

# IOPC Funds: Current Challenges and Opportunities




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Tokyo, Japan

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An aerial photograph of a large port area, likely a coastal city, showing numerous ships, including tankers and cargo vessels, docked at piers and in the water. The sky is filled with dramatic, dark clouds, and the overall scene is tinted with a blue and purple hue, suggesting dusk or dawn. The text is overlaid on the upper half of the image.

Providing compensation for oil pollution damage resulting  
from spills of persistent oil from tankers

A form of “insurance company” for States,  
managed by States

# The IOPC Funds – Who we are



International  
intergovernmental  
organisation



Based in London,  
at the IMO

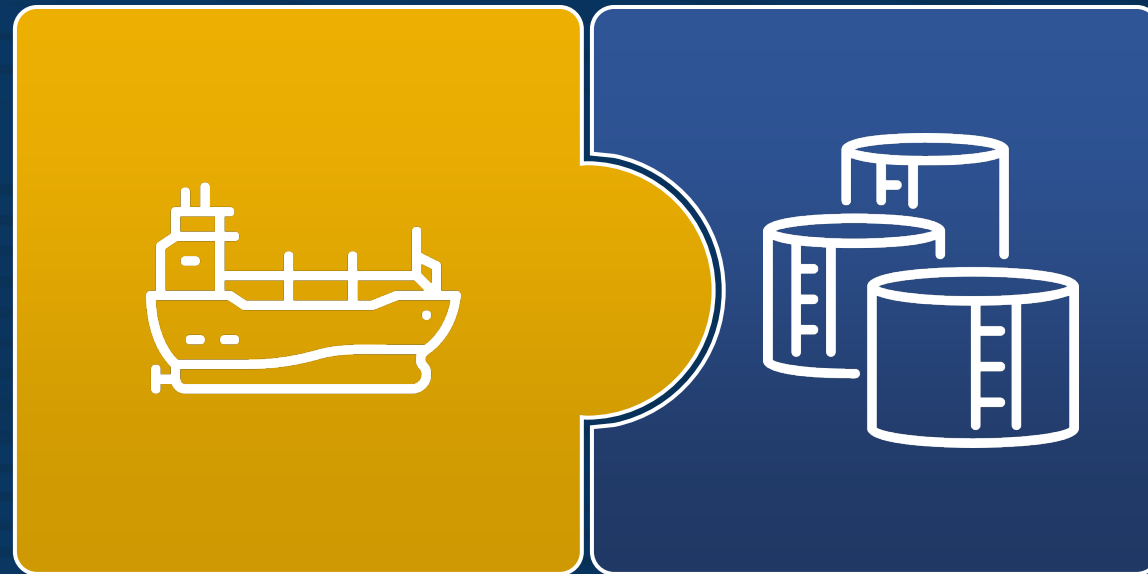


Small Secretariat  
27 staff members  
12 nationalities



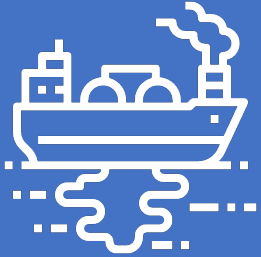
# └ The IOPC Funds - Who we are

The cost of oil spills is shared between the shipowner and the oil industry

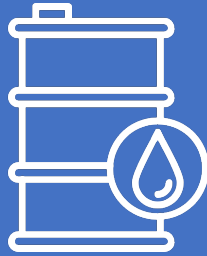


# 「In which cases do we pay?

## Key factors



Incident impacts  
Member State



Cargo is  
persistent oil



Vessel is a ship  
as defined in  
1992 CLC

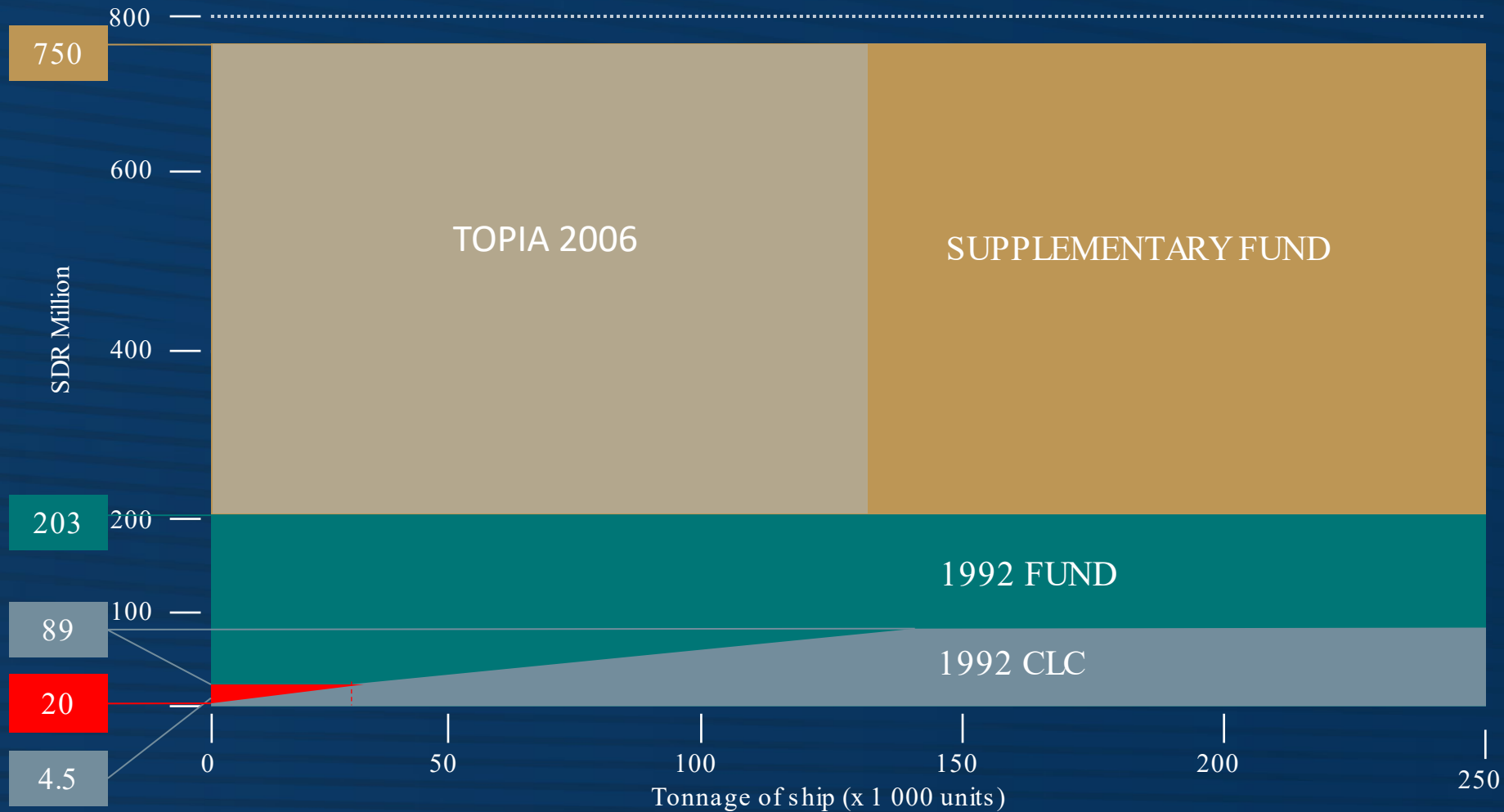


1992 Conventions  
likely to apply



# STOPIA and TOPIA

## Shipowners' voluntary indemnification agreements



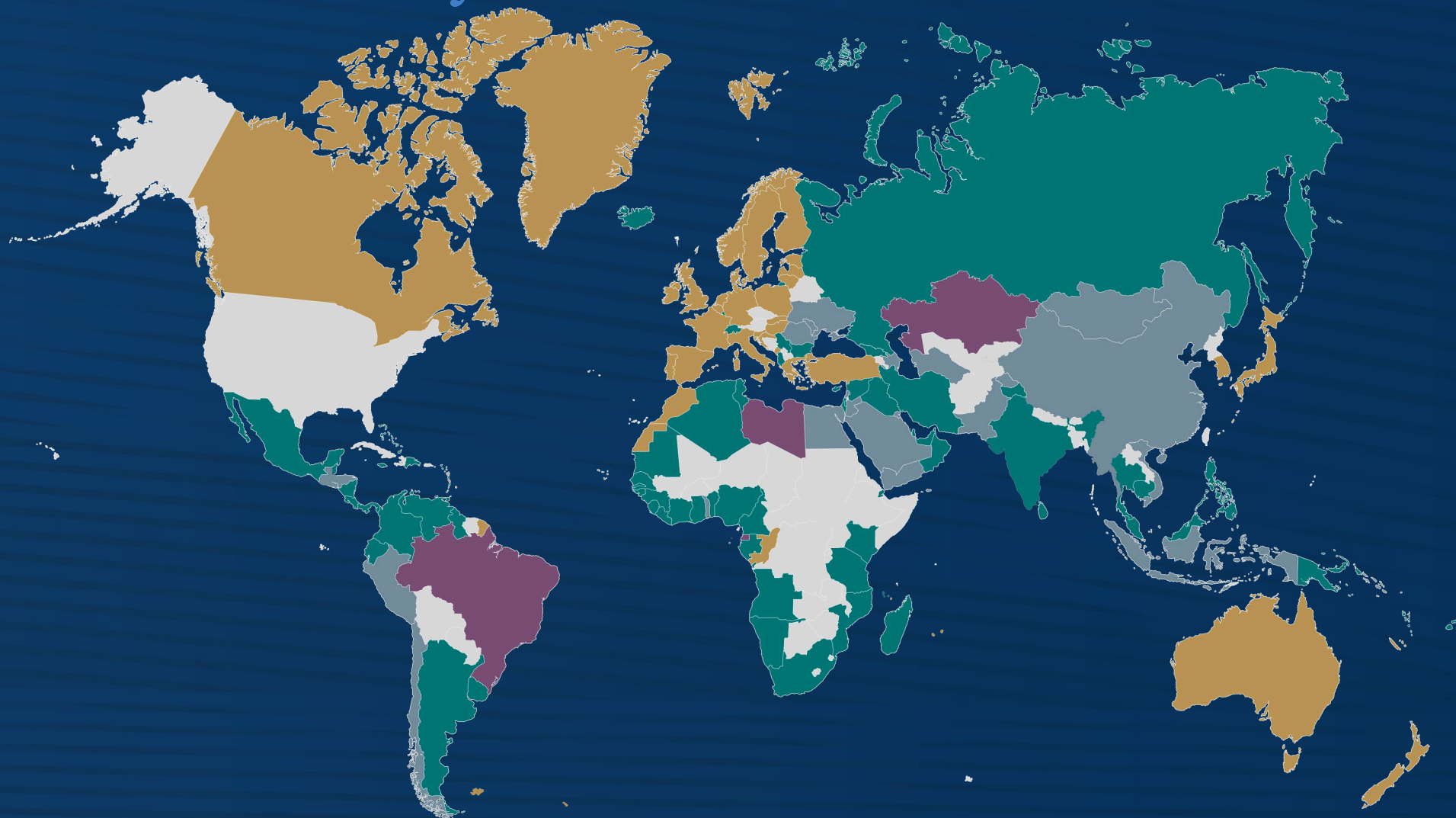
STOPIA

Ships up to  
29 548 GT

TOPIA

50% of claims  
covered by the  
Supplementary  
Fund

# States Party to the Conventions



Supp. Fund  
----  
33 Member States  
----  
SDR 750m

1992 Fund  
----  
122 Member States  
----  
SDR 203m

1992 CLC  
----  
146 Member States  
----  
SDR 89m

1969 CLC  
----  
32 Member States  
----  
SDR 14m

# Challenges facing the 1992 Fund

## Current and future challenges



Ongoing incidents



Dealing with effects of sanctions



Implementation of the Conventions



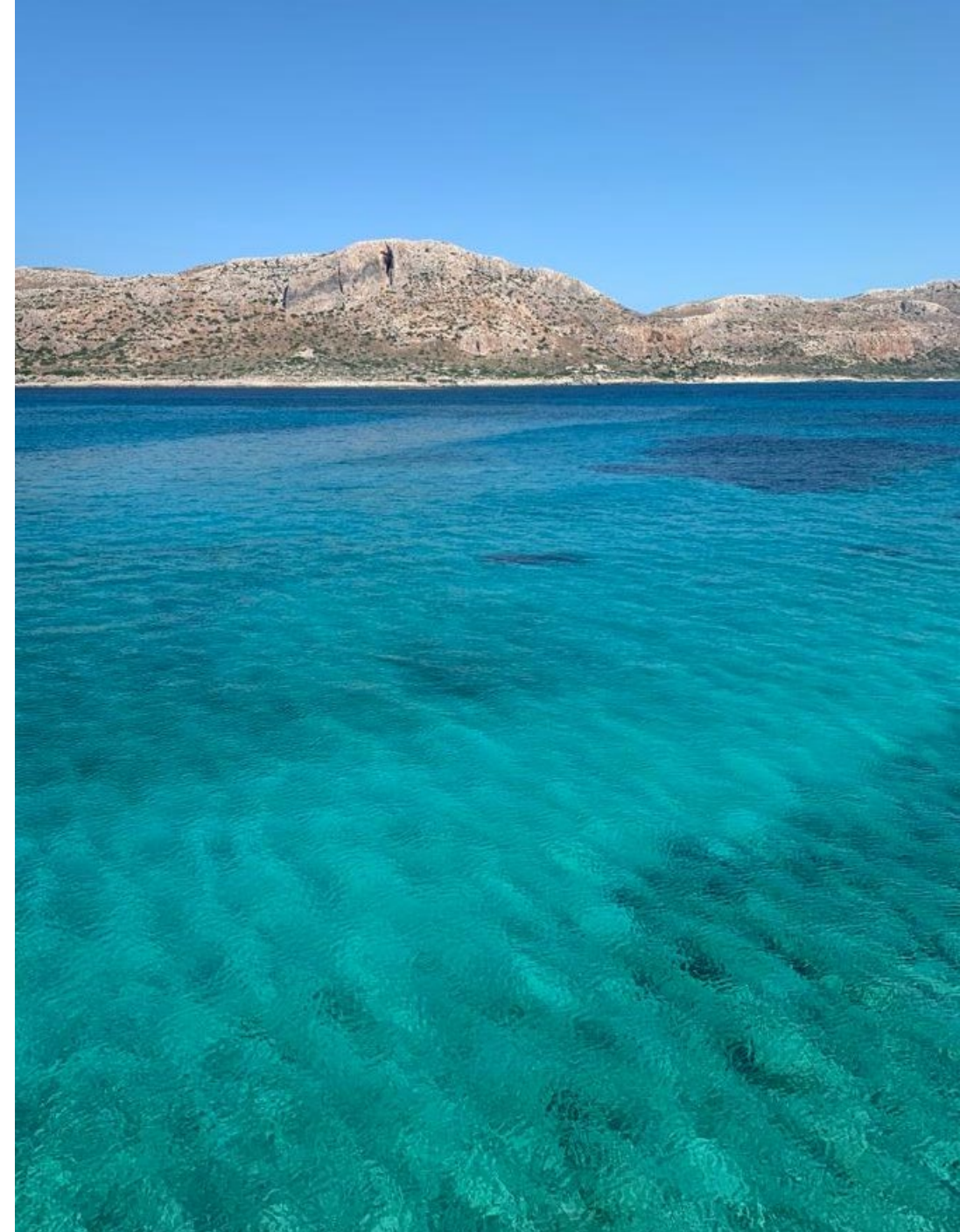
Ensuring contributions are paid



Ensuring treaty-compliant insurance arrangements

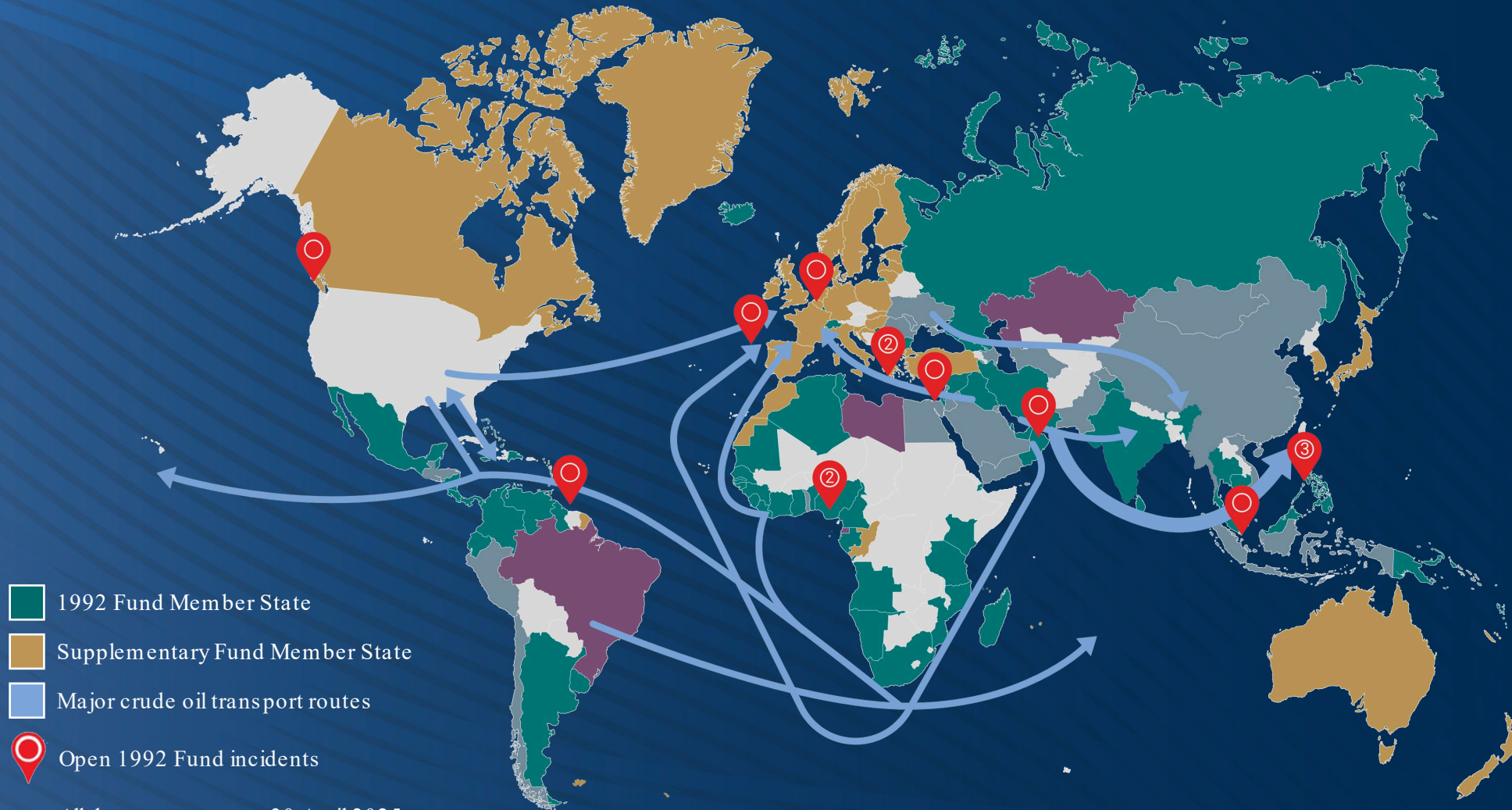


Assisting with entry into force of HNS Convention





# Ongoing risks of spills



All data correct as at 30 April 2025

14  
Open incidents  
involving the  
1992 Fund

155  
Incidents  
involving the  
IOPC Funds  
since 1978

Latest  
incident:  
Terranova,  
The Philippines,  
2024

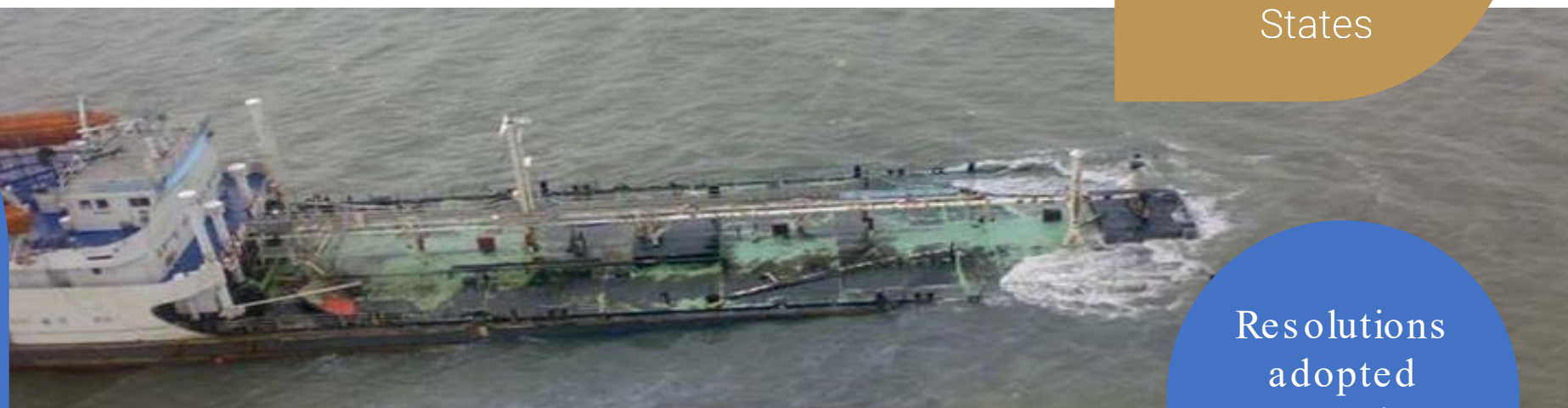
# Dealing with effects of sanctions

## Russian sanctions and substandard insurers

>10%

Tankers trying to  
circumvent or in  
violation of  
sanctions

Results in  
increased risk  
to the  
environment  
and Member  
States



Resolutions  
adopted  
November  
2024

Reinstating the sharing of burden between  
shipowners and oil industry is vital



Risk of insufficient  
compensation for  
States and victims



Risk of IOPC Funds  
having to pay all  
compensation



Results in non-  
conformity with IMO  
tanker safety standards



# Lack of implementation

Penalizes victims and contributors



No legal protection for victims



IOPC Funds do not receive all contributions due



Victims may not receive full compensation



Contributors pay more than their share



Principle of equal treatment of Member States difficult to uphold



# Review of the 1992 CLC and Fund Conventions

Indian Proposal to the IOPC Funds Governing Bodies not Supported

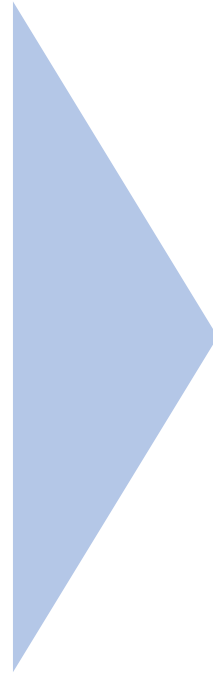
## India's Proposal:

Timely to reassess the conventions including :

Import-based contribution system

Threshold for compulsory insurance

Definition of ship



## Conclusion of Governing Bodies:

Proposals required more data and analysis

Opening of the Conventions could have unintended consequences

Longevity of the current system demonstrates that it works

IOPC has other avenues to address India's concerns



# Ensuring contributions are paid

## Resolution 12

Member States must provide timely and accurate reporting of oil received and ensure prompt payment of contributions

If a country fails to do so, payment is deferred for claims submitted by public authorities

**IOPC FUNDS**  
International Oil Pollution Compensation Funds

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Tel: +44 (0)20 7592 7100 Fax: +44 (0)20 7592 7111  
Email: oilreporting@iopcfunds.org www.iopcfunds.org

### REPORT ON RECEIPTS OF CONTRIBUTING OIL

Member State \_\_\_\_\_

☐ 1992 Fund  
☐ Supplementary Fund

Oil Year \_\_\_\_\_

#### OIL RECEIVER

Company Name \_\_\_\_\_

☐ No Association  
☐ Association with \_\_\_\_\_

Invoice Contact Name \_\_\_\_\_

Street \_\_\_\_\_ City \_\_\_\_\_ Postal Code \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

Oil Report Contact Name (if different) \_\_\_\_\_

Street \_\_\_\_\_ City \_\_\_\_\_ Postal Code \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

#### OIL INFORMATION

Crude oil and heavy fuel oil. See Notes for more information.

Received directly after carriage by sea  
Coastal movement within the same State

Received from non-Member States by other modes of transportation after carriage by sea

Name of non-Member State(s) \_\_\_\_\_ metric tons  
\_\_\_\_\_ metric tons

☐ Pipeline ☐ Ground Transportation ☐ Others  
☐ Pipeline ☐ Ground Transportation ☐ Others

\_\_\_\_\_ metric tons  
\_\_\_\_\_ metric tons

#### SIGNATURE

Company official

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Name & Title \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_  
Email \_\_\_\_\_

Government Official

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Name & Title \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_  
Email \_\_\_\_\_

Total Contributing Oil \_\_\_\_\_ metric tons

For IOPC Funds' use only

CTN/	Checked	Date	Approved	Date

# Encouraging compliance

Resolution 13 (2024)

Authorise the Director to invoice contributors based on estimated oil receipts, including retrospectively, where no reports have been submitted





# Ensuring treaty-compliant insurance arrangements



Some non-IG insurers incapable/unwilling to comply with treaty obligations.



Flag State issued certificates based on unsatisfactory insurer's 'blue cards'



The 1992 Fund pays from 'ground up' (tier 1 and tier 2)



IMO guidelines for acceptance of insurance companies and financial guarantees (IMO Circ. Letter 3464)



Formation of informal Correspondence Group



Formation of association of quality non-IG insurers (ACPII)



An aerial photograph of a busy port area, likely a container terminal, with numerous ships docked at piers and several large gantry cranes visible. The water is a deep blue, and the sky is filled with soft, white clouds. The overall scene is captured from a high angle, providing a comprehensive view of the maritime infrastructure.

## The 2010 HNS Convention

“Providing compensation for loss or damage to persons, property and the environment arising from the carriage of Hazardous and Noxious Substances (HNS) by sea”



# ┌ HNS - The missing piece in the puzzle

Oil as Cargo

Bunker Fuel Oil

Passengers

Wreck Removal

The HNS Convention is the last gap in the liability and compensation regime for ship-source oil pollution

# Role of IOPC Funds

April 2010

Adoption of the 2010 HNS Protocol

Resolution 1 of the International Conference requests the 1992 Fund Assembly to instruct the IOPC Funds to carry out tasks necessary to set up the HNS Fund

October 2010

1992 Fund Assembly instructed the Director

To carry out the administrative tasks for setting up the HNS Fund

To give all necessary assistance to IMO

To make preparations for the first Assembly of the HNS Fund





@IOPCFunds



International Oil Pollution Compensation Funds

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

