



COMPENDIUM OF CANADA'S ENGAGEMENT IN INTERNATIONAL ENVIRONMENTAL AGREEMENTS AND INSTRUMENTS

International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992 (1992 Fund Convention)

SUBJECT CATEGORY:

Marine/Oceans.

TYPE OF AGREEMENT / INSTRUMENT:

Multilateral.

FORM:

Legally-binding treaty.

STATUS:

- Ratified by Canada: May 29, 1998
- In force in Canada: May 29, 1999
- In force internationally: May 30, 1996

LEAD & PARTNER DEPARTMENTS:

Lead: Transport Canada

FOR FURTHER INFORMATION:

Web Links:

[International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992](#)

[International Oil Pollution Compensation Funds](#)

Contacts:

[ECCC Inquiry Centre](#)

COMPENDIUM EDITION:

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PLAIN LANGUAGE SUMMARY

The *International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992* (1992 Fund Convention), was adopted by the International Maritime Organization to establish an international compensation fund for oil pollution damage from ships carrying persistent oil as cargo.

OBJECTIVE

The 1992 Fund Convention establishes an oil pollution compensation fund made up of contributions from receivers of oil by ship in State Parties.

KEY ELEMENTS

The 1992 Fund Convention is intended to supplement the liability of the ship-owner established under the *International Convention on Civil Liability for Oil Pollution Damage, 1992*. Thus, it ensures the sharing of the financial burden between the ship-owner and the cargo interests. The total amount of compensation available for a single incident is 203 million Special Drawing Rights, including the ship owner's liability.

The 1992 Fund provides compensation when:

- The ship owner's limit of liability is exceeded.
- The ship-owner is exempt from liability.
- The ship-owner is financially incapable of meeting their obligations and their insurance is insufficient to compensate.

The 1992 Fund Convention creates an international organization known as the International Oil Pollution Compensation Fund and sets out the governance of the organization. It also sets out the obligations for reports and contributions to be made annually to the Fund.

EXPECTED RESULTS

The 1992 Fund Convention expected to achieve the creation of an international compensation fund that supplements the liability of the ship-owner and that provides compensation to those affected by losses or damage resulting from oil pollution from tankers.

CANADA'S INVOLVEMENT

Maritime shipping is an important part of trade and the Canadian economy. Through international agreements,

Canada can ensure losses and damage from oil pollution are covered.

As a Member State, Canada is involved with the 1992 Fund, including taking part in the 1992 Fund Assembly. Assemblies are held at least once a year.

The *International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage*, 1971 was first entered into force in Canada in 1989 as part of the *Canada Shipping Act*. Following amendments made in May 1998 to the Act, the 1971 Fund Convention was replaced by the 1992 Fund Convention.

Since 2001, these provisions are contained in the [*Marine Liability Act*](#).

RESULTS / PROGRESS

Activities

Canada has been a Member State of the International Oil Pollution Compensation Funds since 1989. Canada actively works with the Funds and other Member States on the

development and administration of the international compensation regime. This includes ensuring that Canada's obligations of reporting contributing oil to the Funds is collected and any contributions are paid by Canada's domestic fund, the Ship-Source Oil Pollution Fund.

Reports

Information on Canada's contributions can be found with the [International Oil Pollution Compensation Funds' Oil Reporting and Contributions page](#)

The International Oil Pollution Compensation Funds issues an [Annual Report](#).

Results

The results of being party to the 1992 Fund Convention is that Canada promotes global uniformity and ensures that a compensation regime is in place for ships carrying oil as cargo in its waters.