



International Oil Pollution
Compensation Funds

Agenda item 8	IOPC/NOV25/8/3	
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Original	English	
1992 Fund Assembly	92A30	●
1992 Fund Executive Committee	92EC85	
Supplementary Fund Assembly	SA22	●

REVIEW OF 1992 CIVIL LIABILITY AND FUND CONVENTIONS

PROPOSE TO THE ORGANISATION TO CONVENE CONFERENCE TO REVISE OR AMEND, AS APPLICABLE, THE 1992 FUND CONVENTION

Submitted by India

Summary:	The 1992 Fund Convention has been in force for nearly 28 years. Over such years there have been significant changes in the worldwide maritime industry and trade. Further, the contribution structure of the IOPC Fund has been historically uneven. All these warrant need for a detailed review of, and if deemed necessary, revision of or amendments to the 1992 Fund Convention. The 1992 Fund Assembly may therefore consider requesting the International Maritime Organization (Legal Committee) to convene a Conference for the same.
Action to be taken:	<u>1992 Fund Assembly</u> Consider requesting the International Maritime Organization (Legal Committee) to convene a Conference for the purpose of revising or amending the 1992 Fund Convention. <u>Supplementary Fund Assembly</u> Information to be noted.

1 Introduction

This document is submitted in accordance with document IOPC/NOV25/1/1 and proposes to the 1992 Fund Assembly to consider requesting the International Maritime Organization (IMO Legal Committee) to convene a Conference for the purpose of revising or amending the 1992 Fund Convention.

2 Discussion

- 2.1 The International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992 (1992 Fund Convention) has been in force for nearly 28 years.
- 2.2 Over such years, there have been significant changes in the maritime industry and trade, in particular in the transport of oil on ships. There have also been changes in socioeconomic impacts of maritime oil pollution as well as in the technology to respond to such pollution incidents. Change has also occurred in the patterns of consumption of petroleum oil and its derivatives. While petroleum oil

distillates are being consumed worldwide, the onus of contribution to the 1992 Fund appears concentrated upon a few Member States only, which may not be an equitable distribution of responsibility.

- 2.3 Rather, the contribution structure of the International Oil Pollution Compensation (IOPC) Funds has been historically uneven, with a small number of countries, including India, shouldering most of the financial responsibility for global oil pollution claims. For instance, in the year 2023, the top 10 oil-importing countries contributed nearly 73% to the 1992 Fund amongst 122 States Parties to the 1992 Fund Convention. This creates an imbalance as the benefits of the compensation system are distributed globally, raising concerns about fairness and sustainability. There is a clear need to reassess the Fund's contribution mechanism to ensure a more equitable distribution of financial responsibility, involving not just the few contributing nations, but also oil-consuming and major oil-producing countries. A revised framework would enhance financial stability, promote shared responsibility, and strengthen the global effort to address the environmental and economic challenges posed by oil spills.
- 2.4 The 1992 Civil Liability Convention requires only the owner of a ship registered in a Contracting State and carrying more than 2 000 tons of oil in bulk to maintain insurance or other financial security. This results in certain ships transporting less than 2 000 tonnes of oil cargo by sea not maintaining any form of mandatory insurance cover against oil pollution liabilities, requiring the 1992 Fund to step in to pay compensation to the affected entities.
- 2.5 Similarly, Article 10 of the 1992 Fund Convention requires a receiver of oil cargo in a Contracting State to pay contributions only if the person receives more than 150 000 tonnes of oil cargo by sea in a calendar year. It has been seen that even small quantities of oil pollution have resulted in substantially large claims in recent times. Hence, the Convention provision exempting receivers of oil less than 150 000 tonnes of oil not contributing to the 1992 Fund could encourage a lack of adequate oversight by the receivers of small parcels of oil cargo by sea. It also imposes an additional burden on persons receiving more than 150 000 tonnes of oil cargo by sea, as they may have to shoulder the burden of making contributions to the 1992 Fund in case of incidents that may arise during transportation of such parcels by sea.
- 2.6 India has time and again highlighted issues related to the 1992 Fund Convention in different sessions of the IOPC Funds' governing bodies, including submission of documents [IOPC/APR19/5/2](#), dated 21 February 2019, [IOPC/NOV20/8/3](#), dated 22 October 2020 and [IOPC/APR25/8/2](#), dated 1 April 2025 to the 1992 Fund Assembly in this regard.

3 Proposal

- 3.1 While there have been significant changes in the oil trade pattern and the risk factors, the 1992 Fund Convention has not been reviewed/revised for a long time.
- 3.2 The very definition of 'ship' may also need revision, as, while the Organisation works tirelessly towards the protection of the marine environment, *inter-alia*, non-inclusion of any mention of ensuring sea worthiness of the sea-going vessel or seaborne craft, i.e. stated in the present definition, may not be in sync with the principles of the Organisation.
- 3.3 It is noted that Article 32 in the *Final Clauses of the Protocol of 1992 to amend the 1971 Fund Convention* provides for revision and amendment of the 1992 Fund Convention. Paragraph 1 of the said Article stipulates that '*a conference for the purpose of revising or amending the 1992 Fund Convention may be convened by the Organization*'.

- 3.4 Noting the fact that it has been a significant time since the last amendment to the 1992 Fund Convention was adopted, the 1992 Fund Assembly may consider requesting the International Maritime Organization to convene a conference to review/revise/amend the 1992 Fund Convention.

4 Action to be taken

4.1 1992 Fund Assembly

The 1992 Fund Assembly is requested to take into account the proposals in section 3 and to consider requesting the International Maritime Organization to convene a conference to review/revise/amend the 1992 Fund Convention.

4.2 Supplementary Fund Assembly

The Supplementary Fund Assembly is invited to take note of the information contained in this document.
