

5th January 1998

TO ALL TANKER MEMBERS

Dear Sirs,

BLUE CARDS CLC CERTIFICATES 1969 AND 1992 CIVIL LIABILITY CONVENTIONS

From 16th May 1998, shipowners will require two Civil Liability Convention (CLC) certificates in order to trade world wide: one certifying 1969 CLC liabilities, the other 1992 CLC liabilities.

Traditionally, Clubs have provided blue cards addressed to a vessel's flag state, confirming an owner has in place insurance to cover Civil Liability Convention liabilities. On presentation of this blue card to the flag state registry, an owner has received in return a CLC certificate. The owner may be required to present the certificate on entering the waters of a state party to the CLC, to demonstrate that he has in place insurance to cover claims for oil pollution up to a certain limit, determined by the tonnage of the ship.

Background

Until 30th May 1996 only one Civil Liability Convention was in force: the 1969 CLC providing limits of liability on a sliding scale starting at SDR 133 per limitation ton up to a maximum of SDR 14 million (approximately USD 20.2 million).

On 30th May 1996 the 1992 Protocol to the 1969 CLC entered into force. The limits under the 1992 Protocol are SDR 3 million (USD 4.3 million) for tankers not exceeding 5,000 gross tons rising by SDR 420 (USD 604) per gross ton to a maximum of SDR 59.7 million (USD 86 million).

For a transition period the states which were parties to the 1992 Protocol (1992 CLC) were not required to denounce the 1969 CLC if they were parties to both. The effect of this was that if a spill occurred in the waters of a 1992 flag state, but the ship was flying the flag of a state party only to the 1969 CLC, the ship would be able to limit its liability to the relevant sum under the 1969 CLC and not the higher limit of the 1992 CLC. Clubs issued "dual" blue cards with the following endorsement:

"This is to certify that there is in force in respect of the above-named ship while in the above ownership a policy of insurance satisfying the requirements of (A) Article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1969 and (B) Article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1992 **where and when applicable.**"

If the flag state was a party to both the 1969 and 1992 CLC the shipowner received in return a certificate certifying that the shipowner had in place insurance covering liabilities under both Conventions. If the state was party only to the 1969 CLC, a certificate was issued covering 1969 CLC liabilities only. The transition period comes to an end on 15th May 1998. After that date a state will not be able to be a party to both the 1969 and 1992 CLC.

Practical effect

From midnight on 15th May 1998 two separate regimes will be in force: the 1969 CLC and the 1992 CLC.

(a) Ships flying flags of 1969 CLC states

Ships flying the flag of a state party to the 1969 CLC will be able to obtain from the ship's flag registry a 1969 CLC certificate covering liabilities under the 1969 CLC as usual. They will need to obtain a certificate covering 1992 CLC liabilities from another source in order to be permitted to enter the waters of states parties to the 1992 CLC. Those States¹ are:

Australia, Bahrain, Denmark, Egypt, Finland, France, Germany, Greece, Japan, Liberia, Marshall Islands, Mexico, Monaco, Netherlands, Norway, Oman, Spain, Sweden, Switzerland and United Kingdom. (By 16th May it will also have entered into force in: Bahamas, Cyprus, Ireland, Korea (Republic of) and Tunisia.)

The 1992 CLC will enter into force in Jamaica on 6th June 1998, in Philippines on 7th July 1998, Uruguay on 9th July 1998, Singapore on 18th September 1998 and United Arab Emirates on 19th November 1998.

The United Kingdom, a party to the 1992 CLC, has agreed to provide 1992 CLC certificates for 1969 CLC flag ships:

These certificates can be obtained in exchange for a blue card from:

Department of Transport,
Marine Office,
Central Court, 1B Knoll Rise,
Orpington, Kent, BR6 0JA,
United Kingdom
Tel: +44 1689 890400; Fax: +44 1689 890446

The registration fee is: GBP 33

¹ Although every attempt has been made to ensure the accuracy of the information listed, Members intending to rely on the information should check with the relevant authorities.

(b) Ships flying flags of 1992 CLC states

Ships flying the flag of a state party to the 1992 CLC will be able to obtain from the ship's flag registry a 1992 CLC certificate covering liabilities under the 1992 CLC. They will need to obtain a certificate covering 1969 CLC liabilities from another source in order to be permitted to enter the waters of states parties to the 1969 CLC. Those States are shown on the attached sheet.

After midnight on 15th May 1998 before a ship calls at a port in a state party to the 1969 CLC it will need to apply for a certificate from the ship registry of that state. Once this certificate has been obtained it can be retained on board for use during calls to any 1969 CLC states for the remainder of the policy year.

Amongst the 1992 flag states there will be no consistent format for CLC certificates to demonstrate the fact that the transition period will end on 15th May 1998. As an example the United Kingdom will issue a certificate with the following endorsement under the section "duration of security": "for 1969 Convention Liabilities, from noon GMT 20th February 1998 to midnight GMT 15th May 1998; and for 1992 Convention liabilities, from noon GMT 20th February 1998 to noon GMT 20th February 1999." On the other hand, Norway, which does not issue a new certificate each year, will issue fresh certificates with effect from midnight on 15th May 1998 covering only 1992 CLC liabilities.

(c) Ships flying the flag of a state which is not a party to either CLC

These ships will need to obtain a dual certificate for the period up to and including 15th May 1998 and will require a 1969 CLC and a 1992 CLC certificate after that date. The dual certificate can be obtained from the United Kingdom. Since this certificate will cover 1992 CLC liabilities for the whole of the 1998 policy year, it will only be necessary to obtain a 1969 CLC with effect from midnight on 15th May 1998 from a 1969 CLC state.

Blue cards

The Clubs will continue to issue "dual" blue cards for the 1998 policy year. However, Members will require two blue cards for use during the course of the year for the reasons given above.

Recommendation

It is suggested that a copy of this circular be sent to all ships at the time CLC certificates are sent to the ships, since it is possible that port authorities may be reviewing certificates during ship calls after 15th May 1998 to ensure that the correct documentation is on board.

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

STATES PARTY TO THE 1969 CLC¹

Albania, Algeria, Antigua & Barbuda, Australia², Bahamas², Bahrain², Barbados, Belgium, Belize, Benin, Brazil, Brunei Darussalam, Cambodia, Cameroon, Canada, Chile, China, Colombia, Côte d'Ivoire, Croatia, Cyprus², Denmark², Djibouti, Dominican Republic, Ecuador, Egypt², Equatorial Guinea, Estonia, Fiji, Finland², France², Gabon, the Gambia, Georgia, Germany², Ghana, Greece², Guatemala, Iceland, India, Indonesia, Ireland², Italy, Japan², Kazakhstan, Kenya, Kiribati, Korea² (Republic of), Kuwait, Latvia, Lebanon, Liberia², Luxembourg, Malaysia, Maldives, Malta, Marshall Islands², Mauritania, Mauritius, Mexico², Monaco², Morocco, Mozambique, Netherlands², New Zealand, Nicaragua, Nigeria, Norway², Oman², Panama, Papua New Guinea, Peru, Poland, Portugal, Qatar, Russian Federation, Saint Kitts & Nevis, Saint Vincents & the Grenadines, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Singapore, Slovenia, Solomon Islands, South Africa, Spain², Sri Lanka, Sweden², Switzerland², Syrian Arab Republic, Tonga, Tunisia², Tuvalu, United Arab Emirates³, United Kingdom², Vanuatu, Venezuela, Yemen. The United Kingdom has ratified on behalf of, inter alia, Bermuda, Cayman Islands, Gibraltar, Hong Kong and the Isle of Man². The 1969 CLC will come into force in Costa Rica on 8th March 1998.

¹ Although every attempt has been made to ensure the accuracy of the information listed, Members intending to rely on the information should check with the relevant authorities.

² 1969 CLC has been denounced to take effect at midnight on 15th May 1998.

³ 1969 CLC has been denounced to take effect at midnight on 18th November 1998.