

Isle of Man Ship Registry Registry Advice Notice

Liability Conventions – Nairobi Convention, CLC and Bunker Convention

Ref. RAN 014
Issued: 14 July 2022

1. Introduction

This notice applies to the following Conventions:

- Nairobi International Convention on the Removal of Wrecks (Nairobi Convention)
- International Convention on Civil Liability for Oil Pollution Damage (CLC)
- International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunker Convention)

Hereafter these will be referred to collectively as 'the Liability Conventions'. Sections 2-4 of this notice give guidance on the scope, application and requirements of each individual Convention. Sections 5 & 6 apply to all of the Liability Conventions.

2. Nairobi International Convention on the Removal of Wrecks ('Nairobi Convention')

2.1 Introduction

The Nairobi Convention exists to ensure that there shall be sufficient funds available to cover the costs which may arise from a shipwreck including the costs of locating, marking and removing a wreck. The Nairobi Convention prescribes that the registered owner of a ship shall be liable for these costs unless it is covered by one of the specific exemptions in the Convention.

2.2 Application

The Convention applies to all types of Manx registered ship (including private and commercial yachts) with the exception of warships or ships for the time being used by a State for non-commercial purposes only.

2.3 Mandatory Insurance and Wreck Removal Insurance Certificates

Ships of **300gt and over** are required to maintain insurance or other financial security to meet the requirements of the Convention up to the limits established in article 6(1)(b) of the Convention on Limitation of Liability for Maritime Claims, 1976, as amended. The limits vary depending upon the gross tonnage of the ship.

Such ships must carry evidence of insurance or financial security in the form of an Insurance Certificate issued by their flag State, or if their flag State has not ratified the Convention, another state which has ratified the Nairobi Convention. The Ship Registry will issue Insurance Certificates to Manx ships and can also issue Insurance Certificates to non-Manx ships as long as their State of registration has not ratified the Nairobi Convention. This certificate is referred



to as a 'Certificate of Insurance or Other Financial Security in respect of Liability for the Removal of Wrecks'.

3. International Convention on Civil Liability for Oil Pollution Damage (CLC)

3.1 Introduction

The purpose of the CLC is to ensure that adequate compensation is available to persons who suffer damage from pollution arising from bulk oil cargoes. It places the liability for such damage on the owner of the ship from which the pollution escaped or was discharged, subject to a number of specific exceptions.

3.2 Application

The CLC applies to any Manx registered ship when it is carrying oil cargo in bulk. The Convention does not, therefore, apply to an oil tanker whilst unladen.

The Convention also does not apply to warships or other vessels owned or operated by a State and used for the time being for Government non-commercial service.

3.3 Mandatory Insurance or Other Financial Security

Ships carrying **more than 2,000 tons of oil in bulk as cargo** are required to maintain insurance or other financial security to meet the requirements of the CLC. Such insurance shall be up to the levels stated in Article V of the 1992 Protocol to the CLC. The limits vary depending upon the gross tonnage of the ship.

Such ships must carry evidence of insurance or financial security in the form of an Insurance Certificate issued by their flag State, or if their flag State has not ratified the CLC, another State which has ratified the CLC. The Ship Registry will issue Insurance Certificates to Manx ships and can also issue Insurance Certificates to non-Manx ships as long as their State of registration has not ratified the CLC. This certificate is referred to as a 'Certificate of Insurance or Other Financial Security in respect of Civil Liability for Oil Pollution'.

4. International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunkers Convention)

4.1 Introduction

The purpose of the Bunkers Convention is to ensure that adequate compensation is available to persons who suffer damage arising from oil pollution caused by bunkers. It places the liability for such damage on the owner of the ship from which the pollution escaped or was discharged, subject to certain specific exemptions.

4.2 Application

The Bunkers Convention applies to Manx registered ships (including private and commercial yachts) regardless of their location if they are using fuel oil for propulsion or operations.

In general, the Convention does not apply to warships, naval auxiliary or other ships owned or operated by a State and used, for the time being, only on Government non-commercial service; however a state may choose to apply the Convention to these vessels, in which case it shall notify IMO.



4.3 Mandatory Insurance or Other Financial Security

Ships **greater than 1,000gt** are required to maintain insurance or other financial security to cover the potential liability for pollution damage caused by oil pollution from the ship's bunkers. Such insurance shall be up to the limits established in article 6(1)(b) of the Convention on Limitation of Liability for Maritime Claims, 1976, as amended. The limits vary depending upon the gross tonnage of the ship.

Such ships must carry evidence of insurance or financial security in the form of an Insurance Certificate issued by their flag State, or if their flag State has not ratified the Convention, another State which has ratified the Bunkers Convention. The Ship Registry will issue Insurance Certificates to Manx ships and can also issue Insurance Certificates to non-Manx ships as long as their state of registration has not ratified the Bunkers Convention. This certificate is referred to as a 'Certificate of Insurance or Other Financial Security in respect of Civil Liability for Bunker Oil Pollution Damage'.

5. Insurance Certificate Applications

In order to apply for an Insurance Certificate for any of the Liability Conventions, an application should be submitted to the Registrar of Ships with the following:

- the names of the ship(s) which require certification
- a Blue Card or Bank Guarantee from your Financial Security Provider
- the appropriate fee – see our [Fees Page](#) for details

Insurance Certificates will be valid for a maximum period of 12 months and will expire according to the date stipulated on the Blue Card or Bank Guarantee provided. To renew an Insurance Certificate, an application must be made to renew the certificate prior to its expiry.

Applications should be emailed to registry.marine@gov.im.

Insurance Certificates are issued as a Digital Certificate. Please see [MSN 065](#) for more information on the form of the Certificate.

6. Acceptance of Insurance Companies

The Isle of Man Ship Registry can accept Blue Cards issued by a member of the International Group of P&I Clubs when it is possible to verify the Blue Card from the P&I Club's website. A list of members of the International Group can be found [here](#).

We can also accept a Blue Card if your P&I Club is on our accepted list of non-International Group P&I Clubs – please see Annex 1 for our currently accepted list.

If your P&I club does not meet either of the above criteria, we will take steps to verify the financial standing and solvency of the Company in order to make sure that prompt and adequate compensation is available. It should be noted that this process can take a reasonable length of time to complete and is likely to delay the issuance of the Insurance Certificate.

In order to assess a P&I club, it will be necessary for them to provide us with the following documents:

- (i) adequate documentation on the company's financial standing, and hence solvency, which could be in the form of audited financial statements from the past three years duly authenticated and signed by the auditor
- (ii) approval by the relevant authority that the company is eligible to carry out insurance business in the country of the authority



- (iii) adequate documentation on reinsurance coverage on claims met by the company for liability incurred under the relevant convention
- (iv) a guarantee by the company and its parent company, if one exists, that it will cover liability incurred under the relevant convention and up to the limits of liability provided for by that convention or, in the case of either the 2001 Bunkers Convention and the 2007 Nairobi WRC, up to the limits of liability provided for by the International Convention on Limitation of Liability for Maritime Claims 1976, as amended
- (v) a statement to the effect that liability incurred under the relevant convention due to an act of terrorism is covered
- (vi) the rating that the insurance company and/or its reinsurers hold by an independent and internationally recognised rating agency
- (vii) details of other administrations or authorities, if any, that have previously accepted and/or declined Blue Cards from the insurer

The above documents, with the exception of point (vii), are required as standard by IMO circular letter 3464 – therefore they should be readily available by insurance companies or financial security providers operating in the shipping industry.

Please note - The Isle of Man Ship Registry cannot give legal advice. Where this document provides guidance on the law it should not be regarded as definitive. The way the law applies to any particular case can vary according to circumstances - for example, from vessel to vessel. You should consider seeking independent legal advice if you are unsure of your own legal position.



**Annex 1 – List of Non-International Group P&I Clubs Accepted for Issuance of
'Blue Cards'**

AIGAION
Alandia
British Marine
Aurora P&I (formerly Carina)
Chubb
Coastal Marine Services
Hanseatic
Korea P&I Club
Lead Yacht
Lodestar Marine Limited
Meco Group
MISG (Vietnam)
MS Amlin
Navigators P&I
NNPC (Nord Nederlandsche P&I Club)
Norwegian Hull Club
QBE trading as British Marine
Reats Marine
Thomas Miller Specialty
Turk P&I

