



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992

EXECUTIVE COMMITTEE
4th session
Agenda item 4

92FUND/EXC.4/4
30 October 1999
Original: ENGLISH

INCIDENTS INVOLVING THE 1992 FUND

NAKHODKA

Note by the Director

Summary: Further claims have been settled for significant amounts.

Action to be taken: Decide on the level of the 1992 Fund's payments.

1 **Introduction**

The *Nakhodka* incident which occurred on 2 January 1997 in Japan has been dealt with in detail in a document presented to the 1971 Fund Executive Committee (document 71FUND/EXC.62/8). It is submitted that this document should form a sufficient basis for the 1992 Fund Executive Committee's consideration of the claims arising out of the *Nakhodka* incident.

2 **Level of payments**

2.1 It will be recalled that the 1971 Fund Executive Committee and the 1992 Fund Assembly decided to limit the payments to be made by the two Organisations to 60% of the amount of the damage actually suffered by the respective claimants as assessed by the experts employed by the Funds and the shipowner and his insurer at the time when the payment is made (documents 71FUND/EXC.52/11, paragraph 3.7.14 and 92FUND/A/ES.2/6, paragraph 3.1.16). The 1971 Fund Executive Committee and the 1992 Fund Executive Committee decided at later sessions, most recently at their 61st and 3rd sessions, respectively, that the 60% limit should be maintained (documents 71FUND/EXC.61/14, paragraph 4.7.5 and 92FUND/EXC.3/7, paragraph 3.1.5).

2.2 The 1971 Fund Executive Committee has been invited to review the level of compensation. The 1992 Fund Executive Committee is also invited to make such a review. In the light of the uncertainty as to

the level of the total amount of the claims arising from the *Nakhodka* incident, the Director is unable to recommend an increase of the 60% limit (cf document 71FUND/EXC.61/8, paragraph 4.3).

2.3 The compensation payments made so far total ¥7 635 million (£37.8 million). It is expected that further payments of some ¥1 000 million (£5.9 million) will be made during October 1999. As a result of these payments the maximum amount payable under the 1969 Civil Liability Convention and the 1971 Fund Convention, ie 60 million SDR or approximately ¥8 640 million (£50 million), will be reached. Further payments will have to be made by the 1992 Fund.

3 Action to be taken by the Executive Committee

The Executive Committee is invited:

- (a) to take note of the information contained in this document;
 - (b) to review the level of the 1992 Fund's payment of claims; and
 - (c) to give the Director such instructions as it may deem appropriate in respect of the handling of the claims arising from this incident.
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