CHAPTER 412

OIL POLLUTION (LIABILITY AND COMPENSATION) ACT

To provide for Malta's accession to the Protocol of 1992 amending the International Convention on Civil Liability for Oil Pollution Damage, 1969 and the Protocol of 1992 amending the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971, and for the implementation of the provisions of these Protocols.

17th December, 1999;
6th January, 2001

ACT XX of 1999, as amended by Legal Notice 223 of 2003.

1. The title of this Act is Oil Pollution (Liability and Compensation) Act. Title.

2. (1) In this Act, unless the context otherwise requires - Interpretation.

"Conventions" means the 1992 Fund Convention and the 1992 Liability Convention;

"Fund Convention" means the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, adopted at Brussels on 18 December, 1971, as amended by the Protocol thereto done in London on the 19 November, 1976;

"IOPC Fund" means The International Oil Pollution Compensation Fund 1992 established under the provisions of the 1992 Fund Convention;

"Liability Convention" means the International Convention on Civil Liability for Oil Pollution Damage adopted at Brussels on 29 November, 1969, as amended by the Protocol thereto done at London on the 19 November, 1976;

"Minister" means the Minister responsible for shipping and except for the power to make regulations granted to the Minister by this Act, includes any public officer, or any officer of any body corporate established by law, acting under his authority;

"Registrar-General" means the Registrar-General of Shipping and Seamen appointed under article 363 of the Merchant Shipping Act and includes any person acting under his authority; Cap. 234.

"territorial waters of Malta" shall have the same meaning as is assigned to the term in the Territorial Waters and Contiguous Zone Act; Cap. 226.

"1992 Fund Convention" means the Fund Convention as amended by the 1992 Fund Protocol known as the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992, and any amendments thereto accepted by the Government of Malta;

"1992 Fund Protocol" means the Protocol of 1992, adopted at London on the 27th November, 1992, amending the Fund Convention;

"1992 Liability Convention" means the Liability Convention as amended by the 1992 Liability Protocol known as the International Convention on Civil Liability for Oil Pollution Damage, 1992, and any amendments thereto accepted by the Government of Malta;

"1992 Liability Protocol" means the Protocol of 1992, adopted at London on the 27th November, 1992, amending the Liability Convention.

(2) In this Act and in any regulations made thereunder, if there is any conflict between the English and Maltese text, the English text shall prevail.

(3) Unless the context otherwise requires, words and expressions used in this Act shall have the same meaning assigned to them in the Conventions.

Accession of Conventions and denunciation of the Fund Convention and the Liability Convention.

3. For the purposes of any law thereto applicable the Government of Malta is hereby authorised to accede to the 1992 Fund Protocol and the 1992 Liability Protocol and to denounce the Fund Convention and the Liability Convention thus becoming a party to the 1992 Fund Convention and the 1992 Liability Convention.

Certain provisions of the 1992 Liability Convention given force of law in Malta.

4. (1) Subject to the provisions of sub-articles (2) to (5) of this article and notwithstanding the provisions of any other law, those provisions of the 1992 Liability Convention, contained in the First Schedule to this Act, shall form part of and be enforceable as part of the Law of Malta.

(2) Where any action is being brought in Malta in terms of the provisions of the 1992 Liability Convention any reference in that convention to "the Court", or to "the Court or other competent authority", shall in each case be read and construed as reference to the Civil Court, First Hall.

(3) Where pollution damage, resulting from an incident, has been sustained in Malta, including the territorial waters of Malta and any exclusive economic zone of Malta as may be established in accordance with international law or similar area determined by Malta in accordance with international law, including the waters enclosed in Malta's contiguous zone claim and the waters superjacent to Malta's continental shelf claim, or if measures have been taken to prevent or minimise such damage in that area, action for compensation under the provisions of the 1992 Liability Convention shall be brought in Malta before the Civil Court, First Hall, by presenting a claim before such Court. Such a claim shall be instituted in accordance with subtitle III of Title VIII of Part I of Book Second of the Code of Organization and Civil Procedure: Cap. 12.

Provided that where any such exclusive economic zone or any such similar area has been established by Malta, the Minister shall by Order in the Gazette prescribe that the provisions of this Act shall also apply to such exclusive economic zone or such similar area as may be established in such Order.

(4) The Civil Court, First Hall shall determine the distribution of the limitation fund, and where such fund is insufficient to satisfy the claims of those who are entitled to compensation, the amount of compensation of each claimant shall be reduced *pro rata*.

(5) The appropriate authority for the purpose of issuing a certificate of insurance referred to in paragraph 2 of article VII of the 1992 Liability Convention, in respect of Maltese ships shall be the Registrar-General who shall for the purpose of paragraph 6 of Article VII of that convention and subject to the provisions of the same convention and of any regulations made under the Act determine the conditions of issue and validity of such certificate and, in respect of ships flying the flag of a state not party to the 1992 Liability Convention shall be the said Registrar-General who shall have such powers as aforesaid or the appropriate authority of a state party to the convention in accordance with the provisions thereof.

Certain provisions of the 1992 Fund Convention given force of law in Malta.

5. (1) Subject to the provisions of sub-articles (2) to (6) of this article, those provisions of the 1992 Fund Convention, contained in the Second Schedule to this Act, shall form part of and be enforceable as part of the Law of Malta.

(2) Any person who in a calendar year has received contributing oil so as to be liable to contribute to the IOPC Fund pursuant to article 10 of the 1992 Fund Convention, shall, not later than the 1st March of the following year, inform the Minister of the quantity of such oil received by him.

(3) The Minister shall, at a time and in the manner prescribed in the Internal Regulations of the IOPC Fund, communicate the information mentioned in paragraph 2 of article 15 of the 1992 Fund Convention to the Director of the IOPC Fund.

(4) (*a*) For the purposes of this sub-article "associated person" means a company or other body corporate which in either case is another company's subsidiary, associate or holding company, or is the manager of or managed by, or otherwise controls or is controlled by that body corporate or a subsidiary or associate of that body corporate's holding company - and associate of a body corporate means a body corporate being the subsidiary of the same holding company.

(*b*) Any person having received in a calendar year contributing oil in ports or other installations in Malta in the manner specified in sub-paragraphs (*a*) and (*b*) of paragraph 1 of article 10 of the 1992 Fund Convention in total quantities exceeding 150,000 tonnes shall pay contributions to the IOPC Fund in accordance with articles 10, 12 and 13 of that convention in the amount and by the date determined by the IOPC Fund Assembly:

Provided that, notwithstanding that the quantity received in Malta in a calendar year by any such person does not exceed 150,000 tonnes but when aggregated with the quantity of contributing oil received in the

same calendar year in Malta by any associated person or persons exceeds 150,000 tonnes, such person shall pay contributions in respect of the actual quantity received by him.

(5) Where pollution damage resulting from an incident has been sustained in Malta, including the territorial waters of Malta and any area determined by an Order of the Minister made for the purposes of the proviso to article 4(3) of this Act, or if measures have been taken to prevent or minimise such damage in that area, any action against the IOPC Fund for compensation under article 4 of the 1992 Fund Convention shall be brought in Malta before the Civil Court, First Hall.

(6) The notification to the IOPC Fund under paragraph 6 of article 7 of the 1992 Fund Convention shall be made by means of a judicial act against the IOPC Fund and notified in the office of the Minister.

(7) The IOPC Fund shall be entitled to take action against defaulting contributors before the Civil Court, First Hall.

Procedure.

6. Notwithstanding the provisions of any other law -

(*a*) the Civil Court, First Hall shall have jurisdiction to try and determine cases and actions that in accordance with this Act are to be brought before it;

(*b*) when a written pleading or other judicial act is to be filed against the IOPC Fund, it shall be sufficient if in such pleading or act there is designated the IOPC Fund and it shall not be necessary in such pleading or act to name the office or the name of the person for the time being holding the office having, in accordance with the constitution of the IOPC Fund, the judicial representation of that Fund;

(*c*) the pleadings and acts referred to in paragraph (*b*) of this article shall be notified at the office of the Minister who shall within five working days transmit the same to the headquarters of the IOPC Fund through the Ministry responsible for foreign affairs;

(*d*) all judicial terms for the filing of any written pleadings or other acts by the IOPC Fund shall be extended by five working days and no such times may be abridged to less than five working days.

Power to make regulations.

7. (1) Without prejudice to the powers conferred by article 8 of this Act, the Minister may make regulations, rules or orders, or give instructions, as are necessary for carrying into effect of the provisions of the 1992 Liability Convention or the 1992 Fund Convention.

(2) Any power conferred on the Minister by this Act to make regulations, rules or orders or to give instructions, shall include power -

(*a*) to vary, alter, substitute or repeal any such regulation, rule, order or instruction, without prejudice to the

making of a new regulation, rule or order, or the giving of a new instruction;

(*b*) to prescribe that any person liable to make any contribution under this Act shall give such security for the payment thereof as may be prescribed;

(*c*) to make such transitional or other incidental or supplementary provision as may appear to the Minister to be appropriate;

(*d*) to prescribe anything that may be or is to be prescribed under this Act.

(3) Regulations, rules and orders made under any of the provisions of this Act, may be made in the English language only.

Language and amendment of Schedules.

8. (1) The Schedules to this Act shall be in the English language only, and such text shall apply also to the Maltese text of this Act.

(2) The Minister may by regulations amend, add to, vary, revoke or substitute the Schedules to this Act to conform with any amendments to the 1992 Liability Convention or the 1992 Fund Convention, made in accordance with the said Conventions and accepted by the Government of Malta and may by any such regulations alter the reference in any article of this Act to any provision of the 1992 Liability Convention or the 1992 Fund Convention by a reference to such provision of the convention which in accordance with any amendment thereto accepted by the Government of Malta replaces such provision.

Amended by:
L.N. 223 of 2003.

FIRST SCHEDULE
(Articles 4 and 8)

Text of articles I to XI of the International Convention on Civil Liability for Oil Pollution Damage, 1992

Article I

For the purposes of this Convention:

1. "Ship" means any sea-going vessel and seaborne craft of any type whatsoever constructed or adapted for the carriage of oil in bulk as cargo, provided that a ship capable of carrying oil and other cargoes shall be regarded as a ship only when it is actually carrying oil in bulk as cargo and during any voyage following such carriage unless it is proved that it has no residues of such carriage of oil in bulk aboard.

2. "Person" means any individual or partnership or any public or private body, whether corporate or not, including a State or any of its constituent subdivisions.

3. "Owner" means the person or persons registered as the owner of the ship or, in the absence of registration, the person or persons owning the ship. However in the case of a ship owned by a State and operated by a company which in that State is registered as the ship's operator, "owner" shall mean such company.

4. "State of the ship's registry" means in relation to registered ships the State of registration of the ship, and in relation to unregistered ships the State whose flag the ship is flying.

5. "Oil" means any persistent hydrocarbon mineral oil such as crude oil, fuel oil, heavy diesel oil and lubricating oil, whether carried on board a ship as cargo or in the bunkers of such a ship.

6. "Pollution damage" means:

(*a*) loss or damage caused outside the ship by contamination resulting from the escape or discharge of oil from the ship, wherever such escape or discharge may occur, provided that compensation for impairment of the environment other than loss of profit from such impairment shall be limited to costs of reasonable measures of reinstatement actually undertaken or to be undertaken;

(*b*) the costs of preventive measures and further loss or damage caused by preventive measures.

7. "Preventive measures" means any reasonable measures taken by any person after an incident has occurred to prevent or minimize pollution damage.

8. "Incident" means any occurrence, or series of occurrences having the same origin, which causes pollution damage or creates a grave and imminent threat of causing such damage.

9. "Organization" means the International Maritime Organization.

10. "1969 Liability Convention" means the International Convention on Civil Liability for Oil Pollution Damage, 1969. For States Parties to the Protocol of 1976 to that Convention, the term shall be deemed to include the 1969 Liability Convention as amended by that Protocol.

Article II

This Convention shall apply exclusively:

(*a*) to pollution damage caused:

(i) in the territory, including the territorial sea, of a Contracting State, and

(ii) in the exclusive economic zone of a Contracting State, established in accordance with international law, or, if a Contracting State has not established such a zone, in an area beyond and adjacent to the territorial sea of that State determined by that State in accordance with international law and extending not more than 200 nautical miles from the baselines from which the breadth of its territorial sea is measured;

(*b*) to preventive measures, wherever taken, to prevent or minimize such damage.

Article III

1. Except as provided in paragraphs 2 and 3 of this Article, the owner of a ship at the time of an incident, or, where the incident consists of a series of occurrences, at the time of the first such occurrence, shall be liable for any pollution damage caused by the ship as a result of the incident.

2. No liability for pollution damage shall attach to the owner if he proves that the damage:

(*a*) resulted from an act of war, hostilities, civil war, insurrection or a natural phenomenon of an exceptional, inevitable and irresistible character, or

(*b*) was wholly caused by an act or omission done with intent to cause damage by a third party, or

(*c*) was wholly caused by the negligence or other wrongful act of any Government or other authority responsible for the maintenance of lights or other navigational aids in the exercise of that function.

3. If the owner proves that the pollution damage resulted wholly or partially either from an act or omission done with intent to cause damage by the person who suffered the damage or from the negligence of that person, the owner may be exonerated wholly or partially from his liability to such person.

4. No claim for compensation for pollution damage may be made against the owner otherwise than in accordance with this Convention. Subject to paragraph 5 of this Article, no claim for compensation for pollution damage under this Convention or otherwise may be made against:

(*a*) the servants or agents of the owner or the members of the crew;

(*b*) the pilot or any other person who, without being a member of the crew, performs services for the ship;

(*c*) any charterer (howsoever described, including a bareboat charterer), manager or operator of the ship;

(*d*) any person performing salvage operations with the consent of the owner or on the instructions of a competent public authority;

(*e*) any person taking preventive measures;

(*f*) all servants or agents of persons mentioned in sub-paragraphs (*c*), (*d*)

and (*e*);

unless the damage resulted from their personal act or omission, committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result.

5. Nothing in this Convention shall prejudice any right of recourse of the owner against third parties.

Article IV

When an incident involving two or more ships occurs and pollution damage results therefrom, the owners of all the ships concerned, unless exonerated under Article III, shall be jointly and severally liable for all such damage which is not reasonably separable.

Article V

1. The owner of a ship shall be entitled to limit his liability under this Convention in respect of any one incident to an aggregate amount calculated as follows:

(*a*) 4,510,000 units of account for a ship not exceeding 5,000 units of tonnage;

(*b*) for a ship with a tonnage in excess thereof, for each additional unit of tonnage, 631 units of account in addition to the amount mentioned in sub-paragraph (*a*);

provided, however, that this aggregate amount shall not in any event exceed 89,770,000 units of account.

2. The owner shall not be entitled to limit his liability under this Convention if it is proved that the pollution damage resulted from his personal act or omission, committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result.

3. For the purpose of availing himself of the benefit of limitation provided for in paragraph 1 of this Article the owner shall constitute a fund for the total sum representing the limit of his liability with the Court or other competent authority of any one of the Contracting States in which action is brought under Article IX or, if no action is brought, with any Court or other competent authority in any one of the Contracting States in which an action can be brought under Article IX. The fund can be constituted either by depositing the sum or by producing a bank guarantee or other guarantee, acceptable under the legislation of the Contracting State where the fund is constituted, and considered to be adequate by the Court or other competent authority.

4. The fund shall be distributed among the claimants in proportion to the amounts of their established claims.

5. If before the fund is distributed the owner or any of his servants or agents or any person providing him insurance or other financial security has as a result of the incident in question, paid compensation for pollution damage, such person shall, up to the amount he has paid, acquire by subrogation the rights which the person so compensated would have enjoyed under this Convention.

6. The right of subrogation provided for in paragraph 5 of this Article may also be exercised by a person other than those mentioned therein in respect of any amount of compensation for pollution damage which he may have paid but only to the extent

that such subrogation is permitted under the applicable national law.

7. Where the owner or any other person establishes that he may be compelled to pay at a later date in whole or in part any such amount of compensation, with regard to which such person would have enjoyed a right of subrogation under paragraphs 5 or 6 of this Article, had the compensation been paid before the fund was distributed, the Court or other competent authority of the State where the fund has been constituted may order that a sufficient sum shall be provisionally set aside to enable such person at such later date to enforce his claim against the fund.

8. Claims in respect of expenses reasonably incurred or sacrifices reasonably made by the owner voluntarily to prevent or minimize pollution damage shall rank equally with other claims against the fund.

9 (*a*) The "unit of account" referred to in paragraph 1 of this Article is the Special Drawing Right as defined by the International Monetary Fund. The amounts mentioned in paragraph 1 shall be converted into national currency on the basis of the value of that currency by reference to the Special Drawing Right on the date of the constitution of the fund referred to in paragraph 3. The value of the national currency, in terms of the Special Drawing Right, of a Contracting State which is a member of the International Monetary Fund shall be calculated in accordance with the method of valuation applied by the International Monetary Fund in effect on the date in question for its operations and transactions. The value of the national currency, in terms of the Special Drawing Right, of a Contracting State which is not a member of the International Monetary Fund shall be calculated in a manner determined by that State.

9 (*b*) Nevertheless, a Contracting State which is not a member of the International Monetary Fund and whose law does not permit the application of the provisions of paragraph 9 (*a*) may, at the time of ratification, acceptance, approval of or accession to this Convention or at any time thereafter, declare that the unit of account referred to in paragraph 9 (*a*) shall be equal to 15 gold francs. The gold franc referred to in this paragraph corresponds to sixty-five and a half milligrammes of gold of millesimal fineness nine hundred. The conversion of the gold franc into the national currency shall be made according to the law of the State concerned.

9 (*c*) The calculation mentioned in the last sentence of paragraph 9 (*a*) and the conversion mentioned in paragraph 9 (*b*) shall be made in such manner as to express in the national currency of the Contracting State as far as possible the same real value for the amounts in paragraph 1 as would result from the application of the first three sentences of paragraph 9 (*a*). Contracting States shall communicate to the depositary the manner of calculation pursuant to paragraph 9 (*a*), or the result of the conversion in paragraph 9 (*b*) as the case may be, when depositing an instrument of ratification, acceptance, approval of or accession to this Convention and whenever there is a change in either.

10. For the purpose of this Article the ship's tonnage shall be the gross tonnage calculated in accordance with the tonnage measurement regulations contained in Annex I of the International Convention on Tonnage Measurement of Ships, 1969.

11. The insurer or other person providing financial security shall be entitled to constitute a fund in accordance with this Article on the same conditions and having the same effect as if it were constituted by the owner. Such a fund may be constituted even if, under the provisions of paragraph 2, the owner is not entitled to limit his

liability, but its constitution shall in that case not prejudice the rights of any claimant against the owner.

Article VI

1. Where the owner, after an incident, has constituted a fund in accordance with Article V, and is entitled to limit his liability,

(*a*) no person having a claim for pollution damage arising out of that incident shall be entitled to exercise any right against any other assets of the owner in respect of such claim;

(*b*) the Court or other competent authority of any Contracting State shall order the release of any ship or other property belonging to the owner which has been arrested in respect of a claim for pollution damage arising out of that incident, and shall similarly release any bail or other security furnished to avoid such arrest.

2. The foregoing shall, however, only apply if the claimant has access to the Court administering the fund and the fund is actually available in respect of his claim.

Article VII

1. The owner of a ship registered in a Contracting State and carrying more than 2,000 tons of oil in bulk as cargo shall be required to maintain insurance or other financial security, such as the guarantee of a bank or a certificate delivered by an international compensation fund, in the sums fixed by applying the limits of liability prescribed in Article†V, paragraph 1 to cover his liability for pollution damage under this Convention.

2. A certificate attesting that insurance or other financial security is in force in accordance with the provisions of this Convention shall be issued to each ship after the appropriate authority of a Contracting State has determined that the requirements of paragraph 1 have been complied with. With respect to a ship registered in a Contracting State such certificate shall be issued or certified by the appropriate authority of the State of the ship's registry; with respect to a ship not registered in a Contracting State it may be issued or certified by the appropriate authority of any Contracting State. This certificate shall be in the form of the annexed model and shall contain the following particulars:

(*a*) name of ship and port of registration;

(*b*) name and principal place of business of owner;

(*c*) type of security;

(*d*) name and principal place of business of insurer or other person giving security and, where appropriate, place of business where the insurance or security is established;

(*e*) period of validity of certificate which shall not be longer than the period of validity of the insurance or other security.

3. The certificate shall be in the official language or languages of the issuing State. If the language used is neither English nor French, the text shall include a translation into one of these languages.

4. The certificate shall be carried on board the ship and a copy shall be deposited with the authorities who keep the record of the ship's registry or, if the ship is not registered in a Contracting State, with the authorities of the State issuing

or certifying the certificate.

5. An insurance or other financial security shall not satisfy the requirements of this Article if it can cease, for reasons other than the expiry of the period of validity of the insurance or security specified in the certificate under paragraph 2 of this Article, before three months have elapsed from the date on which notice of its termination is given to the authorities referred to in paragraph 4 of this Article, unless the certificate has been surrendered to these authorities or a new certificate has been issued within the said period. The foregoing provisions shall similarly apply to any modification which results in the insurance or security no longer satisfying the requirements of this Article.

6. The State of registry shall, subject to the provisions of this Article, determine the conditions of issue and validity of the certificate.

7. Certificates issued or certified under the authority of a Contracting State in accordance with paragraph 2 shall be accepted by other Contracting States for the purposes of this Convention and shall be regarded by other Contracting States as having the same force as certificates issued or certified by them even if issued or certified in respect of a ship not registered in a Contracting State. A Contracting State may at any time request consultation with the issuing or certifying State should it believe that the insurer or guarantor named in the certificate is not financially capable of meeting the obligations imposed by this Convention.

8. Any claim for compensation for pollution damage may be brought directly against the insurer or other person providing financial security for the owner's liability for pollution damage. In such case the defendant may, even if the owner is not entitled to limit his liability according to Article V, paragraph 2, avail himself of the limits of liability prescribed in Article V, paragraph 1. He may further avail himself of the defences (other than the bankruptcy or winding up of the owner) which the owner himself would have been entitled to invoke. Furthermore, the defendant may avail himself of the defence that the pollution damage resulted from the wilful misconduct of the owner himself, but the defendant shall not avail himself of any other defence which he might have been entitled to invoke in proceedings brought by the owner against him. The defendant shall in any event have the right to require the owner to be joined in the proceedings.

9. Any sums provided by insurance or by other financial security maintained in accordance with paragraph 1 of this Article shall be available exclusively for the satisfaction of claims under this Convention.

10. A Contracting State shall not permit a ship under its flag to which this Article applies to trade unless a certificate has been issued under paragraph 2 or 12 of this Article.

11. Subject to the provisions of this Article, each Contracting State shall ensure, under its national legislation, that insurance or other security to the extent specified in paragraph 1 of this Article is in force in respect of any ship, wherever registered, entering or leaving a port in its territory, or arriving at or leaving an off-shore terminal in its territorial sea, if the ship actually carries more than 2,000 tons of oil in bulk as cargo.

12. If insurance or other financial security is not maintained in respect of a ship owned by a Contracting State, the provisions of this Article relating thereto shall not be applicable to such ship, but the ship shall carry a certificate issued by the appropriate authorities of the State of the ship's registry stating that the ship is owned by that State and that the ship's liability is covered within the limits prescribed by Article V, paragraph 1. Such a certificate shall follow as closely as practicable the model prescribed by paragraph 2 of this Article.

Article VIII

Rights of compensation under this Convention shall be extinguished unless an action is brought thereunder within three years from the date when the damage occurred. However, in no case shall an action be brought after six years from the date of the incident which caused the damage. Where this incident consists of a series of occurrences, the six years' period shall run from the date of the first such occurrence.

Article IX

1. Where an incident has caused pollution damage in the territory, including the territorial sea or an area referred to in Article II, of one or more Contracting States or preventive measures have been taken to prevent or minimize pollution damage in such territory including the territorial sea or area, actions for compensation may only be brought in the Courts of any such Contracting State or States. Reasonable notice of any such action shall be given to the defendant.

2. Each Contracting State shall ensure that its Courts possess the necessary jurisdiction to entertain such actions for compensation.

3. After the fund has been constituted in accordance with Article V the Courts of the State in which the fund is constituted shall be exclusively competent to determine all matters relating to the apportionment and distribution of the fund.

Article X

1. Any judgement given by a Court with jurisdiction in accordance with Article IX which is enforceable in the State of origin where it is no longer subject to ordinary forms of review, shall be recognized in any Contracting State, except:

(*a*) where the judgement was obtained by fraud; or

(*b*) where the defendant was not given reasonable notice and a fair opportunity to present his case.

2. A judgement recognized under paragraph 1 of this Article shall be enforceable in each Contracting State as soon as the formalities required in that State have been complied with. The formalities shall not permit the merits of the case to be re-opened.

Article XI

1. The provisions of this Convention shall not apply to warships or other ships owned or operated by a State and used, for the time being, only on government non-commercial service.

2. With respect to ships owned by a Contracting State and used for commercial purposes, each State shall be subject to suit in the jurisdictions set forth in Article IX and shall waive all defences based on its status as a sovereign State.

ANNEX

CERTIFICATE OF INSURANCE OR OTHER FINANCIAL SECURITY IN RESPECT OF CIVIL LIABILITY FOR OIL POLLUTION DAMAGE

Issued in accordance with the provisions of Article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1992

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Name of ship	Distinctive number or letters	Port of registry	Name and address of owner

This is to certify that there is in force in respect of the above-named ship a policy of insurance or other financial security satisfying the requirements of Article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1992.

Type of Security ……..…….....……

……..……...……

Duration of Security ……

Name and Address of the Insurer(s) and/or Guarantor(s)

Name ……..……..……

Address ……...……..……

This certificate is valid until ……....……

Issued or certified by the Government of ……

...……

(Full designation of the State)

At ..... On .....

(Place) (Date)

.....

Signature and Title of
issuing or certifying official

Explanatory Notes:

1. If desired, the designation of the State may include a reference to the competent public authority of the country where the certificate is issued.

2. If the total amount of security has been furnished by more than one source, the amount of each of them should be indicated.

3. If security is furnished in several forms, these should be enumerated.

4. The entry "Duration of Security" must stipulate the date on which such security takes effect.

Amended by:
L.N. 223 of 2003.

SECOND SCHEDULE
(Articles 5 and 8)

Text of articles 1 to 4, 6 to 10 and 12 to 15 of the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992.

Article 1

For the purposes of this Convention:

1. "1992 Liability Convention" means the International Convention on Civil Liability for Oil Pollution Damage, 1992.

1 bis. "1971 Fund Convention" means the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971. For States Parties to the Protocol of 1976 to that Convention, the term shall be deemed to include the 1971 Fund Convention as amended by that Protocol.

2. "Ship", "Person", "Owner", "Oil", "Pollution Damage", "Preventive Measures", "Incident", and "Organization" have the same meaning as in Article I of the 1992 Liability Convention.

3. "Contributing Oil" means crude oil and fuel oil as defined in sub-paragraphs (*a*) and (*b*) below:

(*a*) "Crude Oil" means any liquid hydrocarbon mixture occurring naturally in the earth whether or not treated to render it suitable for transportation. It also includes crude oils from which certain distillate fractions have been removed (sometimes referred to as "topped crudes") or to which certain distillate fractions have been added (sometimes referred to as "spiked" or "reconstituted" crudes).

(*b*) "Fuel Oil" means heavy distillates or residues from crude oil or blends of such materials intended for use as a fuel for the production of heat or power of a quality equivalent to the "American Society for Testing and Materials' Specification for Number Four Fuel Oil (Designation D 396-69)", or heavier.

4. "Unit of account" has the same meaning as in Article V, paragraph 9, of the 1992 Liability Convention.

5. "Ship's tonnage" has the same meaning as in Article V, paragraph 10, of the 1992 Liability Convention.

6. "Ton", in relation to oil, means a metric ton.

7. "Guarantor" means any person providing insurance or other financial security to cover an owner's liability in pursuance of Article VII, paragraph 1, of the 1992 Liability Convention.

8. "Terminal Installation" means any site for the storage of oil in bulk which is capable of receiving oil from waterborne transportation, including any facility situated off-shore and linked to such site.

9. Where an incident consists of a series of occurrences, it shall be treated as having occurred on the date of the first such occurrence.

Article 2

1. An International Fund for compensation for pollution damage, to be named "The International Oil Pollution Compensation Fund 1992" and hereinafter referred to as "the Fund", is hereby established with the following aims:

(*a*) to provide compensation for pollution damage to the extent that the protection afforded by the 1992 Liability Convention is inadequate;

(*b*) to give effect to the related purposes set out in this Convention.

2. The Fund shall in each Contracting State be recognized as a legal person capable under the laws of that State of assuming rights and obligations and of being a party in legal proceedings before the courts of that State. Each Contracting State shall recognize the Director of the Fund (hereinafter referred to as "The Director") as the legal representative of the Fund.

Article 3

This Convention shall apply exclusively:

(*a*) to pollution damage caused:

(i) in the territory, including the territorial sea, of a Contracting State, and

(ii) in the exclusive economic zone of a Contracting State, established in accordance with international law, or, if a Contracting State has not established such a zone, in an area beyond and adjacent to the territorial sea of that State determined by that State in accordance with international law and extending not more than 200 nautical miles from the baselines from which the breadth of its territorial sea is measured;

(*b*) to preventive measures, wherever taken, to prevent or minimize such damage.

Compensation

Article 4

1. For the purpose of fulfilling its function under Article 2, paragraph 1(*a*), the Fund shall pay compensation to any person suffering pollution damage if such person has been unable to obtain full and adequate compensation for the damage under the terms of the 1992 Liability Convention,

(*a*) because no liability for the damage arises under the 1992 Liability Convention;

(*b*) because the owner liable for the damage under the 1992 Liability Convention is financially incapable of meeting his obligations in full and any financial security that may be provided under Article VII of that Convention does not cover or is insufficient to satisfy the claims for compensation for the damage; an owner being treated as financially incapable of meeting his obligations and a financial security being treated as insufficient if the person suffering the damage has been unable to obtain full satisfaction of the amount of compensation due under the 1992 Liability Convention after having taken all reasonable steps to pursue the legal remedies available to him;

(*c*) because the damage exceeds the owner’s liability under the 1992 Liability Convention as limited pursuant to Article V, paragraph 1, of

that Convention or under the terms of any other international Convention in force or open for signature, ratification or accession at the date of this Convention.

Expenses reasonably incurred or sacrifices reasonably made by the owner voluntarily to prevent or minimize pollution damage shall be treated as pollution damage for the purposes of this Article.

2. The Fund shall incur no obligation under the preceding paragraph if:

(*a*) it proves that the pollution damage resulted from an act of war, hostilities, civil war or insurrection or was caused by oil which has escaped or been discharged from a warship or other ship owned or operated by a State and used, at the time of the incident, only on Government non-commercial service; or

(*b*) the claimant cannot prove that the damage resulted from an incident involving one or more ships.

3. If the Fund proves that the pollution damage resulted wholly or partially either from an act or omission done with the intent to cause damage by the person who suffered the damage or from the negligence of that person, the Fund may be exonerated wholly or partially from its obligation to pay compensation to such person. The Fund shall in any event be exonerated to the extent that the shipowner may have been exonerated under Article III, paragraph 3, of the 1992 Liability Convention. However, there shall be no such exoneration of the Fund with regard to preventive measures.

4. (*a*) Except as otherwise provided in sub-paragraphs (*b*) and (*c*) of this paragraph, the aggregate amount of compensation payable by the Fund under this Article shall in respect of any one incident be limited, so that the total sum of that amount and the amount of compensation actually paid under the 1992 Liability Convention for pollution damage within the scope of application of this Convention as defined in Article 3 shall not exceed 203,000,000 units of account.

(*b*) Except as otherwise provided in sub-paragraph (*c*), the aggregate amount of compensation payable by the Fund under this Article for pollution damage resulting from a natural phenomenon of an exceptional, inevitable and irresistible character shall not exceed 203,000,000 units of account.

(*c*) The maximum amount of compensation referred to in sub-paragraphs (*a*) and (*b*) shall be 300,740,000 units of account with respect to any incident occurring during any period when there are three Parties to this Convention in respect of which the combined relevant quantity of contributing oil received by persons in the territories of such Parties, during the preceding calendar year, equalled or exceeded 600 million tons.

(*d*) Interest accrued on a fund constituted in accordance with Article V, paragraph 3, of the 1992 Liability Convention, if any, shall not be taken into account for the computation of the maximum compensation payable by the Fund under this Article.

(*e*) The amounts mentioned in this Article shall be converted into national currency on the basis of the value of that currency by reference to the Special Drawing Right on the date of the decision of the Assembly of the Fund as to the first date of payment of compensation.

5. Where the amount of established claims against the Fund exceeds the aggregate amount of compensation payable under paragraph 4, the amount available shall be distributed in such a manner that the proportion between any established claim and the amount of compensation actually recovered by the claimant under this Convention shall be the same for all claimants.

6. The Assembly of the Fund may decide that, in exceptional cases, compensation in accordance with this Convention can be paid even if the owner of the ship has not constituted a fund in accordance with Article V, paragraph 3, of the 1992 Liability Convention. In such case paragraph 4 (*e*) of this Article applies accordingly.

7. The Fund shall, at the request of a Contracting State, use its good offices as necessary to assist that State to secure promptly such personnel, material and services as are necessary to enable the State to take measures to prevent or mitigate pollution damage arising from an incident in respect of which the Fund may be called upon to pay compensation under this Convention.

8. The Fund may on conditions to be laid down in the Internal Regulations provide credit facilities with a view to the taking of preventive measures against pollution damage arising from a particular incident in respect of which the Fund may be called upon to pay compensation under this Convention.

Article 6

Rights to compensation under Article 4 shall be extinguished unless an action is brought thereunder or a notification has been made pursuant to Article 7, paragraph 6, within three years from the date when the damage occurred. However, in no case shall an action be brought after six years from the date of the incident which caused the damage.

Article 7

1. Subject to the subsequent provisions of this Article, any action against the Fund for compensation under Article 4 of this Convention shall be brought only before a court competent under Article IX of the 1992 Liability Convention in respect of actions against the owner who is or who would, but for the provisions of Article III, paragraph 2, of that Convention, have been liable for pollution damage caused by the relevant incident.

2. Each Contracting State shall ensure that its courts possess the necessary jurisdiction to entertain such actions against the Fund as are referred to in paragraph 1.

3. Where an action for compensation for pollution damage has been brought before a court competent under Article IX of the 1992 Liability Convention against the owner of a ship or his guarantor, such court shall have exclusive jurisdictional competence over any action against the Fund for compensation under the provisions of Article 4 of this Convention in respect of the same damage. However, where an action for compensation for pollution damage under the 1992 Liability Convention has been brought before a court in a State Party to the 1992 Liability Convention but not to this Convention, any action against the Fund under Article 4 of this Convention shall at the option of the claimant be brought either before a court of the State where the Fund has its headquarters or before any court of a State Party to this Convention competent under Article IX of the 1992 Liability Convention.

4. Each Contracting State shall ensure that the Fund shall have the right to intervene as a party to any legal proceedings instituted in accordance with Article IX

of the 1992 Liability Convention before a competent court of that State against the owner of a ship or his guarantor.

5. Except as otherwise provided in paragraph 6, the Fund shall not be bound by any judgement or decision in proceedings to which it has not been a party or by any settlement to which it is not a party.

6. Without prejudice to the provisions of paragraph 4, where an action under the 1992 Liability Convention for compensation for pollution damage has been brought against an owner or his guarantor before a competent court in a Contracting State, each party to the proceedings shall be entitled under the national law of that State to notify the Fund of the proceedings. Where such notification has been made in accordance with the formalities required by the law of the court seized and in such time and in such a manner that the Fund has in fact been in a position effectively to intervene as a party to the proceedings, any judgement rendered by the court in such proceedings shall, after it has become final and enforceable in the State where the judgement was given, become binding upon the Fund in the sense that the facts and findings in that judgement may not be disputed by the Fund even if the Fund has not actually intervened in the proceedings.

Article 8

Subject to any decision concerning the distribution referred to in Article 4, paragraph 5, any judgement given against the Fund by a court having jurisdiction in accordance with Article 7, paragraphs 1 and 3, shall, when it has become enforceable in the State of origin and is in that State no longer subject to ordinary forms of review, be recognized and enforceable in each Contracting State on the same conditions as are prescribed in Article X of the 1992 Liability Convention.

Article 9

1. The Fund shall, in respect of any amount of compensation for pollution damage paid by the Fund in accordance with Article 4, paragraph 1, of this Convention, acquire by subrogation the rights that the person so compensated may enjoy under the 1992 Liability Convention against the owner or his guarantor.

2. Nothing in this Convention shall prejudice any right of recourse or subrogation of the Fund against persons other than those referred to in the preceding paragraph. In any event the right of the Fund to subrogation against such person shall not be less favourable than that of an insurer of the person to whom compensation has been paid.

3. Without prejudice to any other rights of subrogation or recourse against the Fund which may exist, a Contracting State or agency thereof which has paid compensation for pollution damage in accordance with provisions of national law shall acquire by subrogation the rights which the person so compensated would have enjoyed under this Convention.

Contributions

Article 10

1. Annual contributions to the Fund shall be made in respect of each Contracting State by any person who, in the calendar year referred to in Article 12, paragraph 2(*a*) or (*b*), has received in total quantities exceeding 150,000 tons:

(*a*) in the ports or terminal installations in the territory of that State contributing oil carried by sea to such ports or terminal installations; and

(*b*) in any installations situated in the territory of that Contracting State contributing oil which has been carried by sea and discharged in a port or terminal installation of a non-Contracting State, provided that contributing oil shall only be taken into account by virtue of this sub-paragraph on first receipt in a Contracting State after its discharge in that non-Contracting State.

2. (*a*) For the purposes of paragraph 1, where the quantity of contributing oil received in the territory of a Contracting State by any person in a calendar year when aggregated with the quantity of contributing oil received in the same Contracting State in that year by any associated person or persons exceeds 150,000 tons, such person shall pay contributions in respect of the actual quantity received by him notwithstanding that that quantity did not exceed 150,000 tons.

(*b*) "Associated person" means any subsidiary or commonly controlled entity. The question whether a person comes within this definition shall be determined by the national law of the State concerned.

Article 12

1. With a view to assessing the amount of annual contributions due, if any, and taking account of the necessity to maintain sufficient liquid funds, the Assembly shall for each calendar year make an estimate in the form of a budget of:

(i) Expenditure

(*a*) costs and expenses of the administration of the Fund in the relevant year and any deficit from operations in preceding years;

(*b*) payments to be made by the Fund in the relevant year for the satisfaction of claims against the Fund due under Article 4, including repayment on loans previously taken by the Fund for the satisfaction of such claims, to the extent that the aggregate amount of such claims in respect of any one incident does not exceed four million units of account;

(*c*) payments to be made by the Fund in the relevant year for the satisfaction of claims against the Fund due under Article 4, including repayments on loans previously taken by the Fund for the satisfaction of such claims, to the extent that the aggregate amount of such claims in respect of any one incident is in excess of four million units of account;

(ii) Income

(*a*) surplus funds from operations in preceding years, including any interest;

(*b*) annual contributions, if required to balance the budget;

(*c*) any other income.

2. The Assembly shall decide the total amount of contributions to be levied. On the basis of that decision, the Director shall, in respect of each Contracting State, calculate for each person referred to in Article 10 the amount of his annual contribution:

(*a*) in so far as the contribution is for the satisfaction of payments referred to in paragraph 1(i)(*a*) and (*b*) on the basis of a fixed sum for each ton of contributing oil received in the relevant State by such persons during the preceding calendar year; and

(*b*) in so far as the contribution is for the satisfaction of payments referred to in paragraph 1(i)(*c*) of this Article on the basis of a fixed sum for each ton of contributing oil received by such person during the calendar year preceding that in which the incident in question occurred, provided that State was a Party to this Convention at the date of the incident.

3. The sums referred to in paragraph 2 above shall be arrived at by dividing the relevant total amount of contributions required by the total amount of contributing oil received in all Contracting States in the relevant year.

4. The annual contribution shall be due on the date to be laid down in the Internal Regulations of the Fund. The Assembly may decide on a different date of payment.

5. The Assembly may decide, under conditions to be laid down in the Financial Regulations of the Fund, to make transfers between funds received in accordance with Article 12.2(*a*) and funds received in accordance with Article 12.2(*b*).

Article 13

1. The amount of any contribution due under Article 12 and which is in arrears shall bear interest at a rate which shall be determined in accordance with the Internal Regulations of the Fund, provided that different rates may be fixed for different circumstances.

2. Each Contracting State shall ensure that any obligation to contribute to the Fund arising under this Convention in respect of oil received within the territory of that State is fulfilled and shall take any appropriate measures under its law, including the imposing of such sanctions as it may deem necessary, with a view to the effective execution of any such obligation; provided, however, that such measures shall only be directed against those persons who are under an obligation to contribute to the Fund.

3. Where a person who is liable in accordance with the provisions of Articles 10 and 12 to make contributions to the Fund does not fulfil his obligations in respect of any such contribution or any part thereof and is in arrear, the Director shall take all appropriate action against such person on behalf of the Fund with a view to the recovery of the amount due. However, where the defaulting contributor is manifestly insolvent or the circumstances otherwise so warrant, the Assembly may, upon recommendation of the Director, decide that no action shall be taken or continued against the contributor.

Article 14

1. Each Contracting State may at the time when it deposits its instrument of ratification or accession or at any time thereafter declare that it assumes itself obligations that are incumbent under this Convention on any person who is liable to contribute to the Fund in accordance with Article 10, paragraph 1, in respect of oil received within the territory of that State. Such declaration shall be made in writing and shall specify which obligations are assumed.

2. Where a declaration under paragraph 1 is made prior to the entry into force of this Convention in accordance with Article 40, it shall be deposited with the Secretary-General of the Organization who shall after the entry into force of the Convention communicate the declaration to the Director.

3. A declaration under paragraph 1 which is made after the entry into force of this Convention shall be deposited with the Director.

4. A declaration made in accordance with this Article may be withdrawn by the relevant State giving notice thereof in writing to the Director. Such notification shall take effect three months after the Director's receipt thereof.

5. Any State which is bound by a declaration made under this Article shall, in any proceedings brought against it before a competent court in respect of any obligation specified in the declaration, waive any immunity that it would otherwise be entitled to invoke.

Article 15

1. Each Contracting State shall ensure that any person who receives contributing oil within its territory in such quantities that he is liable to contribute to the Fund appears on a list to be established and kept up to date by the Director in accordance with the subsequent provisions of this Article.

2. For the purposes set out in paragraph 1, each Contracting State shall communicate, at a time and in the manner to be prescribed in the Internal Regulations, to the Director the name and address of any person who in respect of that State is liable to contribute to the Fund pursuant to Article 10, as well as data on the relevant quantities of contributing oil received by any such person during the preceding calendar year.

3. For the purposes of ascertaining who are, at any given time, the persons liable to contribute to the Fund in accordance with Article 10, paragraph 1, and of establishing, where applicable, the quantities of oil to be taken into account for any such person when determining the amount of his contribution, the list shall be prima facie evidence of the facts stated therein.

4. Where a Contracting State does not fulfil its obligations to submit to the Director the communication referred to in paragraph 2 and this results in a financial loss for the Fund, that Contracting State shall be liable to compensate the Fund for such loss. The Assembly shall, on the recommendation of the Director, decide whether such compensation shall be payable by that Contracting State.
