



Indicative Costs To Contributors

International Oil Pollution Compensation Funds

Levies under the HNS Convention

INITIAL LEVY

One-off contribution at accession

WHEN

Once, when a State becomes a party to the Convention.

MEDIAN ESTIMATE RATE

£0.0109091

per tonne/ £5-7M to cover

WHO PAYS

All contributors, apportioned across all accounts.

ANNUAL LEVIES

Administrative / running costs

WHEN

Decided by the Assembly each year, if required.

MEDIAN ESTIMATE RATE

£0.0011818

per tonne /£550-750k per year total

WHO PAYS

All contributors, apportioned across all accounts.

Compensation for incident

WHEN

Only when an HNS incident exceeds shipowner liability.

AMOUNT

Variable

depends on incident scale, type, and claims

WHO PAYS

Only contributors to the relevant account (substance type of the incident).

*500-600M tonnes total contributing cargo estimated

EXAMPLE FOR A CONTRIBUTOR

20,000 T

50,000 T

100,000 T

Initial levy (one-off)

£218.18

£545.45

£1,090.90

Annual levy (if required)

£23.64

£59.09

£118.18

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INITIAL CONTRIBUTION

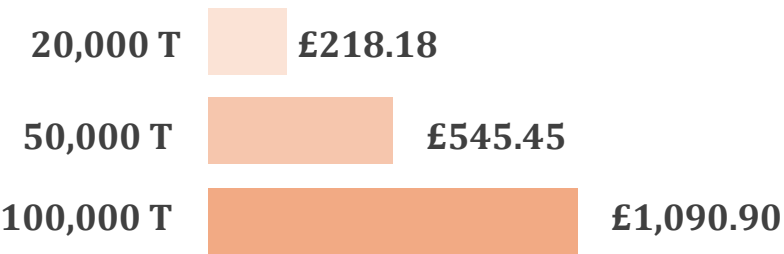
MEDIAN ESTIMATE RATE

£0.0109091

per tonne of contributing cargo

Initial levy = $\frac{\text{£5-7M estimated setup cost}}{\text{500-600M tonnes total contributing cargo estimated}}$

INDICATIVE COST BY CARGO VOLUME



THINGS TO KEEP IN MIND

- 01 One-time levy paid at Member State accession
- 02 Levy set by the HNS Fund Assembly at its first meeting
- 03 To be paid by all contributors

COVERS

- Secretariat setup
- Working capital
- Repayment of the loan from the 1992 Fund

ANNUAL CONTRIBUTION – Administrative costs

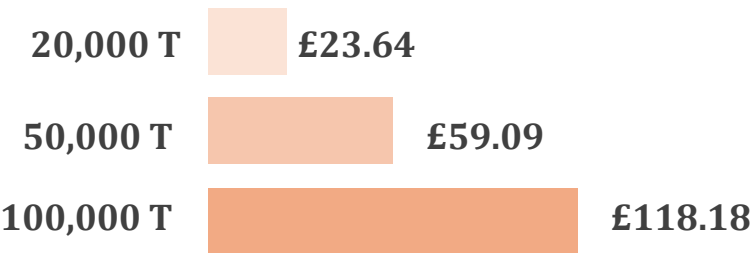
MEDIAN ESTIMATE RATE

£0.0011818

per tonne of contributing cargo

$$\text{Annual levy} = \frac{\text{£550-750k estimated running cost}}{\text{500-600M tonnes total contributing cargo estimated}}$$

INDICATIVE COST BY CARGO VOLUME



THINGS TO KEEP IN MIND

- 01** Levy only if required.
In early years, initial contributions from new entrants are expected to be sufficient - no annual levy expected to be needed
- 02** Levy set by the HNS Fund Assembly every year
- 03** To be paid by all contributors

COVERS

- Staff and office (shared with IOPC Funds)
- IT systems: HNS Finder, reporting platform, website
- Outreach and meetings

ANNUAL CONTRIBUTION – Incident compensation costs

MEDIAN ESTIMATE RATE

Variable

per tonne of contributing cargo

$$\text{Incident levy} = \frac{\text{Amounts of claims}}{\text{Total contributing cargo of the relevant account}}$$

INDICATIVE COST BY CARGO VOLUME

- Depends on incident scale
- Substance type of the incident
- Claims assessment

THINGS TO KEEP IN MIND

- 01 Levy only when an HNS incident exceeds shipowner liability
- 02 Levy set by the HNS Fund Assembly every year
- 03 To be paid ONLY by contributors to the relevant account (substance type of the incident).

COVERS

- Compensation to victims beyond shipowner cover

LEVIES FOR CONTRIBUTORS

INITIAL LEVY

One-off contribution at accession

ANNUAL LEVIES

Administrative costs, if required

Costs for incident, if required