

## **CLUB CIRCULAR**

Monday, February 02, 2015

BSM-GM-07/008/15

**To: All Members**

### **Nairobi International Convention on the Removal of Wreck**

#### **Entry into Force on April 14, 2015**

This circular informs our valued Members that “Nairobi International Convention on the Removal of Wrecks” (WRC) which was adopted at IMO Diplomatic Conference in Nairobi in 2007 enters into force on 14 April, 2015.

Article 12 of the WRC contains a compulsory insurance requirements prescribing that “the registered owner of a ship of 300 gross tonnage and above and flying the flag of a State Party shall be required to maintain insurance or other financial security, such as a guarantee of a bank or similar institution, to cover liability under this Convention in an amount equal to the limits of liability under the applicable national or international limitation regime, but in all cases not exceeding an amount calculated in accordance with article 6(1)(b) of the Convention on Limitation of Liability for Maritime Claims, 1976, as amended”.

Members can find the WRC and the relevant interpretation in various resources like IMO website. Below is a summary of the convention.

#### **Scope of the WRC**

The WRC applies to wrecks in the ‘Convention area’ which is defined as the EEZ of a State party.

As per 19 January 2015 there are 15 State parties;

Antigua and Barbuda	Bulgaria	Congo	Cook Islands	Denmark
Germany	India	Iran	Liberia	Malaysia
Morocco	Marshall Islands	Nigeria	Palau	United Kingdom.

The WRC allows a State party to extend the application of the WRC to wrecks located within its territory, including the territorial sea. So far 6 State parties have exercised this option;

Antigua and Barbuda	Bulgaria	Denmark	Liberia	Marshall Islands	United Kingdom
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For any State that becomes a State party after 14 January 2015, the WRC shall enter into force 3 months following the date of deposit of the appropriate instrument by such State. We recommend checking with your ship's registry for the most up to date information and the IMO website for a general overview of State parties.

### **Definition of 'wreck'**

The WRC defines a wreck following a maritime casualty as

- a sunken or stranded ship; or
- any part of a sunken or stranded ship including any object that is or has been on board such ship; or
- any object that is lost at sea from a ship and that is stranded, sunken or adrift at sea; or
- 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.

### **Compulsory insurance requirements**

In case you are the registered owner of a seagoing vessel of any type whatsoever (including 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) of minimum 300 GT and your vessel is flying the flag of any of the State parties you are required to maintain insurance or other financial security to cover liability under the WRC.

Whenever any seagoing vessel as described above (wherever registered) will be entering or leaving a port in the territory of any of the State parties (or arrive at or leave from an offshore facility in its territorial sea) the State party shall ensure that such insurance or other financial security is in force.

Any claim for costs arising under the WRC may be brought directly against the insurer or the party providing financial security for ship owner's liability.

### **Certificate**

A certificate attesting that insurance or other financial security is in force must be carried on board the vessel. Vessels registered in a State party must obtain a certificate from the appropriate authority of the ship's registry. Vessels not registered in a State party can obtain a certificate from the appropriate authority of any State party. A State party will accept a Blue card from an insurer as proof that such insurance is in force.

### **Application for a Blue card**

WRC Blue cards will be issued for standard BSM Shipowners' P&I cover. In case clients have opted for limited cover, i.e. less than our standard cover,



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the underwriter will check if the insurance cover in force is sufficient to cover liabilities potentially arising under the WRC including (as compulsory) but not limited to **wreck removal**(section 12), **pollution liabilities**(section 15), **special compensation for salvors** (section 16) cover.

We invite clients who anticipate they need a Blue card for their vessel (whether registered in a State party or trading to a State party) to contact BSM's underwriting department to apply for a Blue card as soon as possible.

If our valued member has any doubt, please contact our Underwriting Department at [underwriter@britishsteamship.com](mailto:underwriter@britishsteamship.com).

Yours faithfully

**British Steamship Management Limited**

**Manager of**

**British Steamship P&I Association (Bermuda) Limited**

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