

12th February 1998

TO ALL MEMBERS

Dear Sirs,

ISM (INTERNATIONAL SAFETY MANAGEMENT) CODE

We refer to our recent notices of meetings of the Members of Classes 5 and 8 of the Association on 28th January 1998 for the purpose of altering and adding to the Rules and we confirm that the Members who attended the meetings, held concurrently with the meeting of the Committee on that day, approved the alterations and additions to the Rules set out in the notices, to take effect from 20th February 1998 - with the exception of the proposed proviso 9.15.2 to the pollution rule, which was withdrawn as not all Associations in the International Group would agree to introduce it.

We draw your attention particularly to the following new paragraphs of Rule 8 entitled **Classification, Inspections of Ships and Statutory Requirements:**

8.7 The Member concerned shall ensure compliance with all the statutory requirements of the State of the ship's flag relating to the construction, adaptation, condition, fitment, equipment, manning and safety management of the entered ship and ensure at all times the maintenance of the validity of such statutory certificates as are required to be issued by or on behalf of the State of the ship's flag.

This new Rule requires compliance by Members with statutory requirements of the State of the ship's flag relating to various matters including safety management of the entered ship, which covers the requirements of the ISM Code.

8.8 Save to the extent that the Committee in its sole discretion may otherwise determine, there shall be no recovery in respect of any liability, costs or expenses arising during a period when any of the foregoing requirements have not been fulfilled. However, where the entry of a ship is in the name of a Member who is a Charterer (other than a demise Charterer), the rights of recovery of such Charterer shall not be dependant upon fulfilment of the requirements of Rules 8.2, 8.3 and 8.4.

As Members will be aware, on 1st July 1998 it will become a statutory requirement, in most flag States, that owners and/or operators of passenger ships, tankers, gas carriers, bulk carriers and high speed craft over 500 gt hold a valid Document of Compliance (DOC) and that the ships under their control have Safety Management

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Certificates (SMCs); and the Association's Rule 8.7 provides that Members shall ensure compliance with this requirement and Rule 8.8 provides that, subject to the Committee's sole discretion to the contrary, there shall be no recovery by the Member from the Association when this requirement has not been fulfilled.

The Managers sent a circular letter to all Members concerned on 31st July 1997 with a questionnaire asking if they had any doubts as to whether certificates would be obtained for their ships and operator by the due date; and the replies showed general confidence that certificates would be obtained by the due date and that compliance with the ISM Code would be timely.

In the circumstances, Members should be warned that the Association will expect all Members concerned to have complied with statutory requirements for implementation of the ISM Code and to have obtained the relevant certificates by the due date.

If any Members are concerned that they may not obtain the required certificates by the due date, could they please advise the Managers now, indicating what steps and arrangements they have made to date to implement a safety management system in their offices and onboard their ships and to obtain the relevant certificates.

Yours faithfully,
A. BILBROUGH & CO.LTD.
(Managers)