

Bunkers Convention

The International Convention on
Civil Liability for
Bunker Oil Pollution Damage, 2001

COMPENSATION FOR DAMAGE
CAUSED BY SPILLS OF BUNKER OIL



What is the Bunkers Convention?



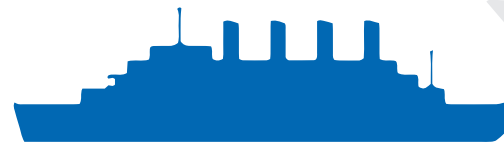
1 The Bunkers Convention aims to ensure that adequate, prompt and effective compensation is available for loss or damage caused by spills of bunker oil from ships by:

- establishing strict liability against the shipowner;
- ensuring the shipowner has insurance or financial security in place; and
- providing the right of direct action against that insurer or provider of other financial security.



2 The Bunkers Convention applies to:

- bunker oil, meaning any hydrocarbon mineral oil used or intended to be used for the propulsion or operation of a ship, including lubricating oil, and any residues of such oil;
- all seagoing vessels and seaborne craft of any type whatsoever;
- pollution damage, meaning:
 - > loss or damage caused outside the ship by contamination resulting from the escape or discharge of bunker oil from the ship in the territory, including the territorial sea, and in the exclusive economic zones of a State Party or an area beyond and adjacent to the territorial sea of a State Party extending not more than 200 nautical miles from the baselines; and



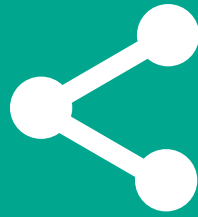
3

The Bunkers Convention does NOT apply to pollution damage arising from a spill of bunker fuel oil used or intended to be used for the propulsion or operation of the ship carrying persistent oil in bulk as cargo and any residues of such oil, if IMO's Civil Liability Convention¹ is in force and applicable.

¹ International Convention on Civil Liability for Oil Pollution Damage, 1992.

How

does the Bunkers Convention relate to the LLMC Convention?



1

The Bunkers Convention establishes strict liability for pollution damage.



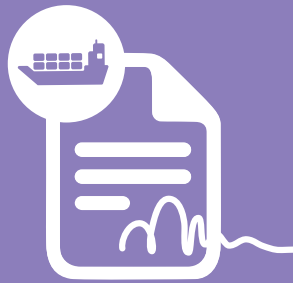
2

While the Bunkers Convention does not contain any limits of liability within its provisions, it does not affect any right of shipowners, and the person or persons providing insurance or other financial security, from limiting their liability under any applicable national or international regime, such as the Convention on Limitation of Liability for Maritime Claims, 1976 (LLMC), as amended.

Even if the shipowner is not entitled to limit their liability, insurers or providers of other financial security may still limit their liability to an amount equal to the amount of the insurance or financial security required by the Bunkers Convention.



What are the obligations of shipowners?



- 1 Shipowners, meaning the registered owner, bareboat charterer, manager and operator of the ship, are strictly liable to pay compensation for pollution damage even if the spill is accidental, subject to certain specific defences from liability.**

All parties identified above as the shipowner are jointly and severally liable under the Bunkers Convention for pollution damage caused by any bunker oil on board or originating from the ship.

- 2 The registered owners of ships above 1,000 gross tonnage that are either registered in a State Party or entering or leaving the port of a State Party, or arriving at or leaving an offshore facility in their territorial sea, must:**

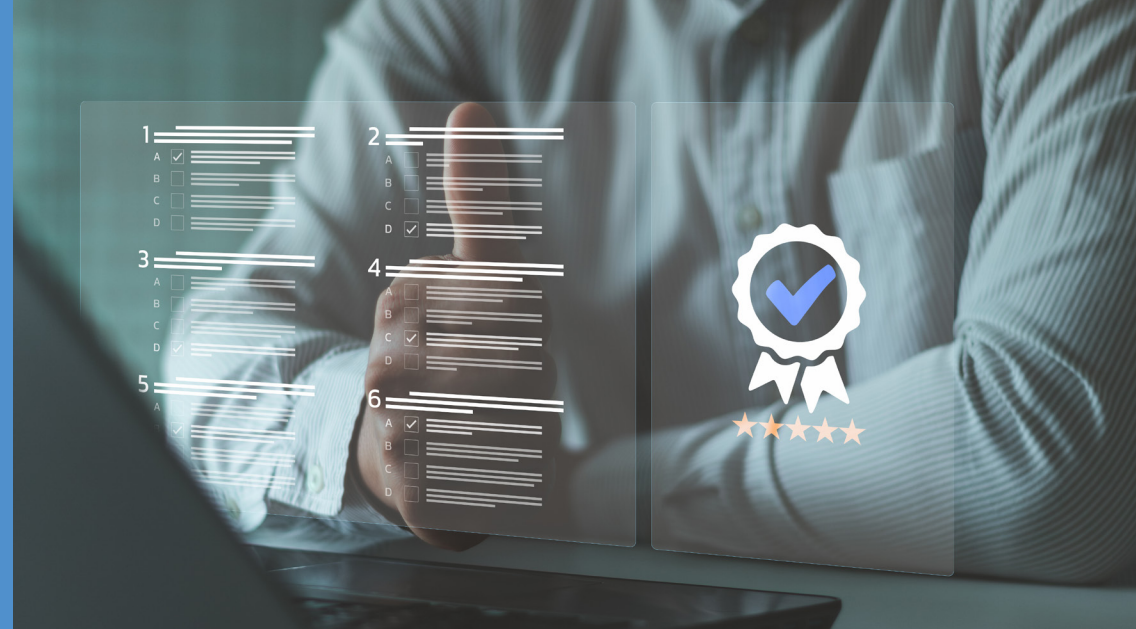
- obtain and maintain insurance or other financial security, such as the guarantee of a bank or similar financial institution to cover their liabilities under the Bunkers Convention;
 - The amount of insurance or financial security required should not exceed the amount of the ship's limit of liability calculated in accordance with the LLMC Convention as amended.
 - If the registered owner is in any doubt about the amount of insurance or financial security required, they should contact the State where they are applying for their Bunkers Convention certificate or their insurer or financial security provider (normally a P & I Club).
- obtain a Bunkers Convention certificate from their flag State if the flag State is a State Party to the Bunkers Convention or other State Party if their flag State is not party to the Bunkers Convention, attesting that insurance or other financial security is in place; and
- ensure that the Bunkers certificate, which can be in electronic format, is carried onboard the ship at all times.

- 3 The registered owners of ships of 1,000 GT or less are not required to maintain insurance or financial security but remain strictly liable for pollution damage caused by bunker oil.**

- 4 No party other than the registered owner is required to maintain insurance or other financial security to cover their liability under the Bunkers Convention.**

What

are the obligations of insurers and providers of financial security?



1

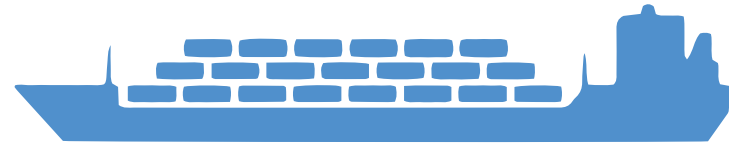
When providing a certificate of insurance, hereinafter referred to as a "blue card", to the registered owner, as evidence that insurance or financial security is in place which covers all liabilities under the Bunkers Convention, the insurer or provider of financial security should:

- ensure that the blue card is addressed to the relevant State authorities;
- accept the right of direct action against them by claimants that have suffered loss and damage caused by pollution damage; and
- ensure that the insurance policy, or financial security, satisfies the requirements of the Bunkers Convention and covers the registered owner's liabilities under the Bunkers Convention and up to the required financial limit.



2

It is generally accepted that the blue card only needs to be issued in English.



3

If the insurance policy or financial security ceases for reasons other than expiry, or where the policy is amended so that it no longer satisfies the requirements of the Bunkers Convention, the insurance or financial security provider must give three months' notice of termination to the issuing State Party. The insurance policy will cease before the expiry of this three months' notice period if:

- the certificate issued by the State Party is returned to that State Party; or
- a new Bunkers Convention certificate is issued within this three-month period.



What

information is needed on a Bunkers Convention Certificate of Insurance or Other Financial Security issued by a State Party?



1

The following information must be included in a Bunkers Convention certificate issued by the State Party to the registered owner:

- name of ship, distinctive number or letters and port of registry;
- name and principal place of business of the registered owner;
- IMO ship identification number;
- type and duration of security;
- name and principal place of business of the insurer or other person giving security and, where appropriate, place of business where the insurance or security is established; and
- period of validity of the certificate, which shall not be longer than the period of validity of the insurance or other security; and Statement that the policy covers liabilities under article 7 of the Bunkers Convention.



2

To facilitate processing applications, the information identified above should also be included on blue cards issued by insurers or providers of financial security.



What

are the
obligations of
States Parties?



1 Approve insurers or providers of financial security, taking into account the guidelines in **Circular Letter No.3464.**

2 Ensure that the blue card contains all the information necessary to issue a Convention Certificate of Insurance or Other Financial Security.



3 Issue Bunkers Convention certificates to registered owners based on evidence of insurance or other financial security sufficient to satisfy the requirements of article 7 of the Bunkers Convention.

4 The certificate shall be issued in the official languages of the issuing State Party but where this language is not English, French or Spanish then the text must include a translation into one of these three languages.



5 Not permit ships over 1,000 GT flying their flag to operate without carrying a valid Bunkers Convention certificate on board.



What

are the obligations of port States who are States Parties?



1

Require ships over 1,000 GT, under national law, to have on board a State issued Bunkers Convention certificate when entering or leaving a port in their territory or arriving at or leaving an offshore facility in their territorial sea.



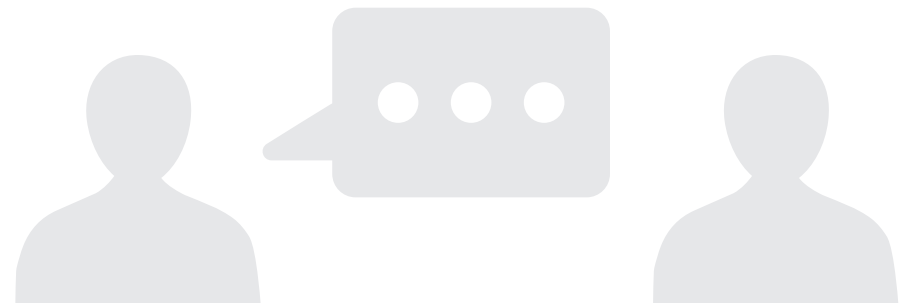
3

Request consultation with the issuing State, if necessary, if it believes that the insurer or financial security provider named in the Bunkers insurance certificate is not financially capable of meeting the obligations imposed under the Bunkers Convention. It is not necessary for a port State that is a State Party to see the ship's blue card.



2

Accept certificates issued or certified under the authority of another State Party.



**Other IMO brochures and information material on
LIABILITY AND COMPENSATION CONVENTIONS
are available at the following links:**



Civil Liability Convention brochure



Nairobi Wreck Removal Convention brochure



Bunkers Convention Claims Manual



Website of the International Oil Pollution Compensation Funds (IOPC Funds): <https://iopcfunds.org>



This is an informational brochure developed by the Legal Committee of the International Maritime Organization (IMO) on the Bunkers Convention. It is part of a series of brochures aimed at providing information on the responsibilities of shipowners, insurers or other financial security providers, and States Parties (flag States, or other certifying States and port States) regarding IMO's liability and compensation conventions.

This brochure has no legal standing, but it is intended to provide concise information on the Bunkers Convention. The information brochure should not be used as a substitute for competent legal advice.

