



International Oil Pollution
Compensation Funds

Agenda Item 4	IOPC/NOV20/4/2	
Date	12 October 2020	
Original	English	
1992 Fund Assembly	92A25	●
1992 Fund Executive Committee	92EC74	
Supplementary Fund Assembly	SA17	●

STOPIA 2006 and TOPIA 2006

RECENT INFORMATION ON ENTERED SHIPS

Note by the Secretariat

Summary:	This document provides recent information on the number of ships entered and not entered in the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 (as amended 2017) and the Tanker Oil Pollution Indemnification Agreement (TOPIA) 2006 (as amended 2017).
Action to be taken:	<u>1992 Fund Assembly and Supplementary Fund Assembly</u> Information to be noted.

1 Introduction

- 1.1 The Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 (as amended 2017)^{<1>} and the Tanker Oil Pollution Indemnification Agreement (TOPIA) 2006 (as amended 2017)^{<2>} are two voluntary agreements between the shipowners whose ships are insured by the P&I Clubs that are members of the International Group of P&I Associations (International Group), with the purpose to allow for equitable sharing of the burden of compensation between shipowners and oil receivers. Under STOPIA 2006, the liable shipowner under the 1992 Civil Liability Convention (CLC) indemnifies the 1992 Fund for the amount of compensation paid by the Fund, up to a limit of SDR 20 million which includes the amount payable under the 1992 CLC. Under TOPIA 2006, the liable shipowner indemnifies the Supplementary Fund for 50% of the amounts of compensation paid by the Fund.
- 1.2 In accordance with Clause VIII of both agreements, the agreements were reviewed based on the experience of claims for pollution damage during the 10-year period since the entry into force of the agreements. Except for a few amendments, most of the clauses of the agreements remained unchanged.

The International Group Clubs are required to provide the 1992 Fund and the Supplementary Fund with information in respect of the ships covered by STOPIA 2006 and TOPIA 2006 respectively, in accordance with the Memorandum of Understanding (MoU) between the IOPC Funds and the International Group regarding the operation of these agreements.

<1> From this point forward, references to 'STOPIA 2006' should be taken to read 'STOPIA 2006 (as amended 2017)'.

<2> From this point forward, references to 'TOPIA 2006' should be taken to read 'TOPIA 2006 (as amended 2017)'.

2 STOPIA 2006

The concept of 'Relevant Ship' under STOPIA 2006

- 2.1 STOPIA 2006 provides that every ship will be considered as a 'Relevant Ship' if the ship is: (i) 29 548 tons or less, (ii) insured by one of the International Group Clubs, and (iii) reinsured through the pooling arrangements of the International Group (Clause III (B) of STOPIA 2006).

List of ships entered in STOPIA 2006

- 2.2 The International Group has provided the 1992 Fund with the list of 7 503 ships entered in STOPIA 2006 as at 20 August 2020. In 2019, the figure reported to the 1992 Fund was 6 339.
- 2.3 The International Group has also reported to the 1992 Fund that as at 20 August 2020:
- (1) the number of Relevant Ships without being or becoming entered in STOPIA 2006 was nil; and
 - (2) the number of ships which have been entered in STOPIA 2006 (whether as a Relevant Ship or with an independent written agreement between the owner and its Club) and which ceased to be entered in STOPIA 2006 while remaining insured by the Club, was also nil.

Situation in respect of coastal ships

- 2.4 In addition to the ships mentioned in paragraph 2.2, there are small number of ships of 29 548 tons or less which are entered in one of the International Group Clubs but are not reinsured through the International Group's pooling arrangements (thus not Relevant Ships). The number of ships in this category as at 20 August 2020 was 340. In 2019, the figure in this category reported to the 1992 Fund was 347.
- 2.5 A ship in this category may be deemed to be a Relevant Ship by written agreement between the owner and its Club. The number of ships entered in STOPIA 2006 by written agreement as at 20 August 2020 was 236. In 2019, the figure in this category reported to the 1992 Fund was 239.

Summary – STOPIA 2006

- 2.6 In summary, the total number of ships reported by the International Group as entered in STOPIA 2006 was 7 739 (the sum of 7 503 (Relevant Ships) and 236 ships (written agreement)). The total number of Club-insured ships of 29 548 tons or less but not entered in STOPIA 2006 was 104 (the difference between 340 (non-relevant ship) and 236 (written agreement)).

Year	Number of ships entered in STOPIA 2006 (Relevant Ships and written agreements)	Number of ships insured by International Group Clubs and not entered in STOPIA 2006	Total	% of ships entered in STOPIA 2006
20 August 2019	6 578	108	6 686	98.4
20 August 2020	7 739	104	7 843	98.67

3 TOPIA 2006

The concept of 'Relevant Ship' under TOPIA 2006

- 3.1 TOPIA 2006 provides that all ships will be considered as a 'Relevant Ship' if they are (i) entered in one of the International Group Clubs; and (ii) reinsured through the pooling arrangements of the International Group (Clause III (B) of TOPIA 2006).

List of ships entered in TOPIA 2006

- 3.2 The International Group is not required to provide the list of ships entered in TOPIA 2006 under the MoU. Therefore, the Supplementary Fund is not provided with such data.

Number of 'Relevant Ship' not entered in TOPIA 2006

- 3.3 The International Group reported to the Supplementary Fund that as at 20 August 2020:

- (1) the number of Relevant Ships without being or becoming entered in TOPIA 2006 was nil; and
- (2) the number of ships which has been entered in TOPIA 2006 (whether as a relevant ship or with an independent written agreement between the owner and its Club) and which ceased to be in TOPIA 2006 while remaining insured by the Club, was also nil.

Situation in respect of coastal ships

- 3.4 The International Group also reported to the Supplementary Fund that the number of ships insured by one of the International Group Clubs and not entered in TOPIA 2006 because they are not participating in the Group's pooling arrangement was 340 (the same ships as explained in paragraph 2.4). The ships that had entered in STOPIA 2006 by written agreement (236 ships, as mentioned in paragraph 2.5) are not entered in TOPIA 2006 as well, because the size of these ships is generally so small that it is considered most unlikely that the cost of claims for pollution damage arising from such a ship would exceed the 1992 Fund compensation limit (SDR 203 million).

4 Director's consideration

- 4.1 The Director is satisfied with the STOPIA 2006 data provided by the International Group, and also satisfied with the recent situation that 98.67% of the vessels insured by the IG Clubs have entered in STOPIA 2006. This situation shows that the equitable sharing of the burden of compensation between shipowners and oil receivers are maintained.

- 4.2 On the other hand, the Director noted the difference between the STOPIA 2006 data and TOPIA 2006 data reporting requirements in the MOU and is currently discussing the matter with the International Group. The Director will provide developments on this point in future sessions of the governing bodies.

5 Action to be taken

1992 Fund Assembly and Supplementary Fund Assembly

The 1992 Fund Assembly and Supplementary Fund Assembly are invited to take note of the information contained in this document.
