



International Oil Pollution Compensation Funds Annual Report

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International Oil Pollution Compensation Funds

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International Oil Pollution Compensation Funds

Annual Report

2016

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Foreword

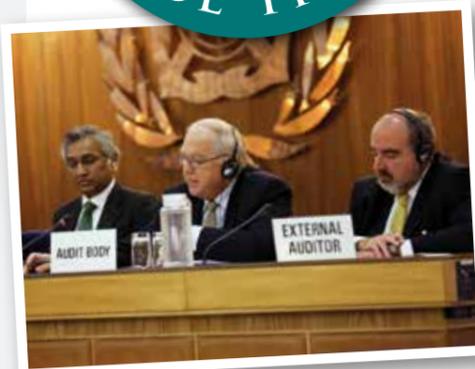


It is with great pleasure that I introduce the Annual Report on the work of the IOPC Funds in 2016. I had the honour of being re-elected as Chairman of the 1992 Fund Assembly and, having held that position now since 2011, I once again had the responsibility of not only overseeing the discussions of the IOPC Funds' governing bodies during the year, but also participating in and/or closely following many of the activities of the organisations which are detailed in this report.

The role of the organisations and the legal framework within which they operate, provide a robust and reliable system on which victims of oil pollution damage can depend (pages 6-7). However, it is the Member States, the Secretariat and the oversight bodies that ensure that the system is applied correctly and that it continues to function as required year after year.

The Secretariat has continued in 2016 to provide excellent services to the 114 States Parties to the 1992 Fund Convention. As well as dealing with 12 open incidents, the Secretariat has continued to develop various tools and documents to assist governments and potential claimants. Two publications were issued to assist Member States, the first aims to clarify the definition of 'ship' under the 1992 Civil Liability Convention and the second sets out the issues that States may wish to consider when planning or implementing fisheries closures or restrictions following an oil spill. A further publication under development will offer guidance for claimants on the submission of claims for environmental damage.

The management of oil reports has improved considerably since the introduction in 2010 of the Online Reporting System (ORS) and it is pleasing to note that 89% of tonnage received was submitted via the ORS in 2016. The Secretariat continues to work with Member States to increase further still the number of States opting to use the online system.



During 2016, I participated in meetings of the Audit Body alongside the Investment Advisory Body and representatives of the External Auditor and can confirm that the support and input they provide into the governance of the organisations is invaluable. In particular I take this opportunity on behalf of the governing bodies to express appreciation to the Comptroller and Auditor General of the United Kingdom and the National Audit Office, who stepped down as External Auditor of the IOPC Funds after almost 40 years.



2016 was in fact a year of change for the organisation in many ways. Its relocation to the IMO building in 2016 provided new offices for the Secretariat and also created an opportunity to refresh not only the Funds' logo but also its website. The governing bodies also trialled a reduction of meeting days in October 2016, successfully completing discussions and adopting their Record of Decisions in four days.

However, happily one particular asset to the organisation remained unchanged and I am delighted to be able to congratulate José Maura on his reappointment as Director of the IOPC Funds. The Director has undoubtedly fulfilled his role with great success over the past five years and the governing bodies did not hesitate to entrust him with leading the organisations for a further five-year term.

I look forward to working with the Director, the Secretariat and Member States on the issues which lie ahead for the organisations in 2017.

Gaute Sivertsen
Chairman of the 1992 Fund Assembly

Director's Review



I am delighted to be able to reflect on another productive and positive year for the IOPC Funds. On a personal note, I was honoured to be reappointed as Director of the organisations for a further five-year term. I consider the decision to reappoint me as a sign of Member States' continued confidence in both myself and the Secretariat as a whole and this renewed support is very much appreciated.

The *Hebei Spirit* represents our largest ever case in terms of number of claims received and as such, I am particularly pleased to report that, having been authorised to increase the level of payments to 60% in April 2016, by the end of the year the 1992 Fund had paid some KRW 59 billion (£42 million) in compensation on top of the KRW 187 billion (£133 million) paid by the Skuld P&I Club. Payments continue to be made and as the 10-year anniversary of the incident approaches in 2017, the Fund will continue to work with the Korean Government and the P&I Club to ensure that the case is soon settled.

Other achievements in terms of compensation matters in 2016 were the settlement agreement and payment of the main claim in respect of the *Alfa I* incident and the closure of the case regarding the 2007 incident in Argentina.



One new incident, the *Trident Star*, which may involve the 1992 Fund, took place off Malaysia in August 2016. Engagement with the authorities and the insurers since the early stages of the incident has been very good and will facilitate the claims handling process should claims exceed the shipowner's limit of liability.

The procedure for the handling of future incidents which require interim payments was clarified in 2016 following an agreement reached between the International Group of P&I Associations and the IOPC Funds. After a number of meetings over the past two years, an agreement was developed together with



a template of standard terms and conditions which could apply on a case-by-case basis. The purpose of the Agreement is to enable payments of compensation to be made as promptly as possible, 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. I am very pleased that the P&I Clubs and the Funds were able to work together to find this solution, which will undoubtedly facilitate cooperation between us in the future. The Agreement was signed on 21 December 2016.

One of the main highlights of 2016 for the organisations was the relocation of the organisations' offices to the IMO building in July. My appreciation goes to both the United Kingdom Government as the host State and to IMO for accommodating the IOPC Funds. It was no small



task and took the hard work and dedication of the staff to ensure the smooth transition after 15 years in our previous offices. The move was certainly a success and after just a few months we are very much settled into our new home and are already enjoying the benefits of being in such close proximity to colleagues within the IMO staff and also to delegations, with many regularly attending IMO meetings. One of the first major benefits the Secretariat enjoyed since being housed in the IMO building, was the running of the October 2016 meetings on site. As always a number of fruitful discussions took place and several key decisions were taken at those meetings.

Looking ahead to 2017 and beyond, I can assure you that I will do my very best to ensure that, working together with Member States, the Secretariat will continue to improve on the service we deliver to them and to the victims of oil spills. I intend to take the opportunity of this second mandate to drive forward certain key projects such as the introduction of a fully tried and tested online claims submission service. I would also like the IOPC Funds to find new ways to reach out and build stronger relationships with all our Member States and intend to continue to offer the Secretariat's full support and cooperation to IMO and interested States to help bring into force the 2010 HNS Convention.

Being Director of the IOPC Funds is a rewarding but challenging responsibility which I am very proud to undertake and I very much look forward to serving the organisations in 2017.

José Maura
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.

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

Financed by contributions paid by entities within Member States that receive persistent oil after sea transport, the IOPC Funds have been compensating victims of oil pollution damage since 1978.

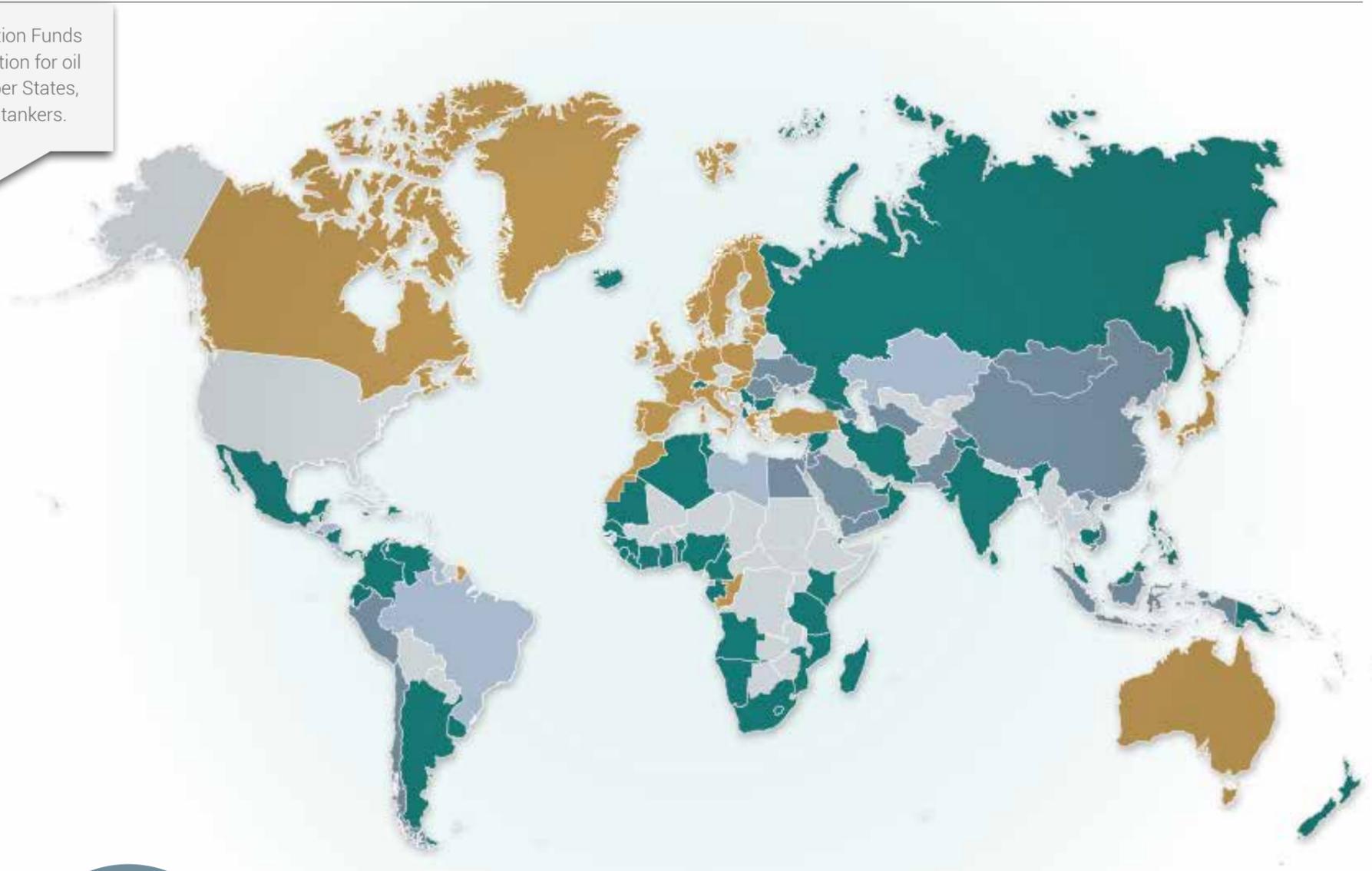
Following a number of large incidents during the 1980s, it became clear that the amount available under the original Conventions was insufficient and IMO developed two Protocols which increased the limits and widened the scope of the original Conventions, creating the 1992 Civil Liability Convention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

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

Following the dissolution of the original Fund, the 1971 Fund, in December 2014, the IOPC Funds now comprises two organisations, the 1992 Fund and Supplementary Fund. It has a Secretariat based in London, United Kingdom.

Since their establishment, the 1992 Fund and the preceding 1971 Fund have been involved in 150 incidents of varying sizes all over the world and have paid some £600 million in compensation. No incidents have occurred so far which have involved or are likely to involve the Supplementary Fund.

This report focuses on the work of the IOPC Funds during 2016. For further general information about the organisations and their history, please visit www.iopcfunds.org.



1 500 million
tonnes of oil transported by sea and received annually in 1992 Fund Member States

Based in London, the IOPC Funds share its premises with the International Maritime Organization (IMO). As a specialised agency of the United Nations, IMO is the global regulatory body for the shipping industry.

114 Member States of the 1992 Fund
(31 States which are also Members of the Supplementary Fund are marked in bold)

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

- States Parties to the 1992 Fund Convention
- States Parties to the Supplementary Fund Protocol
- States Parties to the 1992 Civil Liability Convention
- States Parties to the 1969 Civil Liability Convention

* 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:

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

The full texts of the 1992 Conventions and the Supplementary Fund Protocol may be obtained from the Publications section of the Funds' website: www.iopcfunds.org.

1969 Civil Liability Convention

The original international regime was based on the 1969 Civil Liability Convention (1969 CLC) and the 1971 Fund Convention. Whilst the 1971 Fund Convention ceased to be in force in 2014, 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 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 any pollution damage caused by the oil, i.e. the owner is liable even if there was no fault on the part of the ship or its crew. However, the shipowner can normally limit 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. Any claims for pollution damage under the 1992 CLC can be made only against the registered owner of the ship concerned.

There are some exceptions under the 1992 CLC, for example the shipowner is exempt from liability if they prove that the damage resulted from an act of war or a natural phenomenon, that it was caused as a result of a third party acting with intent to cause damage or through the failure of navigational aids due to negligence of any responsible government/authority.

The 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 their obligations under the 1992 CLC.

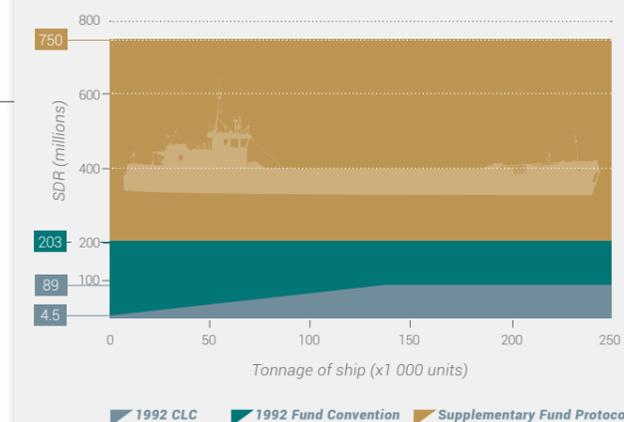
Contributions are levied on any person who has received after sea transport in one calendar year more than 150 000 tonnes of crude oil and/or heavy fuel oil (contributing oil) in a Member State of the 1992 Fund.

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

Ship not exceeding 5 000 units of gross tonnage	Ship between 5 000 and 140 000 units of gross tonnage	Ship of 140 000 units of gross tonnage or over
CLC limit 4 510 000 SDR*	4 510 000 SDR plus 631 SDR for each additional unit of tonnage	89 770 000 SDR

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

Maximum limits of compensation



The Supplementary Fund Protocol

The International Oil Pollution Compensation Supplementary Fund, 2003 (Supplementary Fund) was established through the entry into force of the Supplementary Fund Protocol in 2005. The Supplementary Fund provides additional compensation beyond the amount available under the 1992 Fund Convention in States which are also Parties to the Protocol. The total amount available for compensation for each incident is 750 million SDR, including the amounts payable under the 1992 Conventions.

Annual contributions to the Supplementary Fund are made on the same principle as contributions to the 1992 Fund. However, the Supplementary Fund differs from the 1992 Fund in that, for the purpose of paying contributions, at least 1 million tonnes of contributing oil are deemed to have been received each year in each Member State.

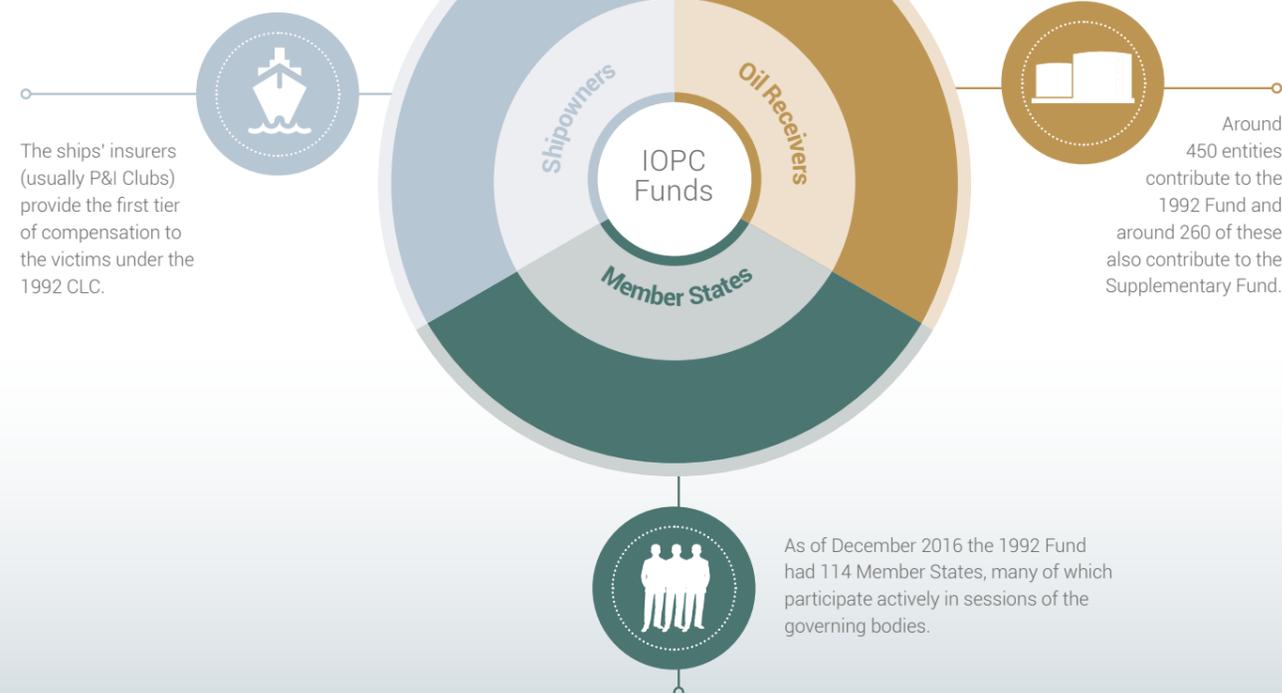
STOPIA 2006 and TOPIA 2006

The Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 and the Tanker Oil Pollution Indemnification Agreement (TOPIA) 2006 are two voluntary agreements which were set up by 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 compensation paid. The 1992 Fund and Supplementary Fund are not parties to these agreements, which nevertheless confer legally enforceable rights on the Funds to indemnification from the shipowner in States for which the 1992 Fund Convention or Supplementary Fund Protocol is in force.

STOPIA 2006 is an agreement between owners of small tankers (i.e. 29 548 GT or less) and their insurers, under which owners of small tankers will indemnify the 1992 Fund for compensation paid in excess of the 1992 CLC limit up to a maximum of 20 million SDR. It applies to all small tankers entered in a P&I Club that is a member of the International Group, and reinsured through the pooling arrangements of the Group. The first and only incident so far in respect of which indemnification has been paid to the 1992 Fund under STOPIA 2006 was the *Solar 1* spill that occurred in the Philippines in 2006.

TOPIA 2006 applies to all tankers entered in P&I Clubs that are members of the International Group and reinsured through the pooling arrangements of the Group. Under TOPIA 2006, the Supplementary Fund is indemnified for 50% of any amounts paid in compensation in respect of incidents involving tankers entered in the agreement. Since there have been no incidents involving the Supplementary Fund TOPIA 2006 has not been applied.

Stakeholders



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In this section

In this section, the organisational structure of the IOPC Funds is explained and the operations and activities of the IOPC Funds, in terms of claims management, general administration and outreach during 2016, are described.

The Secretariat, headed by the Director, consists of 26 staff members and is based in London, United Kingdom (pages 10–11). The headquarters of the organisation relocated during 2016 and now shares the premises of the International Maritime Organization, also in London. The relationship between the Host State and the IOPC Funds is governed by a Headquarters Agreement between the United Kingdom Government 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 organisation's mission is to pay compensation for damages resulting from a spill of persistent oil from a tanker and this section contains an overview of the claims handling process as well as a summary of the incidents currently being dealt with by the 1992 Fund (pages 12–15).

It is the contributions levied by the 1992 and Supplementary Funds which finance the compensation payments and general administration of the organisation. A summary of the total quantities of contributing oil received by Member States is reported under this section, together with an outline of how the annual levies are calculated (pages 16–19). Key information regarding the running costs of the Secretariat is provided and details of the joint Audit Body and the joint Investment Advisory Body and their role in the management of the IOPC Funds are also given (pages 20–21).

The activities undertaken by the IOPC Funds during 2016 to increase awareness of the Funds' role in the international oil pollution compensation regime, such as presentations at conferences and the organisation of workshops and meetings with interested parties, are set out under External Relations (pages 22–25). This section also includes details of other outreach methods used by the Secretariat such as publications and the website, which provides up-to-date information about the organisation and includes the Document Services website where users can download all documents for past and forthcoming meetings.

Finally, information is provided on the IOPC Funds' commitment to facilitating the early entry into force of the 2010 HNS Convention and the work carried out by the Secretariat in that regard during 2016 (pages 26–27).

Secretariat

The 1992 Fund and the Supplementary Fund share a joint Secretariat, based in London. As at 31 December 2016, the Secretariat had 26 staff members. 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.

For the strategic running of the Secretariat, the Director is assisted by a Management Team, comprising the Deputy Director/ Head of the Finance and Administration

Department, the Head of the External Relations and Conference Department, the Head of the Claims Department, and the Legal Counsel. In the event that the Director was unable to assume his functions, the members of the Management Team, in the order set out above, would take on the responsibilities of the Director.

In addition to the permanent staff of the Secretariat, the Funds use external consultants to provide advice on legal and technical matters, as well as on other matters relating to the management of the Funds, where necessary. 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.

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Q. Do you offer internships?

A.
No, unfortunately we do not. However, we do run an annual week-long self-funded short course covering the work of the IOPC Funds and the international liability and compensation regime in general. Participants must be nominated by 1992 Fund Member States and the course is open to a maximum of 10–12 participants.

IOPC Funds' Secretariat as of February 2017

Director's Office

		
José Maura <i>Director</i>	Kensuke Kobayashi <i>Legal Counsel</i>	Maria Basilico <i>Executive Assistant</i>

Claims Department

				
Liliana Monsalve <i>Head of Department</i>	Chiara Della Mea <i>Claims Manager</i>	Mark Homan <i>Claims Manager</i>	Ana Cuesta <i>Claims Administrator</i>	Chrystelle Collier <i>Claims Administrator</i>

Finance & Administration Department

					
Ranjit Pillai <i>Deputy Director/ Head of Department</i>	Robert Owen <i>IT Manager</i>	Stuart Colman <i>IT Officer</i>	Modesto Zotti <i>Office Manager</i>	Paul Davis <i>IT/Administrative Assistant</i>	Julia Shaw <i>Human Resources Manager</i>
					
Latha Srinivasan <i>Finance Manager</i>	Elisabeth Galobardes <i>Finance Assistant</i>	Kathy McBride <i>Finance Assistant</i>	Marina Singh <i>Finance Assistant</i>	Sarah Hayton <i>Oil Reporting Administrator</i>	

External Relations & Conference Department

			
Thomas Liebert <i>Head of Department</i>	Victoria Turner <i>Information Officer</i>	Thomas Moran <i>External Relations & Conference Coordinator</i>	Julia Sukan del Rio <i>External Relations and Conference Assistant</i>
			1 vacant post of Associate Editor (French)
Natalia Ormrod <i>Translation Coordinator</i>	Maria Alonso Romero <i>Associate Editor (Spanish)</i>	Sylvie Legidos <i>Associate Editor (French)</i>	

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Q. How can I apply for a post with the Secretariat?

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

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).

Who can claim?

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

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:

- Property damage
- Costs of clean-up operations at sea and on shore
- Economic losses by fisherfolk or those engaged in mariculture
- Economic losses in the tourism sector
- Costs for reinstatement of the environment



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.



Q. How long does it take for a claim to be paid?

A. Compensating victims of oil pollution promptly is of paramount importance to the 1992 Fund, which may make provisional payments before a final agreement can be reached, if a claimant would otherwise suffer undue financial hardship. The speed with which claims are agreed and paid depends largely on how long it takes for claimants to provide the required information, and whether a settlement can be mutually agreed following the assessment of the claim submitted. Claimants are therefore advised to follow the Claims Manual criteria as closely as possible. See the Claims Manual for further information.

How are claims settled?

In most cases, claims are settled out of court. The Director has the authority to settle claims and pay compensation up to predetermined levels. 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. The Director is further permitted, in certain circumstances, and within certain limits, to make provisional payment of compensation before a claim is settled if this is necessary to mitigate undue financial hardship to victims of pollution incidents.

Under the 1992 Fund Convention, the 1992 Fund is obliged to ensure that all claimants are given equal treatment so if the total amount of the established claims exceeds the total amount of compensation available under the Civil Liability and Fund Conventions, each claimant will receive the same proportion of the loss. When there is a risk that this situation will arise, the 1992 Fund may have to restrict compensation payments to a percentage of the losses to ensure that all claimants are given equal treatment. The payment level may increase at a later stage if the uncertainty about the total amount of the established claims is reduced. One important effect of the establishment of the Supplementary Fund is that, in practically all cases, it should be possible from the outset to pay compensation for pollution damage in Supplementary Fund Member States at 100% of the amount of damage agreed between the Fund and the claimant.

How can claims be submitted?

Claims should be made in writing (including e-mail) and 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. It is the responsibility of claimants to submit sufficient evidence to support their claims. It is important that the documentation is complete and accurate.

To give an indication of the type of information which would be required to substantiate a claim, an example Claim Form has been published for information, which includes specific sections for the typical sectors which experience losses as a result of a major incident. In the event of a major incident, an incident specific form with the relevant sections depending on the location of the incident, will be made available to claimants. In addition, an online claims submission system is under development and expected to be available in 2017.

In most incidents, claims should be sent to the offices of the shipowner's insurer or to the IOPC Funds directly. Occasionally, when an incident gives rise to a large number of claims, the 1992 Fund and the P&I Club jointly set up a local claims office so that claims may be processed more easily. In such cases, claimants should submit their claims to that local claims office. The address to which claims for a specific incident should be sent would be given in the local press and also provided on the IOPC Funds' website.

If claimants suffer damage in a State that is Party to the Supplementary Fund Protocol, their claims will automatically be considered for compensation from the Supplementary Fund, if the amount available from the shipowner/insurer and the 1992 Fund is insufficient to pay full compensation for proven losses.

All claims are referred to the 1992 Fund and the shipowner's insurer for decisions on whether or not they qualify for compensation, and, if so, the amounts of compensation due to the claimants. Neither designated local correspondents nor local claims offices have the authority to make these decisions.

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.



Incidents Involving the IOPC Funds

Since their establishment in October 1978, the IOPC Funds have been involved in 150 incidents. Details of all 150 incidents, and in many cases a full case study, including latest developments, can be found under the incidents section of the IOPC Funds' website at www.iopcfunds.org. A summary of key developments in a number of cases during 2016 and the position taken by the governing bodies in respect of claims is set out below.



MT Pavit (India, July 2011)

The *MT Pavit*, having been abandoned by its crew off the coast of the Sultanate of Oman on 29 June 2011, drifted across the Arabian Sea and ran aground north of Mumbai, India, on 31 July 2011. The two claims, totalling US\$1.8 million, which were filed at court within three years of the date of damage, relate to towage services, oil removal/clean-up operations and salvage/re-floating operations. Based on the evidence previously presented it appeared that the *MT Pavit*, although unladen at the time of her grounding, had carried marine gas oil, which was considered likely to have been non-persistent oil on a previous voyage. However, in August 2016, the 1992 Fund instructed surveyors to attend upon the vessel in order to take samples from the cargo tanks. Some 4.5 litres of samples were taken from the port forward manifold, tanks No.4 (port and starboard), tank No.5 (port) and the pump-room bilges. The samples were sealed and sent to a laboratory in the UK. Analysis of the samples revealed that all of the samples tested were persistent mineral oil. The Director intended to discuss the results of the oil sample analysis with the West of England Club.



Prestige (Spain, November 2002)

In January 2016, the Spanish Supreme Court delivered a judgment finding that the master of the *Prestige* was criminally liable for damages to the environment and that therefore he had civil liability for the damages caused. The judgment also found that the shipowner had civil liability and was not entitled to limit its liability and that its insurer, the London P&I Club, had civil liability up to the limit of its policy of US\$1 000 million. In the judgment the 1992 Fund was found to have civil liability within the limit provided for by the 1992 Fund Convention. The judgment decided to defer the quantification of damages to the Civil Court in La Coruña (Audiencia Provincial).

Following the judgment of the Supreme Court, the case was sent to the Civil Court in La Coruña for the quantification of the losses. The 1992 Fund, with the help of its experts, is examining the information the claimants are submitting into court.

Hebei Spirit (Republic of Korea, December 2007)

Almost 130 000 claims have been registered in this case. The Skuld Club has made payments totalling KRW 187 billion and the 1992 Fund has begun to pay compensation to the Korean Government for subrogated claims, totalling some KRW 59.2 billion as at 31 December 2016. In January 2013, the Limitation Court rendered a decision regarding the distribution of the *Hebei Spirit* limitation fund, assessing the damages arising out of the *Hebei Spirit* incident at a total of KRW 738 billion and rejecting 50% of the claims. Almost 124 300 claims have been resolved by judgments or mediation, or have been withdrawn. Some 3 200 claims, however, remain pending in the Seosan Court.

In view of the uncertainty as to the total amount of the admissible claims, in June 2008, and at each of its subsequent sessions, the 1992 Fund Executive Committee decided that the level of payments should be limited to 35% of the amount of the damage actually suffered by the claimants as assessed by the 1992 Fund. Given the fact that the Korean Courts were by and large following the 1992 Fund's principles, and in view of the commitment by the Korean Government to pay all established claims in full and to stand last in the

queue for a number of claims, at its 65th session, the Executive Committee considered it safe to increase the level of payments as long as sufficient safeguards were in place to ensure that the 1992 Fund would not find itself at risk of overpayment. It decided therefore to increase the level of payments to 50% of the amount of the established losses and to review this decision at its next session. The Committee also instructed the Director to explore with the Korean Government a possible global settlement that would enable the 1992 Fund to pay up to its limit immediately and to present it for consideration and approval at the next session in 2016. At its 66th session, the Executive Committee decided to further increase the level of payments to 60% of the amount of the established losses. This decision was maintained at the following session of the Executive Committee in October 2016. At the same session, the Director informed the Committee that the Korean Government had decided not to enter into a global settlement with the 1992 Fund since the settlement would not be likely to offer significant benefits to the Government as the reimbursement of the claims was proceeding smoothly and they wished to continue on this route.

The Korean Government will therefore continue to pay all claimants in full and obtain a recovery of 60% of the payments from the 1992 Fund.

Incident in Argentina (December 2007)

The West of England Club has paid all the losses caused by the spill and it was confirmed in 2016 that the total amount of the admissible claims fell within the limit that would correspond to the ship considered responsible, the *Presidente Illia*, under the 1992 CLC. Following confirmation that no liability would arise for the Fund in respect of this incident, the case was closed.



Nesa R3 (Sultanate of Oman, June 2013)

As at 31 December 2016, 32 claims totalling OMR 5 925 475, for clean-up related activities, surveys of the wreck and economic losses suffered in the fisheries sector had been received by the Secretariat. Since all the attempts made by the Omani authorities to obtain a financial commitment by the shipowner have been unsuccessful, there are strong indications that the shipowner will not meet its obligations under the 1992 CLC to pay compensation to persons suffering pollution damage arising out of the incident. As a consequence, although it is unknown whether the total amount of the admissible claims will fall below the limitation amount applicable to the *Nesa R3*, it is anticipated that the 1992 Fund will in any case be liable to pay compensation for this incident in accordance with Article 4.1 (b) of the 1992 Fund Convention. Having been authorised by the Executive Committee in 2014 to pay compensation in this case, the 1992 Fund assessed 24 claims, totalling OMR 5 791 721 and, of these, 17 claims have been paid for a total of OMR 1 697 010. The other claims have been queried pending the submission of additional information. In February 2016, the 1992 Fund joined the legal action commenced by the Omani Government against the shipowner and its insurer in the Court of Muscat.



List of open 1992 Fund incidents and their status as at 31 December 2016

Ship	Place of incident	Year	Outstanding actions
<i>Prestige</i>	Spain	2002	Claims pending
<i>Solar 1</i>	Philippines	2006	Claims pending
<i>Volgoneft 139</i>	Russian Federation	2007	Claims pending
<i>Hebei Spirit</i>	Republic of Korea	2007	Claims pending
<i>JS Amazing</i>	Nigeria	2009	Claims pending
<i>Redferm</i>	Nigeria	2009	Claims pending
<i>Haekup Pacific</i>	Republic of Korea	2010	Claims pending
<i>MT Pavit</i>	India	2011	Claims pending
<i>Alfa I</i>	Greece	2012	Claims pending
<i>Nesa R3</i>	Oman	2013	Claims pending
<i>Shoko Maru</i>	Japan	2014	Under review
<i>Trident Star</i>	Malaysia	2016	Under review

Incidents involving the Supplementary Fund
As at 31 December 2016, there have been no incidents involving, or likely to involve the Supplementary Fund.

Trident Star (Malaysia, August 2016)

The *Trident Star* spilled a quantity of fuel (the exact amount is unknown) in the Port of Tanjung Pelepas during loading operations on 24 August 2016. Approximately 3.5 kilometres of a container terminal wharf was oiled. Several cargo vessels and tugs were also oiled following the incident.

Malaysia is party to the 1992 Civil Liability Convention and the 1992 Fund Convention. Claims for pollution damage may surpass the 1992 CLC limit applicable to the *Trident Star*. It is therefore possible that the 1992 Fund might be required to pay compensation in respect of this incident. The limitation amount applicable to the *Trident Star* in accordance with the 1992 CLC is 4.51 million SDR. STOPIA 2006 applies to this incident, whereby the limitation amount applicable to the tanker is increased, on a voluntary basis to 20 million SDR.

£600 million

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

Oil Reporting and Contributions

The IOPC Funds are financed by contributions levied on any entity that received in the relevant calendar year more than 150 000 tonnes of contributing oil in ports or terminal installations in a Member State, after carriage by sea. Contributions are paid by those entities (known as 'contributors') directly to the Funds.

Governments of Member States are obliged to report annually to the Secretariat the quantities of oil received by individual contributors. These quantities are used as the basis of the levy, calculated to provide monies to administer the Funds and to pay claims approved by the governing bodies. A system of deferred invoicing exists whereby the total amount to be levied

in contributions for a given calendar year is fixed, but only a specific lower total amount is invoiced for payment by 1 March. The remaining amount or a part thereof is only invoiced later in the year if necessary.

Contributions to the General Funds are calculated on the basis of the quantities of contributing oil received in the preceding calendar year by each contributor. Contributions to Major Claims Funds and Claims Funds are calculated on the basis of the quantities of contributing oil received in the year preceding that in which the incident occurred, if the State was a Member of the relevant IOPC Fund at the time of the incident.



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	X	the amount per tonne	= amount to be paid by that contributor in Pounds sterling

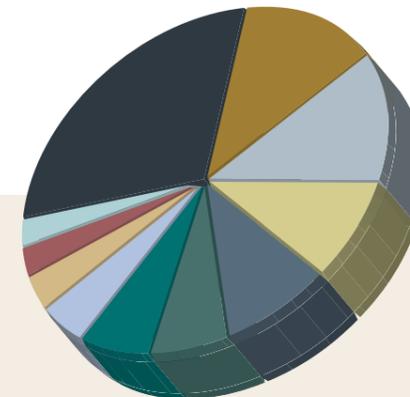
1992 Fund

At the October 2016 sessions of the governing bodies, the 1992 Fund Assembly decided to levy 2016 contributions to the General Fund of £9.7 million, based on oil received in the calendar year 2015 and payable by 1 March 2017.

The total quantity of oil received for 2015 consisted of the amount reported as well as the amount estimated to have been received by contributors whose reports were pending at the time of invoicing. Since the total amount, both reported and estimated, added up to 1 549 969 362 tonnes of oil received, contributions of £0.0062582 per tonne were levied. The 10 largest contributing Member States to the 1992 Fund are shown in the pie chart below.

The 1992 Fund Assembly also decided to levy 2016 contributions of £6.4 million to the *Alfa I* Major Claims Fund, based on oil received in the calendar year preceding the incident, i.e. 2011, and payable by 1 March 2017. The total quantity of oil received for 2011, both reported and estimated, added up to 1 537 194 712 tonnes and so the contributions to the *Alfa I* Major Claims Fund were levied at £0.0041634 per tonne.

The 1992 Fund Assembly decided not to levy 2016 contributions to the *Prestige*, *Volgoneft 139* and *Hebei Spirit* Major Claims Funds.



Contributing oil received by 1992 Fund Member State in 2015 (as reported by 31 December 2016)

- Japan 14%
- India 13%
- Netherlands 9%
- Republic of Korea 9%
- Italy 7%
- Singapore 7%
- Spain 5%
- France 4%
- United Kingdom 3%
- Canada 3%
- Others 27%



Q. Who pays the cost of being a Member?

A. In general the receivers of contributing oil (persistent oil) in a Member State are liable to pay contributions, if they have received in excess of 150 000 tonnes in a calendar year. Normally, Member States do not pay any contributions. However, a State can choose to pay the contributions instead of the individual receivers if it wishes, but only a few States have chosen to do this. Under the Supplementary Fund Protocol a minimum of 1 million tonnes of contributing oil is deemed to be received by each Member State. When the aggregate quantity of contributing oil received in a Member State is less than 1 million tonnes, the State must assume the obligation for the difference.

Percentage of contributions levied to the 1992 Fund since 1996 (£545.4 million) which have been received (as at 31 December 2016)



Q. How much does it cost to be a Member of the 1992 Fund or the Supplementary Fund?

A. The level of contributions varies each year, depending on the amounts of compensation which the 1992 Fund or the Supplementary Fund has to pay. That depends on the incidents which occur and the amounts to be paid in compensation for each of them and the amount of claims-related expenditure required. There are no fixed premiums to pay and the annual administrative budget of the Secretariat is relatively small (see page 32). The price per tonne of contributing oil is dependent on the amount required and the total amount of oil receipts received for the relevant calendar year.



Q. If nobody in a Member State receives oil, what happens?

A. If there are no entities in a 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 Declaration Form. The State will have financial protection for any tanker spills but would not have to make any contributions."

Contributing oil received in the calendar year 2015 in the territories of 59 States which were Members of the 1992 Fund on 31 December 2016 (as reported by 31 December 2016) is listed below.

Member State	Contributing oil reported in 2015, as at 31 December 2016 (tonnes)	% of Total	Member State	Contributing oil reported in 2015, as at 31 December 2016 (tonnes)	% of Total
Japan	210 181 952	13.80%	Bulgaria	6 609 705	0.43%
India	192 259 554	12.62%	Croatia	6 313 904	0.41%
Netherlands*	136 689 989	8.97%	New Zealand	5 692 839	0.37%
Republic of Korea	130 354 706	8.56%	Belgium	5 044 249	0.33%
Italy	110 975 857	7.28%	Trinidad and Tobago	3 938 889	0.26%
Singapore	106 214 709	6.97%	Saint Lucia	3 640 161	0.24%
Spain	74 105 539	4.86%	Mexico	3 624 020	0.24%
France	63 701 783	4.18%	Ireland	3 416 857	0.22%
United Kingdom	49 122 184	3.22%	Malta	3 402 687	0.22%
Canada	44 872 612	2.95%	Côte d'Ivoire	3 304 924	0.22%
Malaysia	35 123 338	2.31%	Ecuador	3 064 458	0.20%
Greece	28 280 927	1.86%	Angola	2 600 431	0.17%
Turkey	27 012 581	1.77%	Uruguay	2 004 407	0.13%
Germany	25 337 257	1.66%	Estonia	1 997 216	0.13%
Sweden	22 985 183	1.51%	Cameroon	1 909 417	0.13%
Australia	19 183 647	1.26%	Jamaica	1 909 277	0.13%
Bahamas	19 060 006	1.25%	Tunisia	1 810 930	0.12%
Israel	18 563 186	1.22%	Sri Lanka	1 772 676	0.12%
South Africa	17 788 960	1.17%	Nigeria	1 287 961	0.08%
Argentina	14 906 322	0.98%	Nicaragua	979 588	0.06%
Portugal	14 582 685	0.96%	Cyprus	871 644	0.06%
Panama	14 452 800	0.95%	Mauritius	642 043	0.04%
Iran (Islamic Republic of)	13 139 280	0.86%	Algeria	580 745	0.04%
Philippines	12 110 144	0.79%	Papua New Guinea	568 545	0.04%
Norway	11 207 338	0.74%	Ghana	322 347	0.02%
Finland	10 723 476	0.70%	United Republic of Tanzania	284 336	0.02%
Lithuania	8 678 646	0.57%	Colombia	252 179	0.02%
Denmark	8 169 307	0.54%	Barbados	243 590	0.02%
Poland	8 103 125	0.53%	Mauritania	241 649	0.02%
China**	7 217 595	0.47%	Total	1 523 436 362	100%

* Aruba is a Party to the 1992 Fund Convention only and not the Supplementary Fund Protocol. This accounts for the difference between the figures reported to the 1992 Fund and Supplementary Fund by the Netherlands.

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

No contributing oil was received during 2015 in the following 47 Member States:

Antigua and Barbuda, Bahrain, Belize, Benin, Brunei Darussalam, Cabo Verde, Cambodia, Comoros, Congo, Cook Islands, Dominica, Fiji, Gabon, Georgia, Grenada, Guinea, Hungary, Iceland, Kenya, Kiribati, Latvia, Liberia, Luxembourg, Madagascar, Maldives, Marshall Islands, Monaco, Montenegro, Mozambique, Namibia, Niue, Oman, Palau, Qatar, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, Serbia, Seychelles, Sierra Leone, Slovakia, Slovenia, Switzerland, Tonga, Tuvalu, United Arab Emirates, Vanuatu.

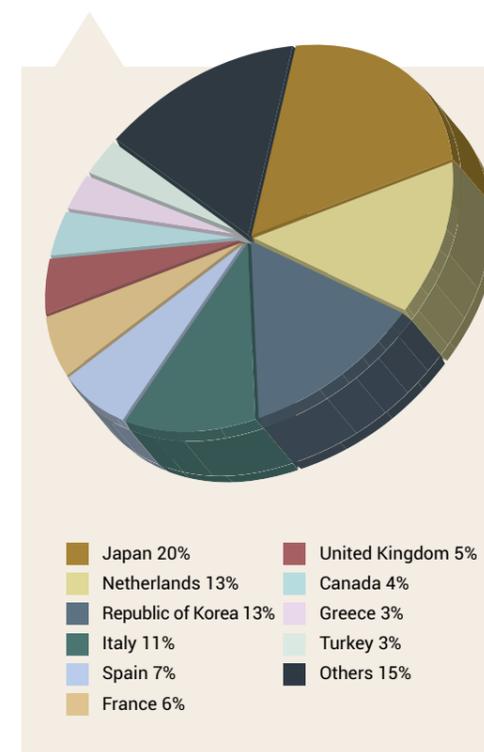
As at 31 December 2016, oil reports for the calendar year 2015 had not been received from the following 8 Member States:

Albania, Djibouti, Dominican Republic, Morocco, Russian Federation, Senegal, Syrian Arab Republic, Venezuela (Bolivarian Republic of).

Supplementary Fund

At the October 2016 sessions of the governing bodies, the Supplementary Fund Assembly decided not to levy 2016 contributions, since there had been no incidents involving the Supplementary Fund.

Contributing oil received by Supplementary Fund Member State in 2015 (as reported by 31 December 2016)



Percentage of the only levy of contributions (£1.4 million) to the Supplementary Fund which have been received (as at 31 December 2016)

Contributing oil received in the calendar year 2015 in the territories of States which were Members of the Supplementary Fund on 31 December 2016 (as reported by 31 December 2016) is listed below.

Member State	Contributing oil reported in 2015, as at 31 December 2016 (tonnes)	% of Total
Japan	210 181 952	20.49%
Netherlands*	134 482 203	13.11%
Republic of Korea	130 354 706	12.71%
Italy	110 975 857	10.82%
Spain	74 105 539	7.22%
France	63 701 783	6.21%
United Kingdom	49 122 184	4.79%
Canada	44 872 612	4.37%
Greece	28 280 927	2.76%
Turkey	27 012 581	2.63%
Germany	25 337 257	2.47%
Sweden	22 985 183	2.24%
Australia	19 183 647	1.87%
Portugal	14 582 685	1.42%
Norway	11 207 338	1.09%
Finland	10 723 476	1.05%
Lithuania	8 678 646	0.85%
Denmark	8 169 307	0.80%
Poland	8 103 125	0.79%
Croatia	6 313 904	0.62%
Belgium	5 044 249	0.49%
Ireland	3 416 857	0.33%
Estonia	1 997 216	0.19%
Barbados**	1 000 000	0.10%
Congo**	1 000 000	0.10%
Hungary**	1 000 000	0.10%
Latvia**	1 000 000	0.10%
Montenegro**	1 000 000	0.10%
Slovakia**	1 000 000	0.10%
Slovenia**	1 000 000	0.10%
Total	1 025 833 234	100%

* Aruba is a Party to the 1992 Fund Convention only and not the Supplementary Fund Protocol. This accounts for the difference between the figures reported to the 1992 Fund and Supplementary Funds by the Netherlands.

** Deemed to have received 1 000 000 tonnes for the purposes of contributions to the Supplementary Fund.

As at 31 December 2016, oil reports had not been received from Morocco.

Administration

External Auditor

BDO International was appointed in October 2015 as IOPC Funds' External Auditor after a tender process to audit the Financial Statements of the 1992 Fund and the Supplementary Fund for a period of four years, i.e. the financial years 2016–2019 inclusive. The Comptroller and Auditor General of the United Kingdom (National Audit Office (NAO)) had held the position of External Auditor for the IOPC Funds since 1978 and decided to step down following the audit of the 2015 Financial Statements. The NAO reported to the governing bodies for the last time in October 2016 on the audit of the 2015 Financial Statements of the 1992 Fund and Supplementary Fund (see Financial Review section, pages 35–42).

Risk management

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

Financial administration

The General Funds cover the administration expenses of the respective Funds, 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 defined by the Pound sterling equivalent of 4 million SDR 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.

Joint Secretariat expenses

The joint administrative expenses (excluding the External Auditor's fees which are paid directly by each of the Funds) for the Secretariat, administered by the 1992 Fund are set out below.

Commentary on the joint Secretariat expenditure is provided in Annex I of the 1992 Fund's Financial Statements for the financial periods 2015 and 2014, which are available on the 'About us – Structure' page on the Funds' website: www.iopcfunds.org.

Joint Secretariat expenditure	2016 unaudited	2015 audited	2014 audited
Expenditure	3 951 000	3 931 936	3 818 719
Budget	4 407 360	4 306 640	4 165 960
Expenditure as % of budget	89%	91%	92%
External Auditor's fees			
1992 Fund	50 000	47 500	48 500
Supplementary Fund	3 500	3 500	3 600
Management fees received by 1992 Fund from Supplementary Fund	34 000	33 000	32 000

Financial information

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.

1992 Fund

Financial Information for 2015 (audited)

Contributions of some £3.8 million were levied in 2014 for payment in 2015 in relation to the General Fund. Interest on investments amounted to some £1.8 million. Claims and claims-related expenditure during the period was some £17.3 million. The payments related mainly to the *Hebei Spirit* and *Nesa R3* incidents.

Financial Information for 2016 (unaudited)

Contributions of some £4.4 million were levied in 2015 for payment in 2016 in relation to the General Fund. Interest on investments amounted to some £1.1 million. Claims and claims-related expenditure during the period was some £39.3 million. The payments related mainly to the *Hebei Spirit*, *Nesa R3* and *Alfa I* incidents.

The IOPC Funds' offices were relocated in July 2016 to the building of the International Maritime Organization (IMO). The relocation was financed through budget appropriations in 2014, 2015 and 2016 with an amount of £688 026 available in 2016 for the cost of relocation, as set out below.

Relocation	Total £	2016 unaudited £	2015 audited £	2014 audited £
Expenditure	739 174	677 200	26 115	35 859
Budget	750 000	250 000	250 000	250 000

The Financial Review section provides extracts from the 2015 Financial Statements and the full set can be found on the IOPC Funds' website under the 'About Us – Structure' page.

The Mandates of the Audit Body and the Investment Advisory Body are available under the 'Oversight Bodies' page of the website.



The current members of the joint Audit Body, elected in October 2014 are (left to right): Mr José Luis Herrera Vaca (Mexico), Vice-Admiral Giancarlo Olimbo (Italy), Mr Eugène Ngango Ebandjo (Cameroun), Mr Jerry Rysanek (Canada)(Chairman), Mr Michael Knight (External expert), Mr Makato Harunari (Japan), Mr John Gillies (Australia).

Audit Body

The joint Audit Body, established by the IOPC Funds' governing bodies, normally meets three times a year to review the adequacy and effectiveness of the Organisations regarding key issues of management and financial systems, financial reporting, internal controls, operational procedures and risk management, and to review the Organisations' Financial Statements. It also considers all relevant reports by the External Auditor. The Audit Body reports to the governing bodies at their regular October session.



The three current members of the joint Investment Advisory Body, appointed in October 2014, are (left to right): Mr Alan Moore, Mr Simon Whitney-Long, Mr Brian Turner.

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. It also meets with the Audit Body and External Auditor to share information, and reports to the governing bodies at their regular October session.

Supplementary Fund

Financial Information for 2015 (audited)

No contributions were levied for payment in 2015. Interest on investments amounted to some £5 900. Total obligations incurred by the Supplementary Fund amounted to £36 500 of which £33 000 was in respect of the management fee payable to the 1992 Fund.

Financial Information for 2016 (unaudited)

No contributions were levied for payment in 2016. Interest on investments amounted to some £5 700. Total obligations incurred by the Supplementary Fund amounted to £37 500 of which £34 000 was in respect of the management fee payable to the 1992 Fund.

External Relations

The Secretariat of the IOPC Funds undertakes a range of activities aimed at strengthening the IOPC Funds' relationships with Member States and other international, intergovernmental or non-governmental organisations. From time to time, the Secretariat organises or participates in events such as national and regional workshops or gives presentations to enhance understanding of the international regime for oil pollution compensation, to assist with implementation of the Conventions at national level and to assist potential claimants. Meetings between the Secretariat and government authorities within Member States are often highly beneficial to both parties. Such visits normally result in the resolution of longstanding issues such as the payment of outstanding contributions and submission of oil reports. The main activities in 2016 are outlined in the text opposite and shown on the adjacent map, together with other key outreach activities delivered since 2012.

- 1 Location: Nicaragua**
Name of Event:
IOPC Funds' National Workshop
 Delivery of a two-day seminar to provide the Maritime Authority of Nicaragua with an overview of the international liability and compensation regime following the Republic of Nicaragua becoming the 114th Member State of the 1992 Fund.

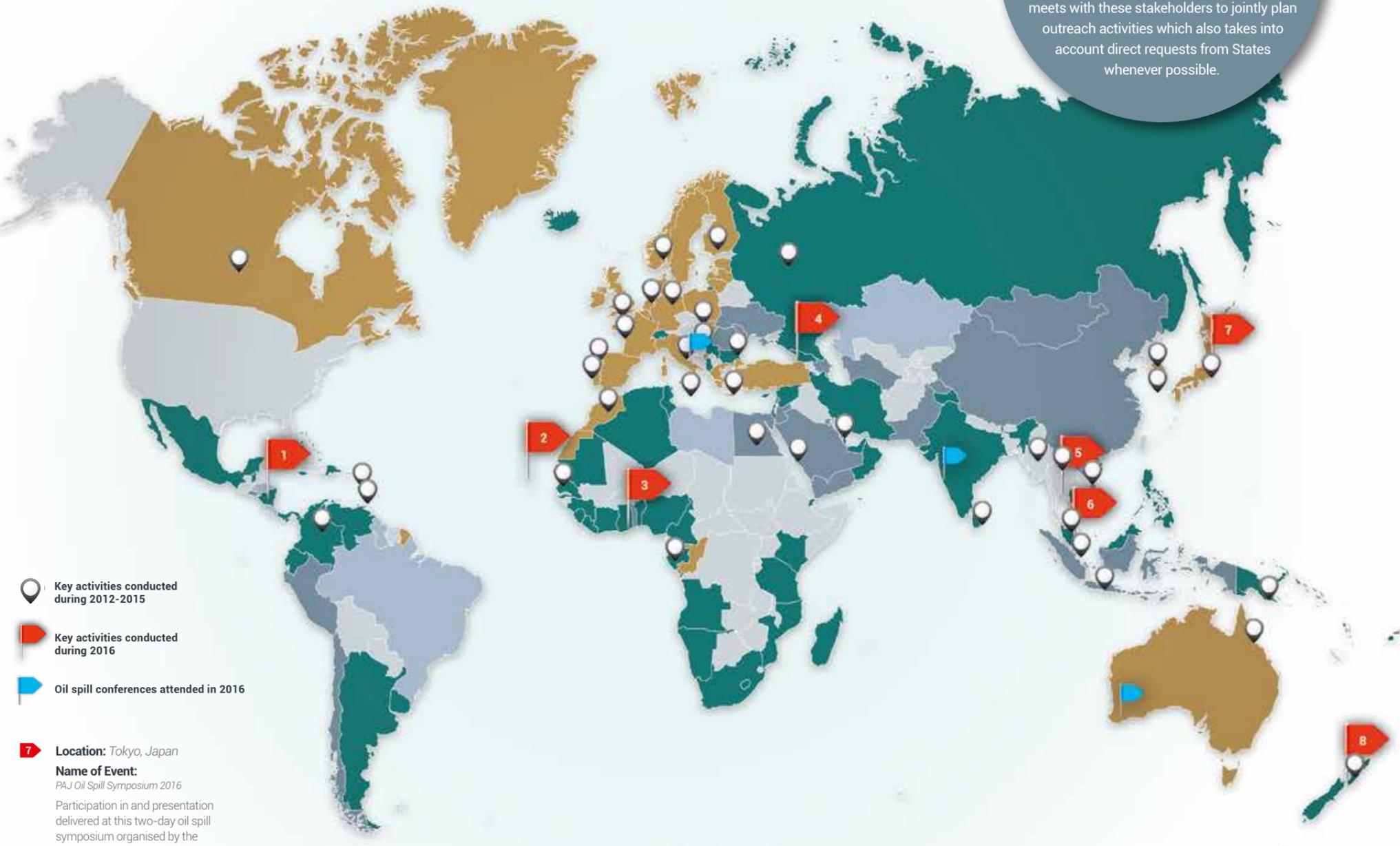
- 2 Location: Praia, Cabo Verde**
Name of Event:
GI-WACAF National Workshop
 Participation in this national workshop within the framework of the GI-WACAF project, which focused on contingency planning and liability and compensation in case of an oil spill.

- 3 Location: Accra, Ghana**
Name of Event:
The Marine Environment and Data Exchange training project (MARENDA)
 Presentation delivered on claims and compensation as part of a training course on preparedness and response to marine pollution organised by the World Maritime University as part of the MARENDA project.

- 4 Location: Batumi, Georgia**
Name of Event:
Georgia International Maritime Forum 2016
 Presentation delivered at the Georgia International Maritime Forum 2016 on the topic of 'shipping, indispensable to the world'.

- 5 Location: Bangkok, Thailand**
Name of Event:
IMO Workshop on Liability Conventions
 Participation in this interactive workshop on the international liability and compensation regime hosted by Thailand's Marine Department.

- 6 Location: Singapore**
Name of Event:
Marine Environmental Protection in Asia
 Participation in a conference on Marine Environmental Protection in Asia hosted by the Law of the Sea Institute (LOSI) of the University of California, Berkeley, the Korea Institute of Ocean Science and Technology, and the Centre for International Law of the National University of Singapore.



- Key activities conducted during 2012-2015
- Key activities conducted during 2016
- Oil spill conferences attended in 2016

- 7 Location: Tokyo, Japan**
Name of Event:
PAJ Oil Spill Symposium 2016
 Participation in and presentation delivered at this two-day oil spill symposium organised by the Petroleum Association of Japan.

- 8 Location: Wellington, New Zealand**
Name of Event:
Maritime New Zealand spill exercise
 Visit to Maritime New Zealand to take part in a spill exercise designed to test an all of government response to a major maritime incident.

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Q. How does the IOPC Funds plan its outreach activities?

A. The 1992 Fund cooperates with a range of intergovernmental organisations as well as with the oil and shipping industry to facilitate the adoption of the oil pollution liability and compensation regime worldwide. Every year, the Secretariat meets with these stakeholders to jointly plan outreach activities which also takes into account direct requests from States whenever possible.

Oil Spill Conferences

- Location: Opatija, Croatia**
Name of Event:
ADRIASPELLCON 2016
 Participation in and presentations delivered in the third Adriatic Spill Conference and Exhibition which included discussions on the definition of 'ship', the new online Claims Handling System and the progress being made by States towards ratification of the 2010 HNS Convention.
- Location: Perth, Australia**
Name of Event:
Spillcon 2016
 Participation in the international oil spill conference for the Asia-Pacific region, which included the Director chairing a conference session relating to international trends in maritime environmental emergencies and the delivery of a presentation on the recent developments in the IOPC Funds' regime. The Secretariat also had an exhibition stand at the event.
- Location: Mumbai, India**
Name of Event:
Oil Spill India 2016
 Participation, presentations delivered and sessions chaired at this international conference focusing on oil spill prevention, preparedness and response. The Secretariat also had an exhibition stand at the event.

External Relations

In-house visits

In addition to these activities, delegations from a variety of organisations and universities visit the Funds' offices when in London. In 2016, visitors included students from the International Maritime Law Institute (IMLI) in Malta, the universities of Deusto and Barcelona in Spain, Ghent in Belgium, and the International Tribunal for the Law of the Sea (ITLOS) Nippon Fellows participating in the dispute settlement training programme. During these visits, the Secretariat usually delivers presentations and holds question and answer sessions on the international liability and compensation regime.

Regional lunch meetings

The Secretariat organises informal lunch meetings at the IOPC Funds' offices for London-based representatives of Member and non-Member States according to geographical regions. These meetings provide an opportunity for the Secretariat to improve contacts with States and to deal with queries relating to membership, oil reporting and contributions. During 2016, lunch meetings were held for States in the regions of the Middle East, Africa and South Asia. Further events are planned for 2017.

IOPC Funds' Short Course

The sixth annual IOPC Funds' Short Course took place in June 2016. The programme covered all aspects of the work of the IOPC Funds and the international liability and compensation regime in general and included practical exercises which allowed participants to study a theoretical incident and the subsequent claims submission process. Participants also had the opportunity to visit the IMO Headquarters, the offices of the Shipowners' Club, as well as the International Group of P&I Associations, and had a guided tour of Lloyd's of London. The course is currently supported by IMO, the International Group, ITOPE, INTERTANKO and ICS. Each year the course is open to self-funded participants from 1992 Fund Member States, nominated directly by their government.

Website

The IOPC Funds' website is the hub for all information pertaining to the Organisations and is available in English, French and Spanish. To coincide with the relocation of the offices of the IOPC Funds, in July 2016 the Funds' website was made available in a new refreshed format, incorporating the new logo and providing a lighter more contemporary look and feel for users, whilst generally maintaining the main navigation, functionality and content of the site. The site is also now fully responsive for mobile devices.

The website is divided into five main sections covering the work and structure of the Organisations, compensation and claims management, incidents, the latest news and upcoming events as well as a section containing the publications produced by the Funds, which includes an online archive of all Annual Reports issued since 1978. Additionally, the website incorporates various interactive features, such as a map of incidents involving the IOPC Funds, with case studies and information relating to incidents dating back to the establishment of the 1971 Fund, a map displaying the membership of the IOPC Funds, a downloadable example Claim Form and statistical information.

In addition, the website provides access to other IOPC Funds' services and websites, including Document Services, the Online Reporting System and the HNS Convention website.

For regular notifications of new publications, documents and news items from the IOPC Funds, register for an account via the document services section of the website.

The deadline for nominations from 1992 Fund Member States for participants of the annual IOPC Funds Short Course is usually in April each year. Nomination forms are made available online.

Publications

In addition to the Annual Report 2015, during 2016 the Secretariat also published a new brochure about the functioning of the IOPC Funds. Two further Guidance documents for Member States were also published, the first relating to the definition of 'ship' under the 1992 CLC and the second relating to the Management of Fisheries Closures and Restrictions Following an Oil Spill. All publications, including the Texts of the Conventions, the Claims Manual and other documents containing guidance for claimants and Member States are available to download from the IOPC Funds' website.



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Q. Can the IOPC Funds Secretariat provide assistance to States preparing implementing legislation?

A. The Secretariat does not have a technical assistance programme to provide support to Member and non-Member States, but it has the capability to provide advice on legal matters related to the implementation of the 1992 CLC, 1992 Fund Convention and Supplementary Fund Protocol. Government authorities are encouraged to contact the Secretariat for any question of that nature.

Relations with non-Member States

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

Bolivia (Plurinational State of)	Indonesia
Brazil	Kuwait
Chile	Lebanon
Democratic People's Republic of Korea	Pakistan
Egypt	Peru
Gambia	Saudi Arabia
Guatemala	Thailand
Guyana	Ukraine
Honduras	United States

Relations with International Organisations

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

Intergovernmental organisations granted observer status

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

Non-governmental organisations granted observer status

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

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 largely modeled on the 1992 Civil Liability and Fund Conventions. Originally adopted in 1996 and amended in 2010, it aims to ensure adequate, prompt and effective compensation for personal injury, damage to property, costs of clean-up and reinstatement measures and economic losses resulting from the maritime transport of hazardous and noxious substances (HNS).

The 1992 Fund Secretariat was assigned to carry out the administrative tasks necessary to set up the HNS Fund on the occasion of the international conference, held in April 2010, which adopted a Protocol to the HNS Convention (2010 HNS Protocol). The 1992 Fund Secretariat has since continued to prepare for the entry into force of the Convention on the basis that all expenses incurred in that regard will be repaid, with interest, to the 1992 Fund by the HNS Fund once the Convention enters into force.

Work undertaken by the 1992 Fund in 2016

Throughout 2016, the Secretariat continued to provide assistance to States in order to support the Convention's early entry into force.

The HNS Correspondence Group, established by the Legal Committee of IMO in 2014 and chaired by François Marier of Canada, has continued its work, advocating for the ratification of the 2010 HNS Protocol through information and experience sharing. The 1992 Fund Secretariat supports this group by administering its online blogging site and has worked closely with the Chairman and other key stakeholders to produce the planned outputs of the Correspondence Group.

The Secretariat also maintains the website www.hnsconvention.org, which provides easy access to a number of tools and resources for the use of those States considering, or in the process of, ratifying the Convention. This website, which is available in English, French and Spanish, includes all the official texts related to that Convention as well as the IMO-approved HNS contributing cargo reporting guidelines with its model reporting forms and the web-based database, the HNS Finder, which provides a complete list of HNS covered by the Convention. The HNS Finder includes a search function which enables

users to look up substances and determine whether a substance is contributing cargo that must be reported, and whether it qualifies for compensation under the Convention.

During 2016 the Secretariat has continued to promote the Convention and to offer assistance and information to both States and contributors alike on the practical aspects of the 2010 HNS Convention. It participated in a workshop hosted in Montreal by Canada in March 2016 which focused on the next steps required by States to bring about the entry into force of the Convention and also delivered presentations on the HNS Convention at a number of conferences in London, United Kingdom and abroad.

The Secretariat participated in various workshops on the liability and compensation regime for oil spills in 2016 (see pages 22-23) which enabled the Secretariat to also deliver presentations on the importance of introducing a similar system for HNS. The Secretariat has also engaged further with the European Institutions in Brussels in 2016 as they discuss the adoption of a decision by the Council of the European Union (EU) aimed at authorising and encouraging EU States to ratify the 2010 HNS Convention within a certain deadline.

2010 HNS Convention – the facts

Hazardous and noxious substances covered by the HNS Convention are defined by references to various IMO Conventions and Codes. These include: oils; other liquid substances defined as noxious or dangerous; liquefied gases; liquid substances with a flashpoint not exceeding 60°C; dangerous, hazardous and harmful materials and substances carried in packaged form or in containers; and solid bulk materials defined as possessing chemical hazards.

The 2010 HNS Convention offers a two-tier system in one single treaty, in which the shipowner is strictly liable to pay the first tier of compensation, while a Fund (the HNS Fund) generated from levies on cargo receivers in all Member States provides the second-tier of compensation.

The shipowner's liability varies for bulk HNS and packaged HNS. For bulk HNS it ranges from 10 million SDR for ships up to 2 000 GT to a maximum of 100 million SDR for ships of 100 000 GT and above*. For damage caused by packaged HNS it ranges from 11.5 million SDR to a maximum of 115 million SDR. It is compulsory for all ships to have insurance to cover their liability and claimants have a right of direct action against the insurer.

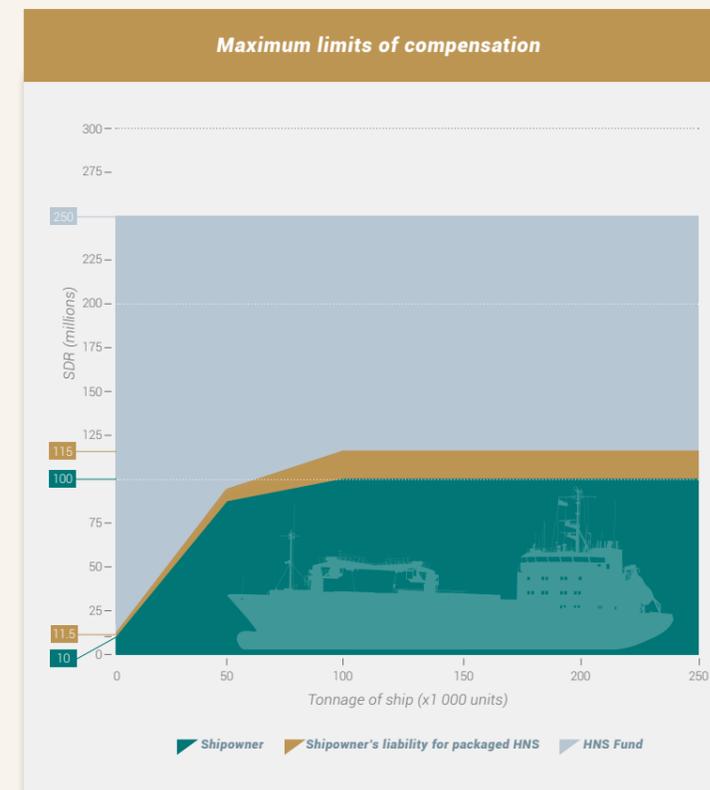
The HNS Fund will provide the second tier of compensation up to a total of 250 million SDR, including the amount payable by the shipowner under the first tier, irrespective of ship size, and will comprise a general account covering bulk solids and other HNS as well as three separate accounts for oil, LPG and LNG. Each separate account will meet claims attributable to the respective cargo and will be funded in proportion to total receipts of those cargoes in Member States, which means that there will be no cross-subsidisation between accounts.

* Ships below 200 GT can be excluded from the Convention by the State Party.

The 2010 HNS Convention is open for accession and will enter into force 18 months after the date on which it is ratified or acceded to by at least 12 States. This must include four States that have no less than two million units of shipping gross tonnage each. The four States must also have received in the immediately preceding calendar year a total of at least 40 million tonnes of cargo, which would contribute to the general account.

The following eight States have signed the 2010 HNS Protocol but no ratification has taken place yet.

Canada	Germany	Norway
Denmark	Greece	Turkey
France	Netherlands	



Contributions by individual receivers will be based on the thresholds shown in the table below.

	Establishment of account	Contributions to account/sector per receiver
General account	40 million tonnes**	
• Bulk solids		> 20 000 tonnes
• Other HNS		
Oil account	350 million tonnes	
• Persistent oil		> 150 000 tonnes
• Non-persistent oil		> 20 000 tonnes
LPG account	15 million tonnes	> 20 000 tonnes
LNG account	20 million tonnes	No minimum quantity

** Condition for entry into force

Q. How will the HNS Fund run once established?

A. The first Assembly of the HNS Fund will have to decide, among others things, about the location of the HNS Fund's Headquarters. However, the IMO Legal Committee and the Assembly of the 1992 Fund have expressed the view that it should be hosted within the IOPC Funds given the similarity of mandate and the economies of scale to be made from the existing capability to run compensation funds.

Resources available



Visit www.hnsconvention.org for more information.

Governing Bodies

Structure of the Governing Bodies 30

Sessions of the Governing Bodies in 2016 32

In this section

In this section, information is provided on the structure, composition and main functions of the governing bodies of the IOPC Funds (pages 32–33).

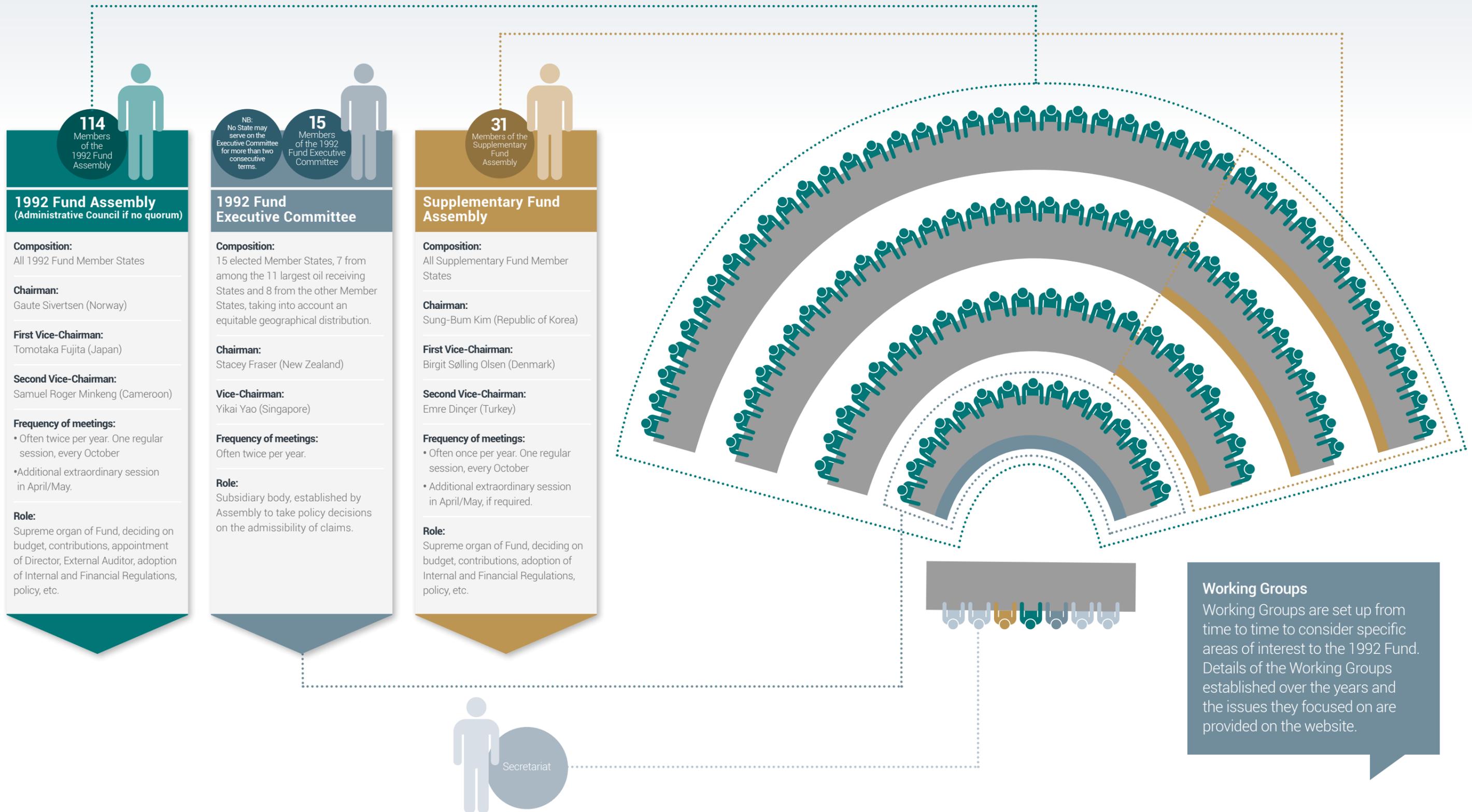
The governing bodies agree upon dates for their future sessions at each October meeting. Dates are agreed for two meetings per year, in spring and autumn, with the possibility to hold further meetings should the need arise. Details are provided on the key discussions and decisions taken at the 2016 sessions of the governing bodies, which took place in April and October (pages 32–33).

The April 2016 meetings included sessions of the 1992 Fund Administrative Council, acting on behalf of the Assembly, the Supplementary Fund Assembly and of the 1992 Fund Executive Committee.

The October meetings saw sessions of the 1992 Fund Assembly, and further sessions of the Supplementary Fund Assembly and the 1992 Fund Executive Committee.

Complete Records of Decisions for all meetings may be accessed via the Document Services section of the IOPC Funds' website (www.iopcfunds.org).

Structure of the Governing Bodies



Sessions of the Governing Bodies in 2016

Sessions in 2016

1992 Fund Administrative Council (15th session) (acting on behalf of the Assembly) and 1992 Fund Assembly (21st session)

Supplementary Fund Assembly (12th and 13th sessions)

1992 Fund Executive Committee (66th and 67th sessions)

The IOPC Funds' governing bodies met from 25–27 April and 17–20 October 2016 at the headquarters of the International Maritime Organization (IMO) in London. All documents including full Records of Decisions for the 2016 sessions of the governing bodies are available on the Document Services section of the Funds' website (www.iopcfunds.org). A summary of the main issues discussed and decisions taken is set out below.

The 1992 Fund Administrative Council and 1992 Fund Assembly



Gaute Sivertsen
(Norway)
Chairman since October 2011

The 1992 Fund Administrative Council, acting on behalf of the Assembly, made decisions and noted developments in respect of a number of items during its April 2016 session, including a new web-based claims handling system, amendments to the Internal Regulations and the adoption of a Resolution in relation to the handling of cases where a State has outstanding oil reports and/or contributions. The Administrative Council approved the publication of a guidance document for Member States' administrations on the definition of 'ship' under Article I(1) of the 1992 CLC.

It also approved Guidelines for the management of fisheries closures and restrictions and a new text for the Claims Manual which reflects the governing bodies' decision at their October 2015 sessions with regard to the payment of compensation for claims for VAT by central governments.

At its October 2016 session, the 1992 Fund Assembly discussed various policy issues. In particular, the Assembly approved a draft agreement that had been prepared on standard terms relating to interim payments. The Agreement and its appendix set out the terms and conditions which could

Attendance at the October 2016 sessions



apply on a case-by-case basis, and which would have to be negotiated by the IOPC Funds and the P&I Clubs belonging to the International Group and approved by the Executive Committee. The Assembly authorised the Director to sign the Agreement.

Separately, but also under the subject of compensation matters, the Assembly took the decision to increase the limit of the Director's authority to make provisional payments as well as final settlement of claims in certain cases prior to convening a session of the 1992 Fund Executive Committee. The International Group reported on a review it had carried out of the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 and the Tanker Oil Pollution Indemnification Agreement (TOPIA) 2006. The review was based on the experience in the 10-year period from the entry into force of these agreements and the Director endorsed several proposed amendments to the Agreements. A draft text of Guidelines for presenting claims for environmental damage was presented for comments.

The 1992 Fund Assembly also took a number of key decisions relating to the administration of the organisation, most significantly re-appointing the present Director, Mr José Maura, for a second term of five years. The Director confirmed that the IOPC Funds' offices had successfully relocated to the IMO building during the weekend of 23–24 July 2016 and that the costs of the relocation had fallen within the allocated budget. An administrative budget for the 1992 Fund of £4 439 720 was adopted for 2017. All decisions relating to the levying and reimbursement of contributions are set out on pages 16–19.



Sung-Bum Kim
(Republic of Korea)
Chairman since
October 2011

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 and the 1992 Fund Assembly in respect of a number of items also relevant to the Supplementary Fund; in particular, the appointment of the Director, the Agreement on interim payments and the review of STOPIA 2006 and TOPIA 2006. It approved the financial statements of the Supplementary Fund for 2015 and adopted an administrative budget for 2017 of £47 200. It also decided to maintain the working capital of the Supplementary Fund at £1 million but instructed the Director to review the working capital and the sharing of the burden amongst Member States and to put forward a proposal to the Supplementary Fund Assembly in April 2017. It decided that no levies of 2016 contributions were required and agreed to pay a flat management fee of £34 000 to the 1992 Fund for the financial year 2017.



Q. How do I register to attend the meetings?

A.

Representatives of Member States or States and Organisations with observer status must register in advance of the meetings

via the online registration system under the Document Services section of the website.

Representatives of other States and Organisations or members of the public are welcome to observe the meetings and must inform the Secretariat in advance by email to conference@iopcfunds.org.



Stacey Fraser
(New Zealand)
Chairman since
October 2015

1992 Fund Executive Committee

The Executive Committee was informed of all key developments during the course of the year in respect of the 12 incidents involving the 1992 Fund during 2016 and was notified of one new incident (*Trident Star*, August 2016, Malaysia) which may involve the Fund. Detailed presentations were given on a number of incidents and discussions took place on key points. In particular it was reported that since it had now been confirmed that no liability would arise for the Fund in respect of the incident in Argentina, the case was closed. In respect of the *Hebei Spirit* incident (Republic of Korea, 2007), the 1992 Fund Executive Committee decided to increase the level of payments to 60% of the amount of the established losses in April 2016. With regard to the *Alfa I* incident (Greece, 2012) the Executive Committee authorised the Director to settle the main contractor's claim in April and in October it was reported that the 1992 Fund had made a payment of €12 million in full and final settlement of the claim. Further details regarding incident developments during 2016 are set out in pages 14–15.

1992 Fund Executive Committee Members (from October 2015 until October 2016)

Algeria	India	Singapore
Bahamas	Japan	Spain
Cameroon	Marshall Islands	Sweden
Canada	Mexico	Turkey
France	New Zealand	United Kingdom

Current 1992 Fund Executive Committee Members (from October 2016 until October 2017)

Colombia	Kenya	Philippines
Denmark	Malaysia	Republic of Korea
France	Malta	Singapore
Iran (Islamic Republic of)	Netherlands	Trinidad and Tobago
Japan	New Zealand	United Kingdom

Financial Review

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<i>Extracts from 2015 Financial Statements</i>	37
<i>Key Financial Figures for 2016 (unaudited)</i>	41

In this section

As in previous years, the Financial Statements of the 1992 Fund and the Supplementary Fund were audited by the External Auditor of the IOPC Funds, the Comptroller and Auditor General of the United Kingdom. This was the final set of Financial Statements to be audited by the National Audit Office, United Kingdom. The Financial Statements for 2016 will be audited by the newly appointed External Auditor (BDO International) (see Administration section, pages 20–21).

The Financial Statements for 2015 were prepared in compliance with the International Public Sector Accounting Standards (IPSAS) and in accordance with the Financial Regulations of the respective Funds, where appropriate. The Key Financial Figures for 2016 (unaudited) which are provided in this section have also been arrived at in conformity with the requirements of IPSAS.

The Financial Statements of the IOPC Funds for the period 1 January to 31 December 2015 were approved by the respective governing bodies during their sessions in October 2016.

Audited extracts from the notes to 1992 Fund Financial Statements of the Financial Position and Financial Performance by segment on the basis of the General Fund and Major Claims Funds and the Supplementary Fund Financial Statements of the Financial Position and Financial Performance for the financial year 2015 (pages 37–40) are presented. Unaudited key financial highlights for 2016 with respect to each Fund are also presented in this Financial Review (pages 41–42).

The full set of audited Financial Statements can be found on the IOPC Funds' website (www.iopcfunds.org) on the 'About us – Structure' page, along with the External Auditor's opinions on each set of statements, and the Auditor's Report on the Financial Statements of the 1992 Fund.

Certificate

Financial Statements for 2015

The extracts of the '2015 Financial Statements' reproduced here are the summary of the 1992 Fund Statement of Financial Position, the 1992 Fund Statement of Financial Performance, the Supplementary Fund Statement of Financial Position and the Supplementary Fund Statement of Financial Performance. The full set of the IOPC Funds' 2015 Financial Statements can be obtained from the Funds' website at www.iopcfunds.org on the 'About us – Structure' page, or by contacting the Secretariat.

Key Financial Figures for 2016

As in previous Annual Reports, revenue and expenditure figures are given for 2016 in respect of each Fund. Audited results for 2016 will be included in the 2017 Annual Report.

External Auditor's Statement on the extracts from the 2015 Financial Statements

Extracts from the 1992 Fund Statement of Financial Position and the 1992 Fund Statement of Financial Performance, on which an unqualified opinion and a Report have been issued, are contained on pages 37–38. They are consistent with the audited Financial Statements for the year ended 31 December 2015, approved by the 1992 Fund Assembly (21st session). Extracts from the Supplementary Fund Statement of Financial Position and the Supplementary Fund Statement of Financial Performance, on which an unqualified opinion has been issued, are contained on pages 39–40. They are also consistent with the audited Financial Statements for the year ended 31 December 2015, approved by the Supplementary Fund Assembly (13th session).

Mr Damian Brewitt, Director
National Audit Office, United Kingdom
February 2017

Extracts from 2015 Financial Statements

1992 Fund Statement of Financial Position by segment

As at 31 December 2015

	2015 General Fund	2015 Prestige MCF	2015 Hebei Spirit MCF	2015 Volgoneft 139 MCF	2015 Alfa I MCF	2015 TOTAL	2014 TOTAL
	£	£	£	£	£	£	£
ASSETS							
Current assets							
Cash and cash equivalents	28 716 901	23 869 335	102 981 550	5 103 156	-	160 670 942	177 986 426
Contributions receivable	306 804	21 687	1 291 356	88 381	-	1 708 228	1 506 348
Other receivables	442 867	36 857	745 681	47 719	-	1 273 124	1 249 279
Staff Provident Fund (Externally managed)	574 738	-	-	-	-	574 738	-
Total current assets	30 041 310	23 927 879	105 018 587	5 239 256	-	164 227 032	180 742 053
Non-current assets							
Due from HNS Fund	313 018	-	-	-	-	313 018	293 100
Equipment and Intangible assets	105 898	-	-	-	-	105 898	128 359
Total non-current assets	418 916	-	-	-	-	418 916	421 459
TOTAL ASSETS	30 460 226	23 927 879	105 018 587	5 239 256	-	164 645 948	181 163 512
LIABILITIES							
Current liabilities							
Payables and accruals	260 770	26 220	1 470 680	-	-	1 757 670	1 300 115
Provision for compensation	4 806 737	62 486	56 000 729	2 505 623	5 111 920	68 487 495	36 102 014
Provision for relocation	24 750	-	-	-	-	24 750	-
Provision for employee benefits (short-term)	135 463	-	-	-	-	135 463	181 359
Prepaid contributions	532 349	-	-	-	-	532 349	155 746
Contributors' account	1 202 730	-	-	-	-	1 202 730	2 389 194
Total current liabilities	6 962 799	88 706	57 471 409	2 505 623	5 111 920	72 140 457	40 128 428
Non-current liabilities							
Staff Provident Fund	4 802 895	-	-	-	-	4 802 895	4 393 956
Provision for employee benefits (long-term)	349 726	-	-	-	-	349 726	277 139
Total non-current liabilities	5 152 621	-	-	-	-	5 152 621	4 671 095
TOTAL LIABILITIES	12 115 420	88 706	57 471 409	2 505 623	5 111 920	77 293 078	44 799 523
NET ASSETS	18 344 806	23 839 173	47 547 178	2 733 633	(5 111 920)	87 352 870	136 363 989
FUNDS' BALANCES							
Balance b/f: 1 January	24 153 721	24 750 822	85 007 980	2 451 466	-	136 363 989	158 481 026
(Deficit)/Surplus for the year	(5 808 915)	(911 649)	(37 460 802)	282 167	(5 111 920)	(49 011 119)	(22 117 037)
GENERAL FUND AND MAJOR CLAIMS FUNDS (MCFs) BALANCES	18 344 806	23 839 173	47 547 178	2 733 633	(5 111 920)	87 352 870	136 363 989

1992 Fund Statement of Financial Performance by segment

General and Major Claims Funds

For the financial period 1 January–31 December 2015

	2015 General Fund	2015 Prestige MCF	2015 Hebei Spirit MCF	2015 Volgoneft 139 MCF	2015 Alfa I MCF	2015 TOTAL	2014 TOTAL
	£	£	£	£	£	£	£
REVENUE							
Contributions	3 905 537	-	123 530	7 028	-	4 036 095	13 081 023
Contributions-in-kind	381 200	-	-	-	-	381 200	381 200
Interest on investments	194 963	69 057	1 089 332	296 272	-	1 649 624	2 123 786
Other revenue	77 067	6 752	39 192	2 637	-	125 648	713 924
Total revenue	4 558 767	75 809	1 252 054	305 937	-	6 192 567	16 299 933
EXPENSES							
Compensation claims	5 674 924	(3 328)	34 749 439	(377 403)	5 111 920	45 155 552	29 404 320
Claims-related expenses	198 215	138 058	2 890 898	-	-	3 227 171	2 953 082
Finance cost from hedging instrument	-	-	329 058	-	-	329 058	27 132
Personnel costs and other administrative costs	4 435 903	-	-	-	-	4 435 903	4 253 779
Allowance for relocation	24 750	-	-	-	-	24 750	-
Currency exchange differences	2 307	851 177	743 936	402 694	-	2 000 114	1 767 935
Increase in allowance for contributions and interest on overdue contributions	31 583	1 551	(475)	(1 521)	-	31 138	10 722
Total expenses	10 367 682	987 458	38 712 856	23 770	5 111 920	55 203 686	38 416 970
(DEFICIT)/SURPLUS FOR THE YEAR	(5 808 915)	(911 649)	(37 460 802)	282 167	(5 111 920)	(49 011 119)	(22 117 037)

Supplementary Fund Statement of Financial Position

As at 31 December 2015

	2015	2014
	£	£
ASSETS		
Current assets		
Cash and cash equivalents	911 104	941 692
Other receivables	1 157	1 165
Total current assets	912 261	942 857
TOTAL ASSETS	912 261	942 857
LIABILITIES		
Current liabilities		
Payables	-	41
Total current liabilities	-	41
TOTAL LIABILITIES	-	41
NET ASSETS	912 261	942 816
FUND BALANCE		
Balance b/f: 1 January	942 816	971 465
(Deficit)	(30 555)	(28 649)
GENERAL FUND BALANCE	912 261	942 816

Supplementary Fund Statement of Financial Performance

For the financial period 1 January–31 December 2015

	2015	2014
REVENUE	£	£
Interest on investments	5 945	6 951
Total revenue	5 945	6 951
EXPENSES		
Administrative costs	36 500	35 600
Total expenses	36 500	35 600
(DEFICIT) FOR THE YEAR	(30 555)	(28 649)

Financial Figures for 2016

1992 Fund Key Financial Figures for 2016 (unaudited)

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

REVENUE (£)	2016
Contributions due in 2016:	
General Fund	4 400 000
Other Revenue:	
Interest on investments	1 150 000
Management fee payable by Supplementary Fund	34 000
Total Revenue	5 584 000

ADMINISTRATIVE COSTS (£)	2016
Joint Secretariat	
Budget (excluding External Auditor's fees for respective IOPC Funds)	4 407 360
Expenditure (excluding External Auditor's fees for respective IOPC Funds)	3 951 000
External Auditor's fees in respect of 1992 Fund	50 000
Relocation costs	739 174

CLAIMS EXPENDITURE (£)	2016	2016	2016
Incident	Compensation	Claims-related expenditure	Total
<i>Prestige</i> (including interim reimbursement of £18 868 from the P&I Club for joint costs)	45 200	419 350	464 550
<i>Volgoneft 139</i>	310 060	37 700	347 760
<i>Hebei Spirit</i> (including interim reimbursement of £325 118 from the P&I Club for joint costs)	24 064 900	1 986 500	26 051 400
<i>Nesa R3</i>	1 344 600	46 200	1 390 800
<i>Alfa I</i>	10 856 100	131 600	10 987 700
Other incidents	-	69 170	69 170
Total Claims Expenditure	36 620 860	2 690 520	39 311 380

Acknowledgements

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Pages 2, 3, 15 (*Alfa I* and *Nesa R3*) and 21

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Page 8

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Page 14 (*Prestige* and *Hebei Spirit*) and page 15 (*Trident Star*)

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A large, stylized graphic of the year '2016'. The numbers are white outlines. The '20' is positioned above the '16'. The '20' is partially obscured by a solid black horizontal bar at the top. A thin white vertical line is positioned to the left of the '16'.