



International Oil Pollution  
Compensation Funds

|                                      |                   |   |
|--------------------------------------|-------------------|---|
| <b>Agenda Item 9</b>                 | IOPC/NOV23/9/2/1  |   |
| <b>Date</b>                          | 22 September 2023 |   |
| <b>Original</b>                      | English           |   |
| <b>1992 Fund Assembly</b>            | 92A28             | ● |
| <b>1992 Fund Executive Committee</b> | 92EC81            |   |
| <b>Supplementary Fund Assembly</b>   | SA20              |   |

## ASSESSMENT OF CONTRIBUTIONS TO MAJOR CLAIMS FUNDS

### 1992 FUND

#### Note by the Director

|                            |  |
|----------------------------|--|
| <b>Summary:</b>            | In the Director's view, there is no need to levy 2023 contributions to the Major Claims Funds established for the <i>Prestige</i> , <i>Alfa I</i> , <i>Agia Zoni II</i> , <i>Nesa R3</i> and Incident in Israel incidents. The Director proposes a levy for the <i>Bow Jubail</i> and <i>Princess Empress</i> Major Claims Funds.  |
| <b>Action to be taken:</b> | <p><u>1992 Fund Assembly</u></p> <p>Decide whether to approve the Director's proposal to:</p> <ul style="list-style-type: none"> <li>(a) not levy 2023 contributions to the <i>Prestige</i> Major Claims Fund (paragraphs 2.2.1–2.2.8 and section 9);</li> <li>(b) not levy 2023 contributions to the <i>Alfa I</i> Major Claims Fund (paragraphs 3.2.1–3.2.6 and section 9);</li> <li>(c) not levy 2023 contributions to the <i>Agia Zoni II</i> Major Claims Fund (paragraphs 4.2.1–4.2.6 and section 9);</li> <li>(d) not levy 2023 contributions to the <i>Nesa R3</i> Major Claims Fund (paragraphs 5.2.1–5.2.7 and section 9);</li> <li>(e) not levy 2023 contributions to the Incident in Israel Major Claims Fund (paragraphs 6.2.1–6.2.7 and section 9);</li> <li>(f) levy 2023 contributions of £20 million to the <i>Bow Jubail</i> Major Claims Fund, payable by 1 March 2024 (paragraphs 7.2.1–7.2.7 and section 9); and</li> <li>(g) levy 2023 contributions of £10 million to the <i>Princess Empress</i> Major Claims Fund, payable by 1 March 2024 (paragraphs 8.2.1–8.2.7 and section 9).</li> </ul> |

## 1 Introduction

- 1.1 Article 12 of the 1992 Fund Convention provides that the 1992 Fund Assembly shall determine the amount of contributions to be levied, if any. For this purpose, the Assembly shall make an estimate in the form of a budget of the 1992 Fund's expenditure and income for each calendar year, considering the necessity to maintain sufficient liquid funds.

- 1.2 The 1992 Fund's expenditure consists of:
- (a) costs and expenses of the administration of the 1992 Fund, and any deficit from preceding years;
  - (b) payments of claims and claims-related expenditure up to SDR 4 million<sup><1></sup> per incident (minor claims); and
  - (c) payments of claims and claims-related expenditure to the extent that the aggregate amount of the payments in respect of any one incident is in excess of SDR 4 million (major claims).
- 1.3 Expenses mentioned in sub-paragraphs (a) and (b) of paragraph 1.2 have to be met from the General Fund (Financial Regulation 7.1(c)) and expenses with respect to major claims as defined in sub-paragraph (c) above have to be met from Major Claims Funds (Financial Regulation 7.2(d)).
- 1.4 The assessment of contributions to the General Fund, in accordance with Article 12.2(a) of the 1992 Fund Convention has been incorporated in the draft budget and is dealt with in a separate document (document IOPC/NOV23/9/1/1). This document deals only with the assessment of contributions to Major Claims Funds.
- 1.5 As for the individual incidents covered in this document, information on claims and claims-related expenditure is referred to in the Director's comments and the Notes to the 2022 Financial Statements (document IOPC/NOV23/5/7/1, Section One and Section Three).
- 1.6 It should be noted that in this document, any estimate of amounts to be paid by the 1992 Fund in compensation has been made solely for the assessment of annual contributions. This does not consider the position of the 1992 Fund in respect of the admissibility of claims.
- 1.7 It should also be noted that, unless stated otherwise, information on the payments of compensation and claims-related expenditure reflects the situation as at 30 June 2023, on a cash basis.

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<1> The SDR (Special Drawing Right) which is the unit of account used in the Conventions is valued on the basis of a basket of key international currencies and serves as the unit of account of the International Monetary Fund (IMF) and a number of other intergovernmental organisations.

## 2 Prestige Major Claims Fund

2.1 Background information in respect of the *Prestige* Major Claims Fund is as follows:

|   |                 |                    |                    |
|---|-----------------|--------------------|--------------------|
| <b>Incident:</b>  | <i>Prestige</i> |                    |                    |
| <b>Place of incident:</b>   | Spain           |                    |                    |
| <b>Date of incident:</b>  | 13/11/2002      | <b>EUR</b>         | <b>GBP</b>         |
| Maximum amount of compensation payable by 1992 Fund<br>(i.e. SDR 135 million = EUR 171 520 703 – 1992 CLC <sup>&lt;2&gt;</sup> limit<br>EUR 22 777 986) |                 | 148 742 717        |                    |
| Compensation paid by 1992 Fund up to 31/12/22   |                 | 147 937 442        | 106 621 902        |
| Compensation paid by 1992 Fund 01/01/23 – 30/06/23  |                 | -                  | -                  |
| <b>Total compensation paid by 1992 Fund up to 30/06/23</b>  |                 | <b>147 937 442</b> | <b>106 621 902</b> |
| <b>Balance of compensation available</b>  |                 | <b>805 275</b>     |                    |
| <b>Estimated total compensation payable by 1992 Fund 01/07/23 – 01/03/25</b>  |                 | <b>805 275</b>     |                    |
| (a) EUR held by 1992 Fund, at rate of exchange applicable on 30/06/23<br>(£1 = EUR 1.1653)  |                 | 805 275            | 691 045            |
| (b) EUR required, at rate of exchange applicable on 30/06/23<br>(£1 = EUR 1.1653)   |                 | -                  | -                  |
| <b>(c) Estimated total compensation payable by 1992 Fund 01/07/23 –<br/>01/03/25 in GBP (a+b)</b>   |                 |                    | <b>691 045</b>     |
| Claims-related expenses paid by 1992 Fund up to 31/12/22  |                 |                    | 24 686 592         |
| Claims-related expenses paid by 1992 Fund 01/01/23 – 30/06/23   |                 |                    | 17 673             |
| <b>(d) Estimated claims-related expenses payable by 1992 Fund 01/07/23 –<br/>01/03/25</b>   |                 |                    | <b>130 000</b>     |
| <b>(e) Estimated compensation and claims-related expenses payable by<br/>1992 Fund up from 01/07/23 to 01/03/25 (c+d)</b>                               |                 |                    | <b>821 045</b>     |
| Maximum payable from General Fund (SDR 4 million)   |                 |                    | 3 369 200          |
| Total previously levied to Major Claims Fund  |                 |                    | 119 000 000        |
| <b>Estimated balance on <i>Prestige</i> Major Claims Fund as at 30/06/23<br/>(see Annex)</b>  |                 |                    | <b>1 129 000</b>   |
| <b>- includes unused compensation provision as at 30/06/23</b>  |                 |                    | <b>691 045</b>     |

## 2.2 Analysis

- 2.2.1 The total amount payable in respect of the *Prestige* incident reached the maximum amount payable from the General Fund (£3 369 200) during 2003.
- 2.2.2 A total of some £119 million has previously been levied as contributions to the *Prestige* Major Claims Fund. No contributions remain outstanding as at 30 June 2023.
- 2.2.3 As set out in the table in paragraph 2.1 and at the Annex, the balance on the *Prestige* Major Claims Fund is estimated at some £1.13 million as at 30 June 2023 and includes unused provision of EUR 805 275, revalued on 30 June 2023 at £691 045.

<2> From this point forward, references to '1992 CLC' should be taken to read '1992 Civil Liability Convention'.

- 2.2.4 The established claims will exceed the maximum available under the 1992 Conventions. As at 30 June 2023, some £106.6 million had been paid in compensation in addition to claims-related expenses totalling some £24.7 million.
- 2.2.5 Following the Supreme Court judgment in December 2018, the court in charge of the enforcement of the Supreme Court judgment issued an order in March 2019 requesting the 1992 Fund to pay to the limit of its liability after deducting the amounts already paid, i.e. to pay EUR 28 million.
- 2.2.6 At its April 2019 session, the 1992 Fund Executive Committee decided to authorise the Director to pay the Spanish Court EUR 28 million less:
- (i) EUR 800 000 to be kept available to pay judgments by French courts; and
  - (ii) EUR 4 800 which should also be kept available to pay the Portuguese Government to ensure that the principle of equal treatment between claimants is maintained.
- 2.2.7 Some £821 045, comprising compensation of EUR 805 275 (£691 045) and claims-related expenses (£130 000), may be payable by the 1992 Fund in respect of this incident for the 20-month period of 1 July 2023 to 1 March 2025 (the date when any 2024 contributions would be receivable).
- 2.2.8 The amount available in the *Prestige* Major Claims Fund of £1.13 million as at 30 June 2023 should be enough for payments to be made in respect of the *Prestige* incident up to 1 March 2025. The Director is of the view that there is no requirement to levy 2023 contributions to this Major Claims Fund.

### 3 **Alfa I Major Claims Fund**

3.1 Background information in respect of the *Alfa I* Major Claims Fund is as follows:

|  |                              |             |               |
|--|------------------------------|-------------|---------------|
| <b>Incident:</b>   | <i>Alfa I</i>                |             |               |
| <b>Place of incident:</b>  | Elefsis Bay, Piraeus, Greece |             |               |
| <b>Date of incident:</b>   | 05/03/2012                   | <b>EUR</b>  | <b>GBP</b>    |
| Maximum amount of compensation payable by 1992 Fund<br>(i.e. SDR 203 million = EUR 256 478 320 – 1992 CLC limit of<br>SDR 4.51 million = EUR 5 698 114) <sup>&lt;3&gt;</sup> |                              | 250 780 206 |               |
| Compensation paid up to 31/12/22   |                              | 12 000 000  | 10 856 126    |
| Compensation paid 01/01/23 – 30/06/23  |                              | -           | -             |
| <b>(a) Estimated compensation payable by 1992 Fund 01/07/23 – 01/03/25</b>   |                              | -           | -             |
| Claims-related expenses paid by 1992 Fund up to 31/12/22   |                              |             | 805 359       |
| Claims-related expenses paid by 1992 Fund 01/01/23 – 30/06/23  |                              |             | 1 187         |
| <b>(b) Estimated claims-related expenses payable by 1992 Fund 01/07/23 – 01/03/25</b>  |                              |             | <b>98 000</b> |
| <b>Estimated compensation and claims-related expenses payable by 1992 Fund up to 01/03/25 (a+b)</b>  |                              |             | <b>98 000</b> |

|  |  |                |
|--|--|----------------|
| Maximum payable from General Fund (SDR 4 million)                                      |  | 3 900 576      |
| Total previously levied to Major Claims Fund   |  | 8 075 000      |
| <b>Estimated balance on <i>Alfa I</i> Major Claims Fund as at 30/06/23 (see Annex)</b> |  | <b>236 000</b> |
| Outstanding contributions  |  | (47 330)       |
| <b>Estimated balance net of outstanding contributions</b>                              |  | <b>188 670</b> |

### 3.2 Analysis

- 3.2.1 The total amount payable from the General Fund in respect of the *Alfa I* incident of £3 900 576 was reached in 2016.
- 3.2.2 A total of some £8 million has been previously levied as contributions to the *Alfa I* Major Claims Fund. Some £47 330 in contributions remain outstanding as at 30 June 2023 on this Major Claims Fund.
- 3.2.3 As set out in the table in paragraph 3.1 and at the Annex, the balance on the *Alfa I* Major Claims Fund is estimated to have a surplus of some £236 000 as at 30 June 2023.
- 3.2.4 No further compensation is expected to be paid for this incident, and the 1992 Fund is expected to only incur legal expenses in pursuing the shipowner/insurer through the Greek courts. Claims-related fees of some £98 000 is estimated for the 20-month period from 1 July 2023 up to 1 March 2025.

<sup><3></sup> The amount payable under the 1992 CLC has not been set by the Limitation Court. The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 23 October 2015, i.e. SDR 1 = EUR 1.2634.

- 3.2.5 As set out at the Annex, the amount available in the *Alfa* / Major Claims Fund of £236 000 as at 30 June 2023 should be sufficient up to 1 March 2025. However, as stated in paragraph 3.2.3, contributions of £47 330 remain outstanding resulting in a reduced amount of cash available for this Major Claims Fund. All efforts are being made to recover these outstanding contributions to enable payments to be made from this Major Claims Fund.
- 3.2.6 The Director is of the view that there is no requirement to levy 2023 contributions to this Major Claims Fund, however, given the uncertainty of the timing of the receipt of outstanding contributions, should the need arise, loans can be taken from the General Fund or from a Major Claims Fund in accordance with the 1992 Fund's Financial Regulation 7.1(c)(iv) or 7.2(d).

#### 4 **Agia Zoni II Major Claims Fund**

4.1 Background information in respect of the *Agia Zoni II* Major Claims Fund is as follows:

|   |                      |                   |                   |
|---|----------------------|-------------------|-------------------|
| <b>Incident:</b>  | <i>Agia Zoni II</i>  | <b>EUR</b>        | <b>GBP</b>        |
| <b>Place of incident:</b>   | Saronic Gulf, Greece |                   |                   |
| <b>Date of incident:</b>  | 10/09/2017           |                   |                   |
| Maximum amount of compensation payable by the 1992 Fund<br>(i.e. SDR 203 million = EUR 244 785 520 <sup>&lt;4&gt;</sup> –<br>1992 CLC limit of SDR 4.51 million = EUR 5 409 925) <sup>&lt;5&gt;</sup> |                      | 239 375 595       |                   |
| Estimated liability of the 1992 Fund (i.e. EUR 60.0 million <sup>&lt;6&gt;</sup> –<br>1992 CLC limit of EUR 5.4 million)  |                      | 54 600 000        |                   |
| Compensation paid up to 31/12/22  |                      | 14 966 754        | 13 176 451        |
| Compensation paid 01/01/23 – 30/06/23   |                      | 1 597 977         | 1 399 859         |
| Total compensation paid to 30/06/23   |                      | 16 564 731        | 14 576 310        |
| <b>Estimated total compensation payable by 1992 Fund<br/>01/07/23 – 01/03/25 in EUR</b>   |                      | <b>38 035 269</b> |                   |
| (a) EUR held by 1992 Fund at rate of exchange applicable on 30/06/23<br>(£1 = EUR 1.1653)   |                      | <b>21 035 620</b> | 18 051 678        |
| (b) EUR required at rate of exchange applicable on 30/06/23<br>(£1 = EUR 1.1653)  |                      | 16 999 649        | 14 588 217        |
| <b>(c) Estimated total compensation payable by 1992 Fund 01/07/23 –<br/>01/03/25 in GBP (a+b)</b>   |                      |                   | <b>32 639 895</b> |
| Claims-related expenses paid by 1992 Fund up to 31/12/22  |                      |                   | 4 264 098         |
| Claims-related expenses paid by 1992 Fund 01/01/23 – 30/06/23   |                      |                   | 61 898            |
| <b>(d) Estimated claims-related expenses payable by 1992 Fund 01/07/23 –<br/>01/03/25</b>   |                      |                   | <b>220 000</b>    |
| <b>(e) Estimated compensation and claims-related expenses payable by<br/>1992 Fund from 01/07/23 up to 01/03/25 (c+d)</b>   |                      |                   | <b>32 859 895</b> |
| Maximum payable from General Fund (SDR 4 million)   |                      |                   | 4 316 320         |
| Total previously levied to Major Claims Fund  |                      |                   | 41 000 000        |
| <b>Estimated balance on <i>Agia Zoni II</i> Major Claims Fund as at 30/06/23<br/>(see Annex)</b>  |                      |                   | <b>27 668 000</b> |

<sup><4></sup> The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 2 November 2017, i.e. SDR 1 = EUR 1.2058.

<sup><5></sup> Amount accepted by the Court of First Instance of Piraeus as the limitation of liability under the 1992 CLC.

<sup><6></sup> See document IOPC/OCT17/9/2/1/1, section 2.

4.2 Analysis

- 4.2.1 The total amount payable from the General Fund in respect of the *Agia Zoni II* incident of £4 316 320 was reached in June 2018.
- 4.2.2 A total of some £41 million has been levied as contributions to the *Agia Zoni II* Major Claims Fund. Some £332 514 in contributions remain outstanding as at 30 June 2023.
- 4.2.3 As set out in the table in paragraph 4.1 and at the Annex, the balance on the *Agia Zoni II* Major Claims Fund is estimated at some £27.7 million as at 30 June 2023.
- 4.2.4 The Director takes the view that some £32.9 million, comprising compensation (£32.6 million) and claims-related expenses (£220 000), may be payable from the *Agia Zoni II* Major Claims Fund for the 20-month period of 1 July 2023 to 1 March 2025.
- 4.2.5 As set out at the Annex, the amount available in the *Agia Zoni II* Major Claims Fund of some £27.7 million as at 30 June 2023 would not be enough for payments to be made in respect of the *Agia Zoni II* incident up to 1 March 2025.
- 4.2.6 The Director is of the view that it is still not possible to estimate with confidence the 1992 Fund's final liability for this incident. The estimated total liability in paragraph 4.1 is based on the estimate provided by experts at the time of the incident. The Director is also of the view that, despite the deficit shown in the Annex of some £5.2 million, the balance available in the Major Claims Fund of £27.7 million as at 30 June 2023 will be sufficient until 1 March 2025. As such, the Director is of the view that there is no requirement to levy 2023 contributions to this Major Claims Fund at this time.



## 5 **Nesa R3 Major Claims Fund**

5.1 Background information in respect of the *Nesa R3* Major Claims Fund is as follows:

|  |                                      |                |                  |
|--|--------------------------------------|----------------|------------------|
| <b>Incident:</b>   | <i>Nesa R3</i>                       | <b>OMR/BHD</b> | <b>GBP</b>       |
| <b>Place of incident:</b>  | Off Port Sultan Qaboos, Muscat, Oman |                |                  |
| <b>Date of incident:</b>   | 19/06/2013                           |                |                  |
| Maximum amount of compensation payable by 1992 Fund<br>(i.e. SDR 203 million = OMR 120 827 630 – 1992 CLC limit of<br>SDR 4.51 million = OMR 2 684 397) <sup>&lt;7&gt;</sup> |                                      | 118 143 233    |                  |
| Compensation paid up to 31/12/22 – OMR   |                                      | 3 521 364      | 6 687 915        |
| Compensation paid up to 31/12/22 – BHD   |                                      | 8 419          | 15 885           |
| <b>Total compensation paid</b>   |                                      |                | <b>6 703 800</b> |
| (a) Estimated total compensation payable by 1992 Fund 01/07/23 –<br>01/03/25   |                                      | -              | -                |
| Claims-related expenses paid by 1992 Fund up to 31/12/22   |                                      |                | 457 898          |
| Claims-related expenses paid by 1992 Fund 01/01/23 – 30/06/23  |                                      |                | 3 380            |
| <b>Total claims-related expenses paid up to 30/06/23</b>   |                                      |                | <b>461 278</b>   |
| (b) Estimated claims-related expenses payable by 1992 Fund<br>01/07/23 – 01/03/25  |                                      |                | <b>60 000</b>    |
| <b>Estimated compensation and claims-related expenses payable by<br/>1992 Fund from 01/07/23 – 01/03/25 (a+b)</b>  |                                      |                | <b>60 000</b>    |

|   |  |                |
|---|--|----------------|
| Maximum paid from General Fund (SDR 4 million)  |  | 3 906 172      |
| Total previously levied to Major Claims Fund  |  | 3 600 000      |
| <b>Estimated balance on <i>Nesa R3</i> Major Claims Fund as at 30/06/23<br/>(see Annex)</b> |  | <b>333 000</b> |
| Outstanding contributions   |  | (43 427)       |
| <b>Estimated balance net of outstanding contributions</b>                                   |  | <b>289 573</b> |

## 5.2 **Analysis**

5.2.1 At its October 2013 session, the 1992 Fund Executive Committee authorised the Director to make payment in respect of the *Nesa R3* incident.

5.2.2 The total amount payable from the General Fund in respect of the *Nesa R3* incident of £3 906 172 was reached in December 2018.

<7>

The amount payable under the 1992 CLC has not been set by the Limitation Court. The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 25 October 2013, i.e. SDR 1 = OMR 0.5952.

- 5.2.3 A total of some £3.6 million has been levied as contributions to the *Nesa R3* Major Claims Fund. Some £43 000 in contributions remain outstanding as at 30 June 2023.
- 5.2.4 A total of some £6.7 million in compensation and some £461 000 in claims-related expenditure has been paid in relation to this incident as at 30 June 2023.
- 5.2.5 No further compensation is expected to be paid for this incident, and the 1992 Fund will only incur legal expenses in pursuing the shipowner/insurer through the courts. Claims-related expenditure of £60 000 is estimated for the 20-month period from 1 July 2023 up to 1 March 2025.
- 5.2.6 As set out in the table in paragraph 5.1 and at the Annex, the estimated balance on the *Nesa R3* Major Claims Fund as at 30 June 2023 is £333 000. It should be noted, however, that contributions of some £43 000 remain outstanding (paragraph 5.2.3), resulting in a reduced cash balance available for this Major Claims Fund. All efforts are being made to recover these outstanding contributions to enable payments to be made from this Major Claims Fund.
- 5.2.7 The Director is of the view that there is no requirement to levy 2023 contributions to this Major Claims Fund, however, given the uncertainty of the timing of the receipt of outstanding contributions, should the need arise, loans can be taken from the General Fund or from a Major Claims Fund in accordance with the 1992 Fund's Financial Regulation 7.1(c)(iv) or 7.2(d).

## 6 Incident in Israel Major Claims Fund

6.1 Background information in respect of the Incident in Israel Major Claims Fund is as follows:

|   |  |                   |                   |
|---|--|-------------------|-------------------|
| <b>Incident:</b>  | Incident in Israel                     | <b>ILS</b>        | <b>GBP</b>        |
| <b>Place of incident:</b>   | Mystery spill – along Israel coastline |                   |                   |
| <b>Date of incident:</b>  | February 2021                          |                   |                   |
| Estimated liability of 1992 Fund <sup>&lt;8&gt;</sup>   |  | 55 000 000        |                   |
| Compensation paid up to 31/12/22  |  | 105 024           | 26 589            |
| Compensation paid 01/01/23–30/06/23   |  | 3 548 473         | 775 637           |
| <b>Total compensation paid to 31/06/23</b>  |  | <b>3 653 497</b>  | <b>802 226</b>    |
| <b>Estimated compensation payable by 1992 Fund 01/07/23–01/03/25</b>  |  | <b>51 346 503</b> |                   |
| (a) ILS held by 1992 Fund, at rate of exchange applicable on 30/06/23 (£1 = ILS 4.7179)                               |  | 13 037 736        | 2 763 462         |
| (b) ILS required, at rate of exchange applicable on 30/06/23 (£1 = ILS 4.7179)  |  | 38 308 767        | 8 119 877         |
| <b>(c) Estimated total compensation payable by 1992 Fund 01/07/23–01/03/25 in GBP (a+b)</b>                           |  |                   | <b>10 883 339</b> |
| Claims-related expenses paid by 1992 Fund up to 31/12/22  |  |                   | 216 932           |
| Claims-related expenses paid by 1992 Fund 01/01/23–30/06/23   |  |                   | 47 674            |
| (d) Estimated claims-related expenses payable by 1992 Fund 01/07/23 – 01/03/25  |  |                   | 170 000           |
| <b>(e) Estimated compensation and claims-related expenses payable by 1992 Fund from 01/07/23 up to 01/03/25 (c+d)</b> |  |                   | <b>11 053 339</b> |
| Maximum payable from General Fund (SDR 4 million) <sup>&lt;9&gt;</sup>  |  |                   | 4 135 680         |
| (f) Remaining amount payable from General Fund 30/06/23   |  |                   | 3 068 848         |
| Total previously levied to Major Claims Fund  |  |                   | 7 000 000         |
| Estimated balance on Incident in Israel Major Claims Fund as at 30/06/23  |  |                   | 6 196 000         |
| <b>Estimated total expenditure 01/07/23 – 01/03/25, excluding amount payable by General Fund (e-f)</b>                |  |                   | <b>7 984 491</b>  |

## 6.2 Analysis

6.2.1 At its July 2021 session, the 1992 Fund Executive Committee authorised the Director to make payment in respect of the Incident in Israel incident.

6.2.2 The total amount payable from the General Fund in respect of the Incident in Israel is £4 135 680, and as at 30 June 2023 £1 066 832 in compensation and claims-related expenses had been paid.

<sup><8></sup> See document IOPC/JUL21/9/2, paragraph 3.2.8.

<sup><9></sup> The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 23 July 2021, i.e. SDR 1 = GBP 1.033920.

- 6.2.3 At its session in July 2021, the 1992 Fund Executive Committee noted that initial estimates of the cost of response to the oil spill were in the region of ILS 55 million (£12.9 million) and that additional claims for economic losses were expected. At this stage, the total estimated liability for the 1992 Fund is not known.
- 6.2.4 A total of some £7 million has been levied as contributions to the Incident in Israel Major Claims Fund. Some £103 020 in contributions remain outstanding as at 30 June 2023.
- 6.2.5 As set out in the table in paragraph 6.1 and at the Annex, the balance on the Incident in Israel Major Claims Fund is estimated at some £6.2 million as at 30 June 2023.
- 6.2.6 The Director takes the view that some £11.1 million, comprising compensation (£10.9 million) and claims-related expenses (£170 000), may be payable by the 1992 Fund for the Incident in Israel for the 20-month period of 1 July 2023 to 1 March 2025. The remaining amount payable from the General Fund is some £3.1 million, and some £8.0 million may be payable from the Incident in Israel Major Claims Fund.
- 6.2.7 The Director is of the view that, despite the projected deficit shown in the Annex of £1.8 million, the balance available in the Major Claims Fund of £6.2 million as at 30 June 2023 will be sufficient until 1 March 2025, the date when any 2024 contributions would be receivable. The Director is of the view that there is no requirement to levy 2023 contributions to this Major Claims Fund.

## 7 **Bow Jubail Major Claims Fund**

7.1 Background information in respect of the *Bow Jubail* Major Claims Fund is as follows:

|  |                                |                   |                   |
|--|--------------------------------|-------------------|-------------------|
| <b>Incident:</b>   | <i>Bow Jubail</i>              | <b>EUR</b>        | <b>GBP</b>        |
| <b>Place of incident:</b>  | Port of Rotterdam, Netherlands |                   |                   |
| <b>Date of incident:</b>   | 23/06/2018                     |                   |                   |
| Maximum amount of compensation payable by the 1992 Fund (i.e. SDR 203 million – STOPIA 2006 limit of SDR 20 million) <sup>&lt;10&gt;</sup> |                                | 226 797 390       |                   |
| (a) Estimated total compensation payable   |                                | 60 000 000        |                   |
| (b) Compensation covered by STOPIA 2006 (SDR 20 million) <sup>&lt;10&gt;</sup>   |                                | 24 786 600        |                   |
| (c) Estimated liability of 1992 Fund (a-b) <sup>&lt;11&gt;</sup>   |                                | 35 213 400        |                   |
| Compensation paid up to 31/12/22   |                                | -                 | -                 |
| Compensation paid 01/01/23–30/06/23  |                                | -                 | -                 |
| <b>Total compensation paid up to 30/06/23</b>  |                                | -                 | -                 |
| <b>Estimated compensation payable by 1992 Fund 01/07/23–01/03/25</b>   |                                | <b>35 213 400</b> |                   |
| (d) EUR held by 1992 Fund at exchange rate on 30/06/23 (£1 = EUR 1.1653)   |                                | -                 | -                 |
| (e) EUR required at exchange rate applicable on 30/06/23 (£1 = EUR 1.1653)   |                                | 35 213 400        | 30 218 313        |
| <b>(f) Estimated total compensation payable by 1992 Fund 01/07/23–01/03/25 in GBP (d+e)</b>  |                                |                   | <b>30 218 313</b> |
| Claims-related expenses paid by 1992 Fund up to 31/12/22   |                                |                   | 310 484           |
| Claims-related expenses paid by 1992 Fund 01/01/23–30/06/23  |                                |                   | 34 641            |
| (g) Estimated claims-related expenses payable by 1992 Fund 01/07/23 – 01/03/25   |                                |                   | 325 000           |
| <b>(h) Estimated compensation and claims-related expenses payable by 1992 Fund from 01/07/23–01/03/25 (f+g)</b>                            |                                |                   | <b>30 543 313</b> |

|  |  |  |                   |
|--|--|--|-------------------|
| Maximum payable from General Fund (SDR 4 million) <sup>&lt;12&gt;</sup>                              |  |  | 4 305 760         |
| (i) Remaining amount payable from General Fund 30/06/23  |  |  | 3 960 635         |
| Total previously levied to Major Claims Fund   |  |  | -                 |
| Estimated balance on <i>Bow Jubail</i> Major Claims Fund as at 30/06/23                              |  |  | -                 |
| <b>Estimated total expenditure 01/07/23–01/03/25, excluding amount payable by General Fund (h-i)</b> |  |  | <b>26 582 678</b> |

<sup><10></sup> The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 25 May 2023, i.e. SDR 1 = EUR 1.239330.

<sup><11></sup> See document IOPC/MAY23/8/2, section 2.

<sup><12></sup> The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 25 May 2023, i.e. SDR 1 = GBP 1.076440.

## 7.2 Analysis

- 7.2.1 At its May 2023 session, the 1992 Fund Executive Committee authorised the Director to make payment in respect of the *Bow Jubail* incident.
- 7.2.2 The limitation amount applicable under the 1992 CLC will be SDR 15.99 million, but the owner of the *Bow Jubail* is a Party to the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 (as amended 2017)<sup><13></sup> whereby the shipowner will indemnify, on a voluntary basis, the 1992 Fund up to SDR 20 million.
- 7.2.3 A preliminary review of the amounts claimed by 29 claimants before the Rotterdam District Court gives a total amount of nearly EUR 50 million. Not all claimants have quantified their damages in full, and some have not quantified them at all, so the total amount is expected to increase. Therefore, a provisional estimate of 1992 Fund liability for this incident has been made of EUR 60 million.
- 7.2.4 The amount covered by STOPIA 2006, SDR 20 million, has been converted using the exchange rate applicable on 25 May 2023, the date when the 1992 Fund Executive Committee authorised payment. This provides an amount of compensation covered by STOPIA 2006 of some EUR 24.8 million. Therefore, the current estimated amount of compensation to be funded by 1992 Fund contributions is EUR 35.2 million.
- 7.2.5 The total amount payable from the General Fund in respect of the *Bow Jubail* incident is £4 305 760. As at 30 June 2023, £345 125 in claims-related expenses have been paid.
- 7.2.6 The Director takes the view that some £30.5 million, comprising compensation (£30.2 million) and claims-related expenses (£325 000), may be payable by the 1992 Fund for the *Bow Jubail* incident for the 20-month period of 1 July 2023 to 1 March 2025. The remaining amount payable from the General Fund is some £4.0 million, and some £26.6 million may be payable from the *Bow Jubail* Major Claims Fund.
- 7.2.7 The Director takes the view that there is a requirement to levy 2023 contributions to this Major Claims Fund of some £20 million, payable by 1 March 2024.

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<13>

From this point forward, references to 'STOPIA 2006' should be taken to read 'STOPIA 2006 (as amended 2017)'.

## 8 **Princess Empress Major Claims Fund**

8.1 Background information in respect of the *Princess Empress* Major Claims Fund is as follows:

|  |                                 |                      |                   |
|--|---------------------------------|----------------------|-------------------|
| <b>Incident:</b>   | <i>Princess Empress</i>         | <b>PHP</b>           | <b>GBP</b>        |
| <b>Place of incident:</b>  | Mindoro Island, the Philippines |                      |                   |
| <b>Date of incident:</b>   | 28/02/2023                      |                      |                   |
| Maximum amount of compensation payable by the 1992 Fund (i.e. SDR 203 million – STOPIA 2006 limit of SDR 20 million) <sup>&lt;14&gt;</sup> |                                 | 13 578 179 100       |                   |
| (a) Estimated total compensation payable   |                                 | 3 311 970 000        |                   |
| (b) Compensation covered by STOPIA 2006 (SDR 20 million)   |                                 | 1 483 954 000        |                   |
| (c) Estimated liability of 1992 Fund (a-b)   |                                 | 1 828 016 000        |                   |
| Compensation paid by 1992 Fund up to 31/12/22  |                                 | -                    | -                 |
| Compensation paid by 1992 Fund 01/01/23–30/06/23   |                                 | -                    | -                 |
| <b>Total compensation paid by 1992 Fund to 30/06/23</b>  |                                 | -                    | -                 |
| <b>Estimated compensation payable by 1992 Fund 01/07/23–01/03/25</b>   |                                 | <b>1 828 016 000</b> |                   |
| (d) PHP held by 1992 Fund, at exchange rate on 30/06/23 (£1 = PHP 70.1775)   |                                 | -                    | -                 |
| (e) PHP required, at exchange rate on 30/06/23 (£1 = PHP 70.1775)  |                                 | 1 828 016 000        | 26 048 463        |
| <b>(f) Estimated total compensation payable by 1992 Fund 01/07/23–01/03/25 in GBP (d+e)</b>  |                                 |                      | <b>26 048 463</b> |
| Claims-related expenses paid by 1992 Fund up to 31/12/22   |                                 |                      | -                 |
| Claims-related expenses paid by 1992 Fund 01/01/23–30/06/23  |                                 |                      | 154 856           |
| (g) Estimated claims-related expenses payable by 1992 Fund 01/07/23 – 01/03/25   |                                 |                      | 850 000           |
| <b>(h) Estimated compensation and claims-related expenses payable by 1992 Fund from 01/07/23 up to 01/03/25 (f+g)</b>                      |                                 |                      | <b>26 898 463</b> |

|  |  |  |                   |
|--|--|--|-------------------|
| Maximum payable from General Fund (SDR 4 million) <sup>&lt;15&gt;</sup>                              |  |  | 4 305 760         |
| (i) Remaining amount payable from General Fund 30/06/23  |  |  | 4 150 904         |
| Total previously levied to Major Claims Fund   |  |  | -                 |
| Estimated balance on <i>Princess Empress</i> Major Claims Fund as at 30/06/23                        |  |  | -                 |
| <b>Estimated total expenditure 01/07/23–01/03/25, excluding amount payable by General Fund (h-i)</b> |  |  | <b>22 747 559</b> |

<14> The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 25 May 2023, i.e. SDR 1 = PHP 74.197700.

<15> The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 25 May 2023, i.e. SDR 1 = GBP 1.076440.

## 8.2 Analysis

- 8.2.1 At its May 2023 session, the 1992 Fund Executive Committee authorised the Director to make payment in respect of the *Princess Empress* incident.
- 8.2.2 The limitation amount applicable under the 1992 CLC will be SDR 4.5 million, but the owner of the *Princess Empress* is a Party to STOPIA 2006 whereby the shipowner will indemnify, on a voluntary basis, the 1992 Fund up to SDR 20 million.
- 8.2.3 A provisional estimation of liability for payment of compensation in respect of this incident has been made at USD 60 million, based on payments already made by the Shipowners' P&I Club, which has already reached the limit of liability under STOPIA 2006. This amount has been converted to some PHP 3.3 billion in the table in paragraph 8.1, using the exchange rate applicable on 30 June 2023.
- 8.2.4 The amount covered by STOPIA 2006, SDR 20 million, has been converted using the exchange rate applicable on 25 May 2023, the date when the 1992 Fund Executive Committee authorised payment. This provides an amount of compensation covered by STOPIA 2006 of some PHP 1.5 billion. Therefore, the current estimated amount of compensation to be funded by 1992 Fund contributions is PHP 1.8 billion.
- 8.2.5 The total amount payable from the General Fund in respect of the *Princess Empress* incident is £4 305 760. As at 30 June 2023, £154 856 in claims-related expenses have been paid.
- 8.2.6 The Director takes the view that some £26.9 million, comprising compensation (£26.0 million) and claims-related expenses (£850 000), may be payable by the 1992 Fund for the *Princess Empress* incident for the 20-month period of 1 July 2023 to 1 March 2025. The remaining amount payable from the General Fund is some £4.2 million, and some £22.7 million may be payable from the *Princess Empress* Major Claims Fund.
- 8.2.7 The Director takes the view that there is a requirement to levy 2023 contributions to this Major Claims Fund of some £10 million, payable by 1 March 2024.

## 9 Director's proposals

### *Proposed levies*

- 9.1 The Director proposes that there should be no 2023 levy to the *Prestige* Major Claims Fund (paragraphs 2.2.1–2.2.9), the *Alfa I* Major Claims Fund (paragraphs 3.2.1–3.2.7), the *Agia Zoni II* Major Claims Fund (paragraphs 4.2.1–4.2.6), the *Nesa R3* Major Claims Fund (paragraphs 5.2.1–5.2.7) or the Incident in Israel Major Claims Fund (paragraphs 6.2.1–6.2.7).
- 9.2 The Director further proposes a levy of £20 million in respect of the *Bow Jubail* Major Claims Fund (paragraphs 7.2.1–7.2.7) and a levy of £10 million in respect of the *Princess Empress* Major Claims Fund (paragraphs 8.2.1–8.2.7).



**10     Action to be taken****1992 Fund Assembly**

The 1992 Fund Assembly is invited to decide whether to approve the Director's proposal to:

- (a) not levy 2023 contributions to the *Prestige* Major Claims Fund (paragraphs 2.2.1–2.2.8 and section 9);
- (b) not levy 2023 contributions to the *Alfa I* Major Claims Fund (paragraphs 3.2.1–3.2.6 and section 9);
- (c) not levy 2023 contributions to the *Agia Zoni II* Major Claims Fund (paragraphs 4.2.1–4.2.6 and section 9);
- (d) not levy 2023 contributions to the *Nesa R3* Major Claims Fund (paragraphs 5.2.1–5.2.7 and section 9);
- (e) not levy 2023 contributions to the Incident in Israel Major Claims Fund (paragraphs 6.2.1–6.2.7 and section 9);
- (f) levy 2023 contributions of £20 million to the *Bow Jubail* Major Claims Fund (paragraphs 7.2.1–7.2.7 and section 9), payable by 1 March 2024; and
- (g) levy 2023 contributions of £10 million to the *Princess Empress* Major Claims Fund (paragraphs 8.2.1–8.2.7 and section 9), payable by 1 March 2024.

\* \* \*

**ANNEX**  
**Major Claims Fund expenditure**  
*(Figures in Pounds Sterling)*

| Incident                 | Previous levies  |                                  |                  |          |             | Maximum paid by the General Fund: SDR 4 million | Payments by 31/12/22 (including General Fund) |  | Major Claims Fund balance as at 31/12/22 plus compensation provision added back | 2023 Income/(Expenditure), Major Claims Funds (to 30/06/23) |                              |                             |                            | Major Claims Fund balances at 30/06/23 plus unused compensation provision | Possible total expenditure 01/07/23 - 01/03/25 excluding amount payable by General Fund | Projected surplus/ (deficit) (excluding interest income from 01/07/23 - 01/03/25) |
|--------------------------|------------------|----------------------------------|------------------|----------|-------------|---|---|--|---|---|------------------------------|-----------------------------|----------------------------|---|---|---|
|                          | Date of incident | Contribution year                | Assembly session | Date due | Amount      |   | Compensation paid by 31/12/22                 | Claims-related expenses paid by 31/12/22 |   | Compensation (paid)/recovered                               | Claims-related expenses paid | Estimated interest received | Contributions due 01/03/23 |   |   |   |
| <i>Prestige</i>          | 13/11/02         | 2003                             | 8th              | 01/03/04 | 75 000 000  | 3 369 200                                       | (106 621 900)                                 | (24 686 592)                             | 1 137 026   | -   | (17 673)                     | 10 000                      | -                          | 1 129 000   | (821 000)   | 308 000   |
|                          |                  | 2004                             | 9th              | 01/03/05 | 33 000 000  |   |   |  |   |   |                              |                             |                            |   |   |   |
|                          |                  | 2011                             | 16th             | 01/03/12 | 8 500 000   |   |   |  |   |   |                              |                             |                            |   |   |   |
|                          |                  | 2013                             | 18th             | 01/03/14 | 2 500 000   |   |   |  |   |   |                              |                             |                            |   |   |   |
|                          |                  |                                  |                  |          | 119 000 000 |   |   |  |   |   |                              |                             |                            |   |   |   |
|                          |                  | <i>Authorised but not levied</i> |                  | 01/09/04 | 35 000 000  |   |   |  |   |   |                              |                             |                            |   |   |   |
|                          |                  | <i>Authorised but not levied</i> |                  | 01/09/06 | 3 500 000   |   |   |  |   |   |                              |                             |                            |   |   |   |
| <i>Alfa I</i>            | 05/03/12         | 2016                             | 21st             | 01/03/17 | 6 400 000   | 3 900 576                                       | (10 856 126)                                  | (805 359)                                | 235 990   | -   | (1 187)                      | 1 500                       | -                          | 236 000   | (98 000)  | 138 000   |
|                          |                  | 2018                             | 23rd             | 01/03/19 | 1 675 000   |   |   |  |   |   |                              |                             |                            |   |   |   |
|                          |                  |                                  |                  |          | 8 075 000   |   |   |  |   |   |                              |                             |                            |   |   |   |
|                          |                  | <i>Authorised but not levied</i> |                  | 01/09/19 | 16 000 000  |   |   |  |   |   |                              |                             |                            |   |   |   |
| <i>Agia Zoni II</i>      | 10/09/17         | 2017                             | 22nd             | 01/03/18 | 26 000 000  | 4 316 320                                       | (13 176 452)                                  | (4 264 096)                              | 28 880 021  | (1 399 769)   | (61 898)                     | 250 000                     | -                          | 27 668 000  | (32 860 000)  | (5 192 000)   |
|                          |                  | 2018                             | 23rd             | 01/03/19 | 10 000 000  |   |   |  |   |   |                              |                             |                            |   |   |   |
|                          |                  | 2019                             | 24th             | 01/03/20 | 5 000 000   |   |   |  |   |   |                              |                             |                            |   |   |   |
|                          |                  | <i>Authorised but not levied</i> |                  | 01/09/19 | 16 000 000  |   |   |  |   |   |                              |                             |                            |   |   |   |
| <i>Nesa R3</i>           | 19/06/13         | 2019                             | 24th             | 01/03/20 | 3 600 000   | 3 906 172                                       | (6 703 800)                                   | (457 898)                                | 334 586   | -   | (3 380)                      | 2 000                       | -                          | 333 000   | (60 000)  | 273 000   |
| Incident in Israel*      | 23/07/21         | 2021                             | 26th             | 01/03/22 | 4 000 000   | 4 135 680                                       | (26 589)                                      | (216 933)                                | 3 979 999   | (775 637)   | (47 674)                     | 40 000                      | 3 000 000                  | 6 196 000   | (7 984 000)   | (1 788 000)   |
|                          |                  | 2022                             | 27th             | 01/03/23 | 3 000 000   |   |   |  |   |   |                              |                             |                            |   |   |   |
| <i>Bow Jubail*</i>       | 23/08/18         |                                  |                  |          | 7 000 000   | 4 305 760                                       | -   | -  | -   | -   | -                            | -                           | -                          | -   | (26 583 000)  | (26 583 000)  |
| <i>Princess Empress*</i> | 25/05/23         |                                  |                  |          |             | 4 305 760                                       | -   | -  | -   | -   | -                            | -                           | -                          | -   | (22 748 000)  | (22 748 000)  |

Figures in brackets show outflow.

NB The table highlights the current position in respect of current Major Claims Funds in terms of the fund balances, possible total expenditure and projected surplus or deficit. It also presents the principal components of amounts levied and expended in respect of such claims up to 30 June 2023. The amounts up to 31 December 2022 are as reported in pounds sterling as per the audited financial statements in each relevant year.

\* Liabilities converted from SDR on the date of authorisation of payments by Executive Committee