14.96 million in respect of this incident.

The 1992 Fund was served with legal proceedings totalling over EUR 80 million, filed at the Piraeus Court of First Instance by over 60 claimants in the clean-up, tourism, and fisheries sectors. The Greek State also served the 1992 Fund with legal proceedings. An offer of an advance payment has been made to the Greek State.

Several investigations into the cause of the incident have been carried out for the Public Prosecutor; one of them concluded

that the incident occurred as a result of an explosion. A separate investigation concluded that the sinking had been caused by the opening of the seawater ballast valves, which could only have been done from on board the vessel. It considered that the incident had resulted from the deliberate and negligent action of the shipowner and other parties including representatives of the salvor/one of the clean-up contracting companies.

In June 2021, the 1992 Fund's lawyers and a number of other parties were summoned and questioned by the Public Prosecutor investigating the cause of the incident, to answer questions dealing with the procedure followed for the payment of claims, with emphasis on the clean-up contractors' claims. As at 31 December 2022, the results of the investigations were still awaited.

EUR  
14.95 million

Compensation paid  
by 1992 Fund as at  
31/12/22

The 1992 Fund's lawyers have advised that claims filed by a party that had intentionally caused the pollution in order to benefit from the right to claim compensation, would be considered an abuse by the Greek courts under the provisions of Greek legislation. However, the lawyers have advised that the burden of proof would rest upon the 1992 Fund and that mere suspicion of such action would not be sufficient to deny payment. If, however, the claimant was eventually condemned by a criminal court to have intentionally caused the pollution, the 1992 Fund could commence a recourse action.

Whilst the final results of the investigation into the cause of the incident by the Public Prosecutor remain pending, the Director considers that it would not be appropriate to make any further advance payments to the representatives of the salvor/one of the clean-up contracting companies.



PHP  
1 091 million

Compensation paid  
by 1992 Fund as at  
31/12/22

Ship	Solar 1
Date of incident	11.08.2006
Place of incident	Guimaras Strait, the Philippines
Cause of incident	Sinking
Quantity of oil spilled	2000 tonnes of industrial fuel oil
Area affected	Guimaras, the Philippines
Flag State of ship	The Philippines
Gross tonnage	998 GT
P&I Insurer	Shipowners' Mutual Protection and Indemnity Association (Luxembourg) (Shipowners' Club)

SOLAR 1  
(PHILIPPINES, AUGUST 2006)

On 11 August 2006, the Philippines registered tanker *Solar 1* (998 GT) laden with a cargo of 2 081 tonnes of industrial fuel oil, sank in heavy weather in the Guimaras Strait, some ten nautical miles south of Guimaras Island, Republic of the Philippines. At the start of 2022, some 32 466 claims had been received and payments totalling PHP 1 091 million had been made in respect of 26 870 claims, mainly in the fisheries sector.

Shortly after the incident, legal proceedings were commenced by 967 fisherfolk, who rejected the 1992 Fund's assessment of a 12-week business

interruption period as applied to all similar claims in the area, arguing that fisheries were disrupted for over 22 months, without however providing any evidence in support. The legal examination of these claims continued through 2022, with the claims of witnesses presented by the claimants' lawyer, found to have no legal or factual basis.

Legal proceedings were also commenced by a group of ninety-seven municipal employees but in all legal proceedings, the 1992 Fund's lawyers were able to show the Court that their claims for compensation had no basis.

Legal proceedings were also commenced by the Philippine Coast Guard (PCG) in relation to two claims for costs incurred

during clean-up and pumping operations. After assessment, an offer of settlement for PHP 104.8 million was made for both claims and was accepted by the PCG. After many years and following many legal steps, the 1992 Fund and PCG agreed the terms of a compromise agreement. In late July 2022, the Court approved the revised compromise agreement and in early August, upon receipt of the stamped court judgment, the 1992 Fund paid the PCG's claim to the designated bank account. Upon receipt of payment, the PCG withdrew the legal proceedings against the 1992 Fund and the 1992 Fund was reimbursed for the payment by the P&I Club in accordance with the terms of the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006.



# 20th Anniversary of the *Prestige* incident

November 2022 saw the 20th anniversary of the *Prestige* incident, a major incident in the history of the 1992 Fund.

While under tow away from the coast after listing and leaking oil off Cabo Finisterre, the vessel broke in two and sank some 260 kilometres west of Vigo, Spain. The west coast of Galicia was heavily contaminated and oil eventually moved into the Bay of Biscay affecting the north coast of Spain and France, resulting in claims for compensation amounting to some **EUR 1 151 million**. This figure far exceeded the amount available under the 1992 CLC and the 1992 Fund Convention and, in order to ensure equal treatment of claimants, the decision was taken to limit payments to 15% of the established losses. This was the lowest figure the 1992 Fund had had to establish to date and the incident provided a major push towards the adoption of the Supplementary Fund Protocol in 2003 to ensure sufficient compensation is available in future major incidents.

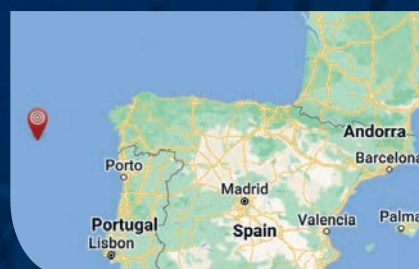
The incident led to a number of legal proceedings in Spain, some of which are continuing. The *Prestige* therefore remains an open incident with respect to the 1992 Fund.



## How the incident unfolded

**13.11.02**

*Prestige* began listing and leaking oil some 30 kilometres off Cabo Finisterre, Galicia, Spain



**19.11.02**

Vessel broke in two and sank some 260 kilometres west of Vigo, Spain, releasing an estimated 63 200 tonnes of cargo.

## The Claims



**845 Claims**

RECEIVED BY THIS OFFICE

The London P&I Club (the shipowner's insurer) and the 1992 Fund established a claims-handling office in La Coruña, Spain. 845 claims totalling EUR 1 037 million were eventually received by this office.



**482 Claims**

RECEIVED BY THE BORDEAUX OFFICE

A claims-handling office was established in Bordeaux, France (later transferred to Lorient) 482 claims totalling EUR 109.7 million were eventually received by this office.



**1 claim**

RECEIVED IN PORTUGAL

The 1992 Fund received a claim in respect of the costs incurred in clean up and preventive measures in Portugal, totalling EUR 4.3 million.

**TOTAL CLAIMED  
EUR 1 151 million**



## The compensation paid

Since the total amount claimed far exceeded the amount available for compensation under the 1992 CLC and the 1992 Fund Convention (EUR 171 520 703), the Member States of the 1992 Fund Executive Committee decided to limit the level of payments 15% of the established losses to ensure equal treatment of the three affected States.

**EUR 147.9 million** has been paid in compensation for this incident by the 1992 Fund, including a payment in respect of the judgement by the Spanish Court (retaining EUR 804 800 for potential liabilities, mainly in respect of actions pending in France).

The London P&I Club paid into the Spanish Court the amount of the CLC limit i.e. EUR 22.8 million.

## Legal Proceedings

Criminal proceedings took place in Spain, with the Spanish Supreme Court deciding that:

- the master of the *Prestige* was criminally liable, with civil liability
- the shipowner had civil liability and was not entitled to limit its liability
- the insurer, the London P&I Club, had civil liability up to the limit of its policy of USD 1 000 million.
- the 1992 Fund had civil liability within the limit provided under the 1992 Fund Convention.

The Spanish Court awarded a total of EUR 1 439.08 million to claimants, including the Spanish and French governments

Civil proceedings took place in France and the courts awarded EUR 1.18 million to claimants. Further actions are still pending

A legal action brought by Spain against the classification society that classified the *Prestige*, the American Bureau of Shipping (ABS) in the United States courts was not successful. However, two separate legal actions against ABS are ongoing in France, brought by France and the 1992 Fund.

The high amounts claimed in compensation, which were well above the amount available under the 1992 Fund Convention, highlighted to States the risk and potential financial impact of such incidents. This accelerated the entry into force of the Supplementary Fund Protocol, increasing the compensation available under the international liability and compensation regime.



# Closing of the *Hebei Spirit* incident

(REPUBLIC OF KOREA, DECEMBER 2007)

Ship	<i>Hebei Spirit</i>
Date of incident	07.12.2007
Place of incident	Taejeon, Republic of Korea
Cause of incident	Collision
Quantity of oil spilled	Approximately 10 900 tonnes of crude oil
Area affected	The three southerly provinces on the west coast of the Republic of Korea
Flag State of ship	People's Republic of China
Gross tonnage	146 848 GT
P&I Insurer	China Shipowners Mutual Insurance Association (China P&I Club)/ Assuranceföreningen Skuld (Gjensidig) (Skuld Club)

## DECEMBER 2007

Some 375 kilometres of shoreline along the west coast of the Republic of Korea was affected to varying degrees as a result of the *Hebei Spirit* incident. The oil impacted large numbers of mariculture facilities, fisheries and shellfish cultivation areas, as well as amenity beaches and tourist destinations and resulted in over 128 000 claims for compensation. The amount available for compensation for this incident under the 1992 CLC and 1992 Fund Convention was KRW 321.6 billion.



In recognition of the good cooperation among the key parties involved in resolving this incident, the Korean Government awarded dedicated plaques to the Directors of the IOPC Funds who were involved in the incident, as well as the Senior Vice President/Deputy Head of Skuld Hong Kong.



## FINAL REVIEW MEETING

The *Hebei Spirit* incident is the largest incident to date handled by the IOPC Funds in terms of both the amounts claimed and the large variety of types of claims submitted. Its successful conclusion was greatly facilitated by the excellent cooperation between the Fund, the insurer and the Korean Government.

In June 2022, together they held a meeting to discuss and review the handling of the incident and to identify any areas for improvement for future spills. The conclusions of the meeting highlighted that:

The involvement of governments in the management of an incident and the establishment of regular channels of communication throughout the incident between the government and state institutions involved in the incident, such as the national courts, is extremely important.

Engagement with the public and potential claimants from the outset of the incident, and for some time afterwards, is essential in order to educate the claimants on the claims handling process and to manage expectations.

This incident also brought to the fore a number of issues that had started to emerge from previous incidents, and a series of policies were implemented by the Funds even before the end of the incident:

The publication of a guidance document for Member States which provides a set of measures that governments could undertake to facilitate the handling of claims as well as to alleviate economic hardship caused to the victims of future spills;

The development of a process which allows for more flexibility in the way large numbers of claims by small-scale businesses can be assessed by the Funds' Secretariat in future incidents;

The publication of a guidance document for Member States on what to consider when imposing fisheries restrictions following an oil spill to minimise the economic impact of such restrictions;

The translation of claim forms and Claims Manual in the language of the country of the incident, even when that is not one of the Funds' official languages.

## Timeline of incident

### JANUARY 2008

The 1992 Fund and the Skuld Club invoked the Memorandum of Understanding and, in January 2008, they opened a joint claims handling office (*Hebei Spirit* Centre, or HSC) in Seoul to assist claimants in the presentation of their claims for compensation. They appointed a team of Korean and international surveyors to monitor the clean-up operations and investigate the potential impact of the pollution on fisheries, mariculture and tourism activities.



### JULY 2008

A Cooperation Agreement was concluded between the shipowner, Skuld Club and the Government under which the Skuld Club undertook to make interim payments to claimants at 100% of the assessed amounts up to the shipowner's limit of liability under the 1992 CLC. In return, the Government undertook to pay in full all claims as assessed by the Club and the 1992 Fund once the 1992 Fund Convention limit was reached, as well as any amount awarded by judgments, mediation and settlement agreements. The Government further undertook to deposit the amount already paid out by the Skuld Club to claimants in court should the Limitation Court order a deposit of the limitation fund.



### FEBRUARY 2021

The Limitation Court of the other vessels involved in the collision, owned by Samsung Heavy Industries Co., Ltd (SHI) issued a decision on the distribution of the SHI limitation fund and granted the 1992 Fund KRW 3 271 486 069 (£2.2 million). That amount was paid to the 1992 Fund in June 2021 and will be reimbursed to the contributors when the *Hebei Spirit* Major Claims Fund is closed in 2023.



### OCTOBER 2022

Since all the outstanding claims arising from the *Hebei Spirit* incident had been settled and all the legal actions had been finalised, this incident was declared closed at the October 2022 meeting of the IOPC Funds' governing bodies.

### JUNE 2008

A Special Law for the 'Support of affected inhabitants and the restoration of the marine environment in respect of the *Hebei Spirit* oil pollution incident', which had been approved by the National Assembly of the Republic of Korea, entered into force in June 2008. Under that Special Law, the Government was authorised to make payments in full to claimants based on the assessments made by the Skuld Club and the 1992 Fund in excess of the limit under the 1992 Fund Convention, which allowed all private claimants to receive full compensation, which would not have otherwise been possible, due to the fact that the Republic of Korea was not, at the time of the incident, a member of the Supplementary Fund. The Government also declared its intention to 'stand last in the queue' in respect of claims for compensation by the central and local governments.



### NOVEMBER 2009

Some 128 000 individuals and organisations lodged their claims, totalling KRW 4.7 trillion, into the *Hebei Spirit* limitation proceedings.



2019

### SEPTEMBER 2019

All legal proceedings related to the incident were finalised in September 2019. Following the excellent cooperation between the Government of the Republic of Korea, the ship's insurer (the Skuld Club) and the IOPC Funds, all admissible claims for this incident were finalised by either mediation or judgment and a total of KRW 432.9 billion was awarded.

The Skuld Club's limit under the 1992 CLC was set by the *Hebei Spirit* Limitation Court at KRW 139.4 billion. The 1992 Fund paid KRW 182 242 088 000, the balance between the amount paid by the Club and the Fund's limit for this incident (KRW 321.6 billion). However, the amounts awarded by the Court were higher than the amount available under the 1992 Conventions. Nevertheless, all the claimants received 100% of their established claims, since the Korean Government paid all the claims over and above the Fund's limit, up to the amounts awarded by the Courts, in accordance with the Special Law.



2021

2022



# Closing of the *Trident Star* incident

(MALAYSIA, AUGUST 2016)

Ship	<i>Trident Star</i>
Date of incident	24.8.2016
Place of incident	Malaysia
Cause of incident	Overflow
Quantity of oil spilled	Unconfirmed
Area affected	Tanjung Bin oil terminal, Port of Tanjung Pelepas, Johor, Malaysia
Flag State of ship	Malaysia
Gross tonnage	3 177 GT
P&I Insurer	The Shipowners' Mutual Protection and Indemnity Association (Luxembourg)

The oil spill from this incident drifted across the Pulai river, reaching a container terminal on the river's eastern bank (PTP container terminal) and contaminating several cargo vessels and tugs. Some of the container terminal's berths were closed for approximately three weeks.

Claims for pollution damage arising from the incident exceeded the 1992 CLC limit applicable to the *Trident Star* of USD 6.5 million. However, the amounts paid by the 1992 Fund have been recovered from the shipowner's insurer, the Shipowners' Club, under the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006.

All claims were settled for some USD 10.9 million, i.e. below the STOPIA limit of SDR 20 million and therefore the final compensation costs incurred by the 1992 Fund were nil.

Since all the outstanding claims arising from the *Trident Star* incident were settled and all the legal actions had been finalised, this incident was declared closed at the March 2022 meeting of the IOPC Funds' governing bodies.

## Location of the incident



## FINAL REVIEW MEETING

In November 2022, the 1992 Fund held a meeting with the Shipowners' Club to discuss and review the handling of the incident and to identify any areas for improvement for future spills, in particular those incidents for which STOPIA is applicable. The conclusions of the meeting were as follows:

- The signing of an agreement between the Club and the Fund on interim payments in this incident was beneficial to the management of this case. The purpose of interim payments agreements is to enable payments of compensation to be made as promptly as possible after an oil spill, whilst ensuring that the total amount paid is ultimately borne by the Club/shipowner and the IOPC Funds in the proportions envisaged by the 1992 Conventions. Although interim payments have, over the years, become a regular practice by P&I Clubs to resolve cases, the *Trident Star* incident was the first case in which a specific agreement had been signed.
- The Fund received some types of claims that it had not had to deal with before, such as a claim for loss of income by the container terminal affected by the pollution and claims for losses suffered by shipping companies in relation to disruption to ship schedules due to contamination of the vessels or the berths allocated. It was helpful that a previous incident, the *Double Joy*, had given rise to similar claims and the same experts could be used. In addition, the location of the Shipowners' Club branch, so close to the area affected by the pollution (Johor, Malaysia), facilitated the sourcing of new experts.
- The excellent cooperation between the 1992 Fund and the Club greatly facilitated the swift reimbursement of the amounts paid by the Fund in compensation under STOPIA and the Agreement worked very well in this case.





# 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 opposite. 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.

# 61

TERRITORIES  
each reported over  
150 000 tonnes

# >1.3 billion

tonnes of contributing  
oil received in 2021

# 40

TERRITORIES  
did not receive  
contributing oil



## WHAT IS CONTRIBUTING OIL?

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 use 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.



## DOES A COMPANY THAT RECEIVES OIL TEMPORARILY IN A STORAGE FACILITY FOR OTHERS HAVE TO PAY?

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.



## IF NOBODY IN A MEMBER STATE RECEIVES OIL, WHAT HAPPENS?

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.

# The process in brief



## Calculation of contributions

TOTAL  
CONTRIBUTION  
LEVIED (£)



TOTAL OF CONTRIBUTING  
OIL RECEIVED IN ALL  
MEMBER STATES  
(METRIC TONNES)



AMOUNT PER  
TONNE OF  
OIL RECEIVED  
(£ PER T)

QUANTITY OF OIL  
RECEIVED  
BY EACH  
CONTRIBUTOR  
(METRIC TONNES)



THE AMOUNT  
PER TONNE  
(£ PER T)



AMOUNT TO BE  
PAID BY THAT  
CONTRIBUTOR  
IN POUNDS  
STERLING (£)

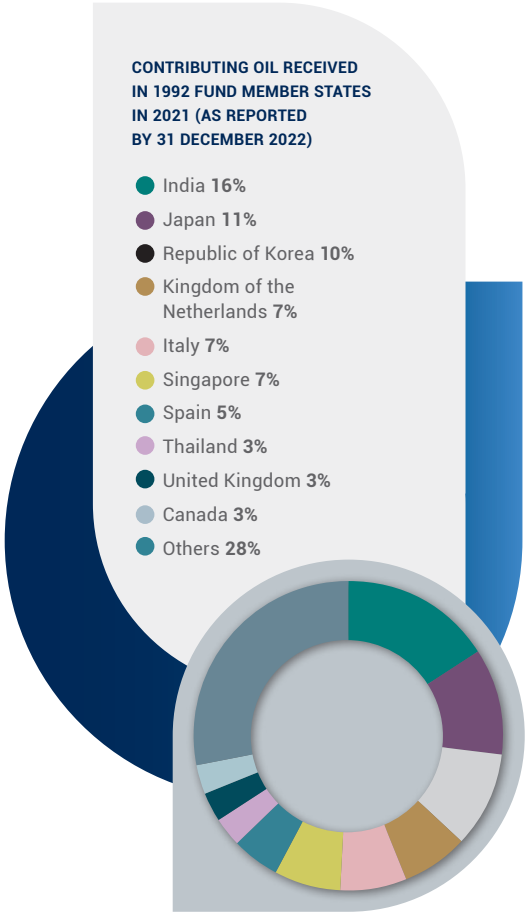
For further information please visit the website: [iopcfunds.org](https://iopcfunds.org)



# 1992 Fund

At the October 2022 sessions of the governing bodies, the 1992 Fund Administrative Council, acting on behalf of the 1992 Fund Assembly, decided to levy contributions to the General Fund of £5.5 million, payable by 1 March 2023. It also decided to levy contributions to the Incident in Israel Major Claims Fund of £3 million, payable by 1 March 2023. The 1992 Fund Administrative Council further decided to reimburse £7.3 million to contributors to the *Hebei Spirit* Major Claims Fund by 1 March 2023. It also decided not to levy contributions to the *Prestige*, *Alfa I*, *Nesa R3*, or *Agia Zoni II* Major Claims Funds.

The 10 largest oil receivers in the 1992 Fund are shown in the pie chart below.



## Contributing oil received in the calendar year 2021 in the territories of States which were Members of the 1992 Fund on 31 December 2022

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2021 (TONNES)	% OF TOTAL
India	215 482 925	16.04%
Japan	151 053 161	11.24%
Republic of Korea	132 391 350	9.85%
Netherlands <sup>***</sup>	99 041 644	7.37%
Italy	97 718 739	7.27%
Singapore	89 049 894	6.63%
Spain	64 366 473	4.79%
Thailand	46 038 943	3.43%
United Kingdom	45 567 868	3.39%
Canada	42 889 575	3.19%
France	36 417 557	2.71%
Türkiye	34 811 300	2.59%
Greece	27 316 034	2.03%
United Arab Emirates	26 816 463	2.00%
Germany	23 130 451	1.72%
Sweden	19 020 853	1.42%
Iran (Islamic Republic of)	15 141 322	1.13%
Poland	15 114 286	1.13%
Israel	12 759 152	0.95%
Australia	12 074 228	0.90%
South Africa	9 955 682	0.74%
Portugal	9 599 274	0.71%
Finland	8 520 328	0.63%
Norway	8 383 546	0.62%
Brunei Darussalam	8 328 588	0.62%
Lithuania	7 990 649	0.59%
Denmark	7 024 847	0.52%
Malaysia <sup>**</sup>	6 530 183	0.49%
Croatia	6 282 888	0.47%
Bahamas	6 036 534	0.45%
China <sup>***</sup>	5 422 902	0.40%
Argentina <sup>**</sup>	5 184 875	0.39%
Philippines	5 073 861	0.38%
Bulgaria	4 155 462	0.31%

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2021 (TONNES)	% OF TOTAL
Panama <sup>**</sup>	4 027 708	0.30%
New Zealand	3 755 474	0.28%
Ireland	3 242 515	0.24%
Côte d'Ivoire	3 116 407	0.23%
Mexico	2 694 544	0.20%
Estonia	2 347 216	0.17%
Ecuador	2 181 777	0.16%
Angola	2 001 204	0.15%
Uruguay	1 998 395	0.15%
Tunisia	1 797 399	0.13%
Malta	1 412 461	0.11%
Sri Lanka	1 375 642	0.10%
Colombia	1 206 651	0.09%
Belgium	1 135 543	0.08%
Jamaica	1 133 430	0.08%
Papua New Guinea	1 079 559	0.08%
Qatar	888 225	0.07%
Cyprus	685 540	0.05%
Mauritius	654 113	0.05%
Morocco	450 171	0.03%
Algeria	357 676	0.03%
Mauritania	268 361	0.02%
Aruba (Kingdom of the Netherlands) <sup>*</sup>	234 671	0.02%
Madagascar	203 516	0.02%
Antigua and Barbuda	186 390	0.01%
Guyana	175 469	0.01%
Barbados	166 031	0.01%
Total	1 343 467 925	

<sup>\*</sup> The Netherlands, Aruba, Curaçao and Sint Maarten are autonomous partners within the Kingdom of the Netherlands, a status which obliges them to submit reports of contributing oil to the 1992 Fund directly. The Supplementary Fund has not been extended to Aruba, Curaçao or Sint Maarten.

<sup>\*\*</sup> A partial submission of 2021 reports were received from the Member States by 31 December 2022.

<sup>\*\*\*</sup> The 1992 Fund Convention applies to the Hong Kong Special Administrative Region only.

## No contributing oil was received during 2021 in the territories of the following 40 Member States:

Belize, Benin, Cameroon, Comoros, Cook Islands, Fiji, Gabon, Gambia, Georgia, Ghana, Grenada, Hungary, Iceland, Kiribati, Latvia, Liberia, Luxembourg, Maldives, Marshall Islands, Monaco, Montenegro, Mozambique, Namibia, Nigeria, Niue, Oman, Russian Federation, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, San Marino, Serbia, Sierra Leone, Slovakia, Slovenia, Switzerland, Tonga, Trinidad and Tobago, Tuvalu, Vanuatu.

## As at 31 December 2022, oil reports for the calendar year 2021 had not been received for the territories of 22 Member States:

Albania, Bahrain, Cabo Verde, Cambodia, Congo, Costa Rica, Curaçao (Kingdom of the Netherlands), Djibouti, Dominica, Dominican Republic, Guinea, Kenya, Nauru, Nicaragua, Palau, Saint Lucia, Senegal, Seychelles, Sint Maarten (Kingdom of the Netherlands), Syrian Arab Republic, United Republic of Tanzania, Venezuela (Bolivarian Republic of).

## Four Member States have not completed the submission of oil reports for 2021:

Argentina, Malaysia, Netherlands, Panama. In addition to the non-completion of 2021 reports, there are three Member States with an incomplete submission for more than one year: Argentina (2018-2021), Netherlands (2004-2009, 2019-2021), Panama (2019-2021).

The vast majority of Member States submit their reports to the IOPC Funds. However, as at 31 December 2022, there were six States with outstanding reports for five or more years:

- Dominican Republic (23 years)
- Syrian Arab Republic (13 years)
- Saint Lucia (11 years)
- Albania (9 years)
- Netherlands (9 years)
- Djibouti (5 years)

The Dominican Republic made a submission in February 2022, however, due to insufficient information and non-conformity with the oil reporting format, quantities of oil have not yet been recorded. Syrian Arab Republic have not submitted any reports to the 1992 Fund since becoming a Member State. The Secretariat continues to offer assistance to the relevant reporting authorities in these States to obtain the outstanding reports and assist them in fulfilling their obligations under the 1992 Fund Convention.



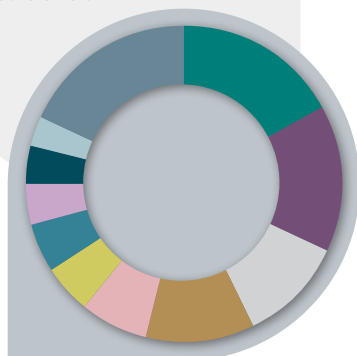
# Supplementary Fund

The Supplementary Fund is financed in the same way as the 1992 Fund, however, a minimum annual tonnage of one million tonnes applies to Member States. When contributions are levied to the Supplementary Fund, Member States that received no contributing oil are required to pay contributions as if they had received one million tonnes of oil. If the Member State has contributors that received less than one million tonnes of contributing oil in total, the State is required to pay contributions to make up the difference between the amount of oil the contributors received, and one million tonnes. In 2021, seven States received less than the one million tonne and would have been invoiced if contributions had been levied.

At the October 2022 sessions of the governing bodies, the Supplementary Fund Assembly decided not to levy 2022 contributions, since there had been no incidents involving the Supplementary Fund.

## CONTRIBUTING OIL RECEIVED IN SUPPLEMENTARY FUND MEMBER STATES IN 2021 (AS REPORTED BY 31 DECEMBER 2022)

- Japan 17%
- Republic of Korea 15%
- Kingdom of the Netherlands 11%
- Italy 11%
- Spain 7%
- United Kingdom 5%
- Canada 5%
- France 4%
- Türkiye 4%
- Greece 3%
- Others 18%



## Contributing oil received in the calendar year 2021 in the territories of States which were Members of the Supplementary Fund on 31 December 2022

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2020 (TONNES)	% OF TOTAL
Japan	151 053 161	17.44%
Republic of Korea	132 391 350	15.28%
Netherlands	99 041 644	11.43%
Italy	97 718 739	11.28%
Spain	64 366 473	7.43%
United Kingdom	45 567 868	5.26%
Canada	42 889 575	4.95%
France	36 417 557	4.20%
Türkiye	34 811 300	4.02%
Greece	27 316 034	3.15%
Germany	23 130 451	2.67%
Sweden	19 020 853	2.20%
Poland	15 114 286	1.74%
Australia	12 074 228	1.39%
Portugal	9 599 274	1.11%
Finland	8 520 328	0.98%
Norway	8 383 546	0.97%
Lithuania	7 990 649	0.92%
Denmark	7 024 847	0.81%
Croatia	6 282 888	0.73%
New Zealand	3 755 474	0.43%
Ireland	3 242 515	0.37%
Estonia	2 347 216	0.27%
Belgium	1 135 543	0.13%
Morocco	1 000 000	0.12%
Barbados	1 000 000	0.12%
Hungary	1 000 000	0.12%
Latvia	1 000 000	0.12%
Montenegro	1 000 000	0.12%
Slovakia	1 000 000	0.12%
Slovenia	1 000 000	0.12%
<b>Total</b>	<b>866 195 799</b>	



This table includes oil received and oil deemed to have been received in Member States of the Supplementary Fund, for the purposes of calculating contributions.

As at 31 December 2022, oil reports for the calendar year 2021 had not been received from one Member State: The Congo.

No contributing oil was received during 2021 in the territories of the following five Member States, however, they are deemed to have received 1 000 000 tonnes for the purposes of contributions to the Supplementary Fund: Hungary, Latvia, Montenegro, Slovakia and Slovenia.

Two Member States received less than 1 000 000 tonnes of contributing oil during 2021 but are deemed to have received 1 000 000 tonnes for the purposes of contributions to the Supplementary Fund. Contributors received 166 031 tonnes in Barbados and 450 171 tonnes in Morocco in 2021.



# 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.

## What we do



### Outreach Activities

Each year, the Secretariat organises or participates in events such as national and regional workshops or gives presentations to enhance understanding of the international liability and compensation regime to assist with the implementation of the Conventions at a national level and to assist potential claimants. Meetings are often held between the Secretariat and government authorities within Member States and can result in the resolution of longstanding issues such as the payment of outstanding contributions and submission of oil reports.



### IOPC Funds Short Course

An annual week-long course covering all aspects of the IOPC Funds and the international liability and compensation regime in general and including practical exercises allowing participants to study a theoretical incident and the subsequent claims submission process. Open to self-funded participants from 1992 Fund Member States, nominated directly by their government, the course is supported by IMO, the International Group, INTERTANKO, ITOPF and ICS and often includes visits to a number of the supporting organisations' offices and a guided tour of Lloyd's of London.



### Induction Course

A half-day induction course aimed at providing delegates to IOPC Funds meetings of the governing bodies 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.



## Main Activities in 2022

In 2022, the Secretariat was very pleased to be able to once again attend events in-person and also welcome participants to the IOPC Funds training courses and lectures at their offices in London after having to deliver such events remotely during the previous year as a result of the pandemic. However, with the benefit of the experience gained during that period, the Secretariat has continued to offer online training where appropriate, allowing the organisation to reach a wider audience.

KEY: Physical Remote



### 15 - 16 February

Participation in a two-day national workshop on oil spill response and contingency planning in Mogadishu, Somalia.



### 22 - 24 March

Remote participation in a Maritime Law Symposium organised by the Ibero-American Institute of Maritime Law (IIDM) held in Lima, Peru.



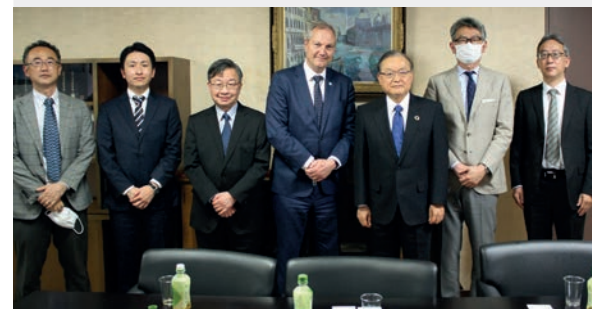
### 29 March

Delivery of an online presentation at an information day organised by Cedre in collaboration with the Department for Biodiversity of the French Ministry for Ecological Transition.



### 9 - 12 May

Visit by Director to Tokyo, Japan, for meetings with Japanese Government representatives, contributors to the IOPC Funds and insurance providers.



### 26 - 28 May

Participation in the 10th International Conference of Maritime Law organised by the Piraeus Bar Association in Piraeus, Greece.



### 21 - 23 June

Participation in Interspill 2022, the European oil spill conference and exhibition in Amsterdam, the Netherlands.



### 27 June - 1 July

Delivery of annual IOPC Funds Short Course at the Funds' headquarters in London. Attended by participants from 13 Member States of the 1992 Fund, representing maritime administrations, national coast guards and others. Presentations delivered by several members of the Secretariat, by each of the supporters of the course, as well as the Standard P&I Club. A guided tour of the Lloyd's of London building was also organised.



### 4 - 5 August

Participation in Oil Spill India, an international conference in New Delhi, India, combined with meetings in Delhi and Mumbai with key Indian authorities and contributors.



### 12 September

Delivery of an online national workshop organised by the Marine Department of Malaysia



### 24 - 26 September

Participation in the International Group of P&I Clubs Correspondents' Conference in London, United Kingdom



### 4 - 6 October

Participation in the annual RAMOGEPol "U Portu" 2022 exercise in Imperia, Italy.



### 11 - 12 October

Delivery of two presentations for an online European Maritime Law Course organised by EMSA.



### 18 - 19 October

Participation in Sub-regional seminar on liability and compensation in Tunis, Tunisia organised by REMPEC.



### 24 October

**Induction Course:** Delivery of Induction Course for delegates to IOPC Funds' meetings at the Funds' headquarters in London. 20 States were represented.



### 7 - 10 November

Participation in the regional bi-annual GI WACAF Conference in Accra, Ghana.



### 9 - 11 November

Participation in GI-SEA Regional workshop on incident response and recovery of costs hosted by the Maritime and Port Authority of Singapore and attended by representatives from nine States.



### 24 November

Participation in a EMSA Workshop on claims management in Lisbon, Portugal.



### 30 November

Participation in the annual ITOPF Board meeting and attendance of opening of new ITOPF office' in Singapore.



### 7 December

Delivery of presentation to the Pollution Sub-Committee of the International Group of P&I Associations in London, United Kingdom.

The Secretariat also delivered lectures to the University of Cartagena, Colombia, the World Maritime University (WMU) in Malmö, Sweden and to students of the IFLOS annual summer academy.

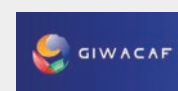
## Ongoing Cooperation



Close cooperation with IMO Secretariat, particularly on progress of States towards ratification and implementation of relevant Conventions and delivery of various outreach activities to widen awareness of the international liability and compensation regime



Working with maritime universities and departments to share knowledge and explain the framework behind and the purpose of the IOPC Funds



Assisting other organisations with the delivery of training and assistance to States



Working closely with P&I Clubs to ensure good cooperation in the event of an incident



## Other services

### Publications

#### General

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



Overview Brochure



Annual Report



Text of Conventions



1992 Fund Financial Review



Supplementary Fund Financial Review

#### Guidance for Member States



Measures to facilitate the claims handling process

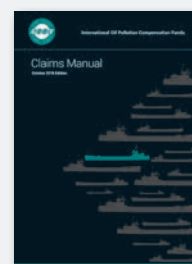


Management of fisheries closures and restrictions following an oil spill



Consideration of the definition of 'ship'

#### Claims information pack



Claims Manual



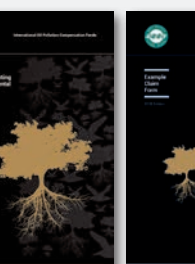
Guidelines for presenting claims in the fisheries, mariculture and fish processing sector



Guidelines for presenting claims in the tourism sector



Guidelines for presenting claims for clean up and preventive measures



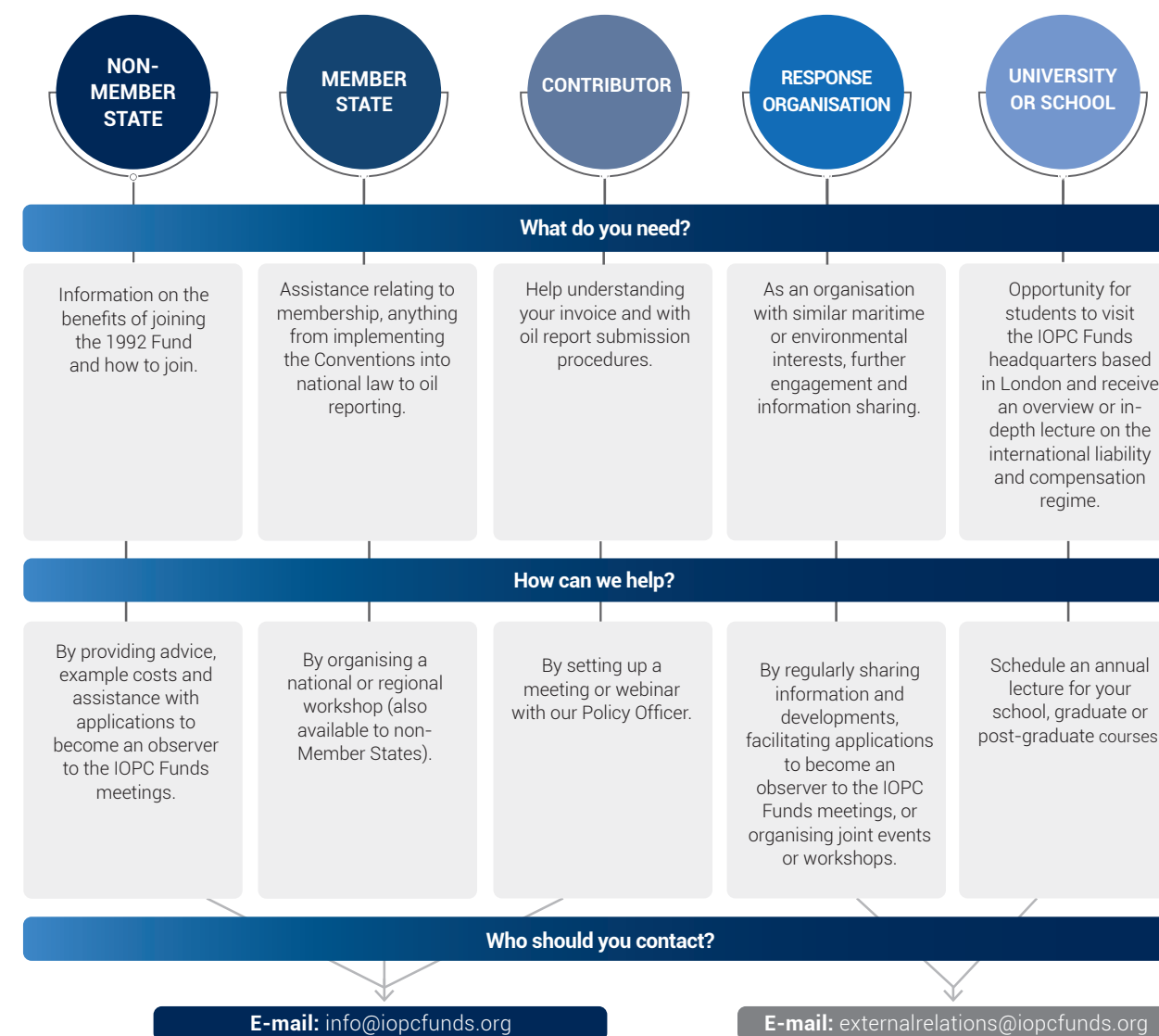
Guidelines for presenting claims for environmental damage



Example Claim Form

### Want to learn more?

Contact us to organise a visit, event or activity with the Secretariat. We're here to help.



#### Short introductory video

This short video, which was updated in 2022, is intended to provide a general introduction for those not familiar with the organisation and its work and brings all the basic information from reporting of contributing oil to the claims admissibility criteria together in one place. It is available in English, French and Spanish and can be found under the About Us section of the website.

New delegate of the IOPC Funds?  
Here are some top tips:



Available in English, French and Spanish  
[iopcfunds.org](http://iopcfunds.org)



Sign up to the IOPC Funds Induction Course

#### WHAT WE DO IN BRIEF



BROCHURE, ANNUAL REPORT, EXPLANATORY NOTE



IOPC FUNDS' WEBSITE



INTRODUCTORY VIDEO

#### STAY INFORMED



FOLLOW US ON TWITTER



FOLLOW US ON LINKEDIN



SIGN UP TO NEWS AND NOTIFICATIONS

#### THE IOPC FUNDS IN DEPTH



TEXT OF CONVENTIONS, GUIDELINES FOR MEMBER STATES



DOCUMENT SERVICES SECTION



CONTACT THE SECRETARIAT TO ARRANGE A MEETING:  
[externalrelations@iopcfunds.org](mailto:externalrelations@iopcfunds.org)

#### FIND OUT MORE



# Reflections of women in the IOPC Funds 2022

The IOPC Funds are proud to have women in a variety of key roles across the organisation and continue to encourage Member States to increase female representation within their delegations to IOPC Funds meetings. This not only ensures that a wider variety of perspectives are taken into account during the discussions of the governing bodies, but also provides a more diverse choice of candidates for positions within the organisation, including Chairs of the various governing bodies.

We asked a number of women who are either currently holding, or have recently held some of those key positions, to reflect on their experience working with the IOPC Funds and in the wider maritime community.



**MEMBER STATE:**  
**LUISA BURGESS**  
REPRESENTATIVE OF ECUADOR  
AND FORMER VICE-CHAIR OF  
THE 1992 FUND EXECUTIVE  
COMMITTEE



**MEMBER STATE:**  
**GILLIAN GRANT**  
FORMER REPRESENTATIVE  
OF CANADA AND CHAIR OF THE  
1992 FUND EXECUTIVE COMMITTEE



**OVERSIGHT BODY:**  
**BEATE GROSSKURTH**  
MEMBER OF THE INVESTMENT  
ADVISORY BODY



**SECRETARIAT:**  
**LILIANA MONSALVE**  
DEPUTY DIRECTOR  
AND HEAD OF CLAIMS



**OVERSIGHT BODY:**  
**BIRGIT SØLLING OLSEN**  
CHAIR OF THE AUDIT BODY, FORMER  
REPRESENTATIVE OF DENMARK,  
VICE-CHAIR OF SUPPLEMENTARY  
FUND ASSEMBLY AND CHAIR OF  
TWO 1992 FUND INTERSESSIONAL  
WORKING GROUPS

01

What has your involvement with the IOPC Funds meant to you?

As a member of the delegation of Ecuador since 2013, I have learnt to recognise the importance of the Funds - particularly as an organisation that provides financial compensation for persistent oil pollution spills that occurs in Member States. As Vice Chair of 1992 Fund Executive Committee during 2022, I took great pride in being guided by the women and men of the IOPC Funds in order to fulfil my role with humble satisfaction.

The IOPC Funds was my first exposure to international diplomacy, and for this reason it holds a special place in my heart. I particularly appreciate the constructive atmosphere at Fund meetings where delegates and the Secretariat work together to ensure that the compensation system protects victims and empowers government and industry to respond to oil spills in the most sensible and expeditious way possible. I also like learning about different parts of the world through delving into the circumstances of each incident and how they are resolved and through meeting representatives from IOPC Funds Member States.

Coming from a banking and capital markets background, it has given me the opportunity to gain insight into the IGO/NGO world, its challenges, and the worthwhile and dedicated work being done. For me, this has been a new and very welcome dimension.

A commitment to the international community and all parties involved in the compensation regime to be the best professional I can in my dual roles as Head of Claims and Deputy Director. The organisation is an example to follow of international cooperation that gives us hope in all other areas where that collaboration is terribly needed at present.

I have participated in the IOPC Funds since 1996. I led the drafting of the Supplementary Fund Protocol and the work to get it accepted. I have chaired 2 working groups. It was an eye opener to see how States, through international cooperation, secured an efficient and fair compensation system for the victims.

02

What is the most important lesson your career has taught you?

Be resilient! The maritime industry is an ever-changing field, and you cannot give up. There are times when balancing family and professional life has been challenging; however, if we want to have a solid and sustainable future for generations to come, we must ensure that our work continues in a prosperous and tangible manner.

That to succeed you may first have to fail. Taking on new challenges is hard and often scary, but by accepting that it's OK to make mistakes (since you inevitably WILL) you give yourself space to learn from them, gain confidence and grow.

Don't fear change.  
Look at the positives.  
Make it work!

That the darkest point comes just before dawn, to trust life and never give up on your dreams.

Getting good international results calls for cooperation, dedication and hard work by interested parties. Even small States like Denmark can gain influence, if the representatives are competent and committed to a good cause, are active and willing to listen to and respect the views of others.

03

What words of wisdom could you give to young people starting work in the maritime world?

Sail steady and communicate. No matter how busy you are, remember to communicate, talk, discuss, and laugh. Most of all, remember you have a voice.

Never hesitate to ask questions. The maritime world is technical and complex. But, maritime people - from seafarers, to insurers, naval architects to marine inspectors and every profession in between - are happy to share their knowledge. If you show interest you will be welcomed with open arms and you will become an expert sooner than you think.

Be proud to be in an exciting place, where you can have a global impact. Use it.

Choose the ethical path. Work hard and do no harm.

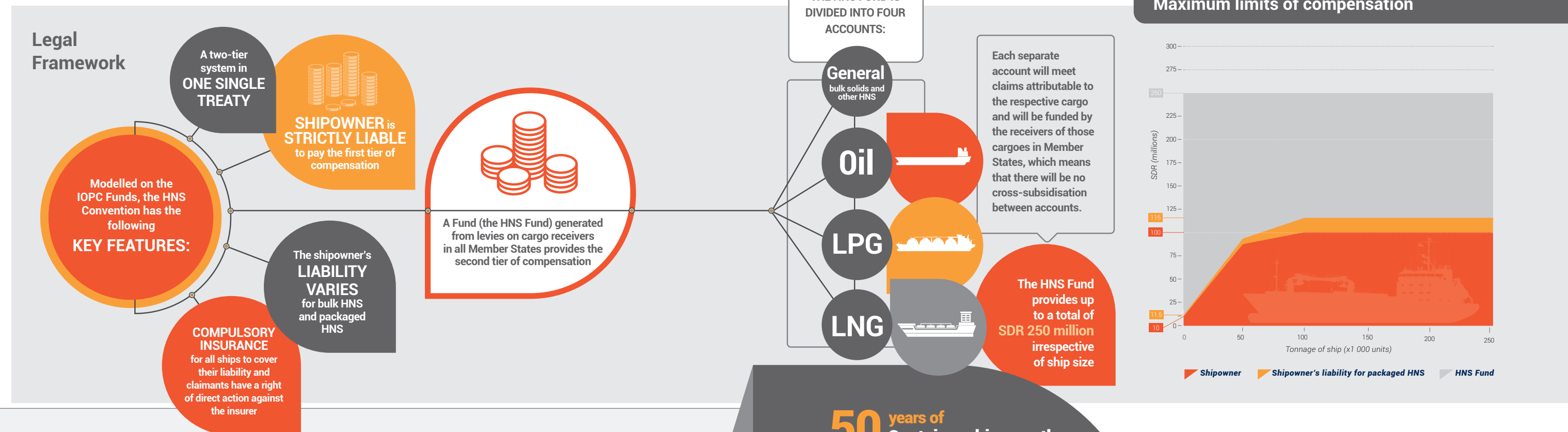
You have a sea of opportunity, just learn how to navigate. Be active and willing to learn, listen, and cooperate. Try to understand others. Not only one State, but a vast group of States need to support the results. The best, most viable results are reached by cooperation.



# 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) is modelled on the highly successful international liability and compensation regime for oil pollution damage. When it enters into force, it will establish an international regime for HNS damage, the cost of which will be shared between shipowners and HNS cargo receivers.

The transport of HNS by sea is a major trade. Chemicals and other products underpin many manufacturing processes and IMO regulations ensure their safe transport. However, incidents can occasionally occur and the 2010 HNS Convention is needed to ensure that those who might suffer any damage will have access to a comprehensive and global liability and compensation regime, similar to that available to those affected by oil spills.



## 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



Harmful to marine life



Other liquid substances defined as noxious or dangerous



Solid bulk materials defined as possessing chemical hazards



Liquified Gases



Dangerous, hazardous and harmful materials and substances carried in packaged form or in containers

## 50 years of Container ship growth

1968 Encounter Bay 1,530 teu

2006 Emma Maersk 11,000+ teu

2021 HMM Algeciras 24,000 teu

Container-carrying capacity has increased by around 1500% since 1968 and has almost doubled over the last decade.

## Entry into Force Conditions

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

**12 STATES HAVE RATIFIED**

There are 4 Contracting STATES each with no less than 2 MILLION units of gross tonnage each

The general account's contributing cargo volume is at least **40 MILLION tonnes**

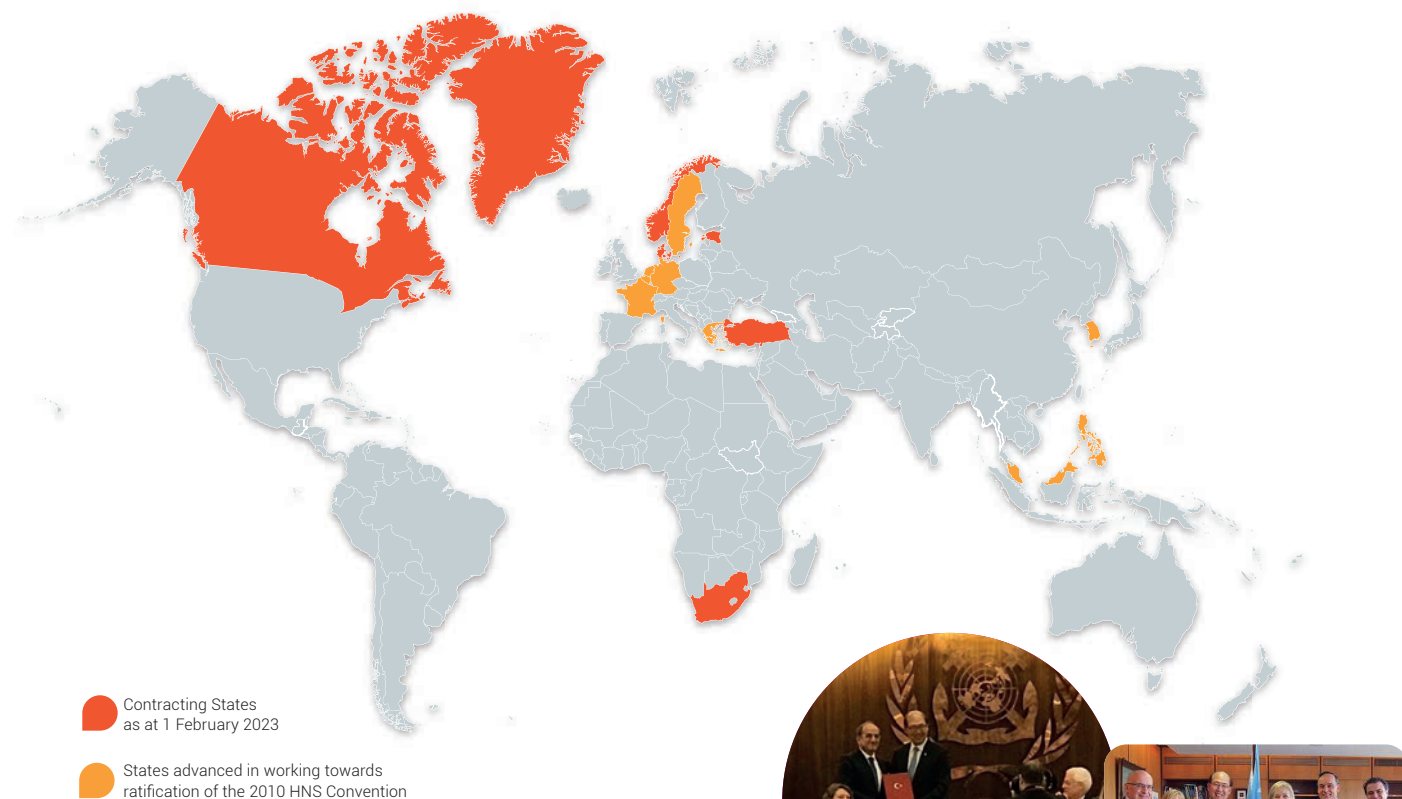


## Role of the IOPC Funds

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 which adopted the 2010 HNS Protocol.

## Status of Convention

The adoption of the Protocol to the HNS Convention in 2010 was intended to overcome some of the obstacles to ratification, but progress towards entry into force continued to be slow. However, in recent years, the Secretariats of the IOPC Funds and IMO have made significant efforts to facilitate the entry into force and implementation of the Convention, producing technical and educational materials, delivering workshops, liaising with States and industry and offering assistance with implementation and reporting issues. With the support of a number of States who are committed to the Convention, there has been an increase in momentum and positive steps by several other States towards ratification.



## Recent progress in brief

**2010**

Adoption of Protocol to the HNS Convention at an IMO Diplomatic Conference in 2010 to overcome some of the obstacles to ratification.


**2017**

Norway became first State to ratify the 2010 HNS Protocol and an EU Council decision formally encouraged EU Member States to become parties to the Convention.

**2018**

Canada, Denmark and Türkiye became Contracting States. They, and Norway reported more than 2 million units of gross tonnage, fulfilling one of the conditions for entry into force.

**2019**

South Africa became a Contracting State


**2022**

- Estonia became a Contracting State
- Action plan issued by IOPC Funds Secretariat to fully prepare for the entry into force of the Convention.
- 1992 Fund Assembly approved increase to budget for HNS matters, recognising entry into force is expected in the near future.

## Want to find out more?

Visit [www.hnsconvention.org](http://www.hnsconvention.org)  
Available in English, French and Spanish

### 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 in May and includes an archive facility for access to previous years' lists of substances.

### Have a question or comment about the HNS Convention?

Use the HNS blog. It allows States and other interested stakeholders to share information, raise issues and ask questions. Any such questions receive a response from the Secretariat and are 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

### Require assistance?

Contact either the IOPC Funds or the IMO. Assistance is offered to both Contracting States and to those States considering acceding to the Convention, in verifying contributing cargo data and the accuracy of reports before they are submitted. National or regional workshops can also be delivered in person or remotely to widen understanding of the Convention and assist with implementation issues.

Various meetings of the informal working group, led by IMO and IOPC Funds, to discuss the handling of claims related to HNS incidents and, in particular, the preparation of a draft Claims Manual.

### Throughout year



Delivery of two interactive sessions at the European Spill Conference, Interspill 2022, in the Netherlands. The first session covered reporting and contributions under the 2010 HNS Convention and included a Q&A session with a representative from the Dutch chemical industry (VCNI). The second, which was delivered jointly with the Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC), introduced the tools and guidelines available relating to HNS incidents and the 2010 HNS Convention.

**June 2022**

Delivery of an online briefing session on the 2010 HNS Convention organised by Chemical Industries Council of Malaysia (CICM) and the Malaysian Marine Department (MARDEP).

**July 2022**

Participation in the RAMOGEPol "U Portu" 2022 training exercise that was held in Imperia, Italy. The exercise involved a product tanker which suffered an accidental spill of oil and HNS and focused on building preparedness for response and strengthening cooperation between France, Italy and Monaco.

**October 2022**

Participation in a regional seminar in Tunis, organised by REMPEC, on liability and compensation for both oil pollution damage, and damage caused by HNS for Tunisia, Algeria and Morocco.

**October 2022**

Regular promotion of the importance of the 2010 HNS Convention during workshops and activities relating to the international liability and compensation regime for oil pollution damage.

**Throughout year**



# Governing Bodies

- 52 Structure of the governing bodies and post-holders in 2022
- 54 Observers to sessions of the governing bodies
- 56 Sessions of the governing bodies in 2022



# Structure of the governing bodies and post-holders in 2022

## STRUCTURE

### 1992 FUND ASSEMBLY

(Administrative Council if no quorum)

#### Composition:

All 1992 Fund Member States

#### Chair:

Ambassador Antonio Bandini (Italy)

#### First Vice-Chair:

Tomotaka Fujita (Japan)

#### Second Vice-Chair:

Sipho Mbatha (South Africa)

#### Frequency of meetings:

Normally twice a year. One regular session, every October/November. Additional extraordinary session earlier in the year, if required.

#### Role:

Supreme organ of Fund deciding on: budget; contributions; appointment of Director; External Auditor; adoption of internal and financial regulations, policy, etc.

### 1992 FUND EXECUTIVE COMMITTEE

#### Composition:

15 elected Member States, 7 from among the 11 largest oil receiving States and 8 from the other Member States, taking into account an equitable geographical distribution.

#### Chair:

Samuel Soo (Singapore)

#### Vice-Chair:

Luisa Burgess (Ecuador)

#### Frequency of meetings:

Normally twice a year.

#### Role:

Subsidiary body established by Assembly to take policy decisions on the admissibility of claims.

*No State may serve on the Executive Committee for more than two consecutive terms.*

### SUPPLEMENTARY FUND ASSEMBLY

(Administrative Council if no quorum)

#### Composition:

All Supplementary Fund Member States

#### Chair:

Sungbum Kim (Republic of Korea)

#### First Vice-Chair:

Andrew Angel (United Kingdom)

#### Second Vice-Chair:

Emre Dinçer (Turkey)

#### Frequency of meetings:

Often twice a year. One regular session, every October/November. Additional extraordinary session earlier in the year, if required.

#### Role:

Supreme organ of Fund deciding on: budget; contribution; 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.

Representatives of 1992 Fund Member States, Supplementary Fund Member States and States and Organisations holding observer status with the IOPC Funds are invited to attend sessions of the IOPC Funds governing bodies, which usually take place twice per year. The list of Member States as at February 2023 is provided on page 9.

All Member State representatives must submit a letter of credentials authorising them to participate in the meeting and must register online in advance of the sessions. More information on what to expect as a delegate is opposite.

## PARTICIPATION

## Participation at meetings

## What to expect as a delegate

## BEFORE THE MEETING



### Using the Document Services website...

#### Register to attend the meeting

**When:** No later than one week before

#### Why:

- 1) For security/to gain access to the meeting;
- 2) to ensure your name appears on the official List of Participants to the meeting.

#### Download and review meeting documents

**When:** All documents are normally published no later than two weeks before the meeting in all working languages

#### Why:

Documents are not available in hard copy at the meetings, so it is important to access these online prior to the meeting.

#### Register for a Document Services account

**When:** Any time

#### Why:

- 1) To receive notification emails when new documents are published;
- 2) to create folders and store batches of documents;
- 3) to store previous registration details and register multiple participants at a time.

### ATTENDANCE

**Be seated in the conference hall promptly**

**When:** No later than 9.30am

#### Why:

To determine whether a quorum has been achieved for each of the governing bodies. Late arrivals on the first day can lead to an Assembly being unable to convene.

## DURING THE MEETING

### STATEMENTS

Forward any lengthy statements to the Secretariat by email to [conference@iopcfunds.org](mailto:conference@iopcfunds.org)

**When:** ASAP

#### Why:

- 1) To assist the interpreters who will be delivering your statement as you make it; and
- 2) for inclusion in the draft Record of Decisions (verbatim or summarised, specified at the time of the statement).

### ADOPT THE RECORD OF DECISIONS

**When:** Final day of the meeting, available one hour before the session

#### Why:

To confirm all discussion and decisions from the meeting are accurately reflected.

## SUBMITTING CREDENTIALS CORRECTLY

### A checklist:

- ☒ They are provided in either English, French or Spanish
- ☒ They list the full and correct dates of the meeting
- ☒ They are signed by an appropriate person of authority
- ☒ They are addressed to the Director of the IOPC Funds
- ☒ They contain the correct address of the IOPC Funds
- ☒ They are submitted electronically via email or at the time of online registration
- ☒ They are submitted by the recommended deadline given

### Download final Record of Decisions

The final Record of Decisions is published shortly after the meeting. This will include any amendments made to the draft document on the final day of the meeting.

### Stay in touch

Delegates are encouraged to remain in contact with the Secretariat between meetings for any enquiries and the exchange of useful information, such as updating of contact information or changes in position within a delegation.

**Information** on the next meeting of the IOPC Funds' governing bodies can be found on the Governing Bodies page of the website. Updates about upcoming meetings are also posted on Twitter: [@IOPCFunds](https://twitter.com/IOPCFunds)

## AFTER THE MEETINGS

For further information email [conference@iopcfunds.org](mailto:conference@iopcfunds.org)



# Observers to sessions of the governing bodies

## Relations with non-Member States

States considering acceding to the 1992 Fund Convention may apply for observer status with the 1992 Fund. Such States are invited to attend and participate in IOPC Funds meetings as an observer in order to gain a clearer picture of the benefits of becoming a 1992 Fund Member State and to become acquainted with the way in which Member States make decisions regarding the handling of incidents, the payment of claims and running of the 1992 Fund Secretariat. States which are invited to send observers to meetings 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 as at 31 December 2022

- *Bolivia (Plurinational State of)*
- *Brazil*
- *Chile*
- *Democratic People's Republic of Korea*
- *Egypt*
- *Guatemala*
- *Guinea-Bissau (1992 Fund Member State as of 12/05/23)*
- *Honduras*
- *Indonesia*
- *Kuwait*
- *Lebanon*
- *Pakistan*
- *Peru*
- *Saudi Arabia*
- *Ukraine*
- *United States*

## Relations with International Organisations

The IOPC Funds value the input of intergovernmental and non-governmental organisations, as this greatly assists with the proper functioning of the international compensation system. Organisations with a particular interest in the work of the IOPC Funds may apply for observer status with the 1992 Fund. Such organisations are invited to attend and participate in IOPC Funds meetings as an observer.



### Non-governmental organisations granted observer status as at 31 December 2022

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

### Intergovernmental organisations granted observer status as at 31 December 2022

- *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)*

The governing bodies undertake a review of all non-governmental organisations holding observer status with the IOPC Funds every three years.







## Sessions of the governing bodies in 2022

The IOPC Funds held two meetings in 2022, with remote sessions taking place in March due to the refurbishment of IMO conference facilities at the time, and sessions held in-person in October.

**1992 FUND ADMINISTRATIVE COUNCIL (21ST AND 22ND SESSIONS)**  
(ACTING ON BEHALF OF THE 26TH AND 27TH SESSIONS OF THE ASSEMBLY)

**SUPPLEMENTARY FUND ASSEMBLY (10TH EXTRAORDINARY SESSION AND 19TH SESSION)**

**1992 FUND EXECUTIVE COMMITTEE (78TH AND 79TH SESSIONS)**

All documents, including the full records of decisions for the 2022 sessions of the governing bodies are available under the document services section of the funds website. A summary of the main issues discussed and decisions taken is set out below.



## 1992 Fund Assembly and 1992 Fund Administrative Council

**In the absence of a quorum at the opening of either session of the 1992 Fund Assembly, sessions of the 1992 Fund Administrative Council were instead convened.**

At its March session, the 1992 Fund Administrative Council noted developments and took decisions in respect of a number of items.

to cover the shipowner's liability. With this in mind, the circular set out a number of action points for States. The governing bodies fully endorsed those action points and encouraged Member States to adhere to the recommendations in the circular. The Director was also instructed to monitor the situation and report back at the next meeting in October 2022.

The 1992 Fund Assembly held its regular session in October 2022, during which it took several decisions and noted a wide range of information provided by the Secretariat in relation to: compensation matters; treaty matters; financial policies and procedures; and secretariat and administrative matters.

In particular, the Assembly took a number of key decisions relating to the administration of the organisation, approving the Financial Statements for 2021 and adopting an administrative budget for the 1992 Fund of £5 093 705 for 2023. All decisions relating to the levying of contributions are set out on pages 36 and 38.

The latest oil reporting data is also set out on pages 36-39. At the time of the meeting, 26 Member States of the 1992 Fund had yet to submit reports on contributing oil received in 2021 and a number of those States had reports outstanding for several years. This issue remains a significant concern to the governing bodies and, as a result, the governing bodies approved a proposal by the Director, to prepare a draft Resolution, in consultation with the Audit Body, to enable him to issue invoices to contributors based on estimates if no oil reports were submitted.

In accordance with 1992 Fund Resolution N°5, the 1992 Fund Assembly elected 15 States as members of the 1992 Fund.



A report was given on the progress made by States towards ratification of or accession to the 2010 HNS Convention and on the work undertaken by the Secretariat in preparation for entry into force of the Convention. It was noted in particular that, in January 2022, Estonia had become the sixth State to accede to the 2010 HNS Protocol, bringing this important treaty one step closer to entering into force.

The European Chemical Industry Association (Cefic) shared a position paper in which it confirmed its support for the 2010 HNS Convention as well as its commitment to work with States to implement, as far as possible, a uniform approach to reporting.

A draft IMO Legal Committee circular agreed by the Committee the week prior to the Funds' sessions on the Guidance on the impact of the situation in the Black Sea and the Sea of Azov on insurance or other financial security certificates, relating to the conflict in Ukraine was circulated to the governing bodies. The circular lists IMO instruments which will be affected by the conflict in Ukraine, including the 1969 and 1992 Civil Liability Conventions. In particular it states that the absence of insurance or other financial security in accordance with the requirements of the conventions may lead to insufficient compensation for States and victims of pollution and other incidents. It may also expose the IOPC Funds and its contributors to the risk of having to pay all of the compensation for oil spills from tankers because there is not sufficient insurance

A number of changes to the structure of the Secretariat were announced following the retirement of Mr Ranjit Pillai, Deputy Director/Head of Finance and Administration, who was due to retire in June 2022 (see page 16). In light of these changes to the Secretariat, the 1992 Fund Administrative Council made a number of consequential amendments to the Internal and Financial Regulations of the 1992 Fund.

Following a full and thorough review, the governing bodies approved the continuance of observer status of each of the 17 international non-governmental organisations currently holding that status (see page 55).

### Attendance at the October 2022 sessions

IN PERSON

>220  
ATTENDEES

63  
1992 FUND  
MEMBER STATES

23  
SUPPLEMENTARY  
FUND MEMBER  
STATES

13  
OBSERVER  
ORGANISATIONS

0  
OBSERVER  
STATES

### Attendance at the March 2022 sessions

REMOTE

>270  
ATTENDEES

64  
1992 FUND  
MEMBER STATES

25  
SUPPLEMENTARY  
FUND MEMBER  
STATES

18  
OBSERVER  
ORGANISATIONS

5  
OBSERVER  
STATES



## Sessions of the governing bodies in 2022

Executive Committee to hold office until the end of the next regular session of the 1992 Fund Assembly. It also appointed Mr Samuel Soo (Singapore) as Chair and Mrs Karen Anderson (Denmark) as Vice-Chair of the Executive Committee.

The joint Audit Body presented its annual report to the governing bodies, setting out the work it had undertaken since the November 2021 meeting of the IOPC Funds, describing in detail its areas of focus in line with its agreed work programme and making a number of recommendations, in particular with regards to the selection process for the External Auditor. Noting the recommendation of the Audit Body in that regard, the governing bodies approved the re-appointment of BDO International as External Auditor for the IOPC Funds for a further two-year term (see pages 18-19).

A document was presented to the Administrative Council in October reporting on the conclusions of a meeting held by the 1992 Fund in June 2022 in Seoul (Republic of Korea) with all the parties involved in the handling of the claims arising from the *Hebei Spirit* incident to discuss the case and the lessons to be learned (see page 31).

With regards to the 2010 HNS Convention, details of the progress made on specific tasks since March as well as a number of actions planned for 2023 were reported to the governing bodies. The 1992 Fund Administrative Council approved an additional budget appropriation of £135 000 to cover the costs of the activities to be conducted under the action plan, and in particular the tasks required to assist States with the reporting and contributions issues relating to the HNS Convention.

The development of a viable reporting and contributions system has been highlighted as a priority since it is considered key to facilitating the ratification of the Convention by further States.

The 1992 Fund Administrative Council approved 2021 Financial Statements of the 1992 Fund and a transfer within the 1992 Fund budget from 'Personnel' to cover travel costs in 2022. It appointed a new member of the joint Investment Advisory Body and approved amendments to its mandate to take into account changes to the Secretariat structure. Amendments were also made to the Financial Regulations relating to the tenure of the External Auditor and to the Rules of Procedure to clarify who should chair the governing bodies during elections for the position of Chair.



## 1992 Fund Executive Committee

The Executive Committee held two sessions during 2022 and was informed of all key developments during the course of the year in respect of the 13 open incidents. For full details, see pages 23–33.



**Samuel Soo**  
(Singapore)  
Chair since November 2021

that the Fund had joined the complaints of the shipowner in the principal appeal in cassation against the decision of the Court of Appeal that it is not the Bunker Convention 2001 but the 1992 CLC that applies to the incident. The case was transferred to the Advocate General for their opinion and it was noted that it would take several months before the Supreme Court gave its decision in the case, making it unlikely that there would be a decision before the end of 2022.

The latest claims situation relating to the *Agia Zoni II* incident was reported but it was noted that the results of the investigation into the cause of the incident by the Public Prosecutor remained pending. During the October session of the 1992 Fund Executive Committee the delegation of Greece provided further information relating to the progress of the Public Prosecutor's investigation. Several delegations emphasised the importance of the prompt investigation of an incident and stressed the importance of having adequate insurance in place to sustain the international liability and compensation regime.

Since all the outstanding claims arising from the *Hebei Spirit* incident had been settled and all the legal actions had been finalised, it was reported that this incident was now considered closed.

The Director took the opportunity to thank the Government of the Republic of Korea and the Skuld Club for their assistance and cooperation, which were paramount in resolving the *Hebei Spirit* incident. He thanked the *Hebei Spirit* Centre staff, the experts engaged by the Skuld Club and the 1992 Fund, and the Secretariat staff for their excellent work in resolving this incident which involved handling a significantly large and varied number of claims (see page 31).

The Secretariat also provided information in respect of the *Prestige* (Spain, November 2002), *Solar 1* (Philippines, August 2006), *Redfferm* (Nigeria, March 2009), *Haekup Pacific* (Republic of Korea, April 2010), *Alfa I* (Greece, March 2012), *Nesa R3* (Oman, June 2013), *Trident Star* (Malaysia, August 2016) *Nathan E. Stewart* (Canada, October 2016), *Agia Zoni II* (Greece, September 2017) and *MT Harcourt* (Nigeria, November 2020) incidents.

It was reported in March that the last claims submitted in respect of the *Trident Star* had been settled and corresponding legal actions had been withdrawn. It was therefore reported to the Executive Committee that this incident would now be considered closed.

For the incident in Israel, following the Committee's decision in July 2021 to authorise the Director to make compensation payments for admissible claims, it was noted that as at the October meeting, a total of 33 claims had been submitted for clean-up operations, property damage and economic losses, totalling ILS 13.8 million and that some 25 claims had been assessed. The remaining claims submitted were being assessed and more claims were expected in the near future. It was reported that the 1992 Fund was continuing to investigate the possible origin of the spill and that the Director had travelled to Israel at the beginning of March 2022 and had held very positive meetings with the Israeli authorities.

In respect of the *Bow Jubail* incident, the Committee was informed of the latest developments in the legal proceedings relating to this incident. It was reported

### 1992 FUND EXECUTIVE COMMITTEE MEMBERS (FROM NOVEMBER 2021 UNTIL OCTOBER 2022)

Ecuador	Malaysia
France	Marshall Islands
Germany	Morocco
India	Netherlands
Italy	Philippines
Jamaica	Singapore
Japan	Spain
Liberia	

### CURRENT 1992 FUND EXECUTIVE COMMITTEE MEMBERS (FROM OCTOBER 2022 UNTIL NOVEMBER 2023)

Algeria	Japan
Bahamas	New Zealand
Canada	Republic of Korea
Colombia	Singapore
Cyprus	South Africa
Denmark	Thailand
France	United Kingdom
Jamaica	



## Supplementary Fund Assembly

The Supplementary Fund Assembly participated in the debates and endorsed or took note of decisions taken by the 1992 Fund Administrative Council in respect of a number of items also relevant to the Supplementary Fund.

It approved the Financial Statements of the Supplementary Fund for 2021 and adopted an administrative budget for 2023 of £54 510. A management fee of £38 000 payable to the 1992 Fund for the financial year 2023 was also agreed upon by the Assembly in October 2022.

Since the Chair of the Supplementary Fund Assembly had informed the governing bodies that he would be stepping down from his position at the end of the current session after 11 years in his post, the governing bodies took the opportunity to thank Mr Kim for his excellent leadership. Mr François Marier (Canada) was elected as the Assembly's new Chair to hold office until its next regular session.



**François Marier**  
(Canada)  
Chair since October 2022

**Sungbum Kim**  
(Republic of Korea)  
Chair from October 2011 to October 2022



## Farewell to the outgoing Chair of the Supplementary Fund Assembly

### Sungbum Kim (Republic of Korea)

Mr Sungbum Kim was elected as Chair of the Supplementary Fund Assembly in October 2011, having followed IOPC Funds matters and represented the Republic of Korea at IOPC Funds meetings previously. As he stepped down from his post at the October 2022 sessions, words of appreciation were expressed by the Chair of the 1992 Fund Administrative Council, the first Vice Chair of the Supplementary Fund Assembly, the delegation of the Republic of Korea, Chair of the Audit Body and the Director. They referred to his unwavering professionalism, his dedication to the organisation and to his notable calm approach. He was thanked for his wise words and advice over the years and specifically for his assistance and the pivotal role that he played in facilitating cooperation between the IOPC Funds and Republic of Korea in the handling of the *Hebei Spirit* incident.

The Director presented Mr Kim with a small gift in recognition of his 11 years' service to the organisation.

Mr Kim thanked the Director and the governing bodies for the gift and expressed his appreciation to delegations, fellow Chairs and members of the Audit body for their support and cooperation over the years. He also thanked the Government of Republic of Korea for allowing him to continue to attend IOPC Funds meetings in London despite the numerous changes in his positions within the Government. Mr Kim noted that chairing the Assembly had been challenging at times, but very fulfilling and he considered it an honour and a very enjoyable experience to have held the position of Chair for 11 years.



**Next Sessions of the governing bodies:**  
the weeks of **22 May 2023**  
and **6 November 2023**

Following the experience gained from holding remote meetings in recent years and the introduction on a trial basis of hybrid meetings by IMO, the Director is exploring the possible options to adapt the current in-person format of IOPC Funds meetings to enable remote participation, taking into account the specific activities and requirements of the governing bodies and the experience of IMO. A proposal will be presented at the May 2023 meeting, which will be held in person, but with a passive streaming facility.



# Financial Review

- 64 Financial Administration
- 65 Financial Highlights for 2022
- 67 Summary of Major Claims Funds

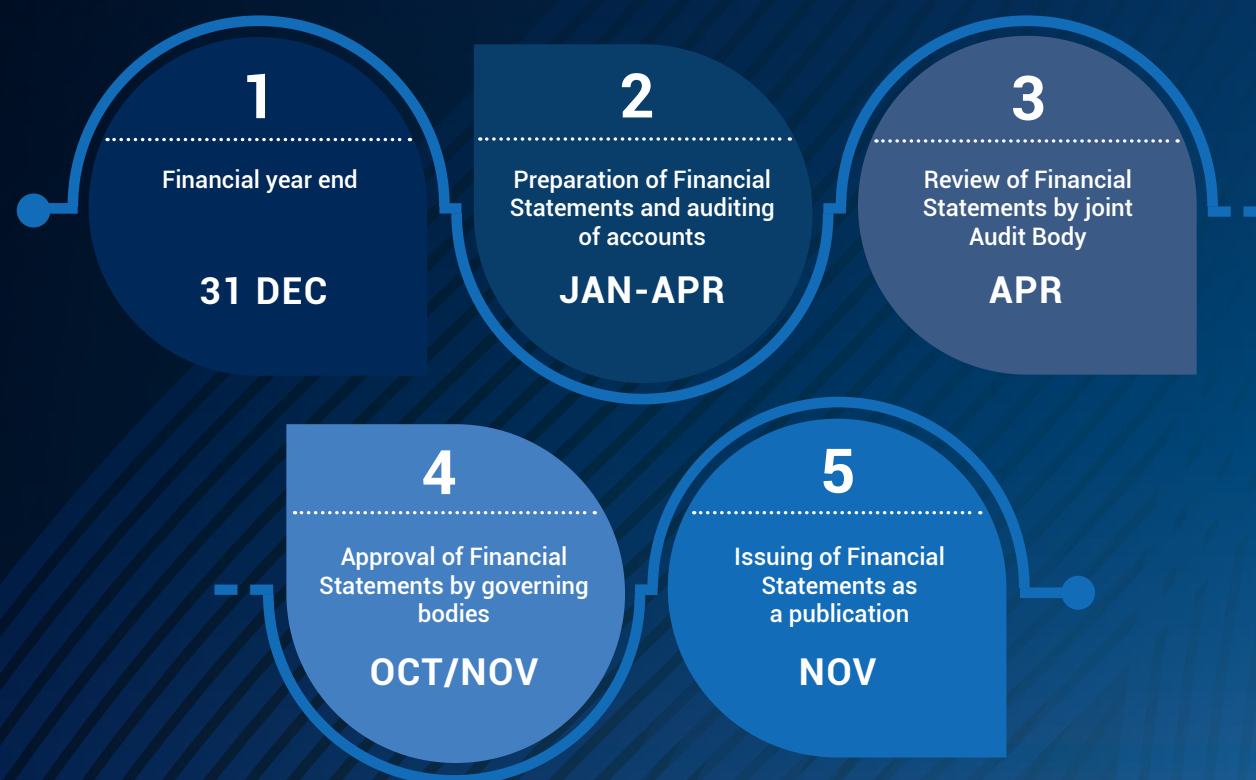


# Financial Administration

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 £4.4 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 2022 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](http://www.iopcfunds.org) under the Publications page.



## Financial highlights for 2022

Revenue and Expenditure figures rounded and subject to audit by the External Auditor (prepared under IPSAS – accrual based accounting)

### 1992 Fund

#### REVENUE 2022

CONTRIBUTIONS DUE IN 2022:	£
General Fund	12 200 000
Incident in Israel Major Claims Fund	4 000 000
OTHER REVENUE:	£
Reimbursement by P&I Club under STOPIA 2006	4 360 000
Interest on investments	575 000
Management fee payable by Supplementary Fund	38 000
<b>TOTAL REVENUE</b>	<b>21 173 000</b>

#### ADMINISTRATIVE COSTS 2022

JOINT SECRETARIAT:	£
Budget (excluding External Auditor's fees for respective IOPC Funds)	4 855 778
Expenditure (excluding External Auditor's fees for respective IOPC Funds)	4 492 194
External Auditor's fees in respect of 1992 Fund	65 908

#### CLAIMS EXPENDITURES 2022

INCIDENT	COMPENSATION	CLAIMS-RELATED EXPENDITURE	TOTAL
	£	£	£
<i>Prestige</i>	-	67 846	67 846
<i>Hebei Spirit*</i>	-	119 220	119 220
<i>Nesa R3</i>	-	32 859	32 859
<i>Alfa I</i>	-	32 192	32 192
<i>Agia Zoni II</i>	33 167	156 438	189 605
Incident in Israel	26 589	56 250	82 839
Other incidents	4 362 283	238 297	4 600 580
<b>TOTAL CLAIMS EXPENDITURE</b>	<b>4 422 039</b>	<b>703 102</b>	<b>5 125 141</b>

\* Including interim reimbursements from the P&I Club for joint costs of £3 633 for *Hebei Spirit* MCF



Supplementary Fund

REVENUE 2022		£
CONTRIBUTIONS DUE IN 2022:		-
OTHER REVENUE:		
Interest on investments		16 500
TOTAL REVENUE		16 500

EXPENDITURE 2022		£
ADMINISTRATIVE COSTS:		
Management fee payable to 1992 Fund		38 000
External Auditor's fees		5 433

Summary of Major Claims Funds

The first SDR 4 million (pound sterling equivalent) 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 SDR 4 million. 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 24-32 for more details of each incident.

CUMULATIVE INCIDENT EXPENDITURE TO 31/12/2022 (UNAUDITED)	<i>Prestige</i>	<i>Hebei Spirit</i>	<i>Alfa I</i>	<i>Agia Zoni II</i>	<i>Nesa R3</i>	Incident in Israel
	£	£	£	£	£	£
Compensation paid to 31/12/21	106 621 900	119 575 604	10 856 126	13 143 285	6 703 800	-
Compensation paid 2022	-	-	-	33 167	-	26 589
Total compensation	106 621 900	119 575 604	10 856 126	13 176 452	6 703 800	26 589
Claims-related expenditure paid to 31/12/21	24 618 746	37 556 595	773 167	4 107 660	425 039	160 682
Claims-related expenditure paid 2022	67 846	119 220	32 192	156 438	32 859	56 251
Total claims-related expenditure paid	24 686 592	37 675 815	805 359	4 264 098	457 898	216 933
TOTAL expenditure (cash basis, including SDR 4 million paid for each incident from General Fund)	131 308 492	157 251 419	11 661 485	17 440 550	7 161 698	243 522

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.

MAJOR CLAIMS FUND BALANCES	<i>Prestige</i>	<i>Hebei Spirit</i>	<i>Alfa I</i>	<i>Agia Zoni II</i>	<i>Nesa R3</i>	Incident in Israel
	£	£	£	£	£	£
Fund balance 31/12/21 (accrual basis- see Financial Statements for more details)	481 734	7 655 119	264 506	26 172 616	362 635	-
Provision for compensation at 31/12/2021, added back	676 133	-	-	1 663 436	-	-
Fund balance 31/12/2021 (adjusted cash basis)	1 157 867	7 655 119	264 506	27 836 052	362 635	-

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.

CONTRIBUTIONS LEVIED TO MAJOR CLAIMS FUNDS	<i>Prestige</i>	<i>Hebei Spirit</i>	<i>Alfa I</i>	<i>Agia Zoni II</i>	<i>Nesa R3</i>	Incident in Israel
	£	£	£	£	£	£
Contributions levied, due by March 2022 or before	119 000 000	131 500 000	8 075 000	41 000 000	3 600 000	4 000 000
2022 levy, due 1 March 2023	-	(7 300 000)	-	-	-	3 000 000
Total contributions levied or approved	119 000 000	131 500 000	8 075 000	41 000 000	3 600 000	7 000 000



## Notes



# Acknowledgements

Photographs

Cover and pages 12, 14, 19, 32, 39, 64 and 71  
Shutterstock

Pages 4, 48 and 49  
IMO

Pages 4, 6, 16, 17, 19, 31, 44, 52, 54 and 57-60  
You Inspire Photography

Pages 5, 7, 18, 19, 23, 24, 26, 30-33, 40, 41 and 44  
IOPC Funds

Page 25  
Hans de Visser

Page 27  
ITOPF

Pages 28-29  
CGC

Page 29  
Corbis Images

Page 47  
Cedre

Published by the International Oil Pollution Compensation Funds

Copyright ©IOPC Funds 2023

Permission is granted to reproduce for personal and educational use only but acknowledgement is requested.

Commercial copying, hiring or lending is prohibited.

All other rights are reserved.

Design by thecircus.uk.com







**International Oil Pollution  
Compensation Funds**

4 Albert Embankment  
London SE1 7SR  
United Kingdom

Telephone: **+44 (0)20 7592 7100**

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

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