



MERCHANT SHIPPING ACT 1995

MERCHANT SHIPPING (OIL POLLUTION COMPENSATION LIMITS) ORDER 2005

Laid before Tynwald: 15 February 2005

Coming into operation: 20 February 2005

In exercise of the powers conferred on the Department of Trade and Industry by sections 157(2) and 176(5) of the Merchant Shipping Act 1995¹ (an Act of Parliament), the following Order is hereby made:

Citation and commencement

1. (1) This Order may be cited as the Merchant Shipping (Oil Pollution Compensation Limits) Order 2005 and shall come into force on 20 February 2005 in relation to occurrences on or after that date.

(2) These Regulations shall not have effect in relation to any vessel until noon on the 20 February 2005.

Amendment of compensation limits for oil pollution

2. (1) The Merchant Shipping Act 1995 is amended as follows.

(2) In section 157 (limitation of liability for oil pollution by tankers), in subsection

(2) –

(a) in paragraph (a), for “three million” substitute “4.51 million”;

(b) in paragraph (b) –

¹ 1995 c.21. as applied to the Isle of Man by SD553/97

- (i) for “three million” substitute “4.51 million”;
- (ii) for “420” substitute “631”;
- (iii) for “59.7 million” substitute “89.77 million”.

(3) In Part 1 of Schedule 5 (text of paragraphs 4 and 5 of Article 4 of the Fund Convention), in the text of paragraph 4 –

- (a) in sub-paragraphs (a) and (b), for “135 million” substitute “203 million”;
- (b) in sub-paragraph (c), for “200 million” substitute “300.74 million”.

Made: 11th January 2005

Alex F. Downie,
Minister for Trade and Industry

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Merchant Shipping (Oil Pollution Compensation Limits) Order 2005 amends the Merchant Shipping Act 1995 to give effect to amendments to the 1992 Protocols of the CLC Convention¹ and IOPC Fund².

The amendments which increase the limits of liability under the 1992 Protocols were adopted by resolution at the 82nd session of the Legal Committee of the International Maritime Organization.

The CLC Convention makes the shipowner strictly liable for damage suffered as a result of an oil pollution incident and the amendments raise the limits payable to 89.77 million Special Drawing Rights (SDR) for a ship over 140,000 gross tonnage, up from 59.7 million SDR established in the 1992 Protocol.

The IOPC Fund amendments raise the maximum amount of compensation payable from the IOPC Fund for a single incident, including the limit established under the CLC amendments, to 203 million SDR, up from 135 million SDR. However, if three States contributing to the Fund receive more than 600 million tonnes of oil per annum, the maximum amount is raised to 300,740,000 SDR, up from 200 million SDR.

While the Civil Liability Convention regulates the shipowner's liability, the Fund is made up of contributions from oil importers.

The Resolutions, Protocols and Conventions referred to above can be obtained from the International Maritime Organization, 4 Albert Embankment, London SE1 7SR. www.imo.org.

¹ 1992 Protocol of the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (CLC Convention).

² 1992 Protocol of the International Convention on Civil Liability for Oil Pollution Damage (Fund Convention).

