

HNS Convention

Reporting of HNS contributing cargo



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The HNS Fund will have up to four separate accounts

- No cross-subsidisation between accounts for payment of compensation
- Creates 4 different Funds in practice

The HNS Fund will be financed by contributions levied after incidents occur

- Paid by receivers of HNS in Member States at the time of the incident
- After sea transport to the ports and terminals of State Parties
- Levies to pay for admissible claims for compensation

Costs of running the HNS Fund

- Very low if HNS Fund to be hosted by IOPC Funds
- Initial contribution shared among all contributors (includes working capital)

Reporting of contributing cargo

Before and after entry into force



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States' obligation to report total quantities of contributing cargo to IMO

- When depositing ratification/accession instrument
- Every year thereafter until the 2010 HNS Protocol enters into force

What the 1992 Fund Secretariat has done to assist

- Reporting form for States and contributors
- HNS Finder to identify contributing cargo
- Assistance with the adoption of HNS contributing cargo reporting guidelines

After entry into force

- Reports on contributing cargo to be submitted to HNS Fund
- HNS Fund Assembly to adopt internal regulations to implement full reporting and contribution system

Submission of contributing cargo reports

Strong enforcement mechanism



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Before entry into force

States must submit reports to IMO on contributing cargo at the time of ratification

- annually until the Convention enters into force
- IMO will not accept instruments of ratification, accession or approval without the reports
- Contracting State failing to submit such reports will be suspended from being a Contracting State

After entry into force

States failing to submit reports annually will be unable to claim compensation

- Exception with regard to claims for death and personal injury

HNS Finder

For more information: www.hnsconvention.org



IOPC Funds



IOPC Funds
HNS Convention

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SEARCH RESULTS

9 matches found.

Click on a substance name to see further details.

SEARCH

Name/UN Number

Account (contributing substances only)

Name	UN No.	Transport Mode	HNS Classification							Contributions		
			i	ii	iii	iv	v	vi	vii	Contributing	Account	Sector
ALCOHOLIC BEVERAGES with more than 70% alcohol by volume	3065	Packaged				✓				✗		
		Bulk						✓		✓	General	Other HNS
ALCOHOLIC BEVERAGES with more than 24% but not more than 70% alcohol by volume	3065	Packaged				✓				✗		
		Bulk						✓		✓	General	Other HNS
2-CHLOROETHANAL	2232	Packaged				✓				✗		
Ethanal	1089	Packaged				✓				✗		
		Bulk					✓			✓	General	Other HNS
Methanal	1198 2209	Packaged				✓				✗		
		Bulk	✓	✓					✓	✓	General	Other HNS

Reporting challenges

Potential nightmare?



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Rotterdam Port (2010)

30,000 ships (load/unload)

Incoming cargo

- 162 million MT liquid bulk
- 76 million MT dry bulk
- 55 million MT containers

Oil and chemical sites

- 6 oil refineries
- 17 oil terminals
- 56 petrochemical sites
- 17 chemical terminals

HNS Contributing Cargo Reporting

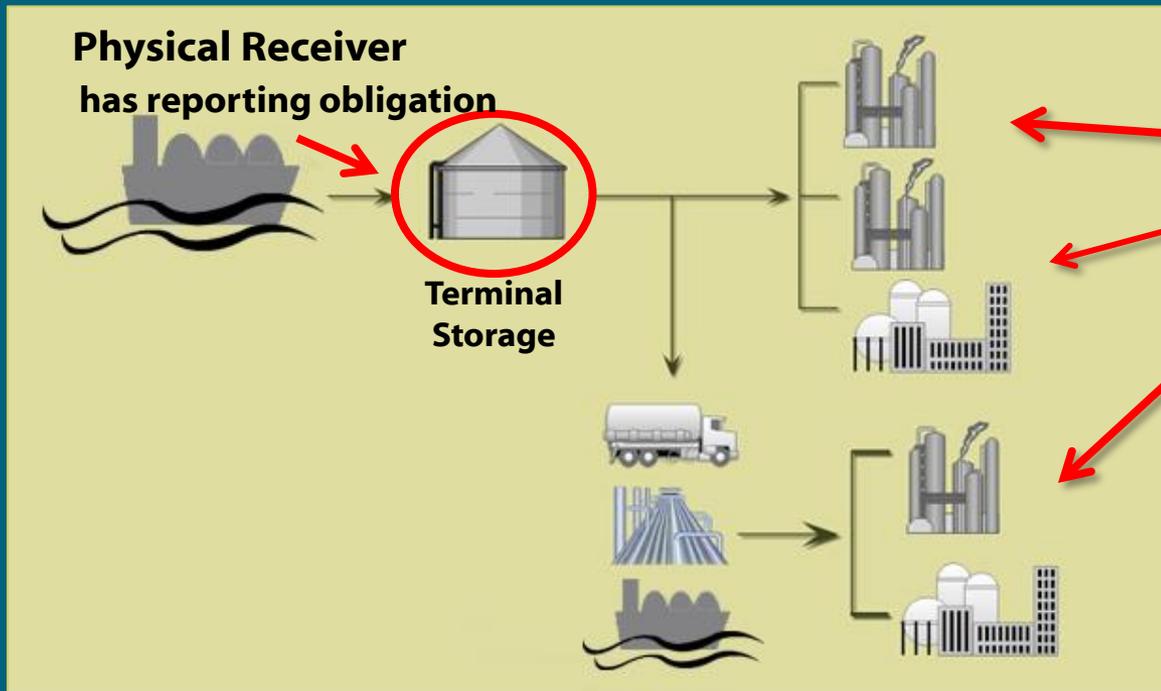
Before entry into force



31 October 2012
(8 States signed)

12 States need to ratify
(+ 18 months)

Entry into force



States to Identify potential contributors

To facilitate, lower threshold limits for reporting

Reporting and financial obligation

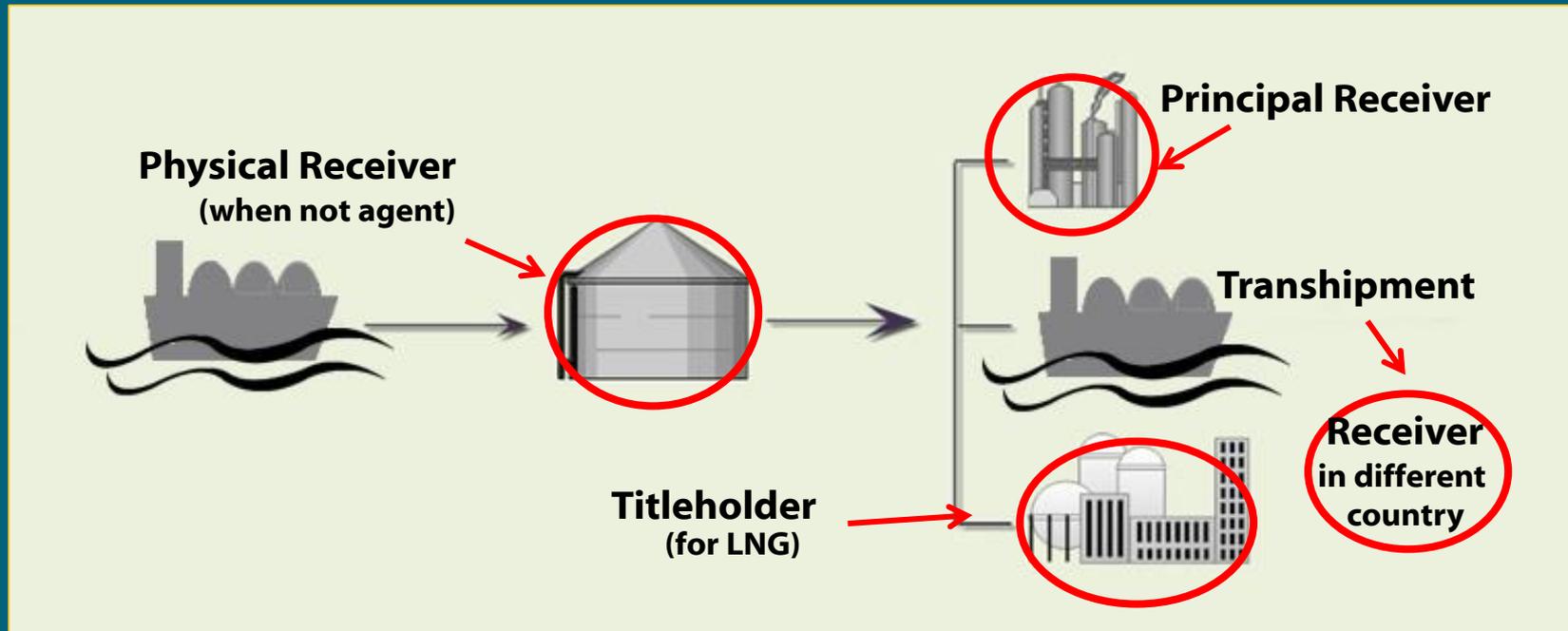
After entry into force



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→ Entry into force

4 scenarios



HNS Fund Assembly

- To adopt internal regulations to address those scenarios
- To decide on final reporting and contribution procedures

HNS Contributing Cargo Reporting Guidelines

Main features



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Issues to consider

Before the Protocol enters into force

1. Definition of **contributing cargo**

Article 1.10

“any bulk HNS which is carried by sea as cargo to a port or terminal in the territory of a State Party and discharged in that State”

2. Definition of **receiver**

Article 1.4 (a)

“the person who physically receives contributing cargo discharged in the ports and terminals of a State Party”

3. Relationship between the **receiver** and the **principal**

- Submit contributing cargo reports only
- Provide info on principal receivers

4. Relationship between the **receiver of LNG** and the **titleholder**

- Submit contributing cargo reports only
- Provide info on titleholders

HNS Contributing Cargo Reporting Guidelines

Main features



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Issues to consider

Before the Protocol enters into force

5. Definition of **transhipment**

Use **ship-to-ship transfer** operations as a reference from the 1992 Fund reporting guidelines

6. **Threshold limits** for reporting

Lower thresholds to facilitate the ID of potential receivers

7. **List of contributors** and criteria for identification

Physical receivers are liable to provide contributing cargo reports

- Principals likely to be in non-Member States
- Limiting reporting obligations useful for monitoring
- Physical receivers to also identify contributors

HNS Contributing Cargo Reporting Guidelines

Main features



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Issues to consider

Before the Protocol enters into force

8. Contributing cargo **reporting forms**

- Physical receivers to Government authority
- Government to IMO
- Nil declarations

9. **Submission** of reports

- At the time of ratification
- Each year thereafter

10. **Compliance** and verification

The guidelines to be adopted prior to ratification/accession to facilitate reporting



Sources of data

Enterprise Resource Planning (ERP) system	Physical receiver's system
<p>Records every transaction for general accounting purposes</p> <ul style="list-style-type: none">• Incoming product streams• Records product, quantity, destination and value• Does not record mode of transport	<p>Every terminal has a system to track shipment received, including the mode of transport</p> <ul style="list-style-type: none">• The basis to recharge costs of operation to the principal receiver

Industry's point of view

European Chemical Industry Council (CEFIC)



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Industry-preferred solutions

Sources of data

Depending on the capabilities of the ERP system, industry should have the option to choose

- Use ERP data
- Use data from physical receiver's system, consolidated by country by the reporting of principal receiver ("harbour model")

Reporting

- One figure for all HNS receipt per account per country (more detailed data available for verification)
- No preference for paper- or web-based form

Industry's point of view

European Chemical Industry Council (CEFIC)



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Accuracy

Data could be rough – numbers may only be approximations

Synchronisation

Total quantity of HNS reported by customs and by receivers will never match

- ✓ Distinguish different modes of transport
- ✓ Not all receivers will receive enough to report (threshold)

Thresholds

Physical receivers terminals may receive above 20,000 tonnes of HNS in any given year

- Without any principal receivers (renting storage at that facility) reaching the threshold



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