



# CHINA SHIPOWNERS MUTUAL ASSURANCE ASSOCIATION

CPI Underwriting 2015 No.2

Date: 12 February 2015

To all members,

## Entry into Force of the Nairobi International Convention on the Removal of Wrecks

On 14 April 2014 the Nairobi International Convention on the Removal of Wrecks, 2007 ("the Convention") achieved the requisite number of ratifications (10) triggering the entry into force conditions. The Convention will enter into force in State Parties on 14 April 2015.

The Convention provides a strict liability, compensation and compulsory insurance regime for States affected by a maritime casualty. It makes the registered owner of a ship liable for locating, marking and removing a wreck deemed to be a hazard in a State's Convention area. Key definitions and terms employed in the Convention are explained at the end of this circular.

## Scope of the Convention

There is provision in article 3(2) for a State Party to include the territorial sea within the scope of the Convention. So far some States have extended the scope of the Convention to their territorial sea. In States which do not exercise this option, the Convention will apply in the exclusive economic zone but not the territorial sea.

## Insurance requirements

Registered owners of ships of 300 gross tonnage and over registered in a State party or entering or leaving a port in the territory of a State party, will need insurance cover arrangements which meet the requirements of the Convention and a certificate from a State party attesting that such insurance is in force. Such certificate must be carried on board at all times.

China Shipowners Mutual Assurance Association

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The Wreck Removal Convention closely follows the strict liability and insurance provisions which currently apply to oil tankers under the Civil Liability Convention (CLC) and ships of 1,000 gross tonnage and over under the Bunker Convention.

## Certification

This Club or the co-insurance Club in the International Group of an entered ship will issue the required Wreck Removal Convention "Blue Cards", to enable members to obtain Certificates from States Parties.

Notwithstanding that this Club and the co-insurance Club in the International Group of an entered ship do not usually provide shipowners with primary P&I war risks cover, it has been further agreed that the clubs in the International Group will pool all liabilities incurred under certificates issued, including otherwise excluded liabilities, up to, but not exceeding, the amount of the liability so certified. Policy defences and exclusions will continue to apply in the usual way in respect of liabilities arising otherwise than under Certificates. The Convention provides that for compulsory insurance purposes liability under Certificates shall not exceed the limits calculated in accordance with the Convention on Limitation of Liability for Maritime Claims 1976 (LLMC 1976), as amended by the 1996 Protocol. The Convention also provides an exclusion from liability for acts of war (the definition of war does not include terrorism) and for damage wholly caused by the intentional act of a third party.

This Club or the co-insurance Club in the International Group of an entered ship will issue blue cards on condition that the member agrees that where any payment by this Club or the co-insurance Club under the certificate is in respect of war risks, the member shall indemnify this Club or the co-insurance Club to the extent that such payment is recoverable under the member's P&I war risks policy or would have been recoverable if the member had maintained and complied with the terms and conditions of a standard P&I war risks insurance policy, and that there shall be assigned to this Club or the co-insurance Club all the rights of the member under such insurance and against any third party. By requesting a blue card the member will be deemed to have agreed this condition.

It is therefore necessary that all members ensure they have in place P&I war risks cover on



standard terms with a separate limit for P&I liabilities.

#### State certificates

It is clear that there will be a significant administrative requirement on States Parties to issue a substantial number of Certificates.

Vessels registered in a State party must obtain a Certificate from that State. This will be accepted as sufficient evidence of insurance when calling at any port or terminal in another State party.

Vessels registered in a State which is not party to the Convention but which perform voyages to countries that are Parties should obtain a certificate from a State Party.

At the time of publication of this circular the following 16 States have acceded to the convention.

State Party	Accession date	Entry into force date
Antigua and Barbuda*	09 January 2015	14 April 2015
Bulgaria	08 February 2012	14 April 2015
Congo	19 May 2014	14 April 2015
Cook Islands*	22 December 2014	14 April 2015
Denmark*	14 April 2014	14 April 2015
Germany	20 June 2013	14 April 2015
India	23 March 2011	14 April 2015
Iran (Islamic Republic of)	19 April 2011	14 April 2015



Liberia*	08 January 2015	14 April 2015
Malaysia	28 November 2013	14 April 2015
Malta*	18 January 2015	18 April 2015
Marshall Islands*	27 October 2014	14 April 2015
Morocco	13 June 2013	14 April 2015
Nigeria	23 July 2009	14 April 2015
Palau*	29 September 2011	14 April 2015
United Kingdom*	30 November 2012	14 April 2015

\*Denotes States that will apply the Convention in the territory

The following States party have on the date of publication of this circular agreed to issue certificates to ships flagged in countries that are not party to the Convention, subject to any conditions the relevant authority may apply.

- United Kingdom
- Germany
- Denmark
- Marshall Islands
- Liberia
- Palau
- Cook Islands
- Malta

Certificate applications may be made to the following maritime authorities. Where the information is available addresses for applications are listed below. However, members should be aware that there are likely to be specific requirements for applications and they are recommended to check the website of the relevant authority or contact them directly for information on the procedures for application. At this time many of the State Parties would seem to be still in the process of finalising and publishing their procedures.



United Kingdom - Maritime and Coastguard Agency.

Applications should be addressed to:

Mr T Cornish

Maritime and Coastguard Agency,

Spring Place,

105 Commercial Rd,

Southampton,

United Kingdom

SO15 1EG

Application form link:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/399694/MSF3\\_241\\_REV0115.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/399694/MSF3_241_REV0115.pdf)

Electronic applications to: [CLC@Mcga.gov.uk](mailto:CLC@Mcga.gov.uk)

Germany

Postal applications should be addressed to:

Ms G Tungler

Bundesamt Für Seeschifffahrt Und Hydrographie (BSH)

S43 Bernhard - Nocht - Str. 78

20359 Hamburg

Germany

Denmark

Please note that the Danish Maritime Authority (DMA) will issue certificates to Danish flagged ships, ships from the Faeroe Islands, ships calling at Danish ports after 14 April 2015 and ships operated by Danish companies. DMA may issue Certificates for other vessels but this is normally the case only if an arrangement has been concluded between the DMA and the authorities of the vessel's flag state.

Postal applications should be addressed to:

Danish Maritime Authority

Carl Jacobsens Vej 31

2500 Valby

Denmark



[www.dma.dk](http://www.dma.dk)

Electronic applications to: [vragcertifikat@dma.dk](mailto:vragcertifikat@dma.dk)

#### Marshall Islands

International Registries, Inc. will give priority to certificate applications from Marshall Islands flagged ships. Certificate applications should be addressed to:

Maritime Administrator for the Republic of the Marshall Islands  
International Registries, Inc.  
Attn: Vessel Administration  
11495 Commerce Park Drive  
Reston, Virginia 20191-1506  
USA

[www.register-iri.com](http://www.register-iri.com)

#### Liberia

For questions regarding Liberia's implementation of the Convention and issuance of WRC certificates for Liberian and non-Liberian flagged vessels, please contact:

#### Vessel Certificates

LISCR,  
8619 Westwood Center Dr., Suite 300  
Vienna, VA 22182, USA  
Main: +1 703 790 3434  
Fax: 703 790 5655  
or email: [vesselcertification@liscr.com](mailto:vesselcertification@liscr.com)

#### Palau

Full postal address for applications:

Palau International Ship Registry  
16701 Greenspoint Park Drive, Suite 155  
Houston, Texas, 77060

Phone: 281 876 9533

Electronic applications to [technical@palaushipregistry.com](mailto:technical@palaushipregistry.com)



<http://www.palaushipregistry.com/>

Cook Islands

Full postal addresses for applications:

Maritime Cook Islands

P.O. Box 882,

Rarotonga,

Cook Islands

For details of online applications, visit:

<http://www.maritimecookislands.com/applying-for-nwrc-certificates.html>

Malta

Postal applications should be addressed to:

Registrar General of Shipping and Seamen

Merchant Shipping Directorate

Transport Malta

Xatt l-Ghassara ta' l-Gheneb

Malta Transport Centre

Marsa MRS 1917

Malta

Electronic applications to [clcmalta.tm@transport.gov.mt](mailto:clcmalta.tm@transport.gov.mt)

Convention definitions and terms used in this Circular

“Registered owner” means the person or persons registered as the owner of the ship or, in the absence of registration, the person or persons owning the ship at the time of the maritime casualty. However, in the case of a ship owned by a State and operated by a company which in that State is registered as the operator or owner of the ship, “registered owner” shall mean such company.

“Ship” means a seagoing vessel of any type whatsoever and includes hydrofoil boats, air-cushion vehicles, submersibles, floating craft and floating platforms, except when such platforms are on location engaged in the exploration, exploitation or production of seabed mineral resources.



“Wreck”, following upon a maritime casualty, means:

(a) a sunken or stranded ship; or (b) any part of a sunken or stranded ship, including any object that is or has been on board such a ship; or (c) any object that is lost at sea from a ship and that is stranded, sunken or adrift at sea; or (d) a ship that is about, or may reasonably be expected, to sink or to strand, where effective measures to assist the ship or any property in danger are not already being taken.

“Hazard” means any condition or threat that: (a) poses a danger or impediment to navigation; or (b) may reasonably be expected to result in major harmful consequences to the marine environment, or damage to the coastline or related interests of one or more States.

“Convention area” means the exclusive economic zone (EEZ) of a State Party, established in accordance with international law or, if a State Party has not established such a zone, an area beyond and adjacent to the territorial sea of that State determined by that State in accordance with international law and extending not more than 200 nautical miles from the baselines from which the breadth of its territorial sea is measured. Territorial sea normally extends 12 nautical miles from the coastal baseline. The EEZ starts at the seaward edge of the territorial sea and extends to a distance of up to 200 nautical miles from the coastal baseline.

The club will continue to keep members informed of developments as to the Nairobi Convention through the issuance of publications.

Yours Faithfully



Hu Jingwu

Managing Director

China Shipowners Mutual Assurance Association