CIRCULAR 2015-01

DEPARTMENT OF MARINE SERVICES AND MERCHANT SHIPPING (ADOMS)

Nairobi International Convention on the Removal of Wrecks, 2007

Nairobi International Convention on the Removal of Wrecks, 2007, Directors Directive 01-2015

Companies having assumed responsibility for the management and operation of ships registered in Antigua and Barbuda; Seafarers engaged on ships registered in Antigua and Barbuda; Recognized Organizations (ROs) of Antigua and Barbuda; P&I Clubs providing, or wishing to provide, insurance for the removal of wrecks for Antigua and Barbuda ships.

1. General.

- 1.1. The Antigua and Barbuda Department of Marine Services and Merchant Shipping (ADOMS) wishes all concerned to note that the Nairobi International Convention on the Removal of Wrecks, 2007 enters into force on 14th April, 2015. Antigua and Barbuda acceded to the Convention on 9th January, 2015.
- 1.2. The Convention introduces uniform international rules aimed at ensuring the prompt and effective removal of wrecks.
- 1.3. Under the Convention the registered owner is financially liable for the costs of locating, marking and removing the wreck, unless the registered owner proves that the maritime casualty that caused the wreck:
 - (a) Resulted from an act of war, hostilities, civil war, insurrection, or a natural phenomenon of an exceptional, inevitable and irresistible character;
 - (b) Was wholly caused by an act or omission done with intent to cause damage by a third party; or
 - (c) Was wholly caused by the negligence or other wrongful act of any Government or other authority responsible for the maintenance of lights or other navigational aids in the exercise of that function.
- 1.4. The Convention requires the registered owner to take out insurance or provide other financial security to cover the costs of wreck removal. It will also provide States with a right of direct action against insurers.
- 1.5. This Circular is aimed at providing all those involved with the necessary information on the Nairobi International Convention on the Removal of Wrecks, 2007 and the position of ADOMS, with respect to its implementation.
- 1.6. Directors Directive 01-2015 has been issued on this subject and related regulations made under the Antigua and Barbuda Merchant Shipping Act 2006 (as amended) will be updated in due course.

2. Application of the Convention.

- 2.1. The Convention applies to wrecks located within the Exclusive Economic Zone 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. The requirement for compulsory insurance or other financial security applies to all Antigua and Barbuda ships of 300 Gross Tonnage (GT) and above.
- 2.2. Antigua and Barbuda has extended the application of this Convention to wrecks located within its territory, including its territorial sea.

3. Compulsory Insurance and certification.

- 3.1. From 14th April, 2015 evidence of insurance must be carried by the ship in the form of a certificate issued by ADOMS and in the format specified in the Convention.
- 3.2. As an interim measure ADOMS will accept certification which was applied for from another State Party prior to the related Directive coming into force on 20th February, 2015 as being equivalent to that issued by ADOMS. This arrangement will be accepted until 20th February, 2016.
- 3.3. In order to issue a certificate of insurance ADOMS needs to receive evidence of the insurance that has been taken out. Typically this evidence is in the form of a "Blue Card". ADOMS is also required to assess the ability of any P&I Club offering such insurance and to only issue certificates when the evidence of insurance (Blue Card) is issued by a P&I Club which has been accepted by ADOMS.
- 3.4. Currently P&I Clubs which are members of the International Group of P&I Clubs are all accepted as suitable and therefore a "Blue Card" confirming the policy of insurance and issued by one of the International Group of P&I Clubs can be accepted as evidence. Annex 1 to this Circular lists the current members of the International Group of P&I Clubs.
- 3.5. As well as the members of the International Group of P&I Clubs, a number of other P&I Clubs have been assessed and accepted by ADOMS as suitable for the provision of insurance in respect of liability for removal of wrecks and the issue of "Blue Cards" as evidence of that insurance. The current list of non International Group P&I Clubs is at Annex 2 to this Circular.

4. Submission of application for issuing a certificate of insurance or other financial security in respect of the removal of wrecks.

4.1. From 14th April, 2015 all ships registered in Antigua and Barbuda of 300 GT and above must carry a certificate of insurance or other financial security in respect of liability for removal of wrecks.

4.2. Certificates of insurance or other financial security in respect of liability for removal of wrecks are issued by the ADOMS office in Oldenburg for ships registered through ADOMS Oldenburg. When a certificate is required a letter of application in the form set out in Annex 3 to this Circular and signed by the appropriate person or representative in accordance with paragraph 4.6 should be submitted to:

ADOMS (Oldenburg) Am Patentbusch 4 D-26125, Oldenburg Germany

Tel: +49 441 93959-0 Fax: +49 441 93959-29 E-mail: <u>info@antiguamarine.com</u>

4.3. Certificates of insurance or other financial security in respect of liability for removal of wrecks for ships registered through the St. John's office are issued from St. John's and the owner should submit an application to:

ADOMS (St. John's) PO Box 1394 St. John's Antigua West Indies

Tel: +1 268 462 1273 Fax: +1 268 462 4358 E-mail: registry@abregistry.ag

- 4.4. In every case the application should be accompanied by evidence of the actual insurance in the form of the "Blue Card" issued by an accepted P&I Club.
- 4.5. Applications may be submitted by mail, by fax or by email. A copy of a suitable form is available on http://abregistry.ag/wp-content/uploads/2015/02/removal-of-wreck.pdf
- 4.6. Applications are to be submitted either by the ship owner, by the legal representative of the ship owner, by an empowered officer of the ship owning company, by an empowered officer of the ship management company, by the bareboat charterer or by the legal representative of the bareboat charterer.
- 4.7. Owners, managers and ship's senior officers should note that the carriage of a certificate of insurance or other financial security in respect of liability for the removal of wrecks is a mandatory requirement and failure to produce it can result in detention by Port State Control Officers.

5. Requests for authorisation by P&I Clubs.

5.1. Any P&I Club wishing to be accepted for the issuance of "Blue Cards" to Antigua and Barbuda ships should apply in writing to ADOMS (St. John's) for authorisation. The

application should contain at least:

- 5.1.1 Adequate documentation on the company's standing and hence solvency. Adequate documentation could be in the form of audited financial statements from the past three years duly authenticated and signed by the auditor;
- 5.1.2 Adequate documentation on approval by the relevant authority that the company is eligible to carry out insurance business in the country of the authority;
- 5.1.3 Adequate documentation on reinsurance coverage on claims met by the company for liability incurred under the Nairobi International Convention on the Removal of Wrecks, 2007;
- 5.1.4 A guarantee by the company and its parent company, if one exists, that it will cover liability incurred under the Nairobi International Convention on the Removal of Wrecks, 2007 and up to the limits of liability according to the International Convention on Limitation of Liability for Maritime Claims, 1976 (as amended);
- 5.1.5 The rating that the insurance company and/or its reinsurers hold by an independent and internationally recognized rating agency;
- 5.1.6 Information in respect of any other flag states which have accepted its insurance; and
- 5.1.7 Information with respect to the method for ADOMS to verify validity of blue cards at any time.
- 5.2. ADOMS will assess each application on its merits and may require additional information in some cases.
- **5.3.** In any case where ADOMS is not satisfied as to the financial strength or other aspects of the applicant P&I Club it may reject the application.

6. Fees.

No fees are charged for the issuance of a certificate of insurance or other financial security in respect of liability for the removal of wrecks, as costs are absorbed by the overall charges for registry.

13th February, 2015

Annex 1

Members of the International Group of P&I Clubs:

- American Steamship Owners Mutual Protection and Indemnity Association, Inc.
- Assuranceforeningen Skuld
- Gard P&I (Bermuda) Ltd.
- The Britannia Steam Ship Insurance Association Limited
- The Japan Ship Owners' Mutual Protection and Indemnity Association
- The London Steam-Ship Owners' Mutual Insurance Association Limited
- The North of England Protecting & Indemnity Association Limited
- The Shipowner's Mutual Protection & Indemnity Association (Luxembourg)
- The Standard Club Ltd.
- The Steamship Mutual Underwriting Association (Bermuda) Limited
- The Swedish Club
- United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited
- The West of England Ship Owners Mutual Insurance Association (Luxembourg).

Annex 2

Other P&I Clubs authorised by Antigua and Barbuda.

- Alandia Marine
- British Steamship P&I
- East of England P&I Association Ltd.;
 - o Argenta
 - o Brit
 - \circ Canopius
 - o Flagstone
 - o Talbot
 - \circ Travellers
- Ingosstrakh Insurance Company
- Korea P&I Club
- Lodestar Marine Limited
- NNPC Noord Nederlansche P&I Club
- Raets Marine Insurance B.V.
 - Almin Europe N.V.
- Tindall Riley Marine Limited (Trading as) Carina Managers

Annex 3

Model letter for an application for the issuance of a certificate of insurance or other financial security in respect of liability for the removal of wrecks:

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Application for the issuance of a certificate of insurance or other financial security in respect of liability for the removal of wrecks with regard to:

Vessel's name

Call sign

IMO number

Dear Sirs,

We wish to refer to Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007, and request on behalf of;

Name of the registered owner (the Company)

the issue of a certificate of insurance or other financial security in respect of liability for the removal of wrecks in respect of the vessel named above which is registered under the flag of Antigua and Barbuda and in the ownership of the Company named above.

For this purpose we enclose a certificate as evidence of insurance pursuant to Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007 which has been issued by:

Name of the Authorised Insurer providing the evidence

on [DATE] attesting to the fact that there is in force in respect of the vessel a policy of insurance for the period starting on [START DATE] and valid until [EXPIRY DATE].

We have been instructed to declare on behalf of the said company that we undertake to notify you immediately in the event of any changes, alterations, or other reasons whatsoever which may cancel, cause or constitute the evidence of insurance to be null and void and that the company further understands that the certificate will cease to be valid from the time the evidence of insurance ceases to be in force. In such eventuality the company undertakes to return the certificate to you.

Furthermore the company undertakes to return the certificate to you within 15 days in any case where:

- The vessel ceases to be registered in the ownership of the Company; or
- The certificate has been terminated.

Yours faithfully,

Name Signature Authorised or empowered signatory.

Circ 2015-001