



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND

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TANIO SETTLEMENT

At the 18th session of the IOPC Fund Executive Committee, the Director informed the Committee of the main elements of a proposed agreement on an out-of-court settlement of the actions taken by the IOPC Fund and the French Government in the Court of Brest against the owner of the TANIO, Locafrance International Leasing, the owner's P & I insurer, the United Kingdom Club, and other defendants. The Committee approved the proposed agreement on an out-of-court settlement between the IOPC Fund, the French State and various defendants, as presented by the Director, provided that the same agreement was approved by the competent authorities of the French State.

The Director was instructed by the Executive Committee to inform Governments of Member States as soon as possible of the position taken by the French Government and of other important developments concerning the proposed settlement.

In accordance with these instructions, the Director has the honour of giving the following information on the developments.

The French State approved the proposed settlement in November 1987. The settlement was embodied in a Protocol (Protocole d'accord transactionnel) which was signed on 15 December 1987 in Paris. The main elements of the settlement are as follows:

Locafrance and the United Kingdom Club pay, on behalf of all defendants, a total amount of US \$50 million to the IOPC Fund and the French State, less the shipowner's limitation amount under the Civil Liability Convention, FFr11 833 717.79 (US \$1 931 089.71), the total amount payable being US \$48 068 910.29. This payment represents full and final compensation from all the defendants in respect of all claims by the IOPC Fund and the French State arising out of this incident, including interest and costs. The settlement is without prejudice to the positions taken by the parties as to the question of liability. Locafrance and the United Kingdom Club waive their rights to any further distribution of the amounts remaining in the shipowners' limitation fund, and the United Kingdom Club waives its rights to any further payments from the IOPC Fund.

On 15 December 1987, an amount of US \$17 480 028.50 (£9 537 855.90) was paid to the IOPC Fund and an amount of US \$30 588 881.79 (approximately £16.7 million) to the French Government. The apportionment between the IOPC Fund and the French Government of the amount recovered was made in accordance with an agreement reached between them in 1984. The amount recovered by the IOPC Fund has been credited to the TANIO major claims fund.

As a result of the settlement, the IOPC Fund and the French Government withdrew their legal actions in the Court of Brest on 14 January 1988.

This out-of-court settlement does not cover the local authorities and the private claimants which have also instituted legal proceedings against the same defendants.

The Director will submit to the IOPC Fund Assembly, at its 11th session in October 1988, a proposal concerning the reimbursement to the contributors who in 1984 paid contributions to the TANIO major claims fund of the amount remaining in that fund after any further part payments to victims have been made and all expenses incurred by the IOPC Fund in respect of this incident have been met.
