



Contributions to the 1992 Fund (International Oil Pollution Compensation Fund, 1992) *Payable by 1 March 2024*

INFORMATION SHEET

November 2023

This Information Sheet explains the 2023 invoice for contributions to the 1992 Fund. It also provides background information about the IOPC Funds and the levying process, and how you can obtain additional information.

1 What are the IOPC Funds?

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

The 1992 Fund was established under the 1992 Fund Convention. As at 1 November 2023, 121 States were Members of the 1992 Fund. You can find a list of the current Member States on our website, www.iopcfunds.org.

2 Who pays? (Financing of the 1992 Fund)

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

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

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

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

The 1992 Fund's governing body, the 1992 Fund Assembly, is composed of representatives of the governments of Member States. They decide the total levy required to enable the payment of compensation and to cover administrative costs. The amount to be levied is divided by the total quantity of contributing oil received (i.e. oil reported plus estimates for oil reports not yet provided) in all Member States in the relevant year to give a levy per tonne of oil received. The quantity of oil received by each contributor is then multiplied by the levy per tonne, to arrive at the amount in pounds sterling to be paid by that contributor.

Calculation of levy per tonne

$$\begin{array}{rcccl} \text{Total} & & \text{Total of contributing} & & \\ \text{contribution} & & \text{oil received in all} & & \\ \text{levied (£)} & \div & \text{member states} & = & \text{Levy per tonne} \\ & & \text{(metric tonnes)} & & \text{(£/tonne)} \end{array}$$

Calculation of invoice

$$\begin{array}{rcccl} \text{Quantity of oil} & & \text{Levy} & & \text{Amount to be} \\ \text{received by each} & & \text{per tonne} & = & \text{paid by that contributor} \\ \text{contributor} & \times & \text{(£/tonne)} & & \text{in pounds sterling (£)} \\ \text{(metric tonnes)} & & & & \end{array}$$

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

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

4 What expenditure is covered by the contribution levy?

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

(a) Contributions to the General Fund

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

Contributions to the General Fund are calculated according to the quantities of contributing oil received in the preceding calendar year by each contributor. For contributors in a State which has become a Member of the 1992 Fund during the current calendar year, contributions are pro-rated according to the proportion of the year for which the State has been a Member of that Fund.

^{<1>} The SDR (Special Drawing Right) is a currency unit created by the International Monetary Fund. As at 9 November 2023, SDR 4 million was equivalent to £ 4.29 million.

(b) Contributions to Major Claims Funds

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

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

5 What decisions were made by the 1992 Fund Assembly in November 2023?

In November 2023, the 1992 Fund Assembly made the following decisions in respect of 2023 contributions to the 1992 Fund which are payable in 2024:

- to levy 2023 contributions to the General Fund of £10 million, payable by 1 March 2024;
- to levy 2023 contributions of £20 million to the *Bow Jubail* Major Claims Fund, payable by 1 March 2024; and
- to levy 2023 contributions of £10 million to the *Princess Empress* Major Claims Fund, payable by 1 March 2024.

The 1992 Fund Assembly also decided not to levy 2023 contributions to the following Major Claims Funds:

- the *Agia Zoni II* Major Claims Fund;
- the *Nesa R3* Major Claims Fund;
- the *Alfa I* Major Claims Fund;
- the *Prestige* Major Claims Fund; and
- the *Incident in Israel* Major Claims Fund.

Payable by 1 March 2024

	Total levy for payment by 1 March 2024 £	Oil year	Total oil quantity (tonnes) (reported and estimated)	Levy per tonne £
General Fund 2023	10 000 000	2022	1,456,235,979	£0.0068670

Major Claims Fund	Date of Incident	Total previously levied £	Levy for payment by 1 March 2024 £	Oil year	Total oil quantity (tonnes) (reported and estimated)	Levy per tonne £
<i>Bow Jubail</i>	23.06.2018	0	20 000 000	2017	1,601,507,641	£0.0124882
<i>Princess Empress</i>	28.02.2023	0	10 000 000	2022	1,456,235,979	£0.0068670

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

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

In accordance with the Internal Regulations of the IOPC Funds, interest will be charged on unpaid contributions from the date on which payment is due, at an annual rate, which for each period of 12 months

from 1 March, shall be 2% higher than the lowest London clearing bank base rate prevailing on 1 March.

7 Where can further information be found?

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