

2010 HNS Fund: Ready for Operation?

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International Oil Pollution Compensation Funds



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The History



1996

Original HNS Convention adopted at IMO Diplomatic Conference

2010

2010 HNS Protocol adopted to address the practical problems preventing many States from ratifying

2024

2010 HNS Convention supported by States and industry but still not yet in force.



What are HNS?

Substances Carried in bulk



I Oils

Regulation I Appendix I MARPOL 73/78



II Liquids

Regulation 1.10 Annex II MARPOL 73/78



III Liquids

Chapter 17 of IBC Code



V Gases

Gases - Chapter 19 of IGC Code



VI Liquids

Flammable/combustible liquids having a flash point not exceeding 60°C



VII Solids

Both in IMSBC Code and IMDG Code in effect in 1996

Packaged goods



IV

IMDG Code

Compensable Damages

Reasonable measures to
reinstate the environment



Property Damage/
Economic Loss



Clean up activities and
preventive measures

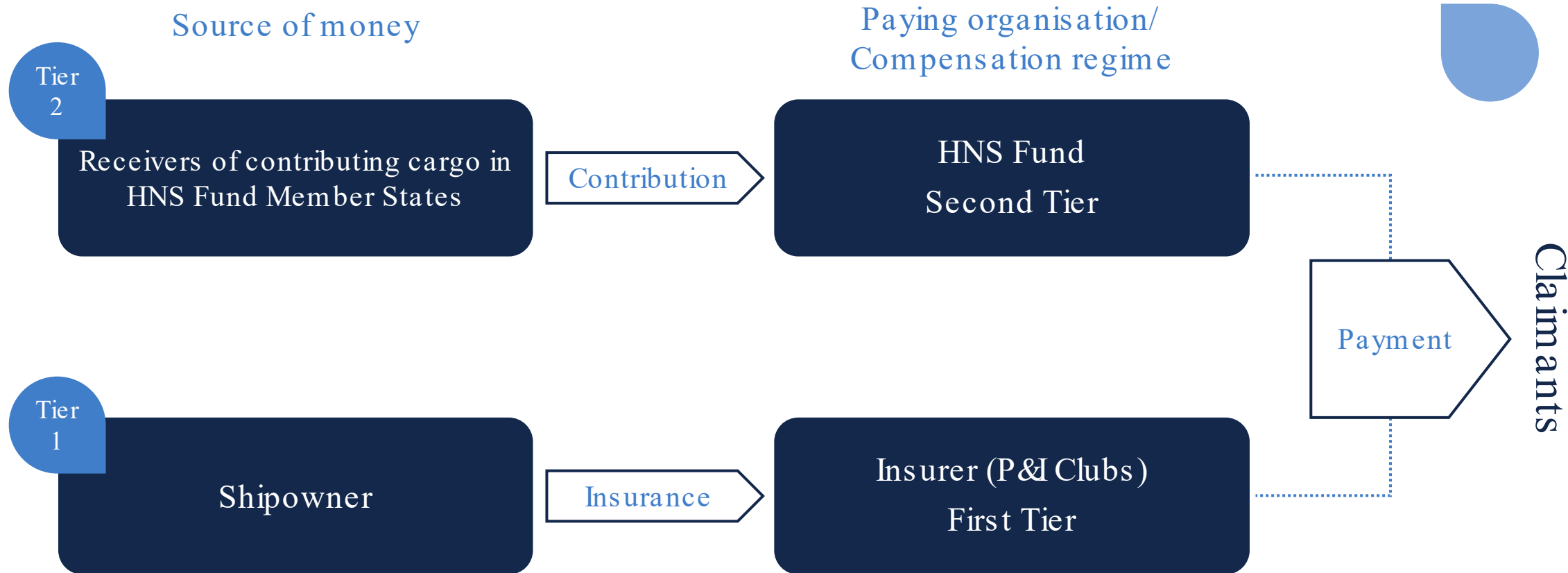


Loss of life or
personal injury



Financing the system

Two tier system



What is contributing cargo?

Any bulk HNS which is carried by sea as cargo to a port or terminal in the territory of a State Party and discharged in that State

Article 1.10 of the HNS Convention

Packaged HNS
is not considered
contributing cargo

Transit cargo is
not considered
contributing cargo



Four Accounts

HNS Fund

Each account will meet the cost of compensation payments (no cross-subsidization)

Each account activated when the total quantity of contributing cargo reaches the required threshold

01

(bulk solid
sector & other
HNS sector)

General
Account

02

Oil
Account
(persistent
and non
persistent)

03

LNG
Account

04

LPG
Account



Accounts and reports

	Threshold for Establishment of HNS account	Threshold per contributor for contribution
General Account <ul style="list-style-type: none"> Bulk solids Other HNS 	40 million tonnes*	20 000 tonnes
Oil Account <ul style="list-style-type: none"> Persistent oil Non-persistent oil 	350 million tonnes	150 000 tonnes 20 000 tonnes
LPG Account	15 million tonnes	20 000 tonnes
LNG Account	20 million tonnes	No minimum

Requirements to report to HNS Fund:

Name and address of receivers, quantities of cargo received by each of them



The image shows a sample of the IMO Receiver Model Reporting Form. The form is titled 'IMO INTERNATIONAL MARITIME ORGANIZATION' and 'Receiver Model Reporting Form'. It includes fields for 'COMPANY', 'STATE', and 'YEAR'. Below these, it says 'To be submitted to the designated national authority'. The form also includes a section for 'RECEIPTS OF CONTRIBUTING CARGO' with a table for 'Account' and 'Quantity (metric tonnes)'. The table has columns for 'General', 'Bulk solids', 'Other HNS*', 'Total', 'Oil', 'Persistent oil', 'Non-persistent oil', 'Total', 'LNG**', and 'LPG***'. There are also 'NOTES' and a 'SIGNATURE OF COMPANY OFFICIAL' section with fields for 'Signature', 'Name', 'Title', 'Address', 'Phone', 'Fax', and 'E-Mail'. A 'SEAL' is indicated on the right side of the form.

Financing the HNS Fund

States must provide each “Receiver’s” identity

Each State Party shall ensure that any person liable to pay contributions [...] appears on a list to be established and kept up to date by the Director [of the HNS Fund].

Failure by a State Party to report:



If it results in a financial loss for the HNS Fund, that State Party is liable to compensate the HNS Fund.



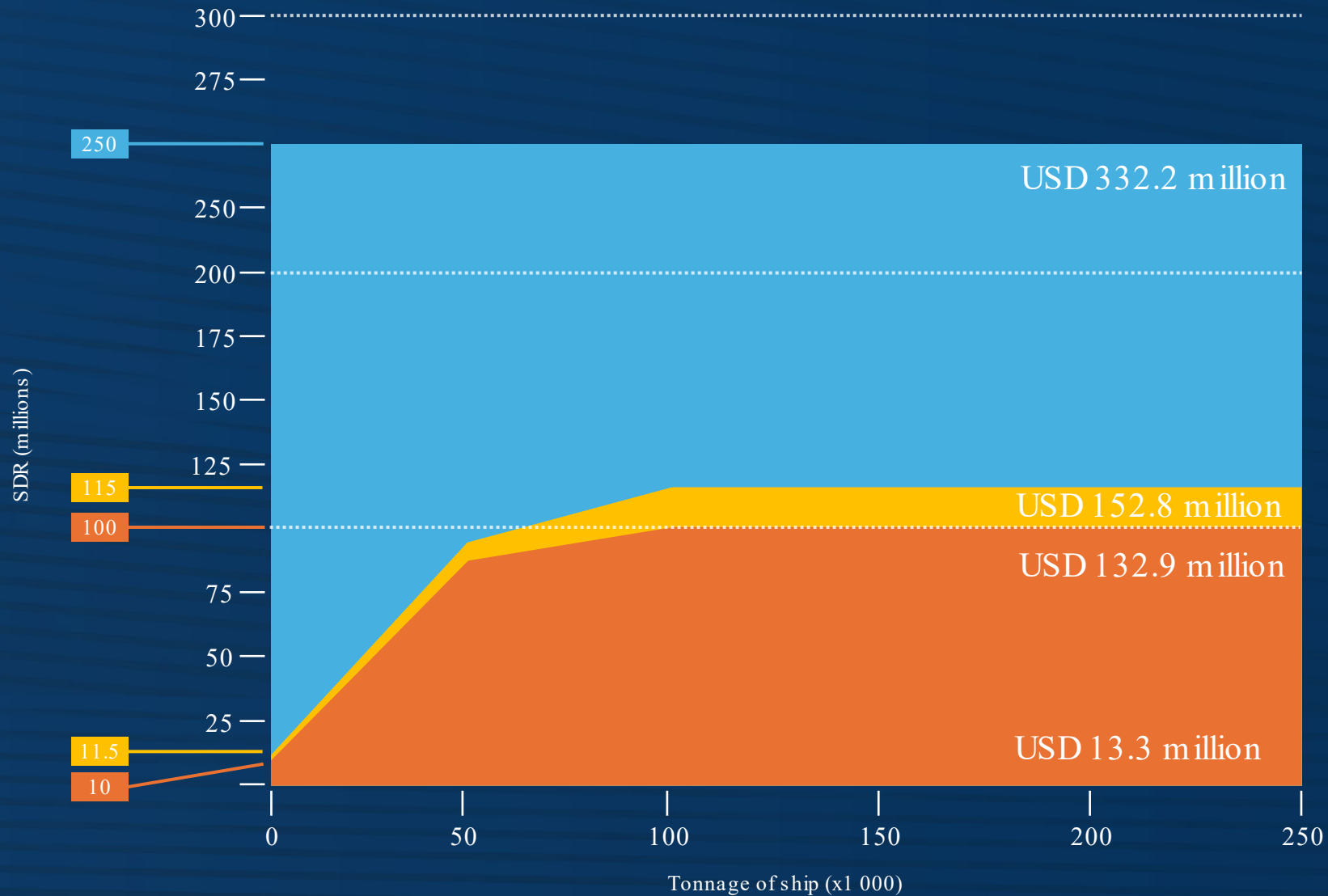
No compensation shall be paid for any incident in a Contracting State that does not submit its HNS reports (Article 21bis)



A Contracting State which has failed to submit contributing cargo may be temporarily suspended from the 2010 HNS Convention (Article 45.7)



Limits of liability



How much can
be paid in
compensation?

- Shipowner
- Shipowner's liability for packaged HNS
- HNS Fund

Why ratify the HNS Convention ?



Incidents do happen



Compensation to victims of HNS incidents



Volume of HNS transported by sea is increasing and will continue as alternate fuels come online



Severe potential consequences



Facilitate issue of insurance certificate



Status of the 2010 HNS Convention

8 Contracting States



Norway (21/4/17)



Canada (23/4/18)



Türkiye (23/4/18)



Denmark (28/6/18)



South Africa (16/7/19)



Estonia (10/1/22)



France (23/10/23)



Slovakia (20/11/23)

3 Signatories



Germany



Greece



Netherlands

Belgium,
Netherlands,
Germany and
Sweden are
expected to ratify
in by 2026

Requirements

Minimum of 12 States ratify

Including 4 States each with fleet greater
than 2 million gross tonnage

Total general account's contributing
cargo volume at least 40 million tonnes



Protocol enters into force
18 months later

Assisting with entry into force of HNS Convention

Encouraging entry
into force

Preparing
for first HNS Fund
Assembly

Providing claims-
related experience

Assisting States on
implementation
requirements



Preparing for HNS Fund

What is the Secretariat Doing?

- Meetings of contracting States
- On-line reporting system
- Claims Manual
- Budget and contributions
- Assembly Rules of procedure and HNS Fund financial regulations
- Secretarial Matters
- Outstanding policy questions



Tools to assist



Reporting form
for States and
contributors



HNS Finder
to identify
contributing cargo



HNS
contributing
cargo reporting
guidelines



HNS Claims
Manual (under
development)



@IOPCFunds



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