

TEST BANK



**INTERNATIONAL
BUSINESS LAW**

Text, Cases, and Readings Sixth Edition



RAY AUGUST • DON MAYER • MICHAEL BIXBY

Chapter 2: State Responsibility and Environmental Regulation

True or False Questions

1. According to the doctrine of imputability, the state is responsible for the acts of private persons and acts of officials of other states or international organizations.

Answer: False

Diff: 1

Topic: State Responsibility

Skill: Legal Concepts

2. States are not responsible for acts done by officials contrary to express orders.

Answer: False

Diff: 1

Topic: State Responsibility

Skill: Legal Concepts

3. The doctrine of imputability does not make the state liable for an act of terrorism committed by its nationals against foreigners.

Answer: True

Diff: 1

Topic: State Responsibility

Skill: Legal Concepts

4. Any act of expropriation of foreign property is considered illegal under international law.

Answer: False

Diff: 2

Topic: Standard of Care

Skill: Legal Concepts

5. An error of a national court which does not produce a manifest injustice is not considered a denial of justice.

Answer: True

Diff: 1

Topic: Standard of Care

Skill: Legal Concepts

6. Private persons cannot stand as plaintiffs in the International Court of Justice.

Answer: True

Diff: 1

Topic: Objections

Skill: Legal Concepts

7. According to the Sinecure Clause, an investor who seeks to establish a business operation in a foreign country should agree, in advance, that he, she, or it will not ask for its home state to intervene in any dispute with the host state.

Answer: False

Diff: 2

Topic: Objections

Skill: Legal Concepts

8. Before an individual or business firm can seek the help of its home state in supporting a complaint of mistreatment by a foreign state, the individual or firm must exhaust all of the local remedies available to it within the foreign state.

Answer: True

Diff: 2

Topic: Objections

Skill: Legal Concepts

9. The objection that may be made to an international tribunal's exercise of jurisdiction when there is no real and bona fide relationship between the state bringing the suit and the person on whose behalf the suit is brought is referred to as "lack of standing."

Answer: False

Diff: 1

Topic: Objections

Skill: Legal Concepts

10. If the injury is done directly to a state, then the objection of failure to exhaust all remedies cannot be raised.

Answer: True

Diff: 2

Topic: Objections

Skill: Legal Concepts

11. The requirement for a person to exhaust remedies cannot be waived by treaties.

Answer: False

Diff: 2

Topic: Objections

Skill: Legal Concepts

12. The Overseas Private Investment Corporation (OPIC) only operates as an insuring agency for companies investing in less developed countries.

Answer: False

Diff: 1

Topic: Insurance

Skill: Legal Concepts

13. The Overseas Private Investment Corporation (OPIC) is an independent government agency.

Answer: True

Diff: 1

Topic: Insurance

Skill: Legal Concepts

14. The OPIC does not insure against minor diminishment in the value of an investment.

Answer: True

Diff: 1

Topic: Insurance

Skill: Legal Concepts

15. The OPIC's coverage for currency inconvertibility only insures an existing legal right to convert.

Answer: True

Diff: 1

Topic: Insurance

Skill: Legal Concepts

16. The OPIC cannot obtain subrogation rights against the host government from the insured.

Answer: False

Diff: 1

Topic: Insurance

Skill: Legal Concepts

17. The OPIC limits its exposure in any one country to no more than 10 percent of its total risk.

Answer: True

Diff: 1

Topic: Insurance
Skill: Legal Concepts

18. The United Nations Environment Program was created upon the recommendation of the Stockholm Declaration.

Answer: True
Diff: 1
Topic: Environmental Protection
Skill: Legal Concepts

19. Adoption of the precautionary approach to protecting the environment was agreed upon in the Stockholm Declaration.

Answer: False
Diff: 1
Topic: Environmental Protection
Skill: Legal Concepts

20. The 1982 United Nations Convention on the Law of the Sea demands that states monitor and assess the risks and effects of pollution and publish the results of those studies.

Answer: True
Diff: 1
Topic: Environmental Protection
Skill: Legal Concepts

21. The United Nations Framework Convention on Climate Change (UNFCCC) was adopted at the Stockholm Declaration.

Answer: False
Diff: 1
Topic: Environmental Protection
Skill: Legal Concepts

22. The UNFCCC recognizes industrialized countries as the main source of air pollution.

Answer: True
Diff: 1
Topic: Environmental Protection
Skill: Legal Concepts

23. The UNFCCC divides its member countries into two main groups, Annex I countries and non-Annex I countries.

Answer: True

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

24. The only developed Annex I country to indicate that it is not a party to the Kyoto Protocol is the United States.

Answer: True

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

25. Movement of toxic and other wastes are regulated by the Kyoto Protocol.

Answer: False

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts

Multiple Choice Questions

26. All notions of state responsibility are set within the framework of an international legal system where _____ is the most basic principle.

- A. democracy
- B. suzerainty
- C. sovereignty
- D. anonymity

Answer: C

Diff: 1

Topic: State Responsibility

Skill: Legal Concepts

27. According to the doctrine of imputability, _____.

- A. a new state coming into existence through decolonization is under no obligation to succeed to the treaties of its former colonial power
- B. a state is only responsible for actions that are attributable to it
- C. all persons, including the sovereign, are subordinate to the rule of law
- D. customary international law is applicable domestically only after it is adopted by legislation, court decision, or local usage

Answer: B

Diff: 3

Topic: State Responsibility

Skill: Legal Concepts

28. According to the principle of imputability, a state will be responsible for _____.

- A. actions taken by an international organizations
- B. acts of officials of other states
- C. acts of private persons
- D. actions taken by its officials

Answer: D

Diff: 2

Topic: State Responsibility

Skill: Legal Concepts

29. Which of the following is true of state responsibility toward acts of terrorism?

- A. A state is liable for all terrorist acts that happen within its territories.
- B. A state is only liable for international acts of terrorism perpetrated by its nationals.
- C. A state's responsibility is often limited to helping other states bring terrorists to trial.
- D. A state is liable only for those terrorist acts that are perpetrated by foreign nationals within its territory.

Answer: C

Diff: 2

Topic: State Responsibility

Skill: Legal Concepts

30. Which of the following arguments has to be proven to hold a state liable for injuries?

- A. estoppel
- B. causation
- C. comity
- D. privity

Answer: B

Diff: 1

Topic: State Responsibility

Skill: Legal Concepts

31. The national standard of care is a doctrine that states that a state _____.

- A. must treat aliens the same way that it treats its own nationals
- B. must try an alien according to the laws existing in the alien's country
- C. is responsible for injury to an alien when the state violates international norms

D. is liable for the actions of the alien within its territory

Answer: A

Diff: 2

Topic: Standard of Care

Skill: Legal Concepts

32. The doctrine of international standard of care states that _____.

A. a state must treat aliens the same way that it treats its own nationals

B. a state is responsible for injuring an alien when the state's conduct violates international norms

C. a state is responsible for the actions of its nationals present in other countries

D. a state is obliged to admit aliens into its territories freely

Answer: B

Diff: 1

Topic: Standard of Care

Skill: Legal Concepts

33. _____ is the state's taking or deprivation of the property of foreigners.

A. Expropriation

B. Accommodation

C. Arraignment

D. Easement

Answer: A

Diff: 1

Topic: Standard of Care

Skill: Legal Concepts

34. In municipal law, the right of a government to "take" property for public purposes is known as _____.

A. *jus commune*

B. estoppel

C. arraignment

D. eminent domain

Answer: D

Diff: 1

Topic: Standard of Care

Skill: Legal Concepts

35. _____ is an objection that may be made to an international tribunal's exercise of jurisdiction when a plaintiff is not qualified to appear before the court.

- A. Lack of nationality
- B. Lack of standing
- C. Lack of genuine link
- D. Failure to exhaust remedies

Answer: B

Diff: 1

Topic: Objections

Skill: Legal Concepts

36. Which of the following is a form of objection that a state can raise against complaints brought against them?

- A. expropriation
- B. arraignment
- C. lack of nationality
- D. negligence

Answer: C

Diff: 1

Topic: Objections

Skill: Legal Concepts

37. Which of the following cases is most likely to be dismissed at the International Court of Justice (ICJ) because of lack of standing?

- A. the country of Tihisi representing a national from the country of Jambia as a plaintiff at the ICJ
- B. the Fonston Corporation being the plaintiff for a case brought to the ICJ
- C. James being represented by his country, Inkland, at the ICJ
- D. the Hindalu Corporation exhausting all local remedies before contacting their parent-country to represent them at the ICJ

Answer: B

Diff: 3

Topic: Objections

Skill: Legal Concepts

38. Which of the following is true of the objection of lack of standing that a state can raise against a complaint at the ICJ?

- A. It can prevent private persons from directly entering into a case against a country.
- B. It only applies to persons with dual citizenship.

- C. It cannot be used as grounds for dismissing a case.
- D. It prevents states from sponsoring private persons from bringing a case against another state.

Answer: A

Diff: 3

Topic: Objections

Skill: Legal Concepts

39. The objection of lack of nationality prevents states from sponsoring _____.

- A. its nationals
- B. aliens
- C. corporations
- D. people with dual citizenships

Answer: B

Diff: 1

Topic: Objections

Skill: Legal Concepts

40. According to the objections of _____, a state may bring a complaint in an international tribunal on behalf of one of its own nationals but it may not do so on behalf of any other person.

- A. lack of standing
- B. lack of nationality
- C. lack of a genuine link,
- D. failure to exhaust remedies

Answer: B

Diff: 1

Topic: Objections

Skill: Legal Concepts

41. In case of a person with dual citizenship, which of the following is true about using the lack of nationality objection for the two countries involved?

- A. It cannot be used by either of the two countries against each other.
- B. It cannot be used by a third country against any one of the two countries involved.
- C. It cannot be used against the country of master nationality by the other country.
- D. It cannot be used by any one of the two countries against a third country.

Answer: C

Diff: 3

Topic: Objections

Skill: Legal Concepts

42. The _____ is an agreement between a host state and a foreign investor that says that the investor will not seek the diplomatic assistance of his, her, or its home state in resolving disputes with the host state.

- A. Calvo Clause
- B. Due Process Clause
- C. exclusionary rule
- D. shelter principle

Answer: A

Diff: 1

Topic: Objections

Skill: Legal Concepts

43. The objection that may be made to an international tribunal's exercise of jurisdiction when there is no real and bona fide relationship between the state bringing the suit and the person on whose behalf the suit is brought is referred to as _____.

- A. lack of nationality
- B. lack of a genuine link
- C. failure to exhaust remedies
- D. lack of standing

Answer: B

Diff: 1

Topic: Objections

Skill: Legal Concepts

44. For companies, the ability of a state to sponsor a complaint primarily depends on the particular company's _____.

- A. nationality
- B. social responsibility record
- C. financial status
- D. type of business

Answer: A

Diff: 1

Topic: Objections

Skill: Legal Concepts

45. _____ is an objection that can be raised by a defendant when there is a negligent delay in asserting a right or a claim by a plaintiff.

- A. Expropriation
- B. Lack of a genuine link
- C. Failure to exhaust remedies
- D. Laches

Answer: D

Diff: 1

Topic: Objections

Skill: Legal Concepts

46. Which of the following describes the objection of “dirty hands” against a plaintiff?

- A. the plaintiff seeks the support of a state to which it has no direct relation
- B. the plaintiff has not exhausted all local remedies before seeking the support of its parent country
- C. the plaintiff takes a negligent delay in asserting a right or a claim
- D. the plaintiff takes inappropriate steps in attempting to recoup a loss prior to bringing a claim

Answer: D

Diff: 2

Topic: Objections

Skill: Legal Concepts

47. Which of the following describes the relief of “restitution in kind” awarded to a plaintiff?

- A. an item taken from the plaintiff is to be returned by the defendant
- B. the honor of the plaintiff is to be restored by the defendant
- C. money is to be paid by the defendant for the cost of the injury suffered by the plaintiff
- D. the defendant has to pay a fine to the plaintiff and the amount of the fine is decided by the court which is generally beyond the cost of injury

Answer: A

Diff: 2

Topic: Relief

Skill: Legal Concepts

48. Which of the following is true of the United States Overseas Private Investment Corporation (OPIC)?

- A. It is run by the Agency for International Development.
- B. It is an example of a private insurer of companies.
- C. It functions both as a bank and insurer.
- D. It does not provide expropriation coverage.

Answer: C
Diff: 3
Topic: Insurance
Skill: Legal Concepts

49. _____ refers to a series of administrative acts that in combination result in depriving persons of their property.

- A. Creeping expropriation
- B. Laches
- C. Arraignment
- D. Accommodation

Answer: A
Diff: 1
Topic: Insurance
Skill: Legal Concepts

50. The OPIC provides insurance for creeping expropriations _____.

- A. only if the expropriation happens without the involvement of the residential state of the investor
- B. even if the expropriation is partial
- C. only if the expropriation is breaking international law
- D. only if the investor is willing to give up all claims to the investment

Answer: D
Diff: 2
Topic: Insurance
Skill: Legal Concepts

51. Which of the following is true of OPIC's coverage policies?

- A. It covers partial expropriation.
- B. It covers risks associated with currency inconvertibility.
- C. It limits its exposure in any one country to no more than 40 percent of its total risk.
- D. It does not cover firms that have not acquired subrogation rights from the host nation's government.

Answer: B
Diff: 3
Topic: Insurance
Skill: Legal Concepts

52. The _____ is a body of the World Bank that provides political risk insurance guarantees to private sector investors and lenders.

- A. Multilateral Investment Guaranty Agency
- B. International Development Association
- C. Overseas Private Investment Corporation
- D. Foreign Credit Insurance Association

Answer: A

Diff: 1

Topic: Insurance

Skill: Legal Concepts

53. Which of the following issuances provides the proclamation, given below, on state responsibility toward the environment?

“...States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other states or of areas beyond the limits of national jurisdiction.”

- A. the Kyoto Protocol
- B. Agenda 21
- C. the Stockholm Declaration
- D. the Bonn Agreement

Answer: C

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

54. The _____ was issued by the United Nations Conference on the Environment and Development and it linked protection of the environment and development as related goals.

- A. UN charter
- B. Rio Declaration
- C. Bonn Agreement
- D. Kyoto Protocol

Answer: B

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

55. Which of the following was a result of the Rio Declaration?

- A. the establishment of the United Nations Environment Program

- B. the United Nations adoption of Resolution 2389
- C. the obligation on states to prepare an “environmental impact assessment”
- D. the creation of the United Nations Conference on the Environment and Development

Answer: C

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts

56. The principle assertion that “each individual shall have appropriate access to information concerning the environment that is held by public authorities,” was established in _____.

- A. Resolution 2389
- B. Agenda 21
- C. the Stockholm Declaration
- D. the Rio Declaration

Answer: D

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

57. _____ is a statement designating objectives and priority actions for the international community leading up to the year 2000 and beyond. These include the promotion of sustainable and environmentally friendly growth, the prevention of pollution, and the protection and conservation of the Earth’s natural resources.

- A. Agenda 21
- B. Kyoto Protocol
- C. Resolution 2389
- D. Article 5

Answer: A

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

58. Which of the following would be categorized under the sectoral approach of regulating pollution?

- A. combating global warming
- B. safe removal of toxic wastes
- C. controlling radioactive contamination
- D. supervising the use of fissionable materials

Answer: A

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts

59. Which of the following international treaty on global warming was adopted with the Rio Declaration?

- A. the Western Climate Initiative
- B. the Kyoto Protocol
- C. the United Nations Convention on the Law of the Sea
- D. the United Nations Framework Convention on Climate Change

Answer: D

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

60. In which of the following ways does the United Nations Framework Convention on Climate Change distribute the burden of reducing emissions among different countries?

- A. It requires industrialized nations to be more responsible in controlling greenhouse emissions.
- B. It requires developing countries to take the lead in modifying long-term emission trend.
- C. It requires developing countries to help other developing countries with financial and technological help.
- D. It requires countries of all economic strengths to provide equal efforts in curbing greenhouse emissions.

Answer: A

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts

61. The _____ is a supplemental agreement to the UN Framework Convention on Climate Control drafted in 1997 that requires developed member countries of the convention to reduce greenhouse gas emissions by 5.2 percent below 1990 levels.

- A. Kyoto Protocol
- B. Stockholm Declaration
- C. Calvo Clause
- D. Alpine Convention

Answer: A

Diff: 1

Topic: Environmental Protection
Skill: Legal Concepts

62. Which of the following is one of the two conditions that had to be satisfied for the Kyoto Protocol to come into force?

- A. It had to be ratified by all the non-Annex I countries.
- B. It had to be ratified by 55 percent of all member countries.
- C. It had to be ratified by Annex I parties accounting for 30 percent of that group's carbon dioxide emissions in 1990.
- D. It had to be ratified by 40 percent of all the non-Annex I countries.

Answer: B

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts

63. Which of the following would be categorized under the product approach of regulating pollution?

- A. protecting the coral reefs
- B. controlling the emission of greenhouse gases
- C. cleaning up oil spills
- D. promoting the peaceful use of atomic energy

Answer: D

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts

64. The _____ has the function to oversee compliance with the 1968 Treaty on the Non-Proliferation of Nuclear Weapons, and carrying out inspections at nuclear facilities in non-nuclear weapons states.

- A. European Organization for Nuclear Research
- B. International Atomic Energy Agency
- C. World Association of Nuclear Operators
- D. International Energy Agency

Answer: B

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

65. In October 1982, the United Nations General Assembly adopted the _____. It states that all states have a duty to respect the essential processes of environment and not to impair them.

- A. Vienna Convention for the Protection of the Ozone Layer
- B. World Charter for Nature
- C. Kyoto Protocol
- D. Chicago Convention on International Civil Aviation

Answer: B

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

Essay Questions

66. What constitutes a “denial of justice?”

Answer: A denial of justice is said to exist “when there is a denial, unwarranted delay or obstruction of access to courts, gross deficiency in the administration of judicial or remedial process, failure to provide those guarantees which are generally considered indispensable to the proper administration of justice, or a manifestly unjust judgment. An error of a national court which does not produce a manifest injustice is not a denial of justice.” The states that advocate the application of a national standard emphasize that notions of justice are relative to each society and that whether or not there has been a denial of justice with respect to a particular case requires an understanding of the judicial system of the society where the case arose.

Diff: 1

Topic: Standard of Care

Skill: Legal Concepts

67. Explain the objection of lack of standing used for cases in international tribunals.

Answer: A common objection states raise to being sued in international tribunals is lack of standing. If a plaintiff is not qualified to appear before the particular court, the case must be dismissed. In most international tribunals, such as the International Court of Justice, only a state can file a complaint. If a private person or company were to appear as a plaintiff, the case would be dismissed for want of standing. In these tribunals, the only way for the matter to be heard is for a state to sponsor the suit of its national.

Diff: 1

Topic: Objections

Skill: Legal Concepts

68. Explain factors that lead to creeping expropriation of investment in less developed countries.

Answer: The trend of creeping expropriation is attributable to at least three factors. First, most LDC governments need to attract foreign investment, and they are reluctant to take any action that might discourage investment in their countries. Second, LDC governments have become much more sophisticated. Instead of using outright nationalization with all of its undesirable repercussions, they achieve the same political or economic objectives through other means like, creeping expropriation. Third, international transactions no longer consist mainly of agreements with a host government for the extraction of minerals or other resources. Instead, international investments typically take the form of a joint venture or some other form of cooperative dealing that involves both the host country government and private host country nationals.

Diff: 2

Topic: Insurance

Skill: Legal Concepts

69. Explain the role of the World Bank's Multilateral Investment Guaranty Agency in insuring losses from political risks.

Answer: Since its inception in 1988, MIGA has provided political risk insurance guarantees to private sector investors and lenders. Its shareholders include most of the world's nation-states. Part of MIGA's mission is to share its research and knowledge about risk in a variety of sectors and geographic locations, with particular emphasis on investments in "difficult operating environments" and in places where it can make the greatest difference. MIGA emphasizes insurance in states eligible for assistance from the International Development Association, conflict-affected environments, complex transactions in infrastructure and extractive industries, and "south to south" investments (from one developing country to another).

Diff: 2

Topic: Insurance

Skill: Legal Concepts

70. Discuss the two approaches used internationally to regulate pollution.

Answer: Efforts to minimize pollution have taken two approaches: a sectoral approach regulating particular sectors of the environment and a product approach regulating particular pollutants. The main environmental sectors subject to international regulations are the marine environment and the atmosphere. The principal product areas subject to international environmental regulation are toxic waste and nuclear materials.

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

71. What are the general obligations given to Annex I and non-Annex I countries regarding greenhouse gas emission by the United Nations Framework Convention on Climate Change (UNFCCC)?

Answer: Article 4 of the UNFCCC says that both groups of member countries have general obligations. These include the obligations to (1) promote programs to address greenhouse gas emissions; (2) protect carbon sinks and reservoirs (forests and other natural systems that remove carbon from the atmosphere); (3) assess the environmental impact of their social and economic policies; (4) develop and share climate-friendly technologies and practices; (5) promote education, training, and public awareness of climate change; and (6) submit reports (known as national communications) on the actions they are taking to implement the convention.

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts

72. What is the Kyoto Protocol? What is its main objective?

Answer: At the Conference of the Parties meeting in Kyoto, Japan, in 1997, the member countries drafted the Kyoto Protocol to the United Nations Framework Convention on Climate Change. The Kyoto Protocol would legally bind the developed Annex I countries to reduce the amount of their greenhouse gas emissions by 5.2 percent below 1990 levels during the five-year period between 2008 and 2012. The main objective of the Kyoto Protocol is the “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.”

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts

73. Discuss the ways in which toxic wastes are regulated internationally by the 1989 Basel Convention.

Answer: Toxic and other wastes are regulated by the 1989 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, which came into force in 1992. The convention forbids the export of “hazardous wastes and other wastes” to nonstate parties and to state parties unwilling or incapable of safely accepting them, and it forbids state parties to import wastes unless they can safely manage them. It also requires state parties to take appropriate actions to minimize their own production of hazardous wastes.

Diff: 1

Topic: Environmental Protection

Skill: Legal Concepts

74. Explain the World Charter for Nature’s role in protecting natural resources.

Answer: In October 1982, the United Nations General Assembly adopted the World Charter for Nature. Principle 11 of the World Charter for Nature declares that states need to establish procedures to control “activities which might have an impact on nature.” In particular, it calls upon states to (1) avoid activities that are likely to cause irreversible damage to nature, (2) conduct “exhaustive” examinations to demonstrate that the

expected benefits outweigh the potential damage to nature before proceeding with activities that are likely to pose a significant risk, and (3) prepare environmental impact studies that include plans for minimizing potentially adverse effects before undertaking activities that may disturb nature.

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts

75. What liabilities are placed on states or person, by international conventions, for causing environmental damage?

Answer: There are a few conventions that impose liability on persons who cause damage to the environment. These conventions, in general, define the nature of the liability, the persons who are liable, and the extent of their liability. Thus, with respect to damage resulting from the use of nuclear materials, the operators of nuclear installations are made “absolutely and exclusively” liable for any damage they cause. This includes continuing liability for damage that occurs while nuclear materials are being transported by ship from one installation to another. States parties are allowed to set liability limits, but these can be no less than 5 million U.S. gold-based dollars. Similar rules apply to marine oil pollution. The operators of oil tankers or other ships that pollute the ocean with oil are liable “regardless of fault or negligence” up to a maximum limit of 59.7 million Special Drawing Rights (about U.S. \$76.5 million), depending on the tonnage of the ship. Victims who suffer damages exceeding this amount can seek additional compensation from an International Fund for Compensation of Oil Pollution Damage.

Diff: 2

Topic: Environmental Protection

Skill: Legal Concepts