



# Workshop on the 2010 HNS Convention

*IMO, London*



## HNS Convention

*An Overview*

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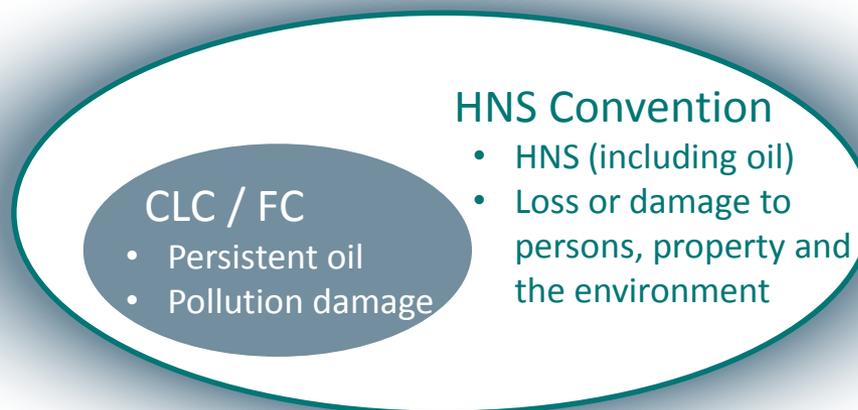


# Outline of the 2010 HNS Convention

## *Purpose*

The purpose of this Convention is to **provide compensation for loss or damage to persons, property and the environment** arising from the carriage of Hazardous and Noxious Substances by sea

Last gap in the compensation regime from ship-source pollution



Other type of transportation covered by other Conventions

### Four categories of damage:

- Loss of life or personal injury caused by HNS
- Loss of or damage to property caused by HNS
- Loss or damage by contamination of the environment caused by HNS
  - Economic losses
  - Reasonable measures of reinstatement
- Cost of preventive measures and further damage caused by them



*Reference: Art. 1.6 (2010 HNS Convention)*



This Convention applies to:

- **Any damage** caused in territory, including territorial sea of a State Party
- **Damage** by contamination of the environment caused in economic exclusive zone (EEZ) or equivalent of a State Party
- **Damage** other than contamination of the environment caused outside territory, including territorial sea of any State
  - If damage caused by HNS carried on board a ship registered in a State Party
- **Preventive measures** wherever taken



*Reference: Art. 3 (2010 HNS Convention)*



# Outline of the 2010 HNS Convention

## *Impacts associated with HNS incidents*



Environmental impact (air, land and sea)



Death and personal injury



Clean-up and preventive measures



Economic losses  
Fishing, ports, tourism



Clean up costs



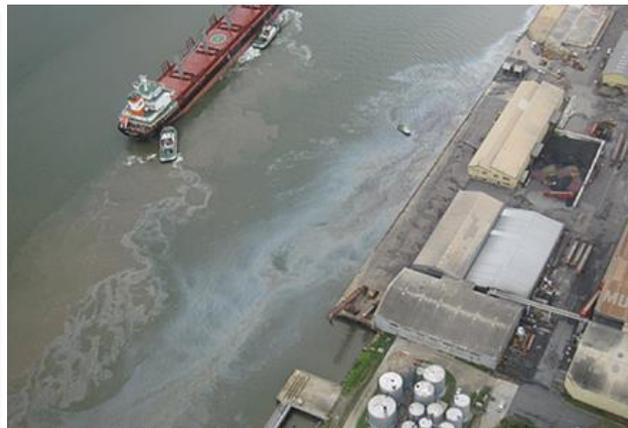
Death and personal injury





The Convention does **NOT** apply to:

- Pollution damage as defined in the 1992 CLC
- Damage caused by radioactive materials
- Optional:
  - Ships up to 200GT doing cabotage and carrying HNS in packaged form only can be excluded from the Convention
  - Decision by a State Party at time of ratification/accession



*Reference: Art. 5 (2010 HNS Convention)*



# What is HNS?

## Definition of Hazardous and Noxious Substances



HNS defined **by reference** to a list of individual substances previously identified in a number of IMO international Conventions and Codes



### Substances Carried in bulk

I Oils	Regulation I Appendix I MARPOL 73/78
II Liquids	Regulation 1.10 Annex II MARPOL 73/78
III Liquids	Chapter 17 of IBC Code
V Gases	Gases - Chapter 19 of IGC Code
VI Liquids	Flammable/combustible liquids having a flash point not exceeding 60°C
VII Solids	Both in IMSBC Code and IMDG Code

### Packaged goods

IV	IMDG Code
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*Reference: Article 1.5 (2010 HNS Convention)*

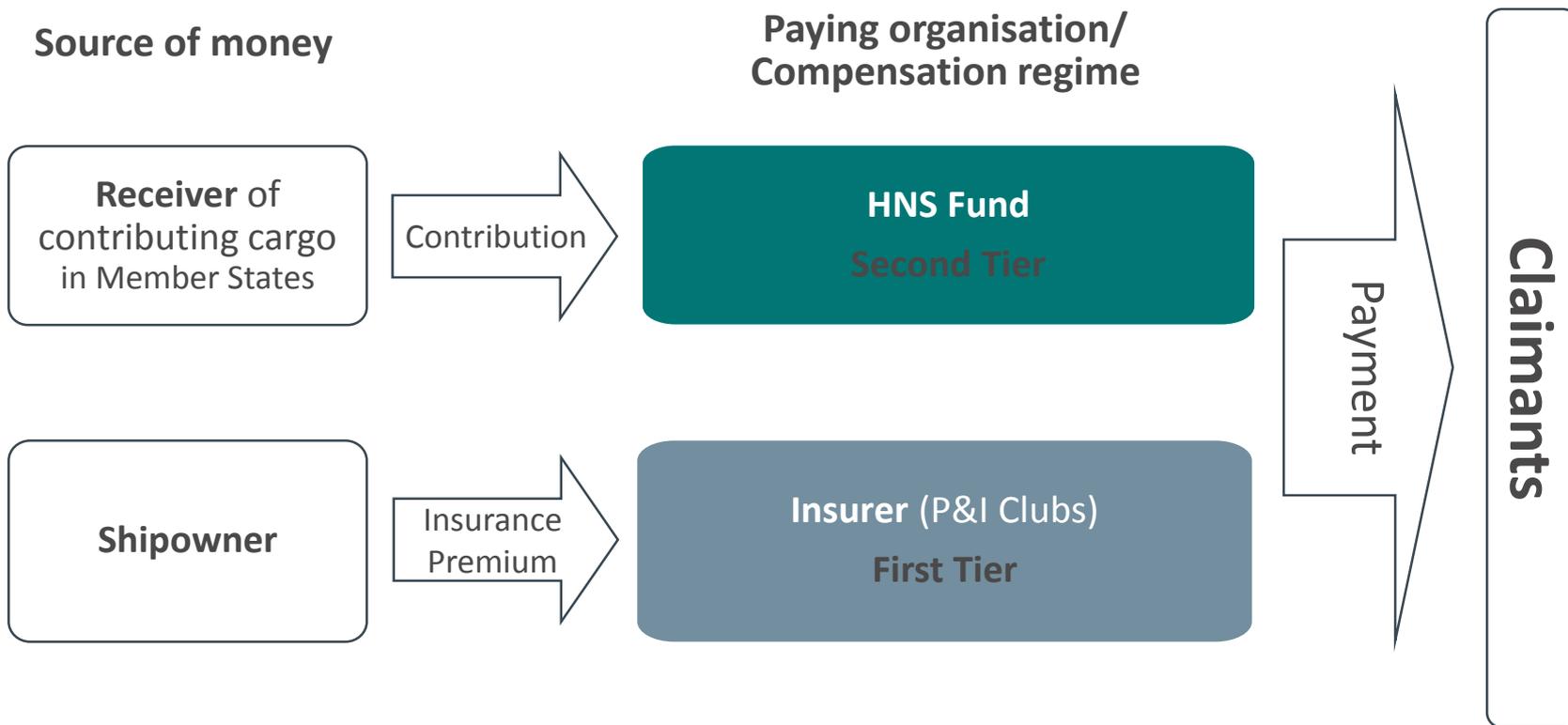


# How the Convention works

## *Two Tier system*



HNS Convention is based on the international oil pollution compensation model





# Liability of shipowner

## First Tier



### Main features

- **Strict liability** of registered shipowner (channelling of liability to shipowner)
- **Limitation of liability** based on the gross tonnage of the ship and type of HNS
  - For bulk HNS
  - For packaged HNS (+15%)
- Shipowners required to have **compulsory third party insurance** and certificate
- Few exceptions to liability



*Reference: Art. 7 to 12 (2010 HNS Convention)*



## Main features

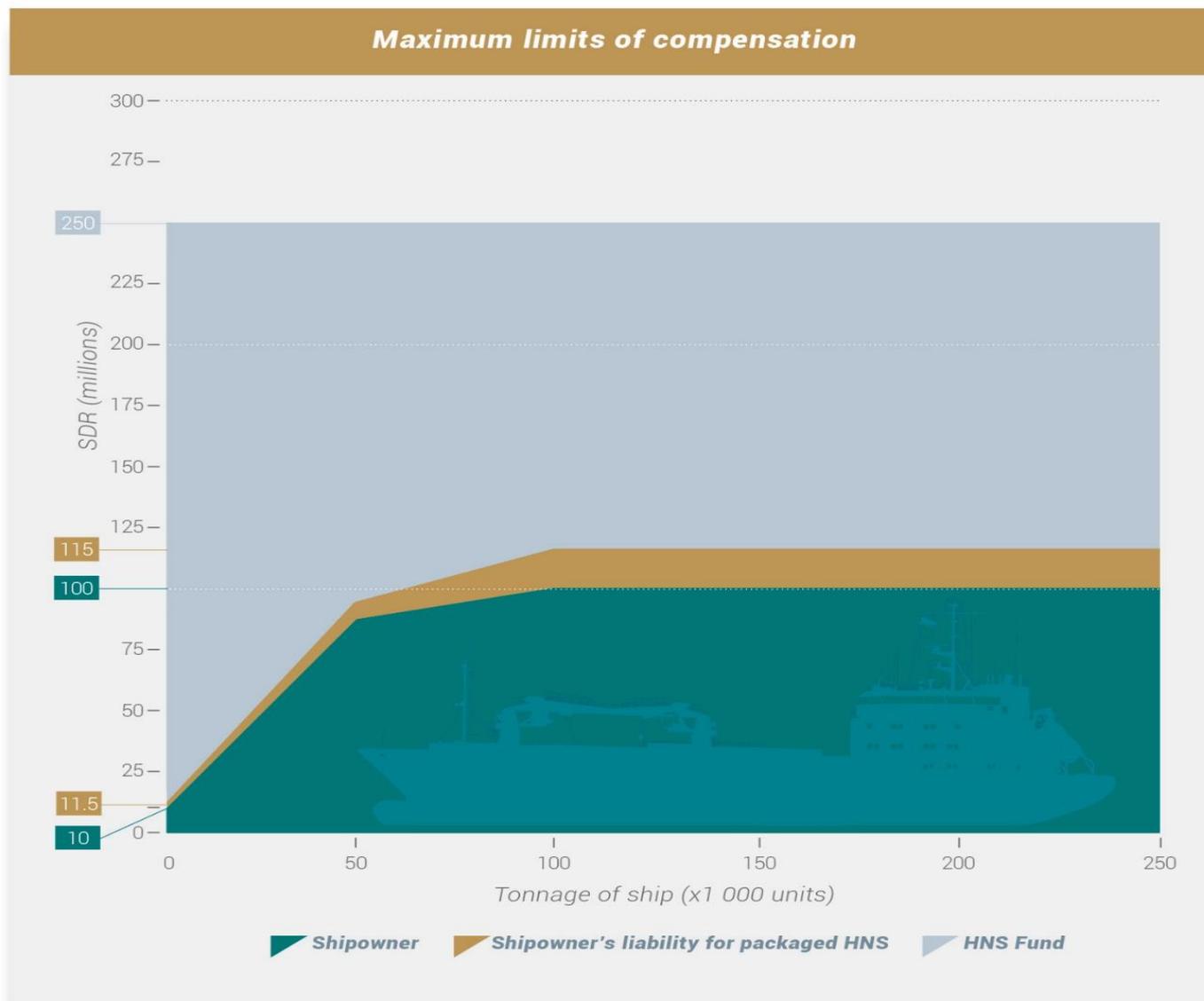
- Pays compensation when:
  - damage exceeds shipowner's liability limit
  - shipowner financially incapable of meeting their obligations
  - no shipowner's liability
- Maximum compensation **SDR 250 million**, including shipowner's liability
- Contributions from **receivers of contributing cargo** in State Parties
- Very limited exceptions
  - damage resulted from act of war, caused by State ship
  - claimant cannot prove that damage resulted from incident involving ship(s)

*Reference: Art. 13-14 (2010 HNS Convention)*



# The Convention in figures

## Liability limits





# HNS Fund

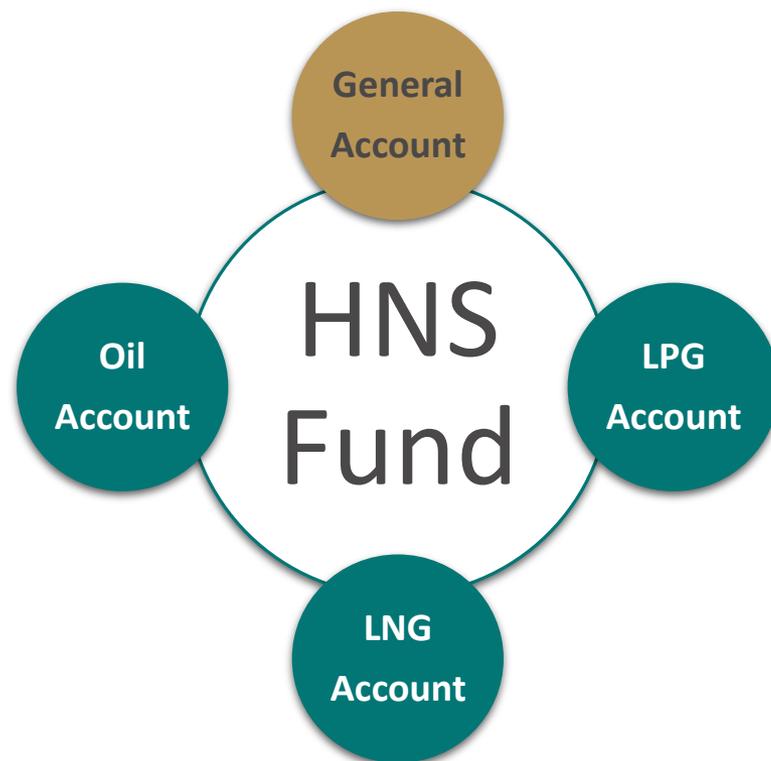
## *Four separate accounts*

There is **one general account** (bulk solid sector and other HNS sector) and **three separate accounts** in the HNS Fund.

Each account will meet the cost of compensation payments (no cross-subsidization).

Each account activated when the total quantity of contributing cargo reaches the required minimum threshold.

*Reference: Art. 16 (2010 HNS Convention)*





# HNS Fund

## Thresholds for each account



	Threshold for Establishment of account	Threshold for contribution
<b>General Account</b>	40 million tonnes*	
<ul style="list-style-type: none"><li>• Bulk solids</li><li>• Other HNS</li></ul>		20 000 tonnes
<b>Oil Account</b>	350 million tonnes	
<ul style="list-style-type: none"><li>• Persistent oil</li><li>• Non-persistent oil</li></ul>		150 000 tonnes 20 000 tonnes
<b>LPG Account</b>	15 million tonnes	20 000 tonnes
<b>LNG Account</b>	20 million tonnes	No minimum

\*Condition for entry into force

Reference: Art 18-19 (2010 HNS Convention)



# Reporting to HNS Fund

## *Before and after entry into force*

### Before entry into force

- Report on contributing cargo when depositing ratification/accession instrument to IMO
- Report every year thereafter until entry into force

### 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

**IMO** INTERNATIONAL MARITIME ORGANIZATION  
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**Receiver Model Reporting Form**  
To be submitted to the designated national authority

COMPANY \_\_\_\_\_ YEAR \_\_\_\_\_  
STATE \_\_\_\_\_

**RECEIPTS OF CONTRIBUTING CARGO**  
As defined on pages 3 and 4, or use the HNS FINDER # [hnsconvention.org/Forms/FinderOverview.html](http://hnsconvention.org/Forms/FinderOverview.html)

Account	General	Quantity (metric tonnes)
	Bulk solids	<input type="text"/>
	Other HNS*	<input type="text"/>
	Total	<input type="text"/>
	Oil	<input type="text"/>
	Persistent oil	<input type="text"/>
	Non-Persistent oil	<input type="text"/>
	Total	<input type="text"/>
	LPG**	<input type="text"/>
	Total	<input type="text"/>
	LPG***	<input type="text"/>
	Total	<input type="text"/>

\*Defined under Article 3 of the 2010 HNS Protocol (see page 6)  
\*\*Liquefied natural gases of light hydrocarbons with methane as the main constituents  
\*\*\*Liquefied petroleum gases of light hydrocarbons with propane and butane as the main constituents

**NOTES**

- While there is no reporting requirement for HNS transported in packaged form, compensation for incidents involving them will be covered under the Convention.
- Contribution is levied only in case of an incident.

**SIGNATURE OF COMPANY OFFICIAL**

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_  
E-Mail \_\_\_\_\_

**SEAL**

— Page 1 for Receiver Use —



# Entry into force

## Current status

3 contracting States: - Norway (21/4/17)  
- Canada (23/4/18)  
- Turkey (23/4/18)

5 Signatories:

Denmark, France, Germany, Greece, Netherlands



Source: IMO

## Requirements

When minimum of

**12 States** ratify

Protocol enters into  
force

**18 months** later

1. Including **4 States** each with fleet greater than **2 million** gross tonnage
2. The total general account's contributing cargo volume reaches at least **40 million** tonnes



# Role of IOPC Funds

## *What has been tasked to the IOPC Funds*



### April 2010—Adoption of the 2010 HNS Protocol

- Resolution 1 of the International Conference requests the 1992 Fund Assembly to instruct the IOPC Funds to carry out tasks necessary to set up the HNS Fund

### October 2010—1992 Fund Assembly instructs the Director

- To carry out the administrative tasks for setting up the HNS Fund
- To give all necessary assistance to IMO
- To make the necessary preparations for the first Assembly of the HNS Fund





# Role of IOPC Funds

## What has the IOPC Funds Secretariat done to assist

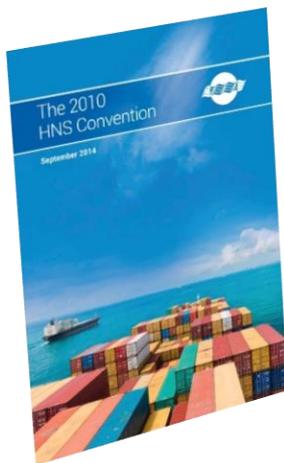


- HNS Finder to identify contributing cargo
- Assistance with the adoption of HNS contributing cargo reporting guidelines
- Support to States considering ratification
- Production and dissemination of information
  - Brochure
  - Website: [www.hnsconvention.org](http://www.hnsconvention.org)

The screenshot shows the HNS Finder website interface. At the top, there is a navigation bar with the IOPC Funds logo and links for HNS Blog, Public Website, Contact Us, and Language. Below this is a main menu with 'THE CONVENTION', 'HNS FINDER', 'STATUS', 'HNS REPORTING', 'IMPLEMENTATION', and 'RESOURCES'. A secondary bar contains 'HNS Finder Overview' and 'Browse HNS'. The search interface includes a search box with 'ethanal' entered, a 'Contains' dropdown, and an 'Account' dropdown set to 'All'. There is a checkbox for 'Bulk cargo only' and a 'SEARCH' button. To the right, there is an option to 'Include synonyms' and a 'SAVE SEARCH RESULTS AS .CSV' button. Below the search interface is a table with 5 matches found.

NAME	UN NO.	TRANSPORT MODE	CONTRIBUTIONS			HNS CLASSIFICATION							
			CONTRIBUTING	ACCOUNT	SECTOR	I	II	III	IV	V	VI	VII	
Ethanal	1089	Packaged	✗						✓				
		Bulk	✓	General	Other HNS							✓	
Methanal	1198 2209	Packaged	✗						✓				
		Bulk	✓	General	Other HNS	✓	✓				✓		
2-CHLOROETHANAL	2232	Packaged	✗						✓				

5 matches found





[www.hnsconvention.org](http://www.hnsconvention.org)