



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND

EXECUTIVE COMMITTEE
44th session
Agenda item 3

FUND/EXC.44/11/Add.1
13 October 1995

Original: ENGLISH

INCIDENTS INVOLVING THE IOPC FUND

Report on Incidents with Developments of Lesser Importance

Note by the Director

1 Introduction

Since the issue of document FUND/EXC.44/11, the following development has taken place in respect of the *Shinryu Maru N°8* incident.

2 *Shinryu Maru N°8*

(Japan, 4 August 1995)

2.1 The shipowner's P & I insurer (JPIA) has requested that the IOPC Fund should in this case waive the requirement to establish the limitation fund.

2.2 The Executive Committee has in several previous cases decided that the IOPC Fund normally required the establishment of the limitation fund in order to be able to pay compensation and that this requirement could be waived only in exceptional cases. In several cases in Japan, the Executive Committee has, however, waived this requirement, in view of the disproportionately high legal costs that would be incurred in establishing the limitation fund compared with the low limitation amounts under the Civil Liability Convention in these cases. The Committee has taken into account that under the Memorandum of Understanding, signed on 25 November 1985 by JPIA and the IOPC Fund, JPIA undertakes to repay in full any amount paid by the IOPC Fund in compensation if it is held by the competent court that the shipowner is not entitled to limit his liability under the Civil Liability Convention. In these cases, the Executive Committee agreed that the IOPC Fund could, as an exception, pay compensation without the limitation fund being established (document FUND/EXC.22/5, paragraph 3.2.8).

2.3 The Director supports JPIA's request and proposes that the requirement to establish the limitation fund should be waived in the *Shinryu Maru N°8* case.

3 Action to be taken by the Executive Committee

The Executive Committee is invited to:

- (a) take note of the information contained in this document; and
 - (b) take a decision on the Director's proposal that the requirement to establish the limitation fund should be waived in respect of the *Shinryu Maru N°8* (paragraph 2.3 above).
-