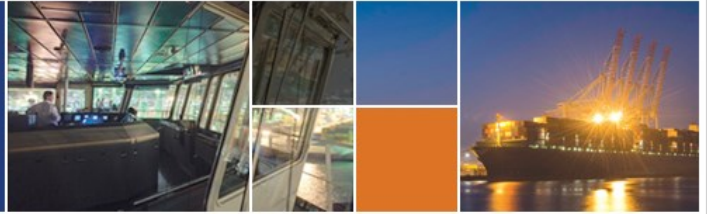




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## Bunkers Convention in Force November 2008

December 2007

The last significant gap in the international regime for compensating victims of oil spills from ships is set to be closed, with the entry into force on 21 November 2008 of an international treaty covering liability and compensation for pollution damage caused by spills of oil, when carried as fuel in ships' bunkers. Current regimes covering oil spills do not include bunker oil spills from vessels other than tankers.

Criteria for entry into force of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 were met on 21 November 2007, following accession to the treaty by Sierra Leone.

When the Convention is in force, ships over 1,000 gross tonnage registered in a State Party to the Convention will be required to carry on board a certificate certifying that the ship has insurance or other financial security, such as the guarantee of a bank or similar financial institution, to cover the liability of the registered owner for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime. In all cases, this amount should not exceed an amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims, 1976, as amended.\*

The Convention will make the shipowner, defined broadly so as to include the owner, registered owner, bareboat charterer, manager and operator of a ship, liable to pay compensation for pollution damage (including the costs of preventative measures) caused in the territory, including the territorial sea of a State Party, as well as in its exclusive economic zone, or if a State Party has not established one, in an equivalent area.

### Oil fuel tank protection

Rules to limit the size of oil fuel tanks on new ships and ensure they are protectively located are included in the International Convention for the Prevention of Pollution from Ships (MARPOL Convention). A new regulation on oil fuel tank protection was adopted in 2004 and entered into force on 1 January 2007.

The regulation applies to all ships delivered on or after 1 August 2010 with an aggregate oil fuel capacity of 600 m<sup>3</sup> and above. It includes requirements for the protected location of the fuel tanks and performance standards for accidental oil fuel outflow.

A maximum capacity limit of 2,500 m<sup>3</sup> per oil fuel tank is included in the regulation, which also requires administrations (flag states) to consider general safety aspects, including the need for maintenance and inspection of wing and double-bottom tanks or spaces, when approving the design and construction of ships in accordance with the regulation.

### \* 1996 LLMC Protocol

Under the 1996 LLMC Protocol, which entered into force in 2004:

The limit of liability for claims for loss of life or personal injury for ships not exceeding 2,000 gross tonnage is 2 million SDR (US\$3.1795 million).

For larger ships, the following additional amounts are used in calculating the limitation amount:

- For each ton from 2,001 to 30,000 tons, 800 SDR (US\$1,272)
- For each ton from 30,001 to 70,000 tons, 600 SDR (US\$954)
- For each ton in excess of 70,000, 400 SDR (US\$636).

The limit of liability for property claims for ships not exceeding 2,000 gross tonnage is 1 million SDR (US\$1.58975 million).

For larger ships, the following additional amounts are used in calculating the limitation amount:

- For each ton from 2,001 to 30,000 tons, 400 SDR (US\$636)
- For each ton from 30,001 to 70,000 tons, 300 SDR (US\$477)
- For each ton in excess of 70,000, 200 SDR (US\$318)

(Using exchange rate of 1SDR = 1.58975 US\$ as at 29 November 2007. Source: IMF website: [www.imf.org/external/np/fin/data/rms\\_five.aspx](http://www.imf.org/external/np/fin/data/rms_five.aspx))

Based on extracts from IMO Briefing 48/2007 of 30 November 2007

Further information about the Convention can be found in a December 2001 Sea Venture article: "Pollution From Bunkers"