



## REVIEW OF THE INTERNATIONAL COMPENSATION REGIME

### PROPOSAL REGARDING QUORUM FOR MEETINGS OF THE ASSEMBLY TO BE INCLUDED IN THE REVISION OF THE 1992 FUND CONVENTION AND THE 1992 CIVIL LIABILITY CONVENTION

Submitted by Venezuela

<b>Summary:</b>	This document contains Venezuela's proposal concerning quorum for the Assembly's meetings, which is being discussed by the Working Group as a basis for amendments to the 1992 Civil Liability and Fund Conventions, taking section 2 of document 92FUND/WGR.3/25/1 as reference.
<b>Action to be taken:</b>	The Assembly is invited to take note of the information contained in this document and to consider the proposal made with a view to including it in the discussions of amendments to the 1992 Civil Liability and Fund Conventions.
<b>Related documents:</b>	Section 2 of document 92FUND/WGR.3/25/1 and document 92FUND/WGR.3/25/5.

#### 1 **Introduction**

The Assembly intends to consider proposals for amendments to the Fund Convention and the 1992 Civil Liability Convention at its October 2005 session in order to adapt the international regime on liability and compensation for oil pollution damage. Many arguments have been made in favour and against any revision in writing and in oral interventions. This document presents a proposal on quorum for 1992 Fund Assembly meetings, taking section 2 of document 92FUND/WGR.3/25/1 as reference.

#### 2 **Objective**

Due to the 1992 Fund's growing membership, it is becoming more and more difficult to achieve a quorum for the Assembly's meetings, which could bring about paralysis of the 1992 Fund and, therefore, interruption of the payment of claims. The objective of this proposal is to present a permanent solution in order to avoid a possible paralysis of the 1992 Fund's activities due to lack of quorum in the Assembly.

#### 3 **Background**

- 3.1 The accession of additional States to the 1992 Fund Convention (and the experience of the 1971 Fund with regard to attendance of States at the meetings of the 1971 Fund) has given rise to concern that the 1992 Fund Assembly will be unable to obtain the quorum required to hold its meetings. In this regard, it should be recalled that Article 20 of the 1992 Fund Convention

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<1> This document has been revised by the Government of Venezuela.

provides that 'a majority of the members of the Assembly shall constitute a quorum for its meetings'.

- 3.2 In light of that concern and the risk of paralysis of the 1992 Fund's activities, the Assembly decided at its October 2002 session to adopt a resolution (Resolution N°7) creating a special body, the Administrative Council, which would assume the functions of the Assembly if the Assembly could not obtain a quorum. In that resolution, the Assembly also decided that in cases where quorum was obtained at a later session, the Assembly would resume its functions. Furthermore, the Administrative Council's decisions would be adopted by a majority vote of the Member States of the 1992 Fund present and voting, provided that decisions under Article 33 of the 1992 Fund Convention require a two-thirds majority of the Member States of the 1992 Fund. Finally, the Resolution states that at least twenty-five (25) Member States of the 1992 Fund would constitute a quorum for the meetings of the Administrative Council (see document 92FUND/A.8/27).
- 3.3 That temporary solution, although representing a practical solution as regards the risk facing the 1992 Fund that it would not be able to function correctly, should be reflected in the 1992 Fund Convention in order to become a permanent solution.

#### **4 Proposal**

- 4.1 In light of the above, it is proposed that Article 20 of the Fund Convention be amended as follows:

*Article 20: 'The quorum required for the Assembly's meetings is at least twenty-five (25) Member States, and decisions shall be taken by a simple majority of the Member States present at the time of the vote and voting.'*

- 4.2 This wording would reflect the solution adopted by Resolution N°7 and at the same time would offer a permanent solution to the risk to which the functioning of the 1992 Fund is exposed.

#### **5 Action to be taken by the Assembly**

The Assembly is invited:

- (a) to take note of the information contained in this document; and
  - (b) to consider the proposal made with a view to including it in the discussions of amendments to the 1992 Civil Liability and Fund Conventions.
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