



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND

ASSEMBLY
16th session
Agenda item 34

FUND/A.16/31
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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 68/4) was considered at the 68th session of the Legal Committee in March 1993 (document LEG 68/11, paragraphs 9-68).

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 15th session of the Assembly, the Director informed the Assembly that he had 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.

4 After having taken note of the information contained in document FUND/A.15/24, the Assembly expressed the opinion that the IOPC Fund should continue to 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 (document FUND/A.15/28, paragraph 27.2).

5 The consideration of the draft HNS Convention will continue at the 69th session of the Legal Committee to be held from 27 September to 1 October 1993. A new draft, which incorporates amendments agreed by the Legal Committee at its last session, has been issued as IMO document LEG 69/3.

6 At its 68th session the Legal Committee agreed that it needed more time to produce a draft which could meet with substantial support and be acceptable to the membership of IMO. The Committee therefore recommended to the IMO Council that no provision should be made for a diplomatic conference for the coming biennium 1994-1995. With reference to the importance of this work being urgently concluded, the Council at its 70th session in June 1993 invited the Legal Committee to set a clear target for such conclusion. This issue has been brought to the attention of the Legal Committee in document LEG 69/3/1.

Action to be Taken by the Assembly

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