

HNS Convention

Reporting of HNS contributing cargo



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International Oil Pollution Compensation Funds

Setting up the HNS Fund

To do list



IOPC Funds

IOPC Funds Secretariat

- Consensus among States for a joint Secretariat for HNS and IOPC Funds
- Draft rules of procedure
- Draft internal and financial regulations
- Discuss headquarters agreement with host government



HNS Fund Assembly

- Formally decide on location of the HNS Fund
- Appointment of a Director
- Review and approval of internal and financial regulations
- Establishment of a committee on claims for compensation
- Adoption of a claims manual
- Appointment of auditors



The HNS Fund will be financed by post-event contributions

- Paid by receivers of HNS (or titleholders for LNG cargo in some cases)
- After sea transport to the ports and terminals of State Parties

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

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

Current requirements



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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
- 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 a 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 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

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

Reporting challenges

Example of Rotterdam port



IOPC Funds



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

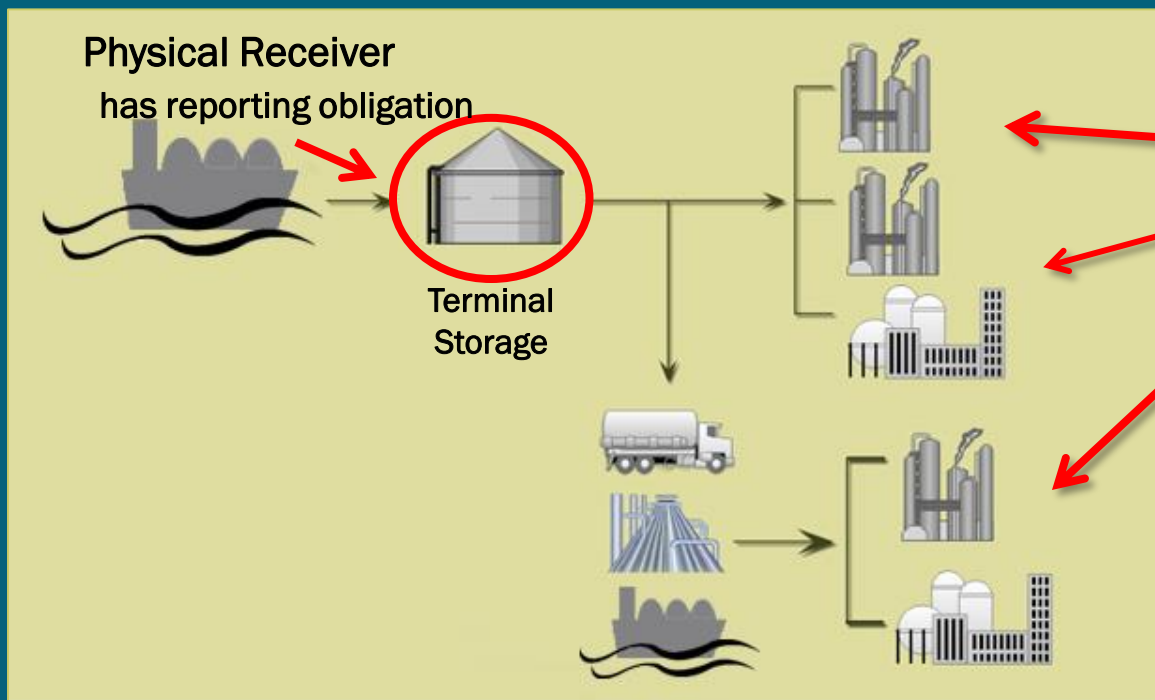
During the interim period



31 October 2012
(8 States signed)

12 States need to ratify
(+ 18 months)

Entry into force



States to
Identify potential
contributors



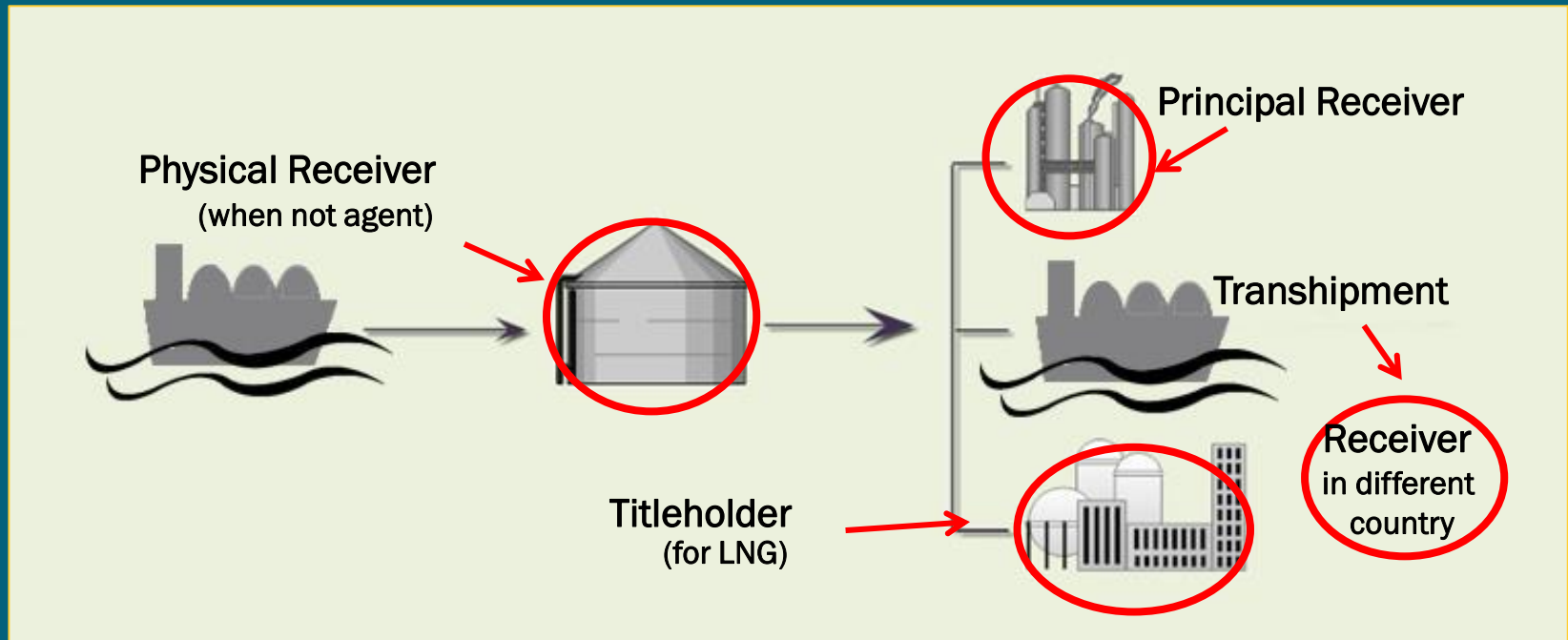
To facilitate, lower
threshold limits for
reporting

Reporting and financial obligation

After entry into force

→ 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



IOPC Funds

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



IOPC Funds

Issues to consider

Before the Protocol enters into force

5. Definition of **transshipment**

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



IOPC Funds

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

ERP systems	Physical receiver's system
<p data-bbox="297 658 929 822">Records every transaction for general accounting purposes#</p> <ul data-bbox="297 896 890 1168" style="list-style-type: none"><li data-bbox="297 896 890 939">• Incoming product streams<li data-bbox="297 953 890 1053">• Records product, quantity, destination and value<li data-bbox="297 1068 890 1168">• Does not record mode of transport	<p data-bbox="1018 658 1665 815">Every terminal has a system to track shipment received, including the mode of transport</p> <ul data-bbox="1018 886 1644 1039" style="list-style-type: none"><li data-bbox="1018 886 1644 1039">• The basis to recharge costs of operation to the principal receiver

Industry's point of view

European Chemical Industry Council (CEFIC)



IOPC Funds

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



IOPC Funds

www.hnsconvention.org



IOPC Funds

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