

APRIL 26, 2001

CIRCULAR NO. 4/01

TO MEMBERS OF THE ASSOCIATION

Dear Member:

CUSTOMS FINES IN ARGENTINA

It has recently come to the Managers' attention that the customs authorities in Argentina are proposing to impose fines on ships for failure to declare quantities of ordinary bunkers and lubricating oil.

Two provisions of relevant Argentinean customs law allow for the imposition of penalties. Under Section 954 thereof, which penalizes discrepancies between quantities declared in the manifest and those verified by the customs, penalties can be a multiple of up to five times the import duty plus payment of the duty itself. The general level of penalty is usually twice the import duty.

In addition, under Section 962, which prohibits the concealment of merchandise, the penalty is seizure and a fine equivalent to the market value of the merchandise. In cases where seizure is not possible, as with bunkers, the financial penalty may be twice the market value of the goods in question.

Clearly, where a vessel is carrying a substantial quantity of bunkers, the potential penalties under these provisions may be very high.

Vigorous objection is being made to this course of action being taken by the local authorities. However, it is not at present known whether they can be deflected from pursuing this policy. It is therefore of the utmost importance that Members warn Masters of vessels trading to Argentina of the need to ensure that bunker and lubricating oil quantities are fully declared in the manifest.

If any Member has questions in regard to the above, the Managers will be pleased to respond.

Yours faithfully,

Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB