

Periodical submission of Oil Reports to the International Oil Pollution Compensation (IOPC) Fund reg.

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Subject: Periodical submission of Oil Reports to the International Oil Pollution Compensation (IOPC) Fund reg.

Introduction:-

- i. Fund Convention 1992 deals with payment of compensation to the persons sustaining damage due to pollution of persistent oils from ships carrying cargo in bulk. This Convention is considered as 2nd tier for the settlement of claims under the liability and compensation regime adopted by International Maritime Organization (IMO), London and optional for the Member States. There is 3rd Tier also voluntary in nature called Supplementary Fund 2003 which prescribes a much higher limitation of Liability. India is however, not party to this tier so far.
- ii. The payment of claims under these regimes is made by the cargo receivers, who are importing persistent oils for the contracting state. In the Indian context, the oil companies receiving such oils by sea in bulk and transporting oil on the Coast of India are such cargo receivers. The Limitation of Liability for the contributing cargo receivers towards payment of Compensation to the victims under 1992 Fund and Supplementary Fund 2003 is restricted to 203 million SDR equivalents to 315 million US dollar (approx) and 750 million SDR equivalent to 1.1 billion USD respectively (@ 1 SDR = 1.5 USD). The Fund 1992 Convention as stated above entered into force for India on 21.06.2001 whereas, Supplementary Fund 2003 has entered into force internationally on 03.03.2005.
- iii. India being party to only 1992 Fund has enacted the provisions of this Convention into the Merchant Shipping Act, 1958 under Part X - C -International Oil Pollution Compensation Fund. Furthermore, the detailed rules called Merchant Shipping (International Fund for Compensation for Oil Pollution Damage) Rules, 2008 have been promulgated by the Government of India. A copy of relevant section of the Merchant Shipping Act, 1958 i.e. Part X - C and the Merchant Shipping (International Fund for Compensation for Oil Pollution Damage) Rules, 2008 are available on DGS website www.dgshipping.com.
- iv. India is the 2nd largest member country of the Fund that receives persistent oils to its shores annually. It received 11% of the total world contributed persistent oils in the calendar year 2009. Under the provisions of Fund 1992 and Supplementary Fund 2003 Conventions, the Fund deals with issues relating to administration, reporting of oils received, contribution by the receivers and disbursement of claims, etc. The International Oil Pollution Compensation Fund 1992 known as 1992 Fund or IOPC Fund 1992 is a worldwide Inter-Governmental Organization that provides Compensation for oil pollution damage resulting from spills of persistent oils from tankers (ship) (as defined in Article I (1)- under CLC 1992). The 1992 Fund is administered by a Secretariat located in London, United Kingdom and also governs the functions of Supplementary Fund 2003.
- v. The 1992 Fund was established in 1996 under the 1992 Fund Convention and is financed by companies and other entities in member states that receives certain types of oils carried by sea. The Fund is governed by the member states. The Director is the Chief Administrative Officer of the Fund subject to the instructions given to him by the Assembly. He performs those functions which are assigned to him by the 1992 Fund Convention in accordance with the internal regulation of the Fund framed as per the provisions

of the 1992 Fund Convention. India being party to this Fund, has obligation to submit such reports to the Fund latest by end April every year.

- vi. Indian Oil Companies receiving 1,50,000 tons of persistent oils in bulk as cargo by sea to Indian shores are obliged to furnish the reports in the prescribed format available on www.iopcfund.org for oil received by sea and carried on the coast of India. This report is required to be sent to the Fund through Indian High Commission, London by the Directorate General of Shipping every year. These reports shall reach the Fund not later than end April every year. This obligation is also specified under Part X-C of Merchant Shipping Act, 1958 and the relevant rules framed there under.
- vii. In view of this, all Indian oil companies receiving or importing oil in bulk by sea are directed to furnish the report to the Directorate General of Shipping in the prescribed format as stated in Para 6 above latest by 15th March every year. Reports for cargo of persistent oil in bulk received by sea of quantity 1,50,000 tons for which the companies are obliged to contribute to the fund 1992 shall be furnished in a separate format, while less than 1,50,000 tons and a Nil report when no such cargo is received by oil companies should be sent separately. The oil receipts of the subsidiary companies may either be sent in the report or could be sent separately.
- viii. All concerned in the imports / receipt of persistent oils in bulk as cargo by sea to Indian ports or places including the coastal movement of such cargoes shall furnish the reports on receipt of contributing oil in the prescribed format as stated in Para 6 above to the Directorate General of Shipping, Mumbai well in advance but not later 15th March every year for the preceding calendar year. Any payments including the interest or other levies whenever imposed on such receipts by the Fund shall be settled directly by the concerned oil company(s) to the Fund under intimation to the Directorate General of Shipping, Mumbai and Indian High Commission, London
- ix. In the event of non-compliance of this statutory requirement, the matter shall be viewed seriously and appropriate administrative or legal action as the case may be under the provision of the Merchant Shipping Act, 1958 shall be initiated against such company after giving an opportunity to be heard. Concerned recipients are therefore advised to co-operate in terms of compliance.
- x. This issues with the approval of Director General of Shipping.

Sd/-

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