



INTERNATIONAL  
OIL POLLUTION  
COMPENSATION  
FUNDS

Agenda item: 7	IOPC/OCT14/7/3		
Original: ENGLISH	23 September 2014		
1992 Fund Assembly	92A19	●	
1992 Fund Executive Committee	92EC62		
Supplementary Fund Assembly	SA10	●	
1971 Fund Administrative Council	71AC33	●	

## CHANGES TO INTERNAL AND FINANCIAL REGULATIONS

### AMENDMENTS TO INTERNAL AND FINANCIAL REGULATIONS DEALING WITH DELEGATION OF AUTHORITY BY THE DIRECTOR

#### Note by the Director

<b>Summary:</b>	The appropriate amendments need to be made to the relevant Internal and Financial Regulations of all three Funds to take into account changes to the delegation of authority in the absence of the Director as a result of the appointment of a new Head of the Claims Department since the October 2013 sessions of the governing bodies.
<b>Action to be taken:</b>	<p><u>1992 Fund Assembly</u></p> <p>Approve amendments to Internal Regulations 7.13, 7.14 and 12 and Financial Regulation 9.2 of the 1992 Fund as set out in Annex I.</p> <p><u>Supplementary Fund Assembly</u></p> <p>Approve amendments to Internal Regulations 7.10, 7.11 and 12 and Financial Regulation 9.2 of the Supplementary Fund as set out in Annex II.</p> <p><u>1971 Fund Administrative Council</u></p> <p>Approve amendments to Internal Regulations 7.13, 7.14 and 12bis and Financial Regulation 9.2 of the 1971 Fund as set out in Annex III.</p>

## 1 Introduction

- 1.1 At their April 2012 and October 2012 sessions the governing bodies approved amendments to their respective Internal Regulations and Financial Regulations to take into account new contingency arrangements for the Director (see Internal Regulations dealing with *Delegation of authority in the absence of the Director*). The governing bodies noted that in the event that the Director was unable to assume his functions, the Deputy Director/Head of the Finance and Administration Department, the Legal Counsel, the Head of the Claims Department/Technical Adviser or the Head of the External Relations and Conference Department, in that order, would act on his behalf.
- 1.2 As set out above, the delegated authority includes all members of the Management Team and indicates the seniority in which it is applied. At the same sessions the governing bodies also noted that Director would keep the contingency arrangements under review to ensure that at all times they took into account any significant changes in composition, role, responsibilities or availability of Management Team members.

## **2 Director's proposal**

- 2.1 The Director proposes that the respective Fund's Internal Regulations dealing with *Delegation of authority in the absence of the Director* be amended to reflect the change in the seniority in which it is applied as a result of the appointment of a new Head of the Claims Department in March 2014.
- 2.2 Accordingly, the Director proposes the following contingency arrangements in the Secretariat in the event that the Director is unable to assume his functions, namely that the Deputy Director/Head of the Finance and Administration Department, the Legal Counsel, the Head of the External Relations and Conference Department, or the Head of the Claims Department, in that order, would act on the Director's behalf.
- 2.3 In this context, the Director recalls that under the delegation of authority in the absence of the Director, if there is no one of the said senior members of the Secretariat available to assume the function of the Director, the Chairman of the 1992 Fund Assembly shall appoint a member of the Secretariat, other than those mentioned in the preceding paragraph, to carry out this function until the next regular or extraordinary session of the Assembly or until any of the said senior members of the Secretariat has been able to resume their responsibilities.
- 2.4 The revised texts of Internal Regulation 12 of the 1992 Fund and Supplementary Fund and Internal Regulation 12*bis* for the 1971 Fund will need to be approved by the governing bodies. In addition, Administrative Instruction N°2 setting out delegation of authority will need to be amended by the Director.
- 2.5 As a consequence of the change to the delegated authority and to the change to the title of the Head of the Claims Department, additional changes need to be made to the Internal Regulation and Financial Regulations of the three Funds.
- 2.6 Draft texts of the proposed amendments to Internal Regulations 7.13, 7.14 and 12 and Financial Regulation 9.2 of the 1992 Fund are at Annex I for consideration and approval by the 1992 Fund Assembly.
- 2.7 Draft texts of the proposed amendments to Internal Regulations 7.10, 7.11 and 12 and Financial Regulation 9.2 of the Supplementary Fund are at Annex II for consideration and approval by the Supplementary Fund Assembly.
- 2.8 Draft texts of the proposed amendments to Internal Regulations 7.13, 7.14 and 12*bis* and Financial Regulation 9.2 of the 1971 Fund are at Annex III for consideration and approval by the 1971 Fund Administrative Council.

## **3 Action to be taken**

### **3.1 1992 Fund Assembly**

The 1992 Fund Assembly is invited to approve the texts of the proposed amendments to Internal Regulations 7.13, 7.14 and 12 and Financial Regulation 9.2 of the 1992 Fund as set out in Annex I.

### **3.2 Supplementary Fund Assembly**

The Supplementary Fund Assembly is invited to approve the texts of the proposed amendments to Internal Regulations 7.10, 7.11 and 12 and Financial Regulation 9.2 of the Supplementary Fund as set out in Annex II.

**3.3     1971 Fund Administrative Council**

The 1971 Fund Administrative Council is invited to approve the texts of the proposed amendments to Internal Regulations 7.13, 7.14 and 12*bis* and Financial Regulation 9.2 of the 1971 Fund as set out in Annex III.

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## ANNEX I

Draft proposals submitted to the 19th session of the 1992 Fund Assembly for approval

*(Proposed changes are underlined/scored through for ease of reference)*

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

#### 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 Head of the Claims Department/~~Technical Adviser~~ 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 Head of the Claims Department/~~Technical Adviser~~.

#### Regulation 12

##### *Delegation of authority in the absence of the Director*

The Director may authorise the Deputy Director/Head of the Finance and Administration Department, the Legal Counsel, ~~the Head of the Claims Department/Technical Adviser~~, the Head of the External Relations and Conference Department or the Head of the Claims Department, in that order, to act on his behalf in the fulfilment of the functions set out in Article 29 of the 1992 Fund Convention, and to be the legal representative of the 1992 Fund. The conditions and extent of such delegation shall be laid down in Administrative Instructions issued by the Director. Delegation made in accordance with this Regulation overrides any limitation of the authority of the above-mentioned officers contained elsewhere in these Regulations or in the Financial Regulations.

If there is no one of the said senior members of the Secretariat available to assume the function of the Director, the Chairman of the 1992 Fund Assembly shall appoint a member of the Secretariat, other than those mentioned in the preceding paragraph, to carry out this function until the next regular or extraordinary session of the Assembly or until any of the said senior members of the Secretariat has been able to resume their responsibilities.

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

Regulation 9

*Management of Monies*

- 9.2 The Director may authorise officers to act as signatories on behalf of the 1992 Fund in giving payment instructions. The 1992 Fund's bankers shall be empowered to accept payment instructions on behalf of the 1992 Fund when signed as follows:
- (a) for any sum up to £100 000, by any two officers from category A or B;
  - (b) for any sum in excess of £100 000, by one officer from category A plus one officer from category A or B.

For the purposes of this Regulation, the categories are as follows:

Category A Director, Deputy Director/Head of the Finance and Administration Department; and  
Legal Counsel ~~and Head of the Claims Department~~

Category B Head of the External Relations and Conference Department ~~and Finance Manager~~, Head  
of the Claims Department/~~Technical Adviser~~ and Finance Manager

Further conditions in respect of the delegation of authority under this Regulation shall be laid down by the Director in Administrative Instructions.

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## ANNEX II

Draft proposals submitted to the 10th session of the Supplementary Fund Assembly for approval

*(Proposed changes are underlined/scored through for ease of reference)*

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

#### Regulation 7

##### *Settlement of Claims*

- 7.10 The Director may authorise another officer or other officers to make final or partial payment of claims or to make provisional payments. Such authority shall:
- (a) in respect of the Head of the Claims Department/~~Technical Adviser~~ be limited to payments 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 payments 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.

- 7.11 Any settlements made under Internal Regulation 7.10(a) shall be reported to the Director and those made under Regulation 7.10(b) to the Head of the Claims Department/~~Technical Adviser~~.

#### Regulation 12

##### *Delegation of authority in the absence of the Director*

The Director may authorise the Deputy Director/Head of the Finance and Administration Department, the Legal Counsel, ~~the Head of the Claims Department/Technical Adviser~~, the Head of the External Relations and Conference Department or the Head of the Claims Department, in that order, to act on his or her behalf in the fulfilment of the functions set out in Article 16 of the Supplementary Fund Protocol in conjunction with Article 29 of the 1992 Fund Convention, and to be the legal representative of the Supplementary Fund. The conditions and extent of such delegation shall be laid down in Administrative Instructions issued by the Director. Delegation made in accordance with this Regulation overrides any limitation of the authority of the above-mentioned officers contained elsewhere in these Regulations or in the Financial Regulations.

If there is no one of the said senior members of the Secretariat available to assume the function of the Director, the Chairman of the 1992 Fund Assembly shall appoint a member of the Secretariat, other than those mentioned in the preceding paragraph, to carry out this function until the next regular or extraordinary session of the Assembly or until any of the said senior members of the Secretariat has been able to resume their responsibilities.

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

Regulation 9

*Management of Monies*

- 9.2 The Director may authorise officers to act as signatories on behalf of the Supplementary Fund in giving payment instructions. The Supplementary Fund's bankers shall be empowered to accept payment instructions on behalf of the Supplementary Fund when signed as follows:
- (a) for any sum up to £100 000, by any two officers from category A or B;
  - (b) for any sum in excess of £100 000, by one officer from category A plus one officer from category A or B.

For the purposes of this Regulation, the categories are as follows:

Category A Director, Deputy Director/Head of the Finance and Administration Department, and  
Legal Counsel ~~and Head of the Claims Department/Technical Adviser~~

Category B Head of the External Relations and Conference Department ~~and Finance Manager~~, Head  
of the Claims Department and Finance Manager

Further conditions in respect of the delegation of authority under this Regulation shall be laid down by the Director in Administrative Instructions.

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### ANNEX III

Draft proposals submitted to the 33rd session of the 1971 Fund Administrative Council for approval

*(Proposed changes are underlined/scored through for ease of reference)*

#### **INTERNAL REGULATIONS OF THE INTERNATIONAL OIL POLLUTION COMPENSATION FUND ESTABLISHED UNDER THE 1971 FUND CONVENTION**

##### 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 Head of the Claims Department/~~Technical Adviser~~ 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;
  - (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 Head of the Claims Department/~~Technical Adviser~~.

##### Regulation 12bis

##### *Delegation of authority in the absence of the Director*

The Director may authorise the Deputy Director/Head of the Finance and Administration Department, the Legal Counsel, ~~the Head of the Claims Department/Technical Adviser~~, the Head of the External Relations and Conference Department or the Head of the Claims Department, in that order, to act on his behalf in the fulfilment of the functions set out in Article 29 of the 1971 Fund Convention, and to be the legal representative of the 1971 Fund. The conditions and extent of such delegation shall be laid down in Administrative Instructions issued by the Director. Delegation made in accordance with this Regulation overrides any limitation on the authority of the above-mentioned officers contained elsewhere in these Regulations or in the Financial Regulations.

If there is no one of the said senior members of the Secretariat available to assume the function of the Director, the Chairman of the 1992 Fund Assembly shall appoint a member of the Secretariat, other than those mentioned in the preceding paragraph, to carry out this function until the next regular or extraordinary session of the Assembly or until any of the said senior members of the Secretariat has been able to resume their responsibilities.



**FINANCIAL REGULATIONS OF THE INTERNATIONAL OIL POLLUTION COMPENSATION FUND 1971**  
**ESTABLISHED UNDER THE 1971 FUND CONVENTION**

Regulation 9

*Management of Monies*

- 9.2 The Director may authorise officers to act as signatories on behalf of the 1971 Fund in giving payment instructions. The 1971 Fund's bankers shall be empowered to accept payment instructions on behalf of the 1971 Fund when signed as follows:
- (a) for any sum up to £100 000, by any two officers from category A or B;
  - (b) for any sum in excess of £100 000, by one officer from category A plus one officer from category A or B.

For the purposes of this Regulation, the categories are as follows:

Category A Director, Deputy Director/Head of the Finance and Administration Department; and  
Legal Counsel ~~and Head of the Claims Department/Technical Adviser~~

Category B Head of the External Relations and Conference Department ~~and Finance Manager~~, Head  
of the Claims Department and Finance Manager

Further conditions in respect of the delegation of authority under this Regulation shall be laid down by the Director in Administrative Instructions.