

Hong Kong Fleet Operation Advisory Committee

Implementation of the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 2010

Purpose

1. The purpose of this paper is to seek Members' views on the implementation of the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 2010 (the 2010 HNS Convention), which was adopted by the International Maritime Organization (IMO).

Background

2. The IMO adopted the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 1996 (the 1996 HNS Convention) on 3 May 1996 and a Protocol to the 1996 HNS Convention on 30 April 2010 (the Protocol). The Protocol and the 1996 HNS Convention are collectively known as the 2010 HNS Convention.

3. The 2010 HNS Convention is open for accession and will enter into force 18 months after the entry-into-force conditions are fulfilled¹. As of 4 March 2025, eight States² have ratified the 2010 HNS Convention and four States³ have announced their plan to ratify it in the summer of 2025. In anticipation, the 2010 HNS Convention may enter into force as early as in 2027. The consolidated English text of the 2010 HNS Convention is attached as **Annex I** of this paper for reference.

Summary of the 2010 HNS Convention

4. The 2010 HNS Convention aims to put in place a globally agreed regime for adequate, prompt and effective compensation in the event of an incident at sea involving hazardous and noxious substances (HNS). It adopts strict liability of the shipowner for compensation and covers a wide range of HNS, including LNG and LPG in bulk, dangerous goods in packaged form under the International Maritime Dangerous Goods Code (the "IMDG Code"), persistent and non-persistent oils and several thousand substances. The 2010

¹ The Convention will enter into force 18 months after the date on which at least twelve States, including four States each with not less than 2 million units of gross tonnage, have expressed their consent to be bound by it. These States must also have received a total quantity of at least 40 million tonnes of cargo contributing to the general account of the HNS Fund in the preceding calendar year.

² Canada, Denmark, Estonia, France, Norway, Slovakia, South Africa and Türkiye

³ The text of the relevant note IOPC/APR25/8/1 is available from the webpage https://www.hnsconvention.org/wp-content/uploads/2025/04/IOPC-APR25-8-1_e.pdf

HNS Convention applies to loss of life and personal injury onboard and outside the ship, damages to property in and outside the territorial sea of any State Party, and damages to environment in the territorial sea and Exclusive Economic Zone of a State Party, including preventive measures taken, caused by HNS carried by a sea-going ship. Upon entry into force, sea-going ships registered in a State Party and sea-going ships wherever registered visiting ports of a State Party, when carrying HNS as cargo, either in bulk or in packaged form, will be required to maintain compulsory insurance or other financial security to cover the shipowner's liability at an amount based on the ship's tonnage and form of carriage.

5. The 2010 HNS Convention establishes a receiver-financed International Hazardous and Noxious Substances Fund (the "HNS Fund"). Under the 2010 HNS Convention, a receiver of bulk HNS, as distinct from HNS in packaged form, in a quantity above the specified threshold will be required to report the quantities of HNS received in a calendar year and pay a one-time initial contribution and subsequent annual contributions to the HNS Fund, which provides post-accident top-up compensations for claims when the shipowner's insured liability is insufficient, or the shipowner is unable to meet its obligations or is exonerated.

Application of the 2010 HNS Convention in Hong Kong

6. The 2010 HNS Convention is comprehensive regime of liability and compensation. It is similar to, but not a replacement of, the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage which have been smoothly implemented in Hong Kong for more than twenty years, enhancing the positive image and the reputation of Hong Kong as an international maritime centre.

7. We anticipate that Hong Kong would further benefit from the application and implementation of the 2010 HNS Convention, thereby demonstrating its commitments to maintaining high standard of marine safety and environmental prevention.

Proposals of Legislation

8. We propose to introduce new legislation to implement the 2010 HNS Convention in Hong Kong. The new legislation will include provisions to require the Hong Kong-registered sea-going ships and non-Hong Kong sea-going ships visiting Hong Kong to maintain insurance or other financial security when carrying HNS, and to enable the MD to issue the required certificates of insurance certifying that Hong Kong-registered ships comply with the 2010 HNS Convention. The new legislation will also include provisions to require HNS receivers who have received in Hong Kong, in a calendar year, contributing cargo carried by sea above certain thresholds in quantity, to report annually to the MD the quantities of contributing cargo received and to make initial and subsequent annual contributions to the HNS Fund based on the reported quantity of contributing cargo.

Consultation

9. Members are invited to give comments on the proposed legislation intent for the implementation of the 2010 HNS Convention in the HKSAR.

Marine Department
Multi-lateral Policy Division
18 September 2025

Enclosure:

Annex I: International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 2010