



JULY 8, 2008

CIRCULAR NO. 15/08

TO MEMBERS OF THE ASSOCIATION

Dear Member:

ENTRY INTO FORCE OF THE BUNKER CONVENTION: CERTIFICATION REQUIREMENTS AND ISSUANCE OF BLUE CARDS AND STATE CERTIFICATES: AN UPDATE

Reference is made to Circular 09/08 of April 24, 2008 advising Members that the International Convention on Civil Liability for Bunker Oil Pollution 2001 ("the Bunker Convention") will enter into force in State Parties (updated list below) on November 21, 2008.

As already notified, clubs in the International Group have agreed to issue the required Bunker Convention "Blue Cards" to enable State Parties to issue certificates. The purpose of this latest Circular is to provide an update on recent developments.

State certification

(i) Vessels registered in State Parties

Vessels registered in a State Party need only obtain a State certificate from that State. This will be treated as evidence of insurance when calling at any port or terminal in any State Party. The State certificate will be issued against the provision of a Blue Card issued by the club in the required form (see below). Members with vessels registered in a State Party are also recommended to contact the authorities in that state in order to confirm the application procedures for Bunker Convention certificates.

(ii) Vessels registered in non-State Parties

Vessels registered in a state which is not party to the Convention must obtain a state-issued certificate from a State Party to the Convention. The Secretariat of the International Group and the International Chamber of Shipping have been in contact with the administrations in a number of State Parties to identify those willing to issue certificates for vessels which are not registered under their flag.

The International Group has also submitted papers to the March and June sessions of the IOPC Funds to raise awareness of the need for State Parties to agree to issue the certificates to vessels registered in non-State Parties. States are, to date, reluctant to agree to issue certificates for vessels registered in non-State Parties unless calling at their ports because of the administrative burden involved in issuing the necessary, and large, number of certificates involved.

The International Group and the International Chamber of Shipping are continuing discussions with a number of State Parties to seek agreement that they will issue the certificates to all vessels having a gross tonnage greater than 1000 as soon as possible irrespective of whether they are calling at their ports after the entry into force of the Convention.

Until these discussions are concluded and a satisfactory outcome is reached, it will not be possible for the Club to issue Blue Cards to vessels registered in a non-State Party since the Blue Card is



required to be addressed to a State Party that is willing to issue the certificates for such vessels. Members will be kept informed of progress in these discussions.

Issue of Blue Cards

To comply with Bunker Convention requirements, the Blue Card will need to state the name of the vessel, the vessel's distinctive number or letters (or call sign), the port of registry, the IMO number and the name and full address of the principal place of business of the registered owner. Following legal advice received on the relevant address for insertion in Blue Cards, clubs will insert the address of the registered office unless advised of an alternative address by the Member.

In view of the early entry into force of the Convention, it is recommended that Members start the application process as soon as possible.

Certification and pooling of liability under certificates

Members have also previously been informed that the Club will issue Blue Cards on condition that the Member agrees that where any payment by the Club under the certificate is in respect of war risks, the Member will indemnify the 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 the 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 these conditions.

It is therefore necessary that all Members requesting Blue Cards ensure that they have in place P&I war risks cover on standard terms with a separate limit for P&I liabilities. Members should also contact their primary war risks underwriters to notify them of the assignment of rights/recovery under the policy.

If any Member has any questions as to the above, or generally, the Managers will, as always, be pleased to respond.

Yours faithfully,



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

States Party to the Convention
(as at July 2008)

Bahamas, Bulgaria, Croatia, Cyprus, Estonia, Germany, Greece, Jamaica, Latvia, Lithuania, Hungary, Iceland, Luxembourg, Marshall Islands, Norway, Poland, Samoa, Sierra Leone, Singapore, Slovenia, Spain, Tonga and the United Kingdom.

All Clubs in the International Group of P&I Clubs are issuing circulars similar to the foregoing.