

REPUBLIC OF THE MARSHALL ISLANDS

Marine Notice

No. 2-011-45

Rev. 2/15

MARITIME ADMINISTRATOR

TO: ALL SHIPOWNERS, OPERATORS, MASTERS AND OFFICERS OF MERCHANT SHIPS, AND RECOGNIZED ORGANIZATIONS

SUBJECT: Nairobi International Convention on the Removal of Wrecks, 2007 Certification Requirements

References: (a) Nairobi International Convention on the Removal of Wrecks, 2007

- (b) Convention on Limitation of Liability for Maritime Claims, 1976, as amended
- (c) RMI Maritime Act, 1990 as amended (MI-107), Sections 103 and 155
- (d) RMI Maritime Regulations (MI-108), Chapter 2, Sections 2.11.2 and 2.11.3, Compliance with International Conventions, Agreements and National Standards, and Responsibility
- (e) RMI Vessel Registration and Mortgage Recordation (MI-100), Chapter III, Section 2, B, 11g, *Proof of Liability Insurance*
- (f) RMI Marine Notice 1-002-1, List of Office and Service Locations

PURPOSE:

This Notice serves to advise all parties that the Republic of the Marshall Islands (RMI) has ratified the Nairobi International Convention on the Removal of Wrecks, 2007 (the "Convention") on 30 September 2014 and deposited its instrument of accession with the International Maritime Organization (IMO) on 27 October 2014. The Convention enters into force on 14 April 2015.

The Convention provides the legal basis for States to remove, or have removed, shipwrecks that may adversely affect the safety of lives, goods and property at sea, as well as the marine and coastal environment. It places financial responsibility on shipowners and requires them to obtain insurance or provide other financial security to cover the costs of wreck removal. It also provides States with a right of direct action against insurers. This Marine Notice outlines the Convention requirements, including those for a ship to obtain a certificate of insurance or other financial security to cover financial liabilities.

This Notice supersedes the original issue of 1/15 and reflects the change in procedure for the request and payment of a Wreck Removal Liability Certificate for non-State Party vessels (section 7.2) and the addition of a sample of the non-State Party application form in Annex II.

APPLICATION:

- 1.0 The Convention applies exclusively to liabilities for the removal of wrecks (including any form of prevention, mitigation or elimination of the hazard created by a wreck) in exclusive economic zone of a State Party, established in accordance with international law, or, if a State Party has not established such a zone, in 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.
- 1.1 As the RMI has notified the IMO Secretary-General of its intention to extend the application of the Convention to its territorial sea, the Convention requirements will apply within RMI territorial waters.
- 1.2 All ships of 300 gross tons and above registered in the RMI or entering or leaving a RMI port or an offshore facility in RMI waters shall maintain insurance or other financial security to cover liability under the Convention in accordance with paragraphs 4.0 and 6.0, below.

DEFINITIONS

2.0 Convention

For the purposes of this Notice, the following definitions are excerpted from the Convention:

- 2.1 Convention area means 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.
- 2.2 Ship means a seagoing vessel of **any type whatsoever** and includes hydrofoil boats, aircushion vehicles, submersibles, floating craft, fishing vessels, yachts and floating platforms, except when such platforms are on location engaged in the exploration, exploitation or production of seabed mineral resources.
- 2.3 *Maritime casualty* means a collision of ships, stranding or other incident of navigation, or other occurrence on board a ship or external to it, resulting in material damage or imminent threat of material damage to a ship or its cargo.
- 2.4 Wreck, following upon a maritime casualty, means:
 - .1 a sunken or stranded ship; or
 - .2 any part of a sunken or stranded ship, including any object that is or has been on board such a ship; or
 - .3 any object that is lost at sea from a ship and that is stranded, sunken or adrift at sea; or
 - .4 a ship that is about, or may reasonably be expected, to sink or to strand, where effective measures to assist the ship or any property in danger are not already being taken.

- 2.5 *Hazard* means any condition or threat that:
 - .1 poses a danger or impediment to navigation; or
 - .2 may reasonably be expected to result in major harmful consequences to the marine environment, or damage to the coastline or related interests of one or more States.
- 2.6 *Related interests* means the interests of a coastal State directly affected or threatened by a wreck, such as:
 - .1 maritime coastal, port and estuarine activities, including fisheries activities, constituting an essential means of livelihood of the persons concerned;
 - .2 tourist attractions and other economic interests of the area concerned;
 - .3 the health of the coastal population and the wellbeing of the area concerned, including conservation of marine living resources and of wildlife; and
 - .4 offshore and underwater infrastructures.
- 2.7 *Removal* means any form of prevention, mitigation or elimination of the hazard created by a wreck. "Remove", "removed" and "removing" shall be construed accordingly.
- 2.8 Registered owner means the person or persons registered as the owner of the ship or, in the absence of registration, the person or persons (see *person* below) owning the ship at the time of the maritime casualty. However, in the case of a ship owned by a State and operated by a company which in that State is registered as the operator of the ship, "registered owner" shall mean such company.
- 2.9 Operator of the ship means the owner of the ship or any other organization or person (see *person* below) such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the owner of the ship and who, on assuming such responsibility, has agreed to take over all duties and responsibilities established under the International Safety Management Code, as amended.
- 2.10 Affected State means the State in whose Convention area the wreck is located.
- 2.11 State of the ship's registry means, in relation to a registered ship, the State of registration of the ship and, in relation to an unregistered ship, the State whose flag the ship is entitled to fly.

3.0 Administrator

For the purpose of providing unified understanding, the following terms are also defined:

- 3.1 *Gross tonnage* means gross tonnage calculated in accordance with the tonnage measurement regulations contained in Annex 1 of the International Convention on Tonnage Measurement of Ships, 1969, as may be amended from time to time.
- 3.2 *Person* means any individual, legal entity, or partnership, whether corporate or not.

REQUIREMENTS:

4.0 Liability of the Shipowner

- 4.1 Subject to Article 11 of the Convention, the registered owner shall be liable for the costs of locating, marking and removing the wreck under Articles 7, 8 and 9 of the Convention, respectively, unless the registered owner proves that the maritime casualty that caused the wreck:
 - .1 resulted from an act of war, hostilities, civil war, insurrection, or a natural phenomenon of an exceptional, inevitable and irresistible character;
 - .2 was wholly caused by an act or omission done with intent to cause damage by a third party; or
 - .3 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.
- 4.2 No claim for the costs referred to in paragraph 4.1 herein may be made against the registered owner otherwise than in accordance with the provisions of the Convention. This is without prejudice to the rights and obligations of a State Party for which the Convention is applicable to its territorial waters, other than locating, marking and removing in accordance with the Convention.
- 4.3 Nothing in Article 3 shall prejudice any right of recourse against third parties.

5.0 Owner's Limitation of Liability

- 5.1 Nothing in the Convention affects the right of the registered owner to limit liability under any applicable national or international regime, such as the Convention on the Limitation of Liability for Maritime Claims, 1976, as amended, to which the RMI is a Party.
- 5.2 Any claim for costs arising under the Convention may be brought directly against the insurer or other person providing financial security for the registered owner's liability. In such a case the defendant may invoke the defenses (other than the bankruptcy or winding up of the registered owner) that the registered owner would have been entitled to invoke, including limitation of liability under any applicable national or international regime.
- 5.3 Furthermore, even if the registered owner is not entitled to limit liability, the defendant may limit liability to an amount equal to the amount of the insurance or other financial security required to be maintained in accordance with Article 12, paragraph 1 of the Convention. Moreover, the defendant may invoke the defense that the maritime casualty was caused by the willful misconduct of the registered owner, but the defendant shall not invoke any other defense which the defendant might have been entitled to invoke in proceedings brought by the registered owner against the defendant. The defendant shall in any event have the right to require the registered owner to be joined in the proceedings.

6.0 Compulsory Insurance or Financial Security

- 6.1 The registered owner of a ship of 300 gross tons and above registered under the RMI flag shall maintain insurance or other financial security, such as the guarantee of a bank or similar financial institution, to cover the liability of the registered owner for removal of the wreck. See Section 7.1 below for certification requirements.
- 6.2 In accordance with Article 12 paragraph 12 of the Convention, the registered owner of any ship of 300 gross tons and above entering or leaving a port in the territory of the RMI, or arriving at or leaving an offshore facility in the RMI territorial sea, shall be required to maintain insurance or other financial security, such as the guarantee of a bank or similar financial institution, to cover the liability of the registered owner for removal of the wreck in an amount equal to the limits of liability under an applicable national or international limitation regime. See paragraph 7.2 below for certification requirements.

7.0 Certification Requirements

7.1 <u>RMI Registered Ships</u>

- 7.1.1 There shall be issued to each RMI registered ship of 300 gross tons and above a Certificate of Insurance or Other Financial Security in Respect of Liability for the Removal of Wrecks (WRLC), form MI-237 (sample attached in Annex I of this Notice), attesting that insurance or other financial security is in force in accordance with the provisions of the Convention. Such ship, in accordance with Article 12 paragraph 11 of the Convention, shall be restricted in its operation unless a WRLC has been issued to it and is carried on board the ship at all times.
- 7.1.2 A WRLC, shall be issued by the Administrator, or an official who is authorized to act for and on behalf of the Administrator, upon receipt and approval of proof of insurance or other financial security submitted by the registered owner or, as the case will most likely be, the **operator of the ship.** The standard civil liability certificate fee will apply.
- 7.1.3 Proof of coverage will generally be in the form of a "cover note" or similar confirmation sometimes referred to as a "Blue Card," which verifies that insurance coverage, including wreck removal coverage, is currently in full force and effect for the ship.
- 7.1.4 Proof of insurance or other financial security shall cover the following:
 - .1 protection and indemnity cover in force with respect to the ship and issued by either:
 - (a) a member Club of the International Group of P & I Clubs;
 - (b) a non-member Club of the International Group of P & I Clubs with a contractual agreement for re-insurance with member/members of the International Group of P & I Clubs:
 - (c) a publicly traded Insurer with verifiable reserves that fulfill the obligations required under the various International Conventions to which the RMI is a Party; or

- (d) a non-member Club of the International Group of P & I Clubs P & I Club with verifiable financial reserves that fulfill the obligations required under the various International Conventions to which the RMI is a Party.
- .2 in the case of a pleasure yacht, third party liability and hull and machinery insurance issued by an underwriter in policy form acceptable to the Administrator.
- 7.1.5 In the case of a self-insurer, proof of coverage must be a duly acknowledged statement (see RMI publication MI-100, Chapter V, Section 2(B)(2) for an example) with an attached auditor's report, setting forth the type and amount of the ship's liability reserve, and the nature of security provided.
- 7.1.6 The proof of coverage and any additionally required documentation may be sent by mail or email to any of the offices listed in RMI Marine Notice <u>1-002-1</u>.

7.2. Non-State Party Ships

- 7.2.1 With respect to a ship not registered in the RMI but in a non-State Party to the Convention and not in possession of a Certificate of Insurance or Other Financial Security issued by the State of the ship's registry, the Administrator may, upon request from the registered owner or operator of the ship, issue a WRLC to it to certify proof of liability insurance or other financial security is in force in accordance with the provisions of the Convention.
- 7.2.2 The following information must be submitted with the request:
 - .1 proof of protection and indemnity cover in force with respect to the ship which must be issued by a member Club of the International Group of P & I Clubs except as may be determined at the sole discretion of the Administrator;
 - .2 a copy of a valid ship Certificate of Registry (COR).
- 7.2.3 Payment of a fee of US\$500 remitted by check or bank draft payable upon receipt of invoice to "The Trust Company of the Marshall Islands, Inc." in United States (US) dollars and drawn on a US bank or the US branch of an international bank is required. Wire transfers are also acceptable. The most convenient office of the Administrator may be contacted for wire transfer instructions. Fees may also be paid online by credit card.
- 7.2.4 The application (MI-239non-RMI), proof of coverage from a member Club of the International Group of P&I Clubs and COR should be sent by email to wr.com. Please also refer to our website under Maritime Services here for detailed information. A sample of the MI-239non-RMI is attached in Annex II of this Notice.
- 7.2.5 In accordance with paragraph 6.2 herein, the above information and certification shall be required for non-State Party ships entering or leaving a port in the territory of the RMI.

7.3 Priority Handling

Applications for liability certification submitted by the registered owner or operator of an RMI registered ship shall be given priority and processed first. Applications from non-State Party ship entities shall be processed as volumes and time will allow.

8.0 WRLC Format

- 8.1 The WRLC shall be issued in the form of the model set out in Annex I hereto and shall contain the following particulars:
 - .1 name of the ship, distinctive number or letters and port of registry;
 - .2 gross tonnage of the ship;
 - .3 name and principal place of business of the registered owner;
 - .4 IMO ship identification number;
 - .5 type and duration of security;
 - .6 name and principal place of business of insurer or other person giving security and, where appropriate, place of business where the insurance or security is established; and
 - .7 period of validity of the certificate, which shall not be longer than the period of validity of the insurance or other security.

9.0 Issuance and Validity of Certificates

- 9.1 Ships registered in the RMI must be issued a WRLC by the entry into force date of 14 April 2015. Ships being registered in the RMI must be issued a WRLC at registration.
- 9.2 Non-State Party ships shall be issued a WRLC upon bank confirmation of receipt of payment of the fee stated in paragraph 7.2.2.3 above.
- 9.3 The period of validity of the WRLC shall not be longer than the period of validity of the insurance or other security. The WRLC must be renewed annually by the registered owner by 20th February or at any other time there is a change in insurance or financial security.
- 9.4 It shall be the responsibility of the registered owner or operator of the ship registered in a non-State Party to place the WRLC on board the ship and to notify and provide a copy of the WRLC to its flag State administration.
- 9.5 Until amendments are made to the respective conventions, the WRLC issued under this Convention, the Civil Liability Convention Certificate (CLC) issued under the International Convention on Civil Liability for Oil Pollution Damage, 1992, or the Civil Liability for Bunker Oil Pollution Damage Convention Certificate (CLBC) issued under the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001, may not be combined under a single certificate.

10.0 Reporting Wrecks

10.1 The master and the operator of a ship flying the RMI flag shall to report to the Affected State without delay when that ship has been involved in a maritime casualty resulting in a wreck. To the extent that the reporting obligation has been fulfilled either by the master or the operator of the ship, the other shall not be obliged to report.

- 10.2 Such reports shall provide the name and the principal place of business of the registered owner and all the relevant information necessary for the Affected State to determine whether the wreck poses a hazard, including:
 - .1 the precise location of the wreck;
 - .2 the type, size and construction of the wreck;
 - .3 the nature of the damage to, and the condition of, the wreck;
 - .4 the nature and quantity of the cargo, in particular any hazardous and noxious substances; and
 - .5 the amount and types of oil, including bunker oil and lubricating oil, on board.

11.0 Measure to Facilitate the Removal of Wrecks

- 11.1 Where the Affected State determines that a wreck constitutes a hazard, the registered owner shall be liable for the removal of the wreck. The registered owner shall provide evidence of the insurance or other financial security required by the Convention.
- 11.2 The registered owner may contract with any salvor or other person to remove the wreck. Before such removal commences, the Affected State may lay down conditions for such removal to ensure the removal proceeds in a manner consistent with considerations of safety and protection of the marine environment.

11.3 The Affected State shall:

- .1 set a reasonable deadline within which the registered owner must remove the wreck, taking into account the nature of the hazard;
- .2 inform the registered owner in writing of the deadline it has set and specify that, if the registered owner does not remove the wreck within that deadline, it may remove the wreck at the registered owner's expense; and
- .3 inform the registered owner in writing that it intends to intervene immediately in circumstances where the hazard becomes particularly severe.

ANNEX I



REPUBLIC OF THE MARSHALL ISLANDS

No.

MARITIME ADMINISTRATOR

CERTIFICATE OF INSURANCE OR OTHER FINANCIAL SECURITY IN RESPECT OF LIABILITY FOR THE REMOVAL OF WRECKS

Issued in accordance with the provisions of Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007.

Name of Ship	Gross Tonnage	Distinctive Number or Letters	IMO Ship Identification Number	Port of Registry	Name and Full Address of the Principal Place of Business of the Registered Owner			
This is to certify that there is in force security satisfying the requirements	e, in respe	ct of the abo	ve-named ship,	a policy of	f insurance or other financial			
Wrecks, 2007.	of Article	12 of the Na	irooi internatio	onar Conver	ntion on the Removal of			
Type of Security:			/ <i>/</i>					
Duration and Effective Date of Secu	urity:							
Name and Address of the Insurer(s)	and/or Gu	arantor(s):						
This Certificate is valid until [day] [month] [year] AND SHALL BE CARRIED ON BOARD AT ALL TIMES AND PRESENTED UPON THE REQUEST OF AUTHORITIES WHILE WITHIN THEIR JURISDICTION.								
		Issued by ord	er of the Maritime	Administrato	or, Republic of the Marshall Islands			
		Date						
		At						
		Ву						

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Explanatory Notes:

- 1 If desired, the designation of the State may include a reference to the competent public authority of the country where the Certificate is issued.
- 2 If the total amount of security has been furnished by more than one (1) source, the amount of each of them should be indicated.
- 3 If security is furnished in several forms, these should be enumerated.
- 4 The entry "Duration of Security" must stipulate the date on which such security takes effect.
- 5 The entry "Address" of the insurer(s) and/or guarantor(s) must indicate the principal place of business of the insurer(s) and/or guarantor(s). If appropriate, the place of business where the insurance or other security is established shall be indicated.

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ANNEX II

Sample of Nairobi International Convention on the Removal of Wrecks, 2007 Non-States Party Vessel Application Form:



REPUBLIC OF THE MARSHALL ISLANDS

MARITIME ADMINISTRATOR

11495 Commerce Park Drive Reston, Virginia 20191-1506 USA Tel: +1-703-620-4880 Fax: +1-703-476-8522 Email: WRLC@register-iri.com

Nairobi International Convention on the Removal of Wrecks, 2007 Non-State Party Vessel Application Form

Please complete this document and submit, along with electronic copies of the current, valid Certificate of Registry and the Blue Card issued by a member of the **International Group of P&I Clubs** certifying the existence of a valid policy of insurance in compliance with Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007, to wRLC@register-iri.com. Once the application has been accepted, an invoice and payment instructions will be emailed to you. Upon confirmation of payment, the Certificate of Insurance or Other Financial Security in Respect of Liability for the Removal of Wrecks (WRLC) will be forwarded via email to the email address provided in the email field under Requesting Entity. WRLC yalidity may be verified at www.wegister-iri.com.

Vessel Name	Port of Registry	Gross Tons	Distinctive Number or Letters	IMO Number		
Registered Owner						
Name of Registered Owner:						
Principal Place of Business Address Line 1:						
Principal Place of Business Address Line 2:						
City:	State/Province:					
Country:	Postal Code:					
Telephone:	Email:					
Insurer Details (as stated on Blue Card)						
Name of Insurer:						
Principal Place of Business Address Line 1:						
Principal Place of Business Address Line 2:						
City:	State/Province:					
Country:	Postal Code:					
Requesting Entity and email address for receipt of electr	conic WRLC Chec	ck if same as Re	egistered Owner 🗌			
Name of Entity Requesting WRLC:						
Principal Place of Business Address Line 1:						
Principal Place of Business Address Line 2:						
City:	State/Province:	State/Province:				
Country:	Postal Code:	Postal Code:				
Telephone:	Email:					
Payment Information (fee must be paid in advance of W	TRLC issuance) 1 Chec	ck if same as Re	equesting Entity			
Name of Entity Making Payment:						
Billing Address Line 1:						
Billing Address Line 2:						
City:	State/Province:					
Country:	Postal Code:	Postal Code:				
Telephone:	Email:	Email:				
I, (requestors name) registered or beneficial ownership of the applicant vessel, nor nation, to include Cuba, Syria, Sudan, North Korea, and Iran, equivalent, as published by the European Union, United Nati representations are true and correct to the best of my information. Date:	their subsidiaries and/or affiliates, is nor is an individual or entity on the l ions, or United States. By submittin	s a resident, nati List of Specially	Designated Nationals and B	hensively embargoed locked Persons or its		
1						

¹ To expedite receipt of the WRLC, it is recommended that payment of the invoice be made online at https://www.tcmi-inc.com/miPayments/index.cfm/Payment/maritime.

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