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## **International Convention on Civil Liability for Oil Pollution Damage 1992 (CLC Convention)**

Notice to ship owners, managers, Masters, Approved Nautical Inspectors, Recognised Organisations and surveyors

*This Notice supersedes BMA Information Bulletin No.164*

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### **1. Purpose**

- 1.1. This Notice provides the Bahamas requirements related to the International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC Convention).
- 1.2. This Notice also describes the application process for the issue of CLC Insurance Certificates to Bahamian and non-Bahamian ships.
- 1.3. This Notice should be read in conjunction with The International Convention on Civil Liability for Oil Pollution Damage, 1992.

### **2. Application**

- 2.1. The CLC Convention applies to pollution damage and measures taken to prevent or minimise damage caused by any hydrocarbon mineral oil such as crude oil, fuel oil, heavy diesel oil and lubricating oil on board or originating from the ship.
- 2.2. The CLC Convention applies to all vessels falling within the definition of a ship as outlined in Article I (1) of the Convention, i.e., vessels carrying oil in bulk as cargo on a voyage and following such carriage (unless it is proved that the vessel has no residues of such carriage of oil in bulk aboard).
- 2.3. 'Offshore craft', such as FPSOs, FSO/FSU, FPU, FLNGs, FSRUs etc., are considered by the Bahamas Maritime Authority (BMA) to be "ships" for the purposes of the Convention and therefore required to maintain insurance or other financial security, unless it can be shown that the vessel is fixed on location and does not have:
  - i. its own independent motive power and steering equipment for seagoing navigation;
  - ii. seafarers on board, so as to be employed either as storage units or carriage of oil in bulk as cargo;

- iii. elements of the carriage of oil and undertaking a voyage.
- 2.4. The Registered Owner is required to provide the BMA with confirmation that the vessel is not carrying oil in bulk as cargo on a voyage and therefore falls outside the CLC Convention. This confirmation should take the form of a Statement Letter from the vessel's Classification Society confirming that the vessel does not possess any of the elements outlined in 2.3 i. to iii. above.
- 2.5. Vessels which are **not** constructed or adapted for the carriage of oil in bulk or cargo clearly fall outside the definition of a ship for the purposes of the Convention.

### **3. Introduction**

- 3.1. The International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC) was adopted on 27 November 1992 and entered into force for The Bahamas on 30 May 1996.
- 3.2. The CLC Convention requires that The Bahamas, as a State Party, issues appropriate Certificates of Insurance to Bahamas registered vessels.
- 3.3. The CLC Convention requires the registered owner(s) of a ship **carrying more than 2,000 tons of oil cargo** to maintain insurance or other financial security to cover their liability for one oil spill.
- 3.4. The CLC Convention requires ships of State parties and those trading to any State Party to carry a Certificate of Insurance (CLC Certificate), issued by a State Party, evidencing that acceptable insurance or other financial security is in place.
- 3.5. The Bahamas is prepared to issue CLC Certificates for ships registered in States that are not party to the CLC Convention, provided that the BMA is satisfied that the contract of insurance or other financial security satisfies the requirements of the CLC Convention.
- 3.6. CLC Certificates must be carried on board applicable ships at all times. Ships found not to be in possession of a valid CLC Certificate may be detained and/or the owner, master or operator may be liable to a fine of up to \$120,000 (one hundred and twenty thousand dollars).
- 3.7. A CLC may be issued for insured parties where insurance cover is provided by:
- i. Protection and Indemnity Club which is a member of The International Group of P&I Clubs; or
  - ii. Member of an insurance body/group of similar international standing; or
  - iii. Banking Corporation or Financial Institutions of similar international standing.

- 3.8. Proof of Insurance or other Financial Security must be provided in the form of:
- i. A 'Blue Card' – usually issued by P&I Clubs; or
  - ii. An 'insurance certificate'; or
  - iii. A 'Financial guarantee Certificate'.
- 3.9. The certificate showing proof of insurance cover must indicate:
- i. Name of Registered Owner
  - ii. Principal Place of Business of Registered Owner (Note that this is not necessarily the same as the registered office of the Owner)
  - iii. Name of Insurer or Guarantor
  - iv. Principal Place of Business of Insurer or Guarantor
  - v. Duration of Security
  - vi. "Certificate furnished as Evidence of Insurance Pursuant to Article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1992."
  - vii. Name of Ship
  - viii. IMO Ship Identification Number
  - ix. Distinctive Numbers/Letters
  - x. Port of Registry
  - xi. "This is to certify that there is in force in respect of the above-named ship while in above-named ownership a policy of insurance satisfying the requirements of Article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1992." (the Convention)
  - xii. Insurance cover will not cease before three months has lapsed from the date on which notice of termination is given.
- 3.10. For compulsory insurance purposes, a "Blue Card" issued by a recognised Protection & Indemnity Club, which is a member of the International Group of P&I Clubs, or banking corporation or financial institution of similar international standing, which can be verified, will be evidence of insurance cover being in place and will be used as the basis for the insurance of a CLC Certificate by the BMA.

#### **4. CLC Certificates**

##### **4.1. Bahamian ships**

- 4.1.1. All Bahamian ships carrying more than 2,000 tonnes of oil as cargo require a valid CLC Certificate attesting that insurance or other financial security is in place to cover the registered owner's liabilities under the CLC Convention.
- 4.1.2. CLC Certificates for Bahamian ships must be obtained only from the BMA. Please see paragraph 5.

4.1.3. Where the registry of a Bahamian ship has been suspended as a result of registration in a foreign country for the duration of a bareboat charter in accordance with section 25 of the Merchant Shipping Act, the ship will be deemed a non-Bahamian ship and subject to the requirements of the State of the ship's registry. CLC Certificates, if required by the State of the ship's registry or if the ship is trading to a State Party to the CLC Convention, may be issued to the ship in accordance with paragraph 4.2.2.

#### 4.2. ***Non-Bahamian ships***

4.2.1. Non-Bahamian ships carrying more than 2,000 tonnes of oil as cargo calling at ports in The Bahamas require a valid CLC Certificate attesting that insurance or other financial security is in place to cover the registered owner's liabilities under the CLC Convention.

4.2.2. CLC Certificates for non-Bahamian ships must be:

- i. For a ship registered in a State Party, issued by or under the authority of that State;
- ii. For a ship registered in a country which is not a State Party, issued by the BMA (see paragraph 6) or by or under the authority of a State Party.

### **5. Applications for CLC Certificates – Bahamian Ships**

5.1. All applications for a CLC Certificate for a Bahamian ship shall be made by the registered owner or the operator of the ship and must be accompanied by the following:

- i. Certificate of Entry (Blue Card) or other Proof of Financial Security;
- ii. The applicable fee

5.2. A CLC Certificate will be issued by the BMA issued in accordance with Article VII of the CLC Convention for a maximum insurance period of 12 months.

5.3. The fee for the issue of a CLC Certificate for a Bahamian ship is USD150.

5.4. CLC Certificates will be issued electronically as digital certificates (unless paper certificate with wet ink signature is required).

5.5. Where the BMA refuses to issue a CLC Certificate, the applicant will be advised in writing of the reason for refusal within fourteen (14) days from the date of such refusal.

5.6. Applications will be processed in the order they are received by the BMA.

- 5.7. If there are any changes to the issued certificate, the owner must inform the BMA immediately, as any change will invalidate the certificate.

## **6. Applications for CLC Certificates – non-Bahamian ships**

- 6.1. All applications for a CLC Certificate for a non-Bahamian ship shall be made by the registered owner or the operator of the ship and must be accompanied by the following:
- i. Duly completed Application Form (Form can be downloaded from: <https://www.bahamasmaritime.com/downloads/>);
  - ii. Certificate of Entry (Blue Card) or other Proof of Financial Security;
  - iii. The applicable fee;
  - iv. Transcript of Register dated not more than five (5) days before the application is submitted to the BMA.
- 6.2. Where a Transcript of Register cannot be obtained (e.g., where the registry of the ship does not issue transcripts), or of the transcript does not contain sufficient information to issue a CLC Certificate, a copy of the latest Continuous Synopsis Record must be submitted with the application.
- 6.3. Completed and signed application forms are to be submitted to any BMA office. To speed up processing, an electronic copy of the form may be submitted by email to [reg@bahamasmaritime.com](mailto:reg@bahamasmaritime.com) with the original to follow by post.
- 6.4. The fee for the issue of a CLC Certificate for a non-Bahamian ship is USD300.
- 6.5. All CLC Certificates for non-Bahamian ships will be returned to the applicant via courier, unless otherwise agreed with the BMA. The courier fee is USD60.
- 6.6. Where the BMA refuses to issue a CLC Certificate, the applicant will be advised in writing of the reason for refusal within fourteen (14) days from the date of such refusal.
- 6.7. Priority is given to applications to applications for CLC Certificates for Bahamian ships. Applications for non-Bahamian ships will be processed as time allows and in the order received.

## **7. Queries**

- 7.1. Any queries on this Notice may be addressed to [reg@bahamasmaritime.com](mailto:reg@bahamasmaritime.com) or any BMA office.

