

Regulation 55

Purpose of the Environmental Compensation Fund

1. The purpose of the Fund is to provide compensation in cases where a contractor sponsored by a State Party to the Convention incurs liability under a duty to provide compensation but is unable to meet its liability in full, while the Sponsoring State is not liable under Article 139, paragraph 2, of the Convention.
2. Based on the polluter pays principle and as reflected in these Regulations, the Contractor shall be responsible for providing adequate compensation for any damage arising from the activities conducted under an Exploitation Contract. This includes reasonable measures to prevent, limit, or remedy damage to the marine environment, as well as restitution, restoration and rehabilitation.
3. The Fund shall be subject to periodic review, including the consideration of whether restoration has become technically and economically feasible and could be carried out in accordance with Good Industry Practice, Best Environmental Practices and Best Available Techniques when the costs of such measures and efforts cannot be recovered from a Contractor or Sponsoring State, as the case may be.