



International Oil Pollution
Compensation Funds

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Introduction to the Chinese Ship-source Oil Pollution Compensation Fund

Submitted by the People's Republic of China

Summary:	A brief introduction to the Chinese Ship-source Oil Pollution Compensation Fund.
Action to be taken:	<u>The 1992 Fund Assembly</u> Information to be noted.

1 Introduction

- 1.1 China is a Member State of the International Oil Pollution Compensation Fund 1992 (the 1992 Fund), which applies to the Hong Kong Special Administrative Region only.
- 1.2 The Chinese Government established the 'Chinese Ship-source Oil Pollution Compensation Fund' (hereafter referred to as the COPC Fund) on 1 July 2012 on the basis of amending and developing relative national laws and regulations in recent years, with the aim of ensuring that adequate and appropriate compensation is available to persons who suffer damage caused by pollution resulting from the escape or discharge of oil from ships within the sea areas under the jurisdiction of China, and to enhance protection of the Chinese marine environment. The administrative bodies of the COPC Fund were established consequently afterwards.
- 1.3 The COPC Fund has dealt with a number of ship-source oil pollution compensation claims and has decided on the settlement of two claims which involved incidents caused by unidentified ships.

2 Measures taken by China

2.1 The administrative bodies of the COPC Fund

- 2.1.1 The Administrative Committee of the COPC Fund shall be responsible for the use of the COPC Fund. The Committee is composed of representatives from six government departments including the Ministry of Transport, the Ministry of Finance, etc., and major owners of cargo oil carried by sea. The Vice Minister of the Ministry of Transport acts as the Director of the Administrative Committee of the COPC Fund. The Administrative Committee of the COPC Fund fulfils its obligations through regular sessions.
- 2.1.2 The Secretariat of the COPC Fund, hosted by the Maritime Safety Administration of the People's Republic of China (China MSA), is in charge of the routine work in relation to specific compensation or reimbursement. The Director-General of China MSA acts as the Secretary-General of the Secretariat of the COPC Fund.

- 2.1.3 The Chinese Ship-source Oil Pollution Compensation Settlement Centre, as a subordinate body of China MSA, is located in Shanghai and responsible for accepting and settling claims with the COPC Fund. The website is www.copcfund.org.
- 2.1.4 To guide the claimants in presenting claims with the COPC Fund, the Administrative Committee of the COPC Fund has promulgated the Claims Manual and Claims Settlement Guidelines of the COPC Fund (2016 edition, Chinese version only) which have taken the national conditions of China into consideration.
- 2.2 Levy of the COPC Fund
- 2.2.1 In accordance with relevant Chinese national laws and regulations, for persistent oil which has been carried by sea and discharged, and received at a port or terminal within the sea areas under the jurisdiction of China, the receiver shall contribute to the Chinese Ship-source Oil Pollution Compensation Fund at the rate of RMB 0.3 per tonne.
- 2.2.2 The money contributed to the COPC Fund is levied and then handed over to the national treasury by China MSA. As at 31 December 2015, the COPC Fund pool totalled RMB 389 039 933.46 (approximately 39 million SDR).
- 2.3 Use of the COPC Fund
- 2.3.1 Under Chinese national laws and regulations, persons who suffer damage caused by ship-source oil pollution (either persistent oil or non-persistent oil pollution) within the sea areas under the jurisdiction of China can apply for compensation from the COPC Fund when they fail to obtain full and adequate compensation for the damage under the terms of the 1992 Civil Liability Convention (1992 CLC), the 2001 Bunkers Convention and the Maritime Code of the People's Republic of China. The COPC Fund shall pay compensation to any person suffering pollution damage if:
- (a) the damage caused by one accident exceeds the shipowner's liability for oil pollution damage compensation;
 - (b) the shipowner is exempt from compensation liability;
 - (c) the shipowner is financially incapable of or is treated as financially incapable of meeting his obligations in whole or in part; or
 - (d) the ship causing the oil pollution cannot be identified.
- 2.3.2 Any oil spill damage caused by an act of a fishing vessel, warship or ship operated by a State is not covered by the compensation from the COPC Fund.
- 2.3.3 The maximum compensation payable by the COPC Fund for any one accident is RMB 30 million (about 3 million SDR).
- 2.3.4 On 16 June 2016, the Administrative Committee of the COPC Fund reviewed and adopted the Claims Settlement Reports of two oil-spill incidents caused by ships, and made compensation decisions on granting compensation to the victims involved accordingly. The compensation payable totalled RMB 608 831 (about 61 000 SDR).

3 Action to be taken

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