

CMI Charitable Trust

1. The Foundation

1. The CMI Charitable Trust was set up in 1985 on the initiative of Professor Francesco Berlingieri (the then President) and Bill Birch Reynardson (a Vice-President of CMI) and with the active support of other Vice-Presidents and members of the Executive Council. Funds were collected from maritime lawyers around the world, from marine insurance companies and P. & I. Clubs. The trust was [to be] established in London and subject to English law. Funds were to be administered and invested by the Finance Department of Thomas R. Miller, the managers of the U.K. P.& I. Club.

2. The Deed

2.1. The Trust Instrument setting up the CMI Charitable Trust (dated 20th November 1985) provides in S. 4 (1) that funds shall be applied for the following charitable purposes:-

“(a) the advancement of legal education for the public benefit;
(b) the advancement and promotion of research and study in the fields of comparative law and international marine and commercial law and the publication of the results of such research.”

With these objects in mind the Trustees are authorized to apply the income of the Trust to:-

“(a) publishing and disseminating the results of study and research;
(b) sponsoring or conducting seminars or conferences of persons from all parts of the world for the discussion of any aspects of the subjects hereinbefore mentioned;
(c) granting moneys to other persons or bodies engaged in research or study as aforesaid.”

2.2. There follows a clause which gives the Trustees the power to apply funds for “such other charitable objects or purposes as they shall in their absolute discretion from time to time think fit”.

2.3. s. 7 provides that the right to accumulate unused income in any one year shall cease after 21 years and it follows that since 2006 the Trustees have been legally obliged to distribute all the income generated by the fund each year.

2.4. Having said that the Charity Commissioners currently allows the Trustees to set sums aside in anticipation of future expenditure.

2.5. The trustees initially appointed were Professor Francesco Berlingieri, Sir John Donaldson, Bill Birch Reynardson, Henri Voet (CMI Administrator) and Niall Mc Govern. The current trustees are K.J. Gombrii (Past President CMI), Prof. F. Berlingieri (Past President CMI), P.J.S. Griggs (Past President CMI), Dr. A. von Ziegler, Ann Fenech, Stuart Hetherington (current President CMI) and Tom Birch Reynardson.

3. Fund management

3.1. In 2006 investment and management of the trust fund was transferred from Thomas R. Miller to the London based Stockbrokers Smith and Williamson. The current investment policy is to hold a mix of fixed interest and equities designed to protect and grow the capital value of the fund and to produce £15,000/£16,000 of disposable income in each financial year.

3.2. On 31 March 2016 the portfolio was valued at £502,937. The yield over the year to 31 March was £20,198.

4. Current use of funds

4.1. For many years the Charitable Trust funded CMI publications and website administration to the tune of £7,000 per annum. However in 2013 the CMI Executive Council decided that the cost of CMI publications and the cost of maintaining the website should be paid for out of CMI subscription income.

4.2. There are now four classes of regular expenditure:-

- 4.2.1. fund management and accountancy charges,
- 4.2.2. travel expenses of visiting CMI lecturers to IMLI, Malta,
- 4.2.3. a CMI/IMLI (Malta) student prize
- 4.2.4. guarantees of travel expenses for distinguished invitees to CMI Conferences/Colloquia.

4.3. All these heads of expenditure fall within the “charitable purposes” specified in s. 4(1) of the Trust Deed.

5. Review of funding priorities

5.1. At the CMI Assembly meeting in Buenos Aires on 27th October 2010 there was a complaint from the floor about the lack of transparency in the management of the Trust. The detailed note which now appears on the CMI website addresses this problem. The note also demonstrates that contributions from NMLAs are not being siphoned off into the Charitable Trust Fund.

5.2. It was further suggested at the Assembly that the Trustees should not limit their expenditure to the income which is generated by the present investment policy but that, if a worthwhile project presents itself, the trustees should not hesitate to spend capital from the Trust Fund.

5.3. At the Assembly meeting in Buenos Aires the Trustees were urged to be more “imaginative” in picking projects to support and now that CMI Charitable Trust no longer funds publications/website management there is some scope for this.

6. Existing Funding Commitments

6.1. Existing funding commitments are as follows :

6.1.1. Fund management and accountancy – these are unavoidable items of expenditure and account for approximately £4,300 of the Trusts annual expenditure.

6.1.2. IMLI lecturers travel. The expenditure is currently capped at £5,000 per annum. The Treasurer carefully checks that this funding is only made available for lecturers who are closely involved with a National Maritime Law Association affiliated to CMI and are also involved in the work of CMI itself. In 2015 there were 7 CMI lecturers delivering 36 lectures who were supported by the Trust. The claimed amount was £2,500 approximately. It has been felt that apart from the benefit to IMLI students these visits are a fine advertisement for the CMI. Indeed, several new MLAs and regional Associations have been formed as a direct result of the lecturer/student contacts.

6.1.3. The CMI/IMLI Prize is awarded to the best student of the year and consists of a book and an invitation (travel and accommodation expenses paid) to attend the next CMI event to present a summary of their dissertation at the Young CMI Session. The cost to the Trust of this exercise depends on where the CMI event is taking place and where the student lives but the Secretary General is expected to negotiate the best deal he can achieve. This prize has been enthusiastically received by IMLI students and is also welcomed by Young CMI. The travel expenses for the prize this year is US\$ 500 approximately. A law book is also normally presented (cost about £300) and we also offer the winner some spending money while at the conference, normally about US\$500.

6.1.4. Guarantees of travel/accommodation expenses for distinguished guests attending Colloquia, Seminars or Conferences organized by CMI in conjunction with an affiliated NMLA. These guarantees are only to be called upon if the event itself fails to generate sufficient funds to cover the expense covered by the guarantee. Up to now the Charitable Trust has never been called upon to pay under its guarantee but it is thought that it remains important to be able to give this comfort to NMLAs who agree to host CMI events and it helps to add distinction (and hence drawing power) to the events themselves.

6.1.5. At their meeting in Istanbul the Trustees agreed a grant of €5,000 (which will be subject to annual review) to fund a Research Assistant at the Centre for Maritime Law at the National University of Singapore to work on development of the CMI database for Jurisprudence on Maritime Conventions.

6.2. Assuming that the Trustees decide to continue to honour these commitments and the grant to the National University of Singapore becomes an annual one and the Trust will not be called upon to pay out under any guarantees given for distinguished guests, the expenditure of the Trust is in the region of £14,000 per annum, with the income being in the region of £16,000 per annum. This leaves a modest surplus of income over expenditure of in the region of £2,000 per annum.

7. Capital Appreciation

7.1. In the past 3 financial years excess income over expenditure has averaged £5,600 per annum, and if the average capital increases per annum are included, this makes an average surplus per annum of in excess of £33,000 per annum.

8. The Future

8.1 The Trust will continue its practice of spending its annual income whilst trying to protect the capital base.

8.2 The Trust will support an essay competition open to maritime law students or graduates. This will be managed by the current Secretary General, John Hare, and will not directly involve the Trustees save that they will be responsible for setting the amount of the prize.

8.3 The Trust may make funds available for a CMI representative to attend meetings of experts working on projects of IMO or other international organizations in which CMI is involved.

8.4 The Trust may make funds available so that individuals can attend and contribute to CMI events.

8.5 The Trust will no longer respond to ad hoc applications from individuals to fund their post graduate studies.

The Trustees of the CMI Charitable Trust, 6th May 2016.