International Oil Pollution Compensation Funds

Agenda item 8	IOPC/OCT26/**8/2/1**	
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1992 Fund Assembly	92A31	●
1992 Fund Executive Committee	92EC87	
Supplementary Fund Assembly	SA23	

PREPARATIONS FOR THE ENTRY INTO FORCE OF THE 2010 HNS CONVENTION

Note by the Secretariat

Summary: This document provides an update on the recent work of the 1992 Fund Secretariat to prepare for the entry into force of the 2010 HNS Convention.[<1>] It also provides information on the Director's proposed budget to support work on the 2010 HNS Convention in 2027.

Action to be taken: 1992 Fund Assembly

(a) Note the update on the recent activities of the 1992 Fund Secretariat to prepare for the entry into force of the 2010 HNS Convention;

(b) decide whether to apportion the development costs for the online HNS Reporting Platform between the 1992 Fund and the HNS Fund on a 75% - 25% basis; and;

(c) note the proposed HNS Fund appropriation of £454 500 which is presented to the 1992 Fund for approval in document IOPC/OCT26/9/1/1.

1 Introduction

The 2010 HNS Convention will enter into force on 29 November 2027. Acting on the mandate given to the Director by the diplomatic conference that adopted the Convention in 2010, the 1992 Fund Secretariat is accelerating its efforts to establish the HNS Fund and prepare for the first HNS Fund Assembly.

2 Entry into Force Preparation Group

2.1 In May 2026, the Contracting States to the 2010 HNS Convention established a working group, known as the Entry into Force Preparation Group (EFPG). The EFPG includes representatives from Contracting States to the HNS Convention and States that make a firm and public commitment to ratify or accede to the Convention with a timeline, together with representatives from the International Maritime Organization (IMO) and IOPC Funds Secretariats. Observer organisations such as the International Group of P&I Associations and the International Chamber of Shipping are invited

[<1>] Once the 2010 HNS Protocol enters into force, the 1996 Convention, as amended by the 2010 Protocol, will be called: 'the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 2010 (2010 HNS Convention)'.

for specific agenda items that engage their interests or mandates. The purpose of the EFPG is to consider matters related to the establishment of the HNS Fund and the convening of the first meeting of the Parties to the Convention, which will be known as the HNS Fund Assembly.

2.2 The EFPG has agreed to a detailed work plan to advance work on the preparations for the entry into force of the Convention. The work plan is divided into three work streams:

1. Work to support the setting up and proper functioning of the HNS Fund;
2. Work to develop the agenda and support decision-making by Contracting States at the first meeting of the HNS Fund Assembly; and
3. Work to support consistent domestic implementation of the 2010 HNS Convention in Contracting States.

2.3 To advance each work stream, the Work Plan proposes a schedule of meetings prior to the 29 November 2027 entry into force of the Convention, including hybrid meetings on the margins of meetings of the IMO Legal Committee and the IOPC Funds governing bodies and additional online meetings as required.

2.4 The EFPG tasked the IOPC Funds' Secretariat, in consultation with the IMO Secretariat and other partners, to support its deliberations by developing documents that provide analysis and decision points for the Group's consideration under each work stream.

2.5 As a result of the decision taken by the EFPG and the 1992 Fund Assembly in April and May 2026 to co-locate the HNS Fund Secretariat with the IOPC Funds Secretariat in London, United Kingdom with the same Director, the 1992 Fund will be regularly updated on deliberations by the EFPG that will impact the 1992 Fund and will be asked to take decisions regarding its interests where appropriate.

2.6 It should be noted that any positions taken by the EFPG in respect of the structure and operation of the HNS Fund are provisional until they are formally adopted by the HNS Fund Assembly either at its first meeting or once the HNS Fund comes into existence. However, discussing and agreeing matters related to the 2010 HNS Convention in advance will facilitate the efficient conduct of the first meeting of the Assembly of the HNS Fund and the smooth launch of the HNS Fund and its Secretariat.

2.7 To support the work of the EFPG, the IOPC Funds' Secretariat has created internal task forces to focus on issues related to administration and governance, claims, external relations and conference, finance, and reporting and contributions. The purpose of the task forces is to leverage the experience and expertise of Secretariat staff to ensure the EFPG has the support it needs to successfully guide the creation of the HNS Fund.

2.8 In May 2026, the IOPC Funds Secretariat concluded an agreement with ITOPF to second Dr Annabelle Nicolas-Kopec to the Secretariat. Dr Nicolas-Kopec is a chemist and senior technical advisor with extensive experience in responding to HNS incidents. She is providing capacity to the Secretariat to assess its technical needs regarding the Convention. She is also helping to coordinate the internal task forces. The Director expresses his sincere thanks to ITOPF for its support of the secondment.

3 HNS Website, Finder and Additional Tools

3.1 The 1992 Fund Secretariat continues to update and maintain the website www.hnsconvention.org, which is an important tool for accession information related to the 2010 HNS Convention. The website also hosts the HNS Finder and provides further information on reporting and the practical implementation of the Convention.

3.2 The HNS Finder

3.2.1 The HNS Finder is an online database that allows users to search the list of all HNS as defined by the 2010 HNS Convention. It provides information on HNS classification criteria and verifies whether a substance qualifies as contributing cargo. Users can also obtain information on which account and sector the contributing cargo belongs to. The Finder has been in operation since 2011 and is updated annually by the 1992 Fund Secretariat to reflect amendments to substances covered by the IMO instruments that define HNS in Article 1(5) of the 2010 HNS Convention. The most recent update to the list (version 16, with HNS data for 2025 reports) was uploaded in February 2026 and is available in the HNS Finder section of the website.

3.2.2 The annual deadline for States to submit their reports to the IMO Secretary-General is 31 May, as indicated in Article 45(6) of the 2010 HNS Convention. The Secretariat endeavours to have the updated version of the Finder published by February, to ensure it can be used efficiently in preparing annual reports. The IOPC Funds Secretariat has been working with the IMO Secretariat to formalise the process for updating the HNS Finder to ensure it remains a trusted and definitive source of what is covered by the 2010 HNS Convention. Once the Convention enters into force, States will be required to provide the Director of the HNS Fund with more detailed information regarding receipts of contributing cargo by individual contributors.

3.3 Online HNS Reporting Platform

3.3.1 To facilitate the more detailed reporting of bulk HNS cargoes that will be required once the Convention enters into force, the 1992 Fund Secretariat continues to refine the online HNS reporting platform developed in 2025 and discussed in previous reports to the governing bodies. To date, regional workshops with HNS States have been held in Ottawa, Canada; Copenhagen, Denmark; and The Hague, Kingdom of the Netherlands, to demonstrate the platform and solicit feedback. The Secretariat plans to hold additional workshops in Türkiye and South Africa in the coming months and will provide similar support to any new Contracting States. The Secretariat uses feedback from the workshops to improve the platform and ensure it will be fit for purpose and easy to use. As the platform is further refined, the Secretariat will work with Contracting States and observer organisations to support training for contributors on using the system.

3.3.2 The ability to report HNS cargoes online is the first part of an end-to-end reporting and contributions management system that will eventually allow States to securely submit their HNS reports electronically and the Secretariat to extract the data necessary to effectively levy contributions. To link the new online HNS reporting platform with the Secretariat's contribution management system, the Secretariat undertook a discovery exercise with a software developer in early 2026 to scope and cost this second phase of work. The Director proposes that work on 'Phase 2' commence at the end of 2026 with a view to being completed in the first quarter of 2027 so that the system can be tested in advance of the HNS Convention's entry into force. The developer provided a project plan with an estimated cost of £165 000. This amount has been included in the Director's HNS budget proposal for 2027.

3.3.3 The Director notes that the contributing oil that is reported for the purposes of the 1992 Fund Convention and the 2003 Supplementary Fund Protocol is a sub-sector of the HNS Convention's oil account. Therefore, the development of the online reporting system for HNS provides the Secretariat with an opportunity to expand online reporting to all 1992 Fund and Supplementary Fund States. While the current online oil reporting system works well, the new system will integrate oil and HNS reporting for States and will include features such as a user-friendly interface and more modern IT infrastructure. The system will enable cargo data required for all three conventions to be reported securely and be passed seamlessly from the reporting platform to the Secretariat's customer

management systems, which generate invoices for contributors. Integrating oil and HNS reporting will reduce administrative burden and facilitate reporting for States and contributors and enable a modern, comprehensive, secure and adaptable system that will serve the 1992 Fund, the Supplementary Fund and HNS Fund well into the future.

3.3.4 Given the overall benefits of the new system to Member States of all three conventions, the Director believes that in the future, reporting for all three conventions should be done through the online HNS platform. As all three Funds will benefit from the new reporting system, the Director proposes to split the costs of its development among contributors by weighting them according to each Convention's total membership, while taking into account that members of the 2003 Supplementary Fund are also members of the 1992 Fund. This exercise showed a ratio of 15% for the HNS Fund and 85% for the 1992 Fund and Supplementary Fund. As membership in the HNS Fund is expected to increase over time, the Director recommends rounding the HNS Fund's share up to take into account potential new membership. Therefore, the Director proposes that the combined 1992 Fund/Supplementary Fund membership cover 75% of the development costs and the HNS Fund's members cover 25%.

3.3.5 In parallel with the development and deployment of the new reporting system, the Secretariat will review the procedural and regulatory framework governing contributing oil reporting under the 1992 Fund Convention and the Supplementary Fund Protocol. This will include updating the relevant reporting arrangements and, where necessary, proposing amendments to the Internal Regulations to reflect the use of the new technology. The Secretariat will also continue work on the future Internal Regulations of the HNS Fund to ensure that the regulatory framework is aligned with the operation of the reporting and contribution management system.

4 Outreach Activities and Technical Assistance

4.1 The 1992 Fund Secretariat continues to take opportunities to promote the entry into force of the 2010 HNS Convention. Since the May 2026 sessions of the governing bodies, the Secretariat has delivered lectures and workshops on the HNS Convention to representatives of States, non-governmental organisations and visiting students.

4.2 While the Secretariat's primary focus in the lead-up to the entry into force of the Convention will be to provide training to Contracting States with respect to HNS implementation and reporting, States are encouraged to consider holding online workshops with relevant stakeholders for the purpose of highlighting the value of the 2010 HNS Convention, as well as explaining the obligations for States and contributors. The 1992 Fund Secretariat is available to assist States considering ratifying or acceding to the 2010 HNS Convention.

5 Financial Considerations and Budget for HNS-Related Activities

5.1 Introduction

5.1.1 Since 2002, the Secretariat's activities related to the 2010 HNS Convention have been supported by loans from the 1992 Fund's General Fund. As at 30 June 2026, the loans total £1 881 897. The full value of the money loaned by the 1992 Fund will be repaid by the HNS Fund with interest once the Convention enters into force.

5.1.2 To support work related to the 2010 HNS Convention in 2027, the Director proposes that a new appropriation of £454 500 be included in the 2026 General Fund levy payable in 2027. Details of the appropriation and how it compares to the appropriation for 2026 are summarised below:

Expenditure Type	**2027**	**2026**
1992 Fund Management Fee	276 000	276 000
Staff costs	0	115 000
Systems Cost for Online Reporting	42 000	50 000
Operational Costs	136 500	107 200
Total	**454 500**	**548 200**

5.2 Financing of HNS-Related Activities in 2025

5.2.1 In 2025, the 1992 Fund Assembly approved an appropriation of £548 200 to support work on the 2010 HNS Convention in 2026. The budget included a management fee of £276 000 representing 12 working days that the staff of the 1992 Fund Secretariat collectively devoted to tasks relating to the establishment of the HNS Fund during 2026. This amount was increased from seven days in the 2024 budget, representing the Secretariat's expanded work towards entry into force. The 2026 budget also included appropriations for the continued development of the online HNS reporting system, as well as operational costs related to the annual update of the HNS Finder, maintenance of the HNS Convention website, and support to States, including travel to support workshops related to the HNS reporting platform and other outreach activities.

5.3 Financing of HNS-Related Activities in 2027

5.3.1 The Director believes it is important to contain HNS-related costs given that work related to the Convention is funded by loans from the 1992 Fund. All costs incurred by the 1992 Fund will be reimbursed by the HNS Fund with interest once the HNS Fund is established. The Director's proposed budget for HNS-related activities in 2027 is 17% lower than the budget in 2026. The Director has achieved this saving, despite the Secretariat's increased focus on HNS matters, through the technical support resource temporarily seconded to the Secretariat from ITOPF and through apportioning the costs relating to the development of the online HNS reporting system between the 1992 Fund and the HNS Fund, given that oil reporting for 1992 Fund Member States will eventually be done via the platform.

5.3.2 The Director proposes that the HNS budget for 2027 maintains the management fee based on 12 working days. This amount includes a percentage of the salary costs for the Head of the HNS Department as well as time that the rest of the 1992 Fund Secretariat devotes to activities relating to the 2010 HNS Convention such as the provision of technical assistance, time devoted to work on HNS implementation by the five internal Secretariat task forces, as well as participation in outreach activities and the further development of the online reporting system. While work on the HNS Convention within the Secretariat has increased now that the Convention's entry into force date is known, the Director has been able to maintain the management fee at the same level as in 2026 due to the support and additional capacity provided by the staff member seconded from ITOPF.

5.3.3 The 1992 Fund Secretariat continues to develop the online HNS reporting system. The Director proposes a budget of £42 000 for 2027 which represents the HNS Fund's 25% share of the ongoing development costs to cover ongoing maintenance and any adjustments that will need to be made in light of feedback received from Contracting States to the 2010 HNS Convention to assist with their adoption and use of the system in addition to, linking of the reporting platform with the Secretariat's

contribution management systems. As discussed in subsection 3.3 above, the HNS Fund will contribute 25% to the development costs of the upgrades in 2027, with 1992 Fund Member States contributing 75%, given the significant co-benefits to the 1992 and Supplementary Funds in having a more modern and secure reporting system for oil and HNS cargoes.

5.3.4 Operational costs include those related to maintaining and updating the HNS Finder and website and outreach costs to assist States with the implementation of the Convention. The Director proposes a budget of £136 500 for these costs in 2027. This amount is higher than the 2026 budget, as costs are expected to increase with the imminent entry into force of the Convention.

5.4 Director's Considerations

5.4.1 The Director is pleased with the progress of work on the preparations for the entry into force of the 2010 HNS Convention and looks forward to continuing engagement with existing Contracting States, the IMO Secretariat and partners from observer organisations to successfully establish the HNS Fund in 2027. The Director also encourages more States to consider ratifying or acceding to the Convention.

5.4.2 Regarding the online HNS reporting system, the Director believes that its further development and adoption will benefit not only HNS States but also all 1992 Fund Member States. It will provide a user-friendly interface that will better integrate reporting into the Secretariat's contribution management system for both HNS and 1992 Fund contributors, with a more modern underlying IT infrastructure that will keep the system secure and adaptable well into the future. The Director's proposal for the apportionment of the costs for developing the system between the 1992 Fund, the Supplementary Fund and the HNS Fund reflects the benefits to States and contributors to all three conventions in a manner that is balanced, fair and accounts for future growth of membership in the HNS Fund.

6 Action to be Taken

1992 Fund Assembly

The 1992 Fund Assembly is invited to:

(a) note the update on the current status of the 2010 HNS Convention and recent activities undertaken by the 1992 Fund Secretariat to prepare for its entry into force in 2027;

(b) decide whether to apportion the development costs for the second phase of the online HNS Reporting Platform between the 1992 Fund and the HNS Fund on a 75% - 25% basis; and

(c) note the proposed HNS Fund appropriation of £454 500 which is presented to the 1992 Fund Assembly for approval in document IOPC/OCT26/9/1/1.