

## MALTA

### **ATT Nru. XV ta' l-1991**

ATT mahruġ b'ligi mill-Parlament ta' Malta.

**ATT biex jipprovdi biex Malta taċċedi għall-Konvenzjoni Internazzjonali ta' l-1969 dwar Responsabbiltà Ċivili għal Hsara mit-Tingis biż-Żejt, u tal-Konvenzjoni Internazzjonali ta' l-1971 dwar it-Twaqqif ta' Fond Internazzjonali għal Kumpens għal Hsara mit-Tingis biż-Żejt u għall-implimentazzjoni tad-dispożizzjonijiet ta' dawn il-Konvenzjonijiet.**

### **ACT No. XV of 1991**

AN ACT enacted by the Parliament of Malta.

**AN ACT to provide for Malta's accession to the 1969 International Convention on Civil Liability for Oil Pollution Damage and the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, and for the implementation of the provisions of these Conventions.**

**ATT TA' L-1991 DWAR RESPONSABILITÀ ĊIVILI U KUMPENS GHAL  
TINGIS MIŻ-ŻEJT**

**ARRANĠAMENT TA' L-ARTIKOLI**

1. Titolu fil-qosor u bidu fis-sehh
2. Tifsir
3. Ratifika tal-Konvenzjonijiet
4. Ċerti dispożizzjonijiet tal-Konvenzjoni dwar ir-Responsabbiltà moghtija forza ta' ligi f'Malta
5. Ċerti dispożizzjonijiet tal-Konvenzjoni dwar il-Fond moghtija forza ta' ligi f'Malta
6. Proċedura
7. Setgħa għal eghmil ta' regolamenti
8. Lingwa ta' l-Iskedi

**SKEDI**

L-Ewwel Skeda

It-Tieni Skeda

Naghti l-kunsens tiegħi.

(L.S.)

ĊENSU TABONE  
President

12 ta' Lulju, 1991

**ATT Nru. XV ta' l-1991**

*ATT biex jipprovdi biex Malta taċċedi għall-Konvenzjoni Internazzjonali ta' l-1969 dwar Responsabbiltà Ċivili għal Hsara mit-Tingis biż-Żejt, u tal-Konvenzjoni Internazzjonali ta' l-1971 dwar it-Twaqqif ta' Fond Internazzjonali għal Kumpens għal Hsara mit-Tingis biż-Żejt, u għall-implimentazzjoni tad-dispożizzjonijiet ta' dawn il-Konvenzjonijiet.*

IL-PRESIDENT, bil-parir u l-kunsens tal-Kamra tad-Deputati, imlaqqgħa f'dan il-Parlament, u bl-awtorità ta' l-istess, hareġ b'ligi dan li ġej:—

1. (1) Dan l-Att jista' jissejjah l-Att ta' l-1991 dwar Responsabbiltà Ċivili u Kumpens għal Tingis miż-Żejt. Titolu fil-qosor  
u bidu fis-sehh.

(2) Dan l-Att għandu jibda jsehh f'dik id-data li l-Ministru responsabbli għall-bastimenti jista' jstabilixxi b'avviż fil-Gazzetta u jistgħu jiġu hekk stabbiliti dati differenti għal dispożizzjonijiet differenti u għal għanijiet differenti ta' dan l-Att.

2. (1) F'dan l-Att, kemm-il darba r-rabta tal-kliem ma tehtieġx xort'ohra— Tifsir.

“ibhra territorjali ta' Malta” għandha l-istess tifsir kif mogħti lilha fl-Att dwar l-Ibhra Territorjali u ż-Żona Kontigwa; Kap. 226.

“IOPC Fund” tfisser l-*International Oil Pollution Compensation Fund* imwaqqaf taht id-dispożizzjonijiet tal-Konvenzjoni dwar il-Fond;

“Konvenzjonijiet” tfisser il-Konvenzjoni dwar il-Fond u l-Konvenzjoni dwar ir-Responsabbiltà;

“Konvenzjoni dwar il-Fond” tfisser il-Konvenzjoni Internazzjonali dwar it-Twaqqif ta’ Fond Internazzjonali ghal Kumpens ghal Hsara mit-Tingis biż-Żejt, adottata fi Brussels fit-18 ta’ Diċembru, 1971, kif emendata bil-Protokoll ghalha magħmul f’Londra fid-19 ta’ Novembru, 1976;

“Konvenzjoni dwar ir-Responsabbiltà” tfisser il-Konvenzjoni Internazzjonali dwar Responsabbiltà Ċivili ghal Hsara mit-Tingis biż-Żejt adottata fi Brussels fid-29 ta’ Novembru, 1969, kif emendata bil-Protokoll ghalha magħmul f’Londra fid-19 ta’ Novembru, 1976;

“Ministru” tfisser il-Ministru responsabbli għall-bastimenti;

“Registratur Ġenerali” tfisser ir-Registratur Ġenerali tal-Bastimenti Merkantili u tal-Bahrin mahtur taht l-artikolu 363 ta’ l-Att dwar il-Bastimenti Merkantili u tinkludi kull persuna li taġixxi taht l-awtorità tiegħu.

Kap. 234.

(2) F’dan l-Att u f’kull regolament magħmul bis-sahha tiegħu, jekk ikun hemm xi konflitt bejn it-test ingliz u t-test malti, għandu jipprevali t-test ingliz.

(3) Kemm-il darba r-rabta tal-kliem ma tehtiegħ xort’ohra, il-kliem u l-espressjonijiet uzati f’dan l-Att għandu jkollhom l-istess tifsir mogħti lilhom fil-Konvenzjonijiet.

Ratifika tal-Konvenzjonijiet.

3. Għall-finijiet ta’ kull liġi applikabbli għalihom il-Gvern ta’ Malta huwa b’dan awtorizzat li jaċċedi għall-Konvenzjoni dwar il-Fond u l-Konvenzjoni dwar ir-Responsabbiltà.

Certi dispożizzjonijiet tal-Konvenzjoni dwar ir-Responsabbiltà mogħtija forza ta’ liġi f’Malta.

4. (1) Bla hsara għad-dispożizzjonijiet tas-subartikoli (2) sa (5) ta’ dan l-artikolu u minkejja d-dispożizzjonijiet ta’ kull liġi ohra, id-dispożizzjonijiet ta’ l-artikoli I sa XI tal-Konvenzjoni dwar ir-Responsabbiltà, liema artikoli huma riprodotti fl-Ewwel Skeda li tinsab ma’ dan l-Att, għandhom jiffurmaw parti mill-Liġi ta’ Malta u jkunu esegwibbli bhala parti mill-Liġi ta’ Malta.

(2) Meta xi azzjoni tkun qed tingieb f’Malta skond id-dispożizzjonijiet tal-Konvenzjoni dwar ir-Responsabbiltà kull riferenza f’dik il-konvenzjoni għal “il-Qorti”, jew għal “il-Qorti jew awtorità kompetenti ohra”, għandha f’kull każ tinqara u tinftiehem bhala riferenza għall-Qorti tal-Kummerċ.

(3) Meta l-hsara mit-tingis, li tirriżulta minn inċident tkun iġġarrbet f’Malta, magħduda l-ibhra territorjali ta’ Malta, jew jekk ikunu ittiehdu miżuri għall-prevenzjoni jew tnaqqis għall-minimu ta’ hsara bhal dik f’dik l-arja, azzjoni għal kumpens taht id-dispożizzjonijiet tal-Konvenzjoni dwar ir-Responsabbiltà għandha tingieb f’Malta quddiem il-Qorti tal-Kummerċ, billi tiġi pprezentata talba quddiem dik il-Qorti. Talba bhal din għandha tiġi isitwita skond is-subtitolu III tat- Titolu VIII tat-Taqsima I tat-Tieni Ktieb tal-Kodiċi ta’ Organizzazzjoni u Proċedura Ċivili.

Kap. 12.

(4) Il-Qorti tal-Kummerċ għandha tiddeċiedi d-distribuzzjoni tal-fond ta' limitazzjoni, u meta dak il-fond ma jkunx suffiċjenti biex jissodisfa t-talbiet ta' dawk li jkollhom il-jedd għal kumpens, l-ammont ta' kumpens ta' kull pretendent għandu jitnaqqas *pro rata*.

(5) L-awtorità xierqa għall-hruġ ta' ċertifikat ta' assigurazzjoni dwar bastimenti Maltin, jew dwar bastimenti li jtajjru l-bandiera ta' Stat mhux parti fil-Konvenzjoni dwar ir-Responsabbiltà li jidhlu fi jew jitolqu minn xi port f'Malta, għandha tkun ir-Registratur Ġenerali li għandu, għall-finijiet tal-paragrafu 6 ta' l-artikolu VII ta' dik il-konvenzjoni u bla ħsara għad-dispożizzjonijiet ta' dik l-istess konvenzjoni u ta' kull regolament magħmul bis-sahha ta' dan l-Att, jistabbilixxi l-kondizzjonijiet tal-hruġ u l-validità ta' dak iċ-ċertifikat.

5. (1) Bla ħsara għad-dispożizzjonijiet tas-subartikoli (2) sa (6) ta' dan l-artikolu, id-dispożizzjonijiet ta' l-artikoli 1 sa 15 tal-Konvenzjoni dwar il-Fond, liema artikoli huma riprodotti fit-Tieni Skeda li tinsab ma' dan l-Att, għandhom jiffurmaw parti mil-Liġi ta' Malta u jkunu esegwibbli bhala parti mil-Liġi ta' Malta.

Certi dispożizzjonijiet tal-Konvenzjoni dwar il-Fond mogħtija forza ta' liġi f'Malta.

(2) Kull persuna li f'sena kalendarja tkun irċeviet *contributing oil* hekk li tkun sugġetta li tikkontribwixxi għall-*IOPC Fund* skond l-artikolu 10 tal-Konvenzjoni dwar il-Fond, għandha, mhux aktar tard mill-1 ta' Marzu tas-sena ta' wara, tinforma lill-Ministru bil-kwantità ta' dak il-*contributing oil* li hija tkun irċeviet.

(3) Il-Ministru għandu, fi żmien u bil-mod preskritt fir-Regolamenti Interni ta' l-*IOPC Fund*, jikkomunika l-informazzjoni msemmija fil-paragrafu 2 ta' l-artikolu 15 tal-Konvenzjoni dwar il-Fond lid-Direttur ta' l-*IOPC Fund*.

(4) (a) Għall-finijiet ta' dan is-subartikolu "persuna assoċjata" tfisser kumpanija jew korp magħqud ieħor li fil-każ il-wieħed u l-ieħor ikun is-sussidjarju, l-assoċjat jew il-*holding company* ta' kumpanija oħra, jew ikun il-*manager* ta' jew immexxi minn dak il-korp magħqud, jew b'xi mod ieħor jikkontrolla jew ikun ikkontrollat minn dak il-korp magħqud jew ikun is-sussidjarju jew l-assoċjat tal-*holding company* ta' dak il-korp magħqud – u assoċjat ta' korp magħqud tfisser korp magħqud li jkun sussidjarju ta' l-istess *holding company*.

(b) Kull persuna li f'sena kalendarja tkun irċeviet *contributing oil* f'portijiet jew stallazzjonijiet f'Malta bil-mod speċifikat fis-subparagrafi (a) u (b) tal-paragrafu 1 ta' l-artikolu 10 tal-Konvenzjoni dwar il-Fond fi kwantitajiet totali li jeċċedu 150,000 tunellata metrika għandha thallas kontribuzzjonijiet lill-*IOPC Fund* skond l-artikoli 10 sa 13 ta' dik il-konvenzjoni f'dak l-ammont u sa dik id-data li jiġu stabbiliti mill-Assembleja ta' l-*IOPC Fund*:

Iżda, minkejja li l-kwantità riċevuta f'Malta f'sena kalendarja minn xi persuna bħal dik ma tkunx teċċedi 150,000 tunellata metrika imma meta aggregata mal-kwantità ta' *contributing oil* riċevuta fl-istess

sena kalendarja f'Malta minn persuna assoċjata jew persuni assoċjati tkun teċċedi 150,000 tunellata metrika, dik il-persuna għandha tħallas kontribuzzjonijiet dwar il-kwantità attwali riċevuta minnha.

(5) Meta l-ħsara mit-tiġis li tirriżulta minn inċident tkun iġġarrbet f'Malta, magħduda l-ibhra territorjali ta' Malta, jew jekk ikunu ttiehdu miżuri għall-prevenzjoni jew tnaqqis għall-minimu ta' ħsara bħal dik f'dik l-arja, kull azzjoni kontra l-*IOPC Fund* għal kumpens taht l-artikolu 4 tal-Konvenzjoni dwar il-Fond għal indenizzazzjoni taht l-artikolu 5 ta' dik l-istess konvenzjoni għandha tiġiebu f'Malta quddiem il-Qorti tal-Kummerċ.

(6) In-notifikazzjoni lill-*IOPC Fund* taht il-paragrafu 6 ta' l-artikolu 7 tal-Konvenzjoni dwar il-Fond għandha ssir permezz ta' att ġudizzjarju kontra l-*IOPC Fund* u notifikata fl-uffiċċju tal-Ministru.

(7) L-*IOPC Fund* ikollha d-dritt li tiehu azzjoni quddiem il-Qorti tal-Kummerċ kontra kontributori hatja ta' nuqqas.

Proċedura.

6. Minkejja d-dispożizzjonijiet ta' kull liġi oħra:

(a) il-Qorti tal-Kummerċ għandu jkollha ġurisdizzjoni li tisma' u tiddeċiedi kawżi u azzjonijiet li skond dan l-Att għandhom jiġiebu quddiemha;

(b) meta proċedura bil-miktub jew att ġudizzjarju iehor ikunu jridu jiġu preżentati kontra l-*IOPC Fund*, ikun biżżejjed jekk f'dik il-proċedura jew att ikun hemm imsemmi l-*IOPC Fund* u ma jkunx meħtieġ li f'dik il-proċedura jew att tissemma l-kariga jew l-isem tal-persuna li f'dak iż-żmien tkun tokkupa l-kariga li jkollha, skond il-kostituzzjoni ta' l-*IOPC Fund*, ir-rappreżentanza ġudizzjarja ta' dak il-Fond;

(ċ) il-proċeduri u l-atti msemmijin fil-paragrafu (b) ta' dan l-artikolu għandhom jiġu notifikati fl-uffiċċju tal-Ministru li għandu fi żmien hamest ijiem tax-xogħol jittrasmetti l-istess lill-kwartieri ġenerali ta' l-*IOPC Fund* permezz tal-Ministeru responsabbli għall-affarijiet barranin;

(d) kull żmien ġudizzjarju għall-preżentata ta' proċeduri bil-miktub jew atti oħra mill-*IOPC Fund* jiġi estiż b'hamest ijiem tax-xogħol u ebda żmien tali ma jista' jiġi mqassar għal inqas minn hamest ijiem tax-xogħol.

Setgħa għal  
egħmil ta'  
regolamenti.

7. (1) Il-Ministru jista' jagħmel regolamenti, regoli jew ordnijiet, jew jagħti istruzzjonijiet, li jkunu meħtieġa biex jagħti effett lid-dispożizzjonijiet tal-Konvenzjoni dwar ir-Responsabbiltà jew tal-Konvenzjoni dwar il-Fond.

(2) Regolamenti, regoli u ordnijiet magħmula taht kwalunkwe dispożizzjoni ta' dan l-Att jistgħu isiru bl-ilsien ingliz biss.

8. L-Iskedi li jinsabu ma' dan l-Att ghandhom ikunu fl-ilsien ingliz biss, u dak it-test ghandu japplika wkoll ghat-test malti ta' dan l-Att. Lingwa ta' l-Iskedi.

L-EWWEL SKEDA  
(Artikoli 4 u 8)

IT-TIENI SKEDA  
(Artikoli 5 u 8)

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Mghoddi mill-Kamra tad-Deputati fis-Seduta Nru. 541 tat-2 ta' Lulju, 1991.

LAWRENCE GONZI  
*Speaker*

RICHARD J. CAUCHI  
*Agent Skrivani tal-Kamra tad-Deputati.*

**OIL POLLUTION (LIABILITY AND COMPENSATION) ACT, 1991****ARRANGEMENT OF SECTIONS**

1. Short title and commencement.
2. Interpretation
3. Ratification of Conventions
4. Certain provisions of the Liability Convention given force of law in Malta
5. Certain provisions of the Fund Convention given force of law in Malta
6. Procedure
7. Power to make regulations etc.
8. Language of Schedules

**SCHEDULES**

- |                   |   |
|-------------------|---|
| First Schedule —  | Text of articles I to XI of the 1969 International Convention on Civil Liability for Oil Pollution Damage as amended by the 1976 Protocol thereto     |
| Second Schedule — | Text of articles 1 to 15 of the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage |

**FIRST SCHEDULE**  
(Sections 4 and 8)

**Text of articles I to XI of the 1969 International Convention on  
Civil Liability for Oil Pollution Damage as amended by the 1976 Protocol thereto**

**Article I**

For the purposes of this Convention:

1. "Ship" means any sea-going vessel and any seaborne craft of any type whatsoever, actually carrying oil in bulk as cargo.
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 oil such as crude oil, fuel oil, heavy diesel oil, lubricating oil and whale oil, whether carried on board a ship as cargo or in the bunkers of such a ship.
6. "Pollution damage" means loss or damage caused outside the ship carrying oil by contamination resulting from the escape or discharge of oil from the ship, wherever such escape or discharge may occur, and includes 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.
9. "Organization" means the Inter-Governmental Maritime Consultative Organization.

**Article II**

This Convention shall apply, exclusively to pollution damage caused on the territory including the territorial sea of a Contracting State and to preventive measures 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 oil which has escaped or been discharged from 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 shall be made against the owner otherwise than in accordance with this Convention. No claim for pollution damage under this Convention or otherwise may be made against the servants or agents of the owner.

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

### Article IV

When oil has escaped or has been discharged from two or more ships, 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 of 133 units of account for each ton of the ship's tonnage. However, this aggregate amount shall not in any event exceed 14 million units of account.

2. If the incident occurred as a result of the actual fault or privity of the owner, he shall not be entitled to avail himself of the limitation provided in paragraph 1 of this Article.

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. 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 another 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 the national currency of the State in which the fund is being constituted 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. 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 at 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) of this article may, at the time of ratification, acceptance, approval of or accession to the present Convention, or at any time thereafter, declare that the limits of liability provided for in paragraph 1 to be applied in its territory shall, in respect of any one incident, be an aggregate of 2,000 monetary units for each ton of the ship's tonnage provided that this aggregate amount shall not in any event exceed 210

million monetary units. The monetary unit referred to in this paragraph corresponds to sixty-five and a half milligrammes of gold of millisimal fineness nine hundred. The conversion of these amounts 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 a 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 is expressed there in units of account. 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 referred to in Article IV and whenever there is a change in either.

10. For the purpose of this Article the ship's tonnage shall be the net tonnage of the ship with the addition of the amount deducted from the gross tonnage on account of engine room space for the purpose of ascertaining the net tonnage. In the case of a ship which cannot be measured in accordance with the normal rules of tonnage measurement, the ship's tonnage shall be deemed to be 40 per cent. of the weight in tons (of 2,240 lbs.) of oil which the ship is capable of carrying.

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 in the event of the actual fault or privity of the owner 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. It shall be issued or certified by the appropriate authority of the State of the ship's registry after determining that the requirements of paragraph 1 of this Article have been complied with. 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.

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 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. A Contracting State may at any time request consultation with the State of a ship's registry 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, irrespective of the actual fault or privity of the owner, 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 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, 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 appointment 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 judgment was obtained by fraud; or
- (b) where the defendant was not given reasonable notice and a fair opportunity to present his case.

2. A judgment 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.

## **SECOND SCHEDULE** (Sections 5 and 8)

### **Text of articles 1 to 15 of the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage**

#### *General Provisions*

#### **Article 1**

For the purposes of this Convention:

1. "Liability Convention" means the International Convention on Civil Liability for Oil Pollution Damage, adopted at Brussels on 29 November 1969.

2. "Ship", "Person", "Owner", "Oil", "Pollution Damage", "Preventive Measures", "Incident" and "Organization", have the same meaning as in Article I of the Liability Convention, provided however that, for the purposes of these terms, "oil" shall be confined to persistent hydrocarbon mineral oils.

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" or "Monetary Unit" means the unit of account or monetary unit as the case may be, referred to in Article V of the Liability Convention, as amended by the protocol thereto adopted on 19 November 1976.

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

(b) to give relief to shipowners in respect of the additional financial burden imposed on them by the Liability Convention, such relief being subject to conditions designed to ensure compliance with safety at sea and other conventions;

(c) 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:

1. With regard to compensation according to Article 4, exclusively to pollution damage caused on the territory including the territorial sea of a Contracting State, and to preventive measures taken to prevent or minimize such damage;

2. With regard to indemnification of shipowners and their guarantors according to Article 5, exclusively in respect of pollution damage caused on the territory, including the territorial sea, of a State Party to the Liability Convention by a ship registered in or flying the flag of a Contracting State and in respect of preventive measures taken to prevent or minimize such damage.

#### *Compensation and indemnification*

### 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 Liability Convention,

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

(b) because the owner liable for the damage under the 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 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 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 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 provided, however, that there shall be no such exoneration with regard to such preventive measures which are compensated under paragraph 1. 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 Liability Convention.

4. (a) Except as otherwise provided in sub-paragraph (b) 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 Liability Convention for pollution damage caused in the territory of the Contracting States, including any sums in respect of which the Fund is under an obligation to indemnify the owner pursuant to Article 5, paragraph 1, of this Convention, shall not exceed 30 million units of account or 450 million monetary units.

(b) 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 30 million units of account or 450 million monetary units.

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 the Liability Convention and this Convention shall be the same for all claimants.

6. The Assembly of the Fund (hereinafter referred to as "the Assembly") may, having regard to the experience of incidents which have occurred and in particular the amount of damage resulting therefrom and to changes in the monetary values, decide that the amount of 30 million units of account or 450 million monetary units referred to in paragraph 4, sub-paragraphs (a) and (b), shall be changed; provided, however, that this amount shall in no case exceed 60 million units of account or 900 million monetary units or be lower than 30 million units of account or 450 million monetary units. The changed amount shall apply to incidents which occur after the date of the decision effecting the change.

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 5**

1. For the purpose of fulfilling its function under Article 2, paragraph 1(b), the Fund shall indemnify the owner and his guarantor for that portion of the aggregate amount of liability under the Liability Convention which:

(a) is in excess of an amount equivalent to 100 units of account or 1,500 monetary units for each ton of the ship's tonnage or of an amount of 8,333,000 units of account or 125 million monetary units, whichever is the less, and

(b) is not in excess of an amount equivalent to 133 units of account or 2,000 monetary units for each ton of the said tonnage or an amount of 14 million units of account or 210 million monetary units, whichever is the less, provided, however, that the Fund shall incur no obligation under this paragraph where the pollution damage resulted from the wilful misconduct of the owner himself.

2. The Assembly may decide that the Fund shall, on conditions to be laid down in the Internal Regulations, assume the obligations of a guarantor in respect of ship referred to in Article 3, paragraph 2, with regard to the portion of liability referred to in paragraph 1 of this Article. However, the Fund shall assume such obligations only if the owner so requests and if he maintains adequate insurance or other financial security covering the owner's liability under the Liability Convention up to an amount equivalent to 100 units of account or 1,500 monetary units for each ton of the ship's tonnage or an amount of 8,333,000 units of account or 125 million monetary units, whichever is the less. If the Fund assumes such obligations, the owner shall in each Contracting State be considered to have complied with Article VII of the Liability Convention in respect of the portion of his liability mentioned above.

3. The Fund may be exonerated wholly or partially from its obligations under paragraph 1 towards the owner and his guarantor if the Fund proves that as a result of the actual fault or privity of the owner:

(a) the ship from which the oil causing the pollution damage escaped did not comply with the requirements laid down in:

(i) the International Convention for the Prevention of Pollution of the Sea by Oil, 1954, as amended in 1962; or

(ii) the International Convention for the Safety of Life at Sea, 1960; or

(iii) the International Convention on Load Lines, 1966; or

(iv) the International Regulations for Preventing Collisions at Sea, 1960; or

(v) any amendments to the above-mentioned Conventions which have been determined as being of an important nature in accordance with Article XVI(5) of the Convention mentioned under (i), Article IX(e) of the Convention mentioned under (ii) or Article 29(3)(d) or (4)(d) of the Convention mentioned under (iii), provided, however, that such amendments had been in force for at least twelve months at the time of the incident;

and

(b) the incident or damage was caused wholly or partially by such non-compliance.

The provisions of this paragraph shall apply irrespective of whether the Contracting State in which the ship was registered or whose flag it was flying is a Party to the relevant Instrument.

4. Upon the entry into force of a new Convention designed to replace, in whole or in part, any of the Instruments specified in paragraph 3, the Assembly may decide at least six months in advance a date on which the new Convention will replace such Instrument or part thereof for the purpose of paragraph 3. However, any State Party to this Convention may declare to the Director before that date that it does not accept such replacement; in which case the decision of the Assembly shall have no effect in respect of a ship registered in, or flying the flag of, that State at the time of the incident. Such a declaration may be withdrawn at any later date and shall in any event cease to have effect when the State in question becomes a Party to such new Convention.

5. A ship complying with the requirements in an amendment to an Instrument specified in paragraph 3 or with requirements in a new Convention, where the amendment or Convention is designed to replace in whole or in part such Instrument, shall be considered as complying with the requirements in the said Instrument for the purposes of paragraph 3.

6. Where the Fund, acting as a guarantor by virtue of paragraph 2, has paid compensation for pollution damage in accordance with the Liability Convention, it shall have a right of recovery from the owner if and to the extent that the Fund would have been exonerated pursuant to paragraph 3 from its obligations under paragraph 1 to indemnify the owner.

7. Expenses reasonably incurred and sacrifices reasonably made by the owner voluntarily to prevent or minimize pollution damage shall be treated as included in the owner's liability for the purposes of this Article.

#### **Article 6**

1. Rights to compensation under article 4 or indemnification under Article 5 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.

2. Notwithstanding paragraph 1, the right of the owner or his guarantor to seek indemnification from the Fund pursuant to Article 5, paragraph 1, shall in no case be extinguished before the expiry of a period of six months as from the date on which the owner or his guarantor acquired knowledge of the bringing of an action against him under the Liability Convention.

#### **Article 7**

1. Subject to the subsequent provisions of this Article, any action against the Fund for compensation under Article 4 or indemnification under Article 5 of this Convention shall be brought only before a court competent under Article IX of the 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 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 or indemnification under the provisions of Article 4 or 5 of this Convention in respect of the same damage. However, where an action for compensation for pollution damage under the Liability Convention has been brought before a court in a State Party to the Liability Convention but not to this Convention, any action against the Fund under Article 4 or under Article 5, paragraph 1, 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 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 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 judgment 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 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 judgment 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 judgment 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 Liability Convention.

#### **Article 9**

1. Subject to the provisions of Article 5, 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 Liability Convention against the owner or his guarantor.

2. Nothing in this Convention shall prejudice any right of recourse of 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 or indemnification 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. 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 11, paragraph 1, as regards initial contributions and in Article 12, paragraphs 2 (a) or (b), as regards annual contributions, 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 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 11**

1. In respect of each Contracting State initial contributions shall be made of an amount which shall for each person referred to in Article 10 be calculated on the basis of a fixed sum for each ton of contributing oil received by him during the calendar year preceding that in which this Convention entered into force for that State.

2. The sum referred to in paragraph 1 shall be determined by the Assembly within two months after the entry into force of this Convention. In performing this function the Assembly shall, to the extent possible, fix the sum in such a way that the total amount of initial contributions would, if contributions were to be made in respect of 90 per cent of the quantities of contributing oil carried by sea in the world, equal 5 million units of account or 75 million monetary units.

3. The initial contributions shall in respect of each Contracting State be paid within three months following the date at which the Convention entered into force for that State.

## Article 12

1. With a view to assessing for each person referred to in Article 10 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 or 5, 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 1 million units of account or 15 million monetary units;

(c) payments to be made by the Fund in the relevant year for the satisfaction of claims against the Fund due under Article 4 or 5, 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 1 million units of account or 15 million monetary units;

(ii) *Income*

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

(b) initial contributions to be paid in the course of the year;

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

(d) any other income.

2. For each person referred to in Article 10 the amount of his annual contribution shall be determined by the Assembly and shall be calculated in respect of each Contracting State:

(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 Assembly shall decide the portion of the annual contribution which shall be immediately paid in cash and decide on the date of payment. The remaining part of each annual contribution shall be paid upon notification by the Director.

5. The Director may, in cases and in accordance with conditions to be laid down in the Internal Regulations of the Fund, require a contributor to provide financial security for the sums due from him.

6. Any demand for payments made under paragraph 4 shall be called rateably from all individual contributors.

#### **Article 13**

1. The amount of any contribution due under Article 12 and which is in arrear shall bear interest at a rate which shall be determined by the Assembly for each calendar year 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 11 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 for a period exceeding three months, 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 persons when determining the amount of his contribution, the list shall be *prima facie* evidence of the facts stated therein.

**OIL POLLUTION (LIABILITY AND COMPENSATION) ACT, 1991****ARRANGEMENT OF SECTIONS**

1. Short title and commencement.
2. Interpretation
3. Ratification of Conventions
4. Certain provisions of the Liability Convention given force of law in Malta
5. Certain provisions of the Fund Convention given force of law in Malta
6. Procedure
7. Power to make regulations etc.
8. Language of Schedules

**SCHEDULES**

- |                   |   |
|-------------------|---|
| First Schedule —  | Text of articles I to XI of the 1969 International Convention on Civil Liability for Oil Pollution Damage as amended by the 1976 Protocol thereto     |
| Second Schedule — | Text of articles 1 to 15 of the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage |

I assent.

(L.S.)

ĊENSU TABONE  
President  
12th July, 1991

**ACT No. XV of 1991**

*AN ACT to provide for Malta's accession to the 1969 International Convention on Civil Liability for Oil Pollution Damage and the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, and for the implementation of the provisions of these Conventions.*

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title  
and  
commencement.

**1.** (1) This Act may be cited as the Oil Pollution (Liability and Compensation) Act, 1991.

(2) This Act shall come into force on such date as the Minister responsible for shipping may by notice in the gazette appoint and different dates may be so appointed for different provisions and different purposes of this Act.

Interpretation.

**2.** (1) In this Act unless the context otherwise requires —

“Conventions” means the Fund Convention and the 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 established under the provisions of the 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;

“Registrar-General” means the Registrar-General of Shipping and Seamen appointed under section 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.

(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.

3. For the purposes of any law thereto applicable the Government of Malta is hereby authorised to accede to the Fund Convention and the Liability Convention. Ratification  
of Conventions.

4. (1) Subject to the provisions of subsections (2) to (5) of this section and notwithstanding the provisions of any other law, the provisions of articles I to XI of the Liability Convention, which articles are reproduced in the First Schedule to this Act, shall form part of and be enforceable as part of the Law of Malta. Certain provisions  
of the Liability  
Convention given  
force of law  
in Malta.

(2) Where any action is being brought in Malta in terms of the provisions of the 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 Commercial Court.

(3) Where pollution damage, resulting from an incident has been sustained in Malta, including the territorial waters of Malta, or if measures have been taken to prevent or minimise such damage in that area, action for compensation under the provisions of the Liability Convention shall be brought in Malta before the Commercial Court, 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 Organisation and Civil Procedure. Cap. 12.

(4) The Commercial Court 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 in respect of Maltese ships, or in respect of ships flying the flag of a State not party to the Liability Convention that enter or leave any port in Malta, shall be the Registrar-General who shall, for the purposes of paragraph 6 of article VII of that convention and subject to the provisions of that same convention and of any regulations made under this Act, determine the conditions of issue and validity of such certificate.

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

5. (1) Subject to the provisions of subsections (2) to (6) of this section, the provisions of articles 1 to 15 of the Fund Convention, which articles are reproduced 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 Fund Convention, shall, not later than the 1 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 Fund Convention to the Director of the IOPC Fund.

(4) (a) For the purposes of this subsection “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 subparagraphs (a) and (b) of paragraph 1 of article 10 of the Fund Convention in total quantities exceeding 150,000 tonnes shall pay contributions to the IOPC Fund in accordance with articles 10 to 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, 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 Fund Convention or for indemnification under article 5 of that same convention shall be brought in Malta before the Commercial Court.

(6) The notification to the IOPC Fund under paragraph 6 of article 7 of the 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 Commercial Court.

6. Notwithstanding the provisions of any other law:

Procedure.

(a) the Commercial Court 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 section 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.

7. (1) The Minister may make regulations, rules or orders, or give instructions, as are necessary for carrying into effect of the provisions of the Liability Convention or the Fund Convention.

Power to make regulations etc.

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

8. 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.

Language of Schedules.

**FIRST SCHEDULE**  
(Sections 4 and 8)

**Text of articles I to XI of the 1969 International Convention on  
Civil Liability for Oil Pollution Damage as amended by the 1976 Protocol thereto**

**Article I**

For the purposes of this Convention:

1. "Ship" means any sea-going vessel and any seaborne craft of any type whatsoever, actually carrying oil in bulk as cargo.
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 oil such as crude oil, fuel oil, heavy diesel oil, lubricating oil and whale oil, whether carried on board a ship as cargo or in the bunkers of such a ship.
6. "Pollution damage" means loss or damage caused outside the ship carrying oil by contamination resulting from the escape or discharge of oil from the ship, wherever such escape or discharge may occur, and includes 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.
9. "Organization" means the Inter-Governmental Maritime Consultative Organization.

**Article II**

This Convention shall apply, exclusively to pollution damage caused on the territory including the territorial sea of a Contracting State and to preventive measures 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 oil which has escaped or been discharged from 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 shall be made against the owner otherwise than in accordance with this Convention. No claim for pollution damage under this Convention or otherwise may be made against the servants or agents of the owner.

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

### Article IV

When oil has escaped or has been discharged from two or more ships, 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 of 133 units of account for each ton of the ship's tonnage. However, this aggregate amount shall not in any event exceed 14 million units of account.

2. If the incident occurred as a result of the actual fault or privity of the owner, he shall not be entitled to avail himself of the limitation provided in paragraph 1 of this Article.

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. 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 another 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 the national currency of the State in which the fund is being constituted 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. 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 at 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) of this article may, at the time of ratification, acceptance, approval of or accession to the present Convention, or at any time thereafter, declare that the limits of liability provided for in paragraph 1 to be applied in its territory shall, in respect of any one incident, be an aggregate of 2,000 monetary units for each ton of the ship's tonnage provided that this aggregate amount shall not in any event exceed 210

million monetary units. The monetary unit referred to in this paragraph corresponds to sixty-five and a half milligrammes of gold of millisimal fineness nine hundred. The conversion of these amounts 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 a 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 is expressed there in units of account. 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 referred to in Article IV and whenever there is a change in either.

10. For the purpose of this Article the ship's tonnage shall be the net tonnage of the ship with the addition of the amount deducted from the gross tonnage on account of engine room space for the purpose of ascertaining the net tonnage. In the case of a ship which cannot be measured in accordance with the normal rules of tonnage measurement, the ship's tonnage shall be deemed to be 40 per cent. of the weight in tons (of 2,240 lbs.) of oil which the ship is capable of carrying.

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 in the event of the actual fault or privity of the owner 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. It shall be issued or certified by the appropriate authority of the State of the ship's registry after determining that the requirements of paragraph 1 of this Article have been complied with. 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.

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 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. A Contracting State may at any time request consultation with the State of a ship's registry 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, irrespective of the actual fault or privity of the owner, 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 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, 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 appointment 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 judgment was obtained by fraud; or
- (b) where the defendant was not given reasonable notice and a fair opportunity to present his case.

2. A judgment 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.

## **SECOND SCHEDULE** (Sections 5 and 8)

### **Text of articles 1 to 15 of the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage**

#### *General Provisions*

#### **Article 1**

For the purposes of this Convention:

1. "Liability Convention" means the International Convention on Civil Liability for Oil Pollution Damage, adopted at Brussels on 29 November 1969.

2. "Ship", "Person", "Owner", "Oil", "Pollution Damage", "Preventive Measures", "Incident" and "Organization", have the same meaning as in Article I of the Liability Convention, provided however that, for the purposes of these terms, "oil" shall be confined to persistent hydrocarbon mineral oils.

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" or "Monetary Unit" means the unit of account or monetary unit as the case may be, referred to in Article V of the Liability Convention, as amended by the protocol thereto adopted on 19 November 1976.

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

(b) to give relief to shipowners in respect of the additional financial burden imposed on them by the Liability Convention, such relief being subject to conditions designed to ensure compliance with safety at sea and other conventions;

(c) 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:

1. With regard to compensation according to Article 4, exclusively to pollution damage caused on the territory including the territorial sea of a Contracting State, and to preventive measures taken to prevent or minimize such damage;

2. With regard to indemnification of shipowners and their guarantors according to Article 5, exclusively in respect of pollution damage caused on the territory, including the territorial sea, of a State Party to the Liability Convention by a ship registered in or flying the flag of a Contracting State and in respect of preventive measures taken to prevent or minimize such damage.

#### *Compensation and indemnification*

### 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 Liability Convention,

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

(b) because the owner liable for the damage under the 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 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 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 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 provided, however, that there shall be no such exoneration with regard to such preventive measures which are compensated under paragraph 1. 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 Liability Convention.

4. (a) Except as otherwise provided in sub-paragraph (b) 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 Liability Convention for pollution damage caused in the territory of the Contracting States, including any sums in respect of which the Fund is under an obligation to indemnify the owner pursuant to Article 5, paragraph 1, of this Convention, shall not exceed 30 million units of account or 450 million monetary units.

(b) 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 30 million units of account or 450 million monetary units.

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 the Liability Convention and this Convention shall be the same for all claimants.

6. The Assembly of the Fund (hereinafter referred to as "the Assembly") may, having regard to the experience of incidents which have occurred and in particular the amount of damage resulting therefrom and to changes in the monetary values, decide that the amount of 30 million units of account or 450 million monetary units referred to in paragraph 4, sub-paragraphs (a) and (b), shall be changed; provided, however, that this amount shall in no case exceed 60 million units of account or 900 million monetary units or be lower than 30 million units of account or 450 million monetary units. The changed amount shall apply to incidents which occur after the date of the decision effecting the change.

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 5**

1. For the purpose of fulfilling its function under Article 2, paragraph 1(b), the Fund shall indemnify the owner and his guarantor for that portion of the aggregate amount of liability under the Liability Convention which:

(a) is in excess of an amount equivalent to 100 units of account or 1,500 monetary units for each ton of the ship's tonnage or of an amount of 8,333,000 units of account or 125 million monetary units, whichever is the less, and

(b) is not in excess of an amount equivalent to 133 units of account or 2,000 monetary units for each ton of the said tonnage or an amount of 14 million units of account or 210 million monetary units, whichever is the less, provided, however, that the Fund shall incur no obligation under this paragraph where the pollution damage resulted from the wilful misconduct of the owner himself.

2. The Assembly may decide that the Fund shall, on conditions to be laid down in the Internal Regulations, assume the obligations of a guarantor in respect of ship referred to in Article 3, paragraph 2, with regard to the portion of liability referred to in paragraph 1 of this Article. However, the Fund shall assume such obligations only if the owner so requests and if he maintains adequate insurance or other financial security covering the owner's liability under the Liability Convention up to an amount equivalent to 100 units of account or 1,500 monetary units for each ton of the ship's tonnage or an amount of 8,333,000 units of account or 125 million monetary units, whichever is the less. If the Fund assumes such obligations, the owner shall in each Contracting State be considered to have complied with Article VII of the Liability Convention in respect of the portion of his liability mentioned above.

3. The Fund may be exonerated wholly or partially from its obligations under paragraph 1 towards the owner and his guarantor if the Fund proves that as a result of the actual fault or privity of the owner:

(a) the ship from which the oil causing the pollution damage escaped did not comply with the requirements laid down in:

(i) the International Convention for the Prevention of Pollution of the Sea by Oil, 1954, as amended in 1962; or

(ii) the International Convention for the Safety of Life at Sea, 1960; or

(iii) the International Convention on Load Lines, 1966; or

(iv) the International Regulations for Preventing Collisions at Sea, 1960; or

(v) any amendments to the above-mentioned Conventions which have been determined as being of an important nature in accordance with Article XVI(5) of the Convention mentioned under (i), Article IX(e) of the Convention mentioned under (ii) or Article 29(3)(d) or (4)(d) of the Convention mentioned under (iii), provided, however, that such amendments had been in force for at least twelve months at the time of the incident;

and

(b) the incident or damage was caused wholly or partially by such non-compliance.

The provisions of this paragraph shall apply irrespective of whether the Contracting State in which the ship was registered or whose flag it was flying is a Party to the relevant Instrument.

4. Upon the entry into force of a new Convention designed to replace, in whole or in part, any of the Instruments specified in paragraph 3, the Assembly may decide at least six months in advance a date on which the new Convention will replace such Instrument or part thereof for the purpose of paragraph 3. However, any State Party to this Convention may declare to the Director before that date that it does not accept such replacement; in which case the decision of the Assembly shall have no effect in respect of a ship registered in, or flying the flag of, that State at the time of the incident. Such a declaration may be withdrawn at any later date and shall in any event cease to have effect when the State in question becomes a Party to such new Convention.

5. A ship complying with the requirements in an amendment to an Instrument specified in paragraph 3 or with requirements in a new Convention, where the amendment or Convention is designed to replace in whole or in part such Instrument, shall be considered as complying with the requirements in the said Instrument for the purposes of paragraph 3.

6. Where the Fund, acting as a guarantor by virtue of paragraph 2, has paid compensation for pollution damage in accordance with the Liability Convention, it shall have a right of recovery from the owner if and to the extent that the Fund would have been exonerated pursuant to paragraph 3 from its obligations under paragraph 1 to indemnify the owner.

7. Expenses reasonably incurred and sacrifices reasonably made by the owner voluntarily to prevent or minimize pollution damage shall be treated as included in the owner's liability for the purposes of this Article.

#### **Article 6**

1. Rights to compensation under article 4 or indemnification under Article 5 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.

2. Notwithstanding paragraph 1, the right of the owner or his guarantor to seek indemnification from the Fund pursuant to Article 5, paragraph 1, shall in no case be extinguished before the expiry of a period of six months as from the date on which the owner or his guarantor acquired knowledge of the bringing of an action against him under the Liability Convention.

#### **Article 7**

1. Subject to the subsequent provisions of this Article, any action against the Fund for compensation under Article 4 or indemnification under Article 5 of this Convention shall be brought only before a court competent under Article IX of the 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 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 or indemnification under the provisions of Article 4 or 5 of this Convention in respect of the same damage. However, where an action for compensation for pollution damage under the Liability Convention has been brought before a court in a State Party to the Liability Convention but not to this Convention, any action against the Fund under Article 4 or under Article 5, paragraph 1, 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 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 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 judgment 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 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 judgment 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 judgment 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 Liability Convention.

#### **Article 9**

1. Subject to the provisions of Article 5, 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 Liability Convention against the owner or his guarantor.

2. Nothing in this Convention shall prejudice any right of recourse of 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 or indemnification 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. 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 11, paragraph 1, as regards initial contributions and in Article 12, paragraphs 2 (a) or (b), as regards annual contributions, 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 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 11**

1. In respect of each Contracting State initial contributions shall be made of an amount which shall for each person referred to in Article 10 be calculated on the basis of a fixed sum for each ton of contributing oil received by him during the calendar year preceding that in which this Convention entered into force for that State.

2. The sum referred to in paragraph 1 shall be determined by the Assembly within two months after the entry into force of this Convention. In performing this function the Assembly shall, to the extent possible, fix the sum in such a way that the total amount of initial contributions would, if contributions were to be made in respect of 90 per cent of the quantities of contributing oil carried by sea in the world, equal 5 million units of account or 75 million monetary units.

3. The initial contributions shall in respect of each Contracting State be paid within three months following the date at which the Convention entered into force for that State.

## Article 12

1. With a view to assessing for each person referred to in Article 10 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 or 5, 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 1 million units of account or 15 million monetary units;

(c) payments to be made by the Fund in the relevant year for the satisfaction of claims against the Fund due under Article 4 or 5, 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 1 million units of account or 15 million monetary units;

(ii) *Income*

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

(b) initial contributions to be paid in the course of the year;

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

(d) any other income.

2. For each person referred to in Article 10 the amount of his annual contribution shall be determined by the Assembly and shall be calculated in respect of each Contracting State:

(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 Assembly shall decide the portion of the annual contribution which shall be immediately paid in cash and decide on the date of payment. The remaining part of each annual contribution shall be paid upon notification by the Director.

5. The Director may, in cases and in accordance with conditions to be laid down in the Internal Regulations of the Fund, require a contributor to provide financial security for the sums due from him.

6. Any demand for payments made under paragraph 4 shall be called rateably from all individual contributors.

#### **Article 13**

1. The amount of any contribution due under Article 12 and which is in arrear shall bear interest at a rate which shall be determined by the Assembly for each calendar year 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 11 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 for a period exceeding three months, 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 persons when determining the amount of his contribution, the list shall be *prima facie* evidence of the facts stated therein.

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Passed by the House of Representatives at Sitting No. 541 of the 2nd July, 1991.

LAWRENCE GONZI  
*Speaker*

RICHARD J. CAUCHI  
*Acting Clerk to the House of Representatives.*