



INTERNATIONAL  
OIL POLLUTION  
COMPENSATION  
FUND

ASSEMBLY  
16th session  
Agenda item 17

FUND/A.16/14/Add.2  
7 October 1993

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## ASSESSMENT OF ANNUAL CONTRIBUTIONS

### Note by the Director

#### **1 General Fund**

1.1 In the light of the decision taken by the Assembly at this session, to increase the working capital of the IOPC Fund from £4 million to £11 million, the Director has revised the assessment of the 1993 levy to the General Fund presented in paragraph 2 of document FUND/A.16/14/Add.1, which was based on a working capital of £20 million.

1.2 The table reproduced in paragraph 2.3 of document FUND/A.16/14/Add.1 is therefore amended to read:

		£
(i)	<b>Expenditure</b>	
(a)	Administrative expenses	1 010 010
(b)	Minor claims	1 753 472
(c)	Working capital	<u>11 000 000</u>
		<u>13 763 482</u>
(ii)	<b>Income</b>	
(a)	Surplus as at 31.12.93	5 218 952
(b)	Interest to be earned in 1994	300 000
(c)	Annual contributions required for General Fund	<u>8 244 530</u>
		<u>13 763 482</u>

1.3 Contributions of £8 244 530 would therefore be needed to balance the 1994 account of the General Fund and to increase the working capital to £11 million. The Assembly may therefore wish to levy annual contributions for the General Fund in 1993 in the amount of £8 million.

## **2     KEUMDONG N°5 Major Claims Fund**

2.1     As regards the KEUMDONG N°5 incident, further information has been received from the IOPC Fund's experts at the site of the spill in Korea. It would now appear that the level of compensation which the IOPC Fund will be called upon to pay may be somewhat lower than first anticipated. It is estimated that the payments of compensation may be in the region of £5-£10 million.

2.2     In view of the uncertainty at this stage regarding the level of compensation arising from this incident, and bearing in mind the heavy financial burden being placed on contributors this year, the Director has revised his proposal in respect of the KEUMDONG N°5 Major Claims Fund. He proposes therefore that 1993 annual contributions to the KEUMDONG N°5 Major Claims Fund should be levied in the amount of £5 million. Any payments during 1994 in excess of this amount would have to be made using money borrowed from the General Fund.

## **3     Action to be Taken by the Assembly**

The Assembly is invited, in accordance with Article 12 of the Fund Convention, to:

- (a)     take note of the information contained in this document;
  - (b)     decide in respect of:
    - (i)     the assessment of 1993 annual contributions to the General Fund (paragraph 1.3 of the present document);  
          **Director's proposal: £8 million**
    - (ii)    the assessment of 1993 annual contributions to the KEUMDONG N°5 Major Claims Fund (paragraph 2.2 of the present document);  
          **Director's proposal: £5 million**
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