



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND

ASSEMBLY
15th session
Agenda item 27

FUND/A.15/24
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**DRAFT INTERNATIONAL CONVENTION ON LIABILITY AND
COMPENSATION FOR DAMAGE IN CONNECTION WITH THE
CARRIAGE OF HAZARDOUS AND NOXIOUS SUBSTANCES BY SEA**

Note by the Director

1 The Legal Committee of the International Maritime Organization (IMO) is in an advanced stage of examining a draft Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, the so-called HNS Convention. The latest version of the draft Convention (IMO document LEG 66/4) was considered at the 66th session of the Legal Committee in March 1992 (document LEG 66/9, paragraphs 8–124).

2 Under the draft Convention there would be established a system of compensation similar to that created by the Civil Liability Convention and the Fund Convention. The financial burden would thus be shared between the shipping industry and the cargo interests. The primary liability would rest on the shipowner, whereas there would be additional compensation from an "International Hazardous and Noxious Substances Scheme" financed by cargo interests. The functioning of this "Scheme" would follow very closely the provisions in the Fund Convention on the operation of the IOPC Fund.

3 At the 14th session of the Assembly of the IOPC Fund, the Director informed the Assembly that the Secretary-General of IMO had, in his budget proposal for the biennium 1992–1993, made provision for a diplomatic conference for the adoption of a convention on this matter (document FUND/A.14/19). However, on the recommendation of the Legal Committee, the IMO Assembly at its 17th session in October/November 1991 agreed that it was not realistic to expect the work on the HNS Convention to be concluded in time for a conference to be convened as early as 1992 or 1993; the target date should instead be early 1994. Accordingly, no provision was made in the IMO budget for holding an Diplomatic Conference on this subject during the 1992–1993 biennium.

4 In document FUND/A.14/19, it was stated that the Director had already participated in the sessions of the Legal Committee which had discussed this matter and had made interventions on points relating to the IOPC Fund and its activities and that he intended to contribute to the further

examination of the draft Convention within the Legal Committee by providing information on the practical, administrative and financial aspects of administering an international regime of compensation for pollution damage covered by the Fund Convention. It was also mentioned that it was the Director's intention to represent the IOPC Fund at the Diplomatic Conference and to make such interventions as might be appropriate in order to explain the system administered by the IOPC Fund in respect of claims for compensation for oil pollution damage, as well as in respect of other matters of interest to the IOPC Fund which may be dealt with by the Conference.

5 After having taken note of the information contained in document FUND/A.14/19, the Assembly expressed the opinion that it was important that the IOPC Fund should participate in the on-going work of preparing the above-mentioned Convention so that the experience gained by the Fund in operating the system of liability and compensation for oil pollution damage would be brought to the attention of the IMO Legal Committee and the Diplomatic Conference (document FUND/A.14/23, paragraph 22.2).

6 The consideration of the draft HNS Convention will continue at the 67th session of the Legal Committee to be held from 28 September to 2 October 1992. A new draft, which incorporates amendments agreed by the Legal Committee at its last session, has been issued as IMO document LEG 67/3.

Action to be Taken by the Assembly

7 The Assembly is invited to take note of the information contained in this document.
