1. **What are the Department's expectations with respect to ratifications by other states and to what extent could this make a difference to how beneficial the convention will be to the UK.**

   The Department is unable to comment on the expectations in regard to future ratifications by other states as it is a sovereign decision for those countries. However, we can say that we are increasingly seeing a recognition of the value of establishing nuclear third party liability (NTPL) treaty relations.

   The CSC shared international fund means more compensation for victims of a nuclear incident, and should more states join the convention, then the value of the shared international fund would rise further. That would mean that in the event of a nuclear incident in a CSC country, the amount of compensation available via the shared international fund would increase. Additionally, should a country that the UK does not presently have treaty relations with join the CSC, then there would be an increase in the number of countries the UK has NTPL relations with. This is beneficial as the principles of channelling exclusively to the operator and jurisdiction that an incident occurs would apply to more countries.

2. **There is reference in the EM: We recognise that there may be impacts or changes required by nuclear operators and insurers as a result of CSC accession, and we will work with them in advance of accession to the treaty. Would it be possible to provide some more clarification please?**

   On accession to the CSC, the changes to the Nuclear Installations Act 1965 (the Act) that have been made to implement the CSC in the UK will come into force. This includes provisions regarding operator liability for CSC claims. Operators must make provision for their liabilities under the Act which is done through financial security. Therefore, it is important that any changes are reflected in their insurance arrangements to ensure compliance with the Act.

   To achieve this, the department is working closely with operators and insurers to get them ready for accession to the CSC.

3. **The Convention supplements other existing NTPL regimes, and in particular, for the UK, the Paris Convention. Can I check this please, and also the relationship with Brussels Convention? The Vienna Convention is also mentioned in the agreement but not sure of the relation there.**

   The CSC is open to accession from a State which is a Party to either the Paris Convention or the Vienna Convention, or a State which declares that its national law complies with the provisions of the Annex to the CSC. The purpose of the CSC is to supplement the system of compensation provided pursuant to national law which implements one of those conventions or complies with the provisions of the Annex.

The UK is a contracting party to the Paris Convention, and therefore the UK's accession to the CSC will supplement the existing regime established by the Paris Convention.

Parties to the Paris Convention may also join the Brussels Supplementary Convention. The Brussels Supplementary Convention sits above the Paris Convention, and establishes a further level of compensation that is available to other members of the Brussels Convention. The UK is a contracting party to the Brussels Convention.

The Vienna Convention is a separate NTPL regime also under the auspices of the International Atomic Energy Authority. The Paris Convention and Vienna Convention can be joined by the Joint Protocol Relating to the Application of the Vienna Convention and the Paris Convention. The UK is not currently a contracting party to the Joint Protocol.

4. **Scope of application of Convention: what is the impact of the Convention given that most of the current parties are a long distance away from UK. Would the Convention be more valuable to the UK if other European states (or possibly Euratom if it is EU competence) joined, on the basis that a nuclear incident in Europe is more likely to affect the UK? There aren't that many European states party to the earlier conventions.**

States in Western Europe are predominantly members of the Paris Convention and the Brussels Supplementary Convention. As such, through UK membership of the Paris and Brussels Supplementary Convention, UK based victims already have a right of recourse against the operator for any transboundary nuclear damage caused by an incident in those states.

As well as additional compensation for victims, CSC accession will also remove some potential barriers to UK inbound investment (and by the same logic UK exports).

Investors, the supply chain and reactor vendors are increasingly concerned about the legal risks that exist in the absence of a clear NTPL regime. Under an NTPL regime liability is channelled exclusively to the operator.

Without NTPL treaty relations in place, the supply chain may be reluctant to participate in nuclear projects because of concerns that they could be held accountable for any incidents. Investors may be reluctant invest in a project for fear that they could be pursued for damages. Additionally, without provision for channelling in respect of jurisdiction, there is no clarity as to the jurisdiction in which claims would be heard. As such, the absence of treaty relations can prove both a barrier to inward investment and UK exports in the nuclear sector.

The Fukushima accident is a case study illustrating these issues. Following the Fukushima accident multiple lawsuits were filed against the operator and reactor vendor in the United States. Despite Japanese law attributing sole responsibility to the operator, at the time the US and Japan did not have treaty relations and the incident was not governed by an NTPL regime. As a result, US courts heard these claims and, whilst they were ultimately unsuccessful, they did take years to resolve (almost 10 years) and cost significant sums in legal fees. Japan deposited its instrument of acceptance to the CSC in 2015, triggering the CSC's entry into force across multiple jurisdictions (including the US).

This incident has drawn attention to the risks of not having NTPL treaty relations between countries. The absence of treaty relations presents a barrier to investment that must be overcome.

5. **Is there any value to the UK overseas territories in having the Convention extended to them? The EM doesn't mention the OTs. They don't have nuclear installations but the question is whether if affected by an incident in another contracting party the UK would be able to claim under the convention on their behalf if the convention has not been extended. Has this been considered at all?**

   We are considering whether to extend the CSC to the UK's Overseas Territories and Crown Dependencies. However, the 2004 Protocols to amend the Paris and Brussels Conventions, which came into force in the UK on 01 January 2022, are not currently extended to the UK's Overseas Territories and Crown Dependencies. As such, we assess that the best time to consider extension in greater detail would be once all relevant NTPL treaties are in force in the UK, and then explore extending them all at once to avoid a piece-meal approach. This is to avoid implementation complications given that the rules of the CSC rely on the regime established by the Paris Convention.

6. **Financial impact: It is not clear how the figures in para 7 of the EM relate to the obligations under Article III of the convention as the EM just refers to Article IV. Could I please clarify whether Article III imposes additional costs beyond what is mentioned?**

   Article III of the Convention relates to the minimum national compensation amount that must be made available by the liable operator. As the UK is already party to the Paris Convention, which sets the minimum operator liability limit at €700m, there are no further additional costs.

The figures in paragraph 7 relate to the UK's contributions to the shared international fund as detailed in Article IV of the convention.