



International Oil Pollution
Compensation Funds

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| Agenda Item 7 | IOPC/APR24/7/3 | |
| Date | 27 March 2024 | |
| Original | English | |
| 1992 Fund Assembly | 92AES28 | ● |
| 1992 Fund Executive Committee | 92EC82 | |
| Supplementary Fund Assembly | SAES12 | ● |

AMENDMENTS TO INTERNAL REGULATIONS

Note by the Secretariat

Summary:

This document sets out proposed amendments to the following sections of the Internal Regulations of the 1992 Fund and Supplementary Fund:

- (a) Internal Regulation 7, which deals with the settlement of claims, to take into account previous changes to the Secretariat staff structure; and
- (b) the list of contributing oil and non-contributing oil (the List) attached to the form for reporting receipts of contributing oil, which is annexed to the Internal Regulations, to take into account the revision of the 'Guide to persistent and contributing oils' (see [document IOPC/APR24/7/1](#)).

Action to be taken:

1992 Fund Assembly and Supplementary Fund Assembly

- (a) Decide whether to approve the proposed amendments to Internal Regulation 7, as summarised in section 1, and set out at Annex I; and
- (b) decide whether to approve the proposed amendments to the List attached to the form for reporting receipts of contributing oil, which is annexed to the Internal Regulations of each Fund, as summarised in section 2 and set out at Annex II.

1 Proposed amendments to Internal Regulation 7

1.1 At the March 2022 sessions of the governing bodies, the Director decided that the role of Deputy Director should continue as a combined role and that Mrs Liliana Monsalve (Colombia), should be appointed to this position, thus combining the role of Deputy Director/Head of Claims Department ([document IOPC/MAR22/9/2](#), paragraph 7.1.16).

1.2 The Director is therefore proposing the following amendments to Internal Regulation 7 of both the 1992 Fund and the Supplementary Fund, to reflect the previous change of Secretariat staff structure, as set out at Annex I:

7.13 The Director may authorise another officer or other officers to make final or partial settlement of claims or to make provisional payments. Such authority shall: (a) in respect of the **Deputy Director**/Head of the Claims Department be limited to approvals not exceeding £500 000 for a particular claim; and (b) in respect of other officers: (i) be given only in respect of claims arising out of a specific incident and only to an officer who is responsible for dealing with claims arising out of that incident; and (ii) be limited to approvals not exceeding £75 000 for a particular claim. The conditions and extent of such delegation shall be laid down in

Administrative Instructions issued by the Director.

- 7.14 Any settlements made under Internal Regulation 7.13(a) shall be reported to the Director and those made under Regulation 7.13(b) to the **Deputy Director/**Head of the Claims Department.

2 Proposed amendments to the form for reporting receipts of contributing oil (the List), annexed to the Internal Regulations of the 1992 Fund and Supplementary Fund

- 2.1 In June 1996, at its 1st session, the 1992 Fund Assembly adopted the Internal Regulations, including the form for reporting receipts of contributing oil and its explanatory notes, attached at its Annex ([92FUND/A.1/34](#), paragraph 23.1).
- 2.2 The list of contributing and non-contributing oils has not been updated since 2012.
- 2.3 The 1971 Fund, at its 4th session, approved a 'Non-technical Guide to the Nature and Definition of Persistent Oil' (the Guide) to serve as a guideline for the Director when dealing with claims. [Document IOPC/APR24/7/1](#) sets out updates to the Guide (retitled 'Guide to persistent and contributing oils'). The updates are the result of a review undertaken by the Secretariat to ensure it takes into account the latest oil products and other relevant developments.
- 2.3.1 Following the review of the Guide, the Director proposes that amendments are also required to the List contained in the Annex to the Internal Regulations of each Fund (see paragraph 5(c) of [document IOPC/APR24/7/1](#)). The proposed amendments are:
- (a) The addition of two products; Biofuels and Energy-rich Fuels, to the list of non-contributing oil ([document IOPC/APR24/7/1](#), Annex I); and
 - (b) the addition of the current version of the ASTM standard, which is referred to in Article 1.3(b) of the 1992 Fund Convention, to be added to the footnotes of the List ([document IOPC/APR24/7/1](#), paragraph 5.3.3).

3 Action to be taken

1992 Fund Assembly and Supplementary Fund Assembly

The governing bodies are invited to:

- (a) Note the information contained in the document;
- (b) Decide whether to approve the proposed amendments to Internal Regulation 7, as summarised in section 1, and set out at Annex I; and
- (c) Decide whether to approve the proposed amendments to the List attached to the form for reporting receipts of contributing oil, which is annexed to the Internal Regulations of each Fund, as summarised in section 2 and set out at Annex II.

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ANNEX I

INTERNAL REGULATIONS OF THE INTERNATIONAL OIL POLLUTION COMPENSATION FUND ESTABLISHED UNDER THE 1992 FUND CONVENTION

(Proposed deletions are indicated by strikethrough of the text. New text is indicated in bold.)

Regulation 7

Settlement of Claims

- 7.13 The Director may authorise another officer or other officers to make final or partial settlement of claims or to make provisional payments. Such authority shall: (a) in respect of the **Deputy Director**/Head of the Claims Department be limited to approvals not exceeding £500 000 for a particular claim; and (b) in respect of other officers: (i) be given only in respect of claims arising out of a specific incident and only to an officer who is responsible for dealing with claims arising out of that incident; and (ii) be limited to approvals not exceeding £75 000 for a particular claim. The conditions and extent of such delegation shall be laid down in Administrative Instructions issued by the Director.
- 7.14 Any settlements made under Internal Regulation 7.13(a) shall be reported to the Director and those made under Regulation 7.13(b) to the **Deputy Director**/Head of the Claims Department.

**INTERNAL REGULATIONS OF THE INTERNATIONAL OIL POLLUTION COMPENSATION SUPPLEMENTARY
FUND ESTABLISHED UNDER THE 2003 SUPPLEMENTARY FUND PROTOCOL**

(Proposed deletions are indicated by strikethrough of the text. New text is indicated in bold.)

Regulation 7

Settlement of Claims

- 7.13 The Director may authorise another officer or other officers to make final or partial settlement of claims or to make provisional payments. Such authority shall: (a) in respect of the **Deputy Director**/Head of the Claims Department be limited to approvals not exceeding £500 000 for a particular claim; and (b) in respect of other officers: (i) be given only in respect of claims arising out of a specific incident and only to an officer who is responsible for dealing with claims arising out of that incident; and (ii) be limited to approvals not exceeding £75 000 for a particular claim. The conditions and extent of such delegation shall be laid down in Administrative Instructions issued by the Director.
- 7.14 Any settlements made under Internal Regulation 7.13(a) shall be reported to the Director and those made under Regulation 7.13(b) to the **Deputy Director**/Head of the Claims Department.

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CONTRIBUTING OIL

‘Contributing oil’ means crude oil and fuel oil defined as below.

‘Crude oil’ means any liquid hydrocarbon mixture occurring naturally in the earth whether or not treated to render it suitable for transportation. It also includes crude oils from which certain distillate fractions have been removed (sometimes referred to as ‘topped crudes’) or to which certain distillate fractions have been added (sometimes referred to as ‘spiked’ or ‘reconstituted’ crudes).

‘Fuel oil’ means heavy distillates or residues from crude oil or blends of such materials intended for use as a fuel for the production of heat or power of a quality equivalent to the ‘American Society for Testing and Materials’ (ASTM) Specification for Number Four Fuel Oil (Designation D396-69)^{***}, or heavier.

The following list of contributing and non-contributing oil is intended as a guide for contributors.

| Contributing Oil | Non-Contributing Oil |
|---|---|
| <p>Crude Oils</p> <ul style="list-style-type: none"> • All naturally occurring crude oils* • Condensate • Topped crudes • Spiked crudes • Reconstituted crudes <p>Finished Products</p> <ul style="list-style-type: none"> • No. 4 fuel (ASTM) • Navy special fuel • Light fuel oil • No. 5 fuel (ASTM) (light) • Medium fuel oil • No. 5 fuel (ASTM) (heavy) • Bunker C fuel oil • Heavy fuel oil • No. 6 fuel oil (ASTM) • Blended fuel oils by viscosity or sulphur content • Bituminous emulsions and fuel oil emulsions** <p>Intermediate or Process Stocks</p> <ul style="list-style-type: none"> • Fuel oil blend stocks | <p>Crude Oils</p> <ul style="list-style-type: none"> • Natural gas liquids • Condensate* • Casinghead naphtha • Natural gasoline • Cohasset-panuke <p>Finished Products</p> <ul style="list-style-type: none"> • LNG and LPG • Aviation gasolines—Motor gasoline (petrol, essence) • White spirit • Kerosene • Aviation kerosene—Jet 1 A and No. 1 fuel (ASTM) • Gas oil • Heating oil • No. 2 fuel (ASTM) (lubricating oil) • Marine diesel • <u>Fuel blends containing biofuels</u> • <u>Energy-rich fuels and their blends</u> <p>Intermediate or Process Stocks</p> <ul style="list-style-type: none"> • Straight run naphtha • Light cracked naphtha • Heavy cracked naphtha • Platformate • Reformate • Steam-cracked naphtha • Polymers • Isomers • Alkylates • Catalytic cycle oil • Reformer feed • Steam cracker feed • Gas oil blend stocks • Catalytic cracker feedstock • Visbreaker feedstock • Aromatic tar |

* To be considered as ‘non-contributing oil’ if more than 50% by volume distils at a temperature of 340°C and at least 95% by volume distils at a temperature of 370°C, when tested by the ASTM Method D86/78 or any subsequent revision thereof.

** Quantity of emulsion received should be reported with no allowance for its water content.

*** The version currently listed as being active for this standard is ASTM D396-21.