

# FUND convention

<b>Official reference</b>	International convention on the establishment of an international fund for compensation for oil pollution damage	
<b>Official website</b>	www.iopcfund.org	
<b>Relevant dates</b>	Document	18/12/1971
	Entry into force	16/10/1978
	Ratification by Belgium	6/08/1993
	Document Protocol 1992	27/11/1992
	Entry into force	30/05/1996
	Ratification by Belgium	10/08/1998
	Document Protocol 2003	16/05/2003
	Entry into force	3/03/2005
	Ratification by Belgium	6/10/2005
<b>Policy level</b>	International	
<b>Type of instrument</b>	Convention	
<b>Geographical reach</b>	World seas	
<b>(Legal) coverage in the BNS</b>	Internal waters, territorial sea, exclusive economic zone	
<b>International contact point</b>	IOPC Funds secretariat	
<b>Federal ratification law</b>	<p>Wet van 6 augustus 1993 houdende goedkeuring en uitvoering van het Internationaal Verdrag ter oprichting van een internationaal fonds voor vergoeding van schade door verontreiniging door olie, opgemaakt te Brussel op 18 december 1971, en houdende uitvoering van de Protocollen bij dit Verdrag, opgemaakt te Londen op 27 november 1992 en 16 mei 2003</p> <p>Wet van 10 augustus 1998 houdende instemming met het Protocol van 1992 tot wijziging van het Internationaal Verdrag van 1971 ter oprichting van een Internationaal Fonds voor vergoeding van schade door verontreiniging door olie, gedaan te Londen op 27 november 1992</p> <p>Wet van 6 oktober 2005 houdende instemming met en uitvoering van het Protocol van 2003 bij het Internationaal Verdrag van 1992 ter oprichting van een Internationaal Fonds voor vergoeding van schade door verontreiniging door olie, opgemaakt te Londen op 16 mei 2003</p>	

## // abstract:

This convention was introduced because the *CLC convention* (p.27) was seen as having an insufficient legal and financial basis to be a useful working mechanism to ensure payments compensating oil pollution. The fund (1971) is financed by contributions made by every person who receives oil that is transported overseas. The goals of this convention are:

- To provide compensation to the Contracting Parties for damage caused by pollution, to the extent that proved to be inadequate under the 1969 Civil Liability Convention;
- To give relief to shipowners, in regard to the financial burden imposed on them by the 1969 Civic Liability Convention, such relief being subject to conditions designed to ensure compliance with safety at sea and other conventions;
- To give effect to the purposes that are stipulated in the convention.

The first goal obliges the fund to compensate the Contracting Parties or the persons who have suffered damage caused by the pollution, and who did not receive (sufficient) compensation of the ship owner. With some exceptions, the fund also has to pay compensatory allowances to the victims of oil pollution who do not receive a compensation from the ship owner, or from the party that acts as a guarantor within the CLC convention.

The fund can also support the Contracting Parties in taking measures against pollution, in the form of staff, materials, credit facilities, etc. The second main purpose of the convention obliges the fund to indemnify the ship owner or his insurer, for a part of the ship owner's liability under the CLC convention. However, the fund is not obliged to indemnify the owner if the damage was caused by

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## // abstract (continuation):

deliberate action or if the accident was caused in whole or in part by the ship not respecting certain international conventions.

The main purpose of the 1992 Protocol was to modify the entry into force requirements and increase the maximum compensation amounts. A separate fund, the 1992 International Oil Pollution Compensation (IOPC) Fund, was therefore set up. The 1971 fund was renounced the 24<sup>th</sup> of May 2002 in favour of the 1992 fund (cfr. protocol of the 27<sup>th</sup> of September 2002).

The 2003 Protocol (optional protocol) aims to provide a potential third pillar of compensations. The supplementary fund applies to damage in the territory, including the territorial sea, and in the exclusive economic zone of a Contracting Party. The Assembly of the Supplementary Fund will determine the level of contribution to the fund of each Contracting Party, according to its expenditure and income.

Even though the funds were established within the IMO conventions, they still remain independent legal entities. The funds are not United Nations agencies but are instead considered as an intergovernmental organisation that operates through procedures which are similar to those of the UN.