



HNS Convention

An Overview

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Director

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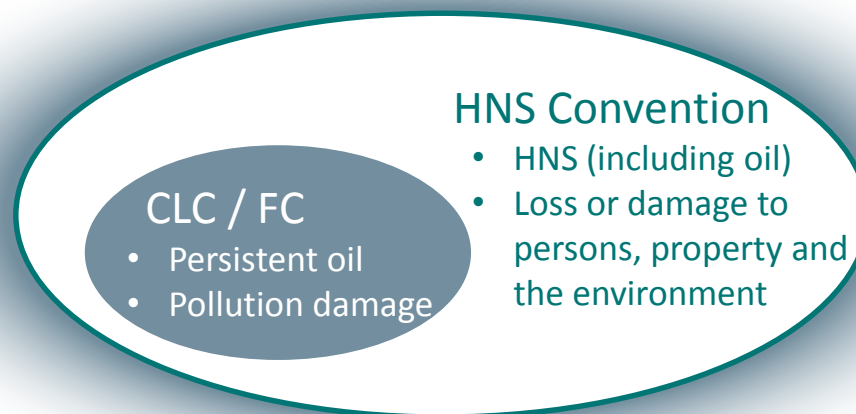
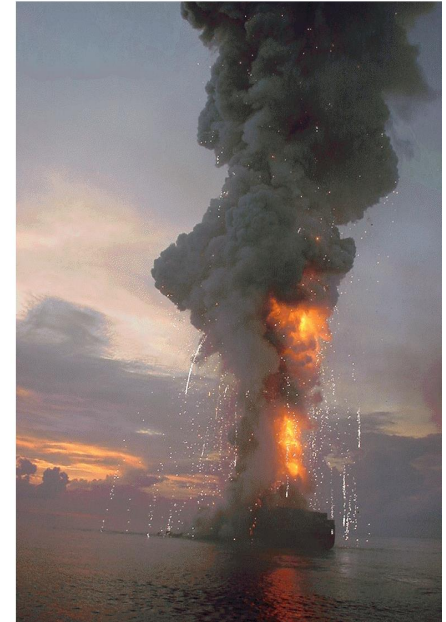


Outline of the 2010 HNS Convention

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



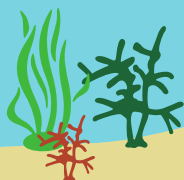
Economic losses
Fishing, ports, tourism



Clean up costs



Death and personal injury



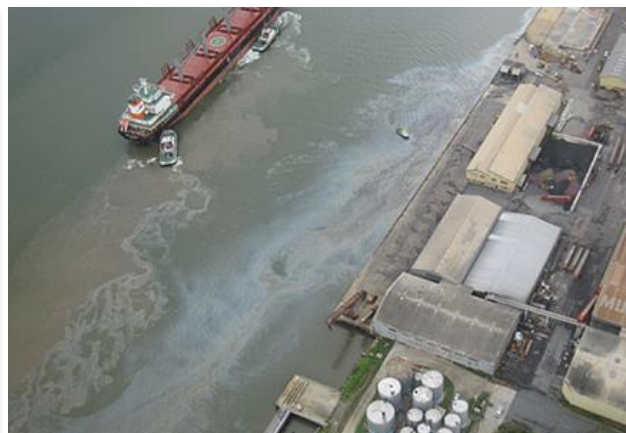
Outline of the 2010 HNS Convention

Exclusions



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)

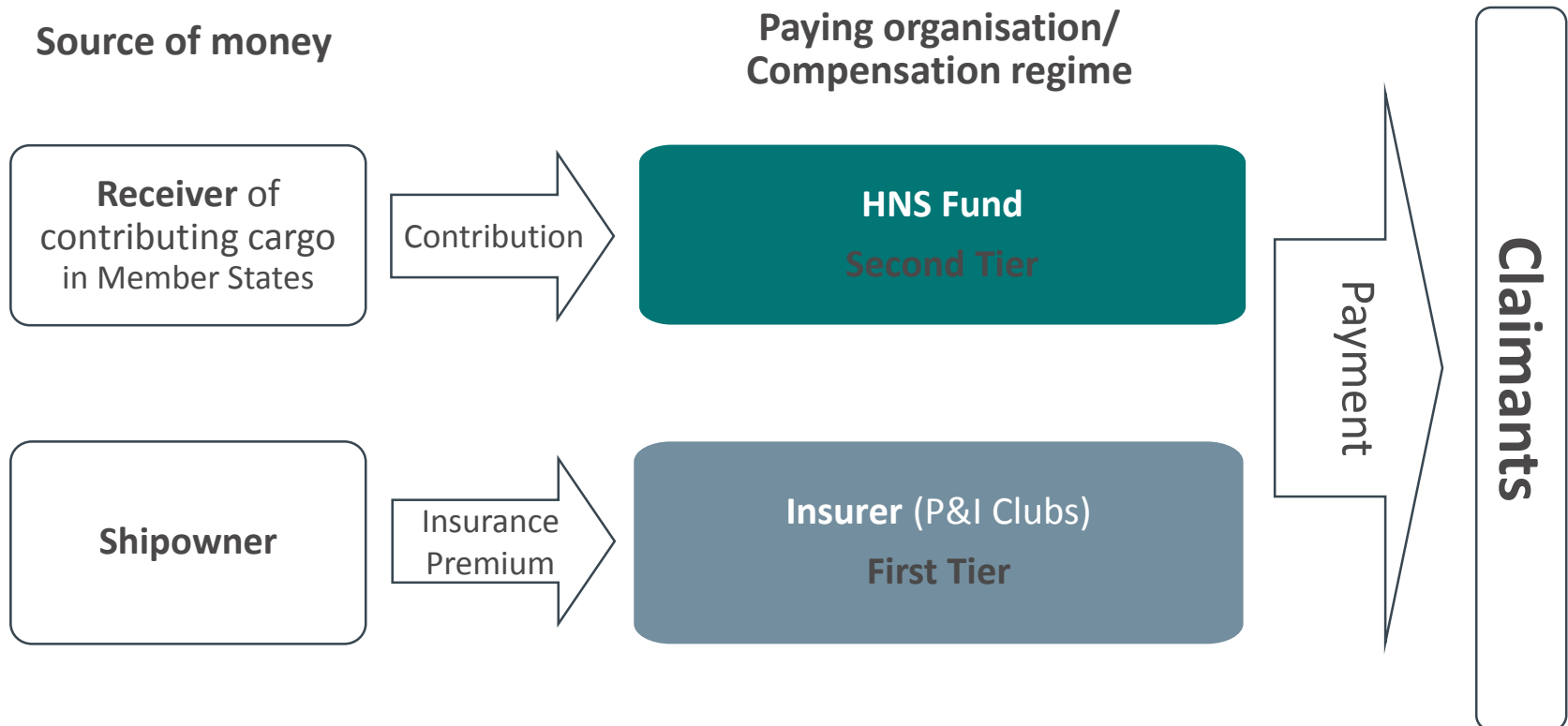


How the Convention works

Two Tier system



HNS Convention is based on the international oil pollution compensation model





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

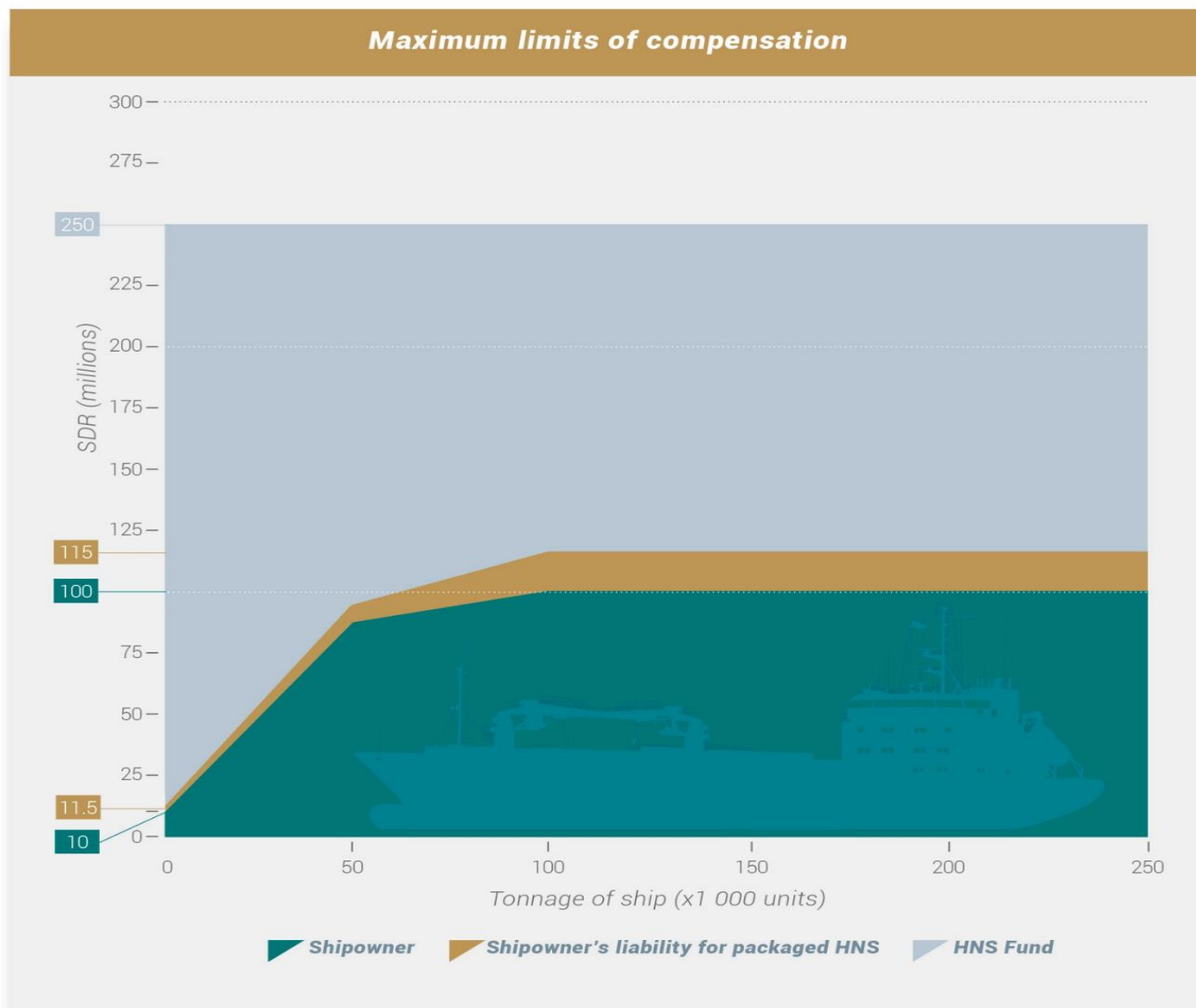
- Pays compensation when:
 - damage exceeds shipowner's liability limit
 - shipowner financially incapable of meeting their obligations
 - no shipowner's liability
- Maximum compensation **SDR 250 million**, including shipowner's liability
- Contributions from **receivers of contributing cargo** in State 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





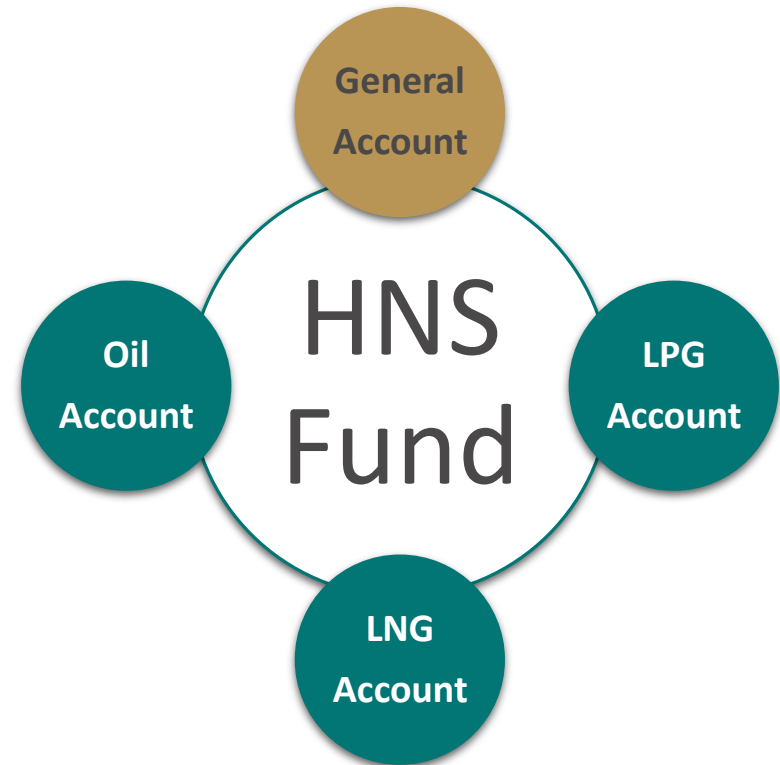
HNS Fund

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
General Account	40 million tonnes*	
<ul style="list-style-type: none">• Bulk solids• Other HNS		20 000 tonnes
Oil Account	350 million tonnes	
<ul style="list-style-type: none">• Persistent oil• Non-persistent oil		150 000 tonnes 20 000 tonnes
LPG Account	15 million tonnes	20 000 tonnes
LNG Account	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



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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 Funder # <https://www.imo.org/News/Press/Pages/PressOverview.aspx>

Account	General	Quantity (metric tonnes)
	Bulk solids	
	Other HNS*	
	Total	0
	Oil	
	Persistent oil	
	Non-persistent oil	
	Total	0
	LPG**	
	Total	
	LPG***	
	Total	

*Defined under Article 3 of the 2010 HNS Protocol (see page 4)
**Liquefied natural gases of light hydrocarbons with methane as the main constituent
***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

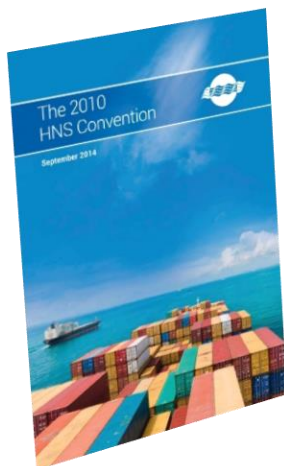




Role of IOPC Funds

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



The screenshot shows the HNS Finder web application. At the top is the IOPC Funds logo and navigation links: HNS BLOG, PUBLIC WEBSITE, CONTACT US, and LANGUAGE. Below this is a main menu with THE CONVENTION, HNS FINDER (active), STATUS, HNS REPORTING, IMPLEMENTATION, and RESOURCES. A secondary bar contains HNS Finder Overview and Browse HNS. The search interface includes a search bar with 'ethanal' entered, a 'Contains' dropdown, an 'Account' dropdown set to 'All', and a 'Bulk cargo only' checkbox. A 'SEARCH' button is at the bottom of the search form. To the right, there are options to 'Include synonyms' and a 'SAVE SEARCH RESULTS AS .CSV' button. Below the search form 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