



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND

ASSEMBLY
16th session
Agenda item 21

FUND/A.16/18/Add.1
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REVIEW OF FINANCIAL REGULATIONS

MERGING OF FUNDS FOR INVESTMENT PURPOSES

Note by the Director

1 In paragraph 3.4 of document FUND/A.16/18, the Director drew attention to the concerns expressed at the 15th session of the Assembly on the relationships between the General Fund and the Major Claims Funds. The Director interpreted those concerns as relating to the fact that the assets of the General Fund and the assets of the various Major Claims Funds are not invested separately.

2 The Assembly agreed with the Director on the practicality of investing the various Funds together. Nevertheless, it was noted that there was no provision in the Financial Regulations authorizing the merger of different Funds for investment purposes. It was agreed that a provision to this effect should be introduced into the Financial Regulations.

3 In order to formalise the present practice of joint investment of the various Funds, the Director proposes to include in the Financial Regulations a new Regulation 7.3 to read:

"For purposes of investment, all monies in the General Fund, Major Claims Funds, Contributors' Accounts, the Provident Fund and any special accounts may be merged. Any resulting income shall accrue to the respective Fund or account pro rata."

Action to be Taken by the Assembly

4 The Assembly is invited to consider the Director's proposal to amend the Financial Regulations.
