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NEW ENERGY EFFICIENT STANDARDS IN SHIPPING INDUSTRY

In July 2011, the International Maritime Organization (IMO) adopted an Energy Efficiency Design Index (EEDI) regulation for new ships. The EEDI will require new ships to meet a minimum level of energy efficiency, i.e., the ships built between 2015 and 2019 will need to improve their efficiency by 10 per cent, rising to 20 per cent between 2020 and 2024 and 30 per cent for ships delivered after 2024 since shipping accounts for around 3.3 per cent of man-made Carbon Dioxide emissions worldwide and this figure is expected to rise to 6 per cent in 2020.

This represents the first ever mandatory global

CO2 reduction regime for an international industry sector. Also, it represents a unique technical standard amongst various transport sectors, where shipping embraces the state of the art regulatory regime for ship energy-efficient design and operation thus taking a leading role within transportation. As a result, a new chapter entitled "Energy Efficiency Regulations for Ships" was added to MARPOL Annex VI with a number of additional regulations such as EEDI (Energy Efficiency Design Index) and SEEMP (Ship Energy Efficiency Management Plan) as well as technical cooperation

and technology transfer.

Accordingly, the London-based maritime industry information provider Baltic Exchange, is developing a project that aims to provide a standardised emissions reference point and find a simpler way to understand round voyage emissions against the transport work done. Starting on 1 January 2023, two new energy efficiency requirements Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) will come into force as part of the global measures to reduce greenhouse gas (GHG) emissions from shipping.

The new requirements will pose certain challenges



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LISTEN TO ALMOST ANYTHING
WITHOUT LOSING YOUR
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ROBERT FROST



relating to meeting emission metrics as EEXI affects the technical aspects of the ships while CII combines design with operations aspects.

With such complications in mind, Baltic Exchange has decided to start a project to find a simpler way to understand round voyage emissions against the transport work done since

there are many existing metrics, different baselines, and different standards, but they are not comparable, making comprehension and selection difficult.

The main goal of the project is to set a benchmark that will provide the shipping industry with a valuable point of reference as the market seeks to factor in carbon emissions alongside charter rates.

So far, the project has created some theoretical documents based on the standard routes and ship descriptions for the dry and tanker routes and is now in a consultation period. This involves speaking with owners and operators about variations in voyages on those routes and with those cargoes.

OIL POLLUTION: LEGAL RAMIFICATIONS OF MARINE INSURANCE WITHIN INDIAN COASTLINES

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Oil pollution is a persistent challenge that, if not addressed, has severe effects on marine ecosystem as well as the economy of the people who live nearby. With the example of Chennai beaches being met with a blanket of hazardous sludge over the Indian sea, the oil spill is seen as India's greatest nightmare. This article seeks to assess the legal insurance repercussions of oil pollution from a domestic law perspective, including relevant legislation with respect to Indian territory for protecting the prevention of oil pollution. As the nation strives to keep up with the rapid growth of technical developments in science and digitalisation, several concerns have been raised, the most pressing of which is how much it negatively impacts our environment. Understanding the hazards of carelessness as a result of a lack of checks and inherent flaws in the hurry of the hour, one faces the dangers thereof, taking away time and resources.

An incident involving the Deepwater Horizon explosion in the Gulf of Mexico while drilling an exploratory well, a collision between a merchant vessel and a Panama ship carrying oil cargo outside of Mumbai harbour, and a call for India's ecological checks in the maritime sector in the aftermath of the oil spill in Chennai. The continual presence of tar balls on Goa's seashores is the result of an intentional oil leak by a vessel on the high seas. It is obvious that



unintentional oil contamination of the water is unusual, and the consequences of the oil leak are extensive and add up to significant implications in character. However, the questions arises as to who is responsible when such unintentional oil leakage arises, as well as the function of marine insurance. This article also tries to investigate India's civil liability framework and compensation under the Marine Insurance Act 1963 and Merchant Shipping Act 1958 r/w Merchant Shipping Rules 2008.

Indian Perspective on Marine Occurrences

The sources of liability law in situations of marine occurrences in India are taken from international conventions, treaties, Indian legal precedents, and foreign precedents recognized by Indian courts. Following India's approval of the

OPRC convention in 1990, as well as the final Act along with the 10 resolutions and proclamation of the said convention in 1995, the country focused on its existing compliance provisions and national contingency plan for oil spill response. Noting that the Coast Guard is the designated authority under the National Oil Leak Disaster Contingency Plan for coordinating the rapid response to an oil spill in the Indian Ocean.

Indian laws on Marine Insurance: Marine Insurance Act 1963

The basic rule of an insurance contract is that the indemnity claimed from insurers is indeed the financial damage suffered by the assured on the basis of the agreement. According to the legislation, a marine insurance contract is an agreement in which the contingency plan includes reimbursement of the

assured in a technique and to the extent so incurred, against damage caused by unanticipated maritime disasters. A marine insurance policy cannot be entered as evidence unless it contains the required particulars specified in Sections 24, 25, and 26 of the MIA, as well as Schedule E for a policy form. In the current context, Protection and Indemnity insurance is particularly significant relative to the shipowner's liability cover against third parties, which is normally associated by enrolling the ship in a mutual insurance partnership, referred to as a 'club.' The provisions of the Marine Insurance Act 1963 govern both P&I Clubs and regular marine insurers. Marine insurers provide coverage for known quantifiable risks, primarily hull and machinery insurance for ship owners and cargo insurance for cargo owners. P&I Clubs, on the other hand, provide protection cover for more widespread unpredictable threats, such as outsider liabilities that maritime insurers are unable to cover. Outside threats include a ship's duty to a freight owner for tanker damage, a ship's obligation after a collision, environmental pollution damage, and war risk protection.

Understanding Liability implications: Insurance under Merchant Shipping Act 1958

Aside from the MIA 1963, the Merchants Shipping Act of 1958 (hereafter referred to as the 'MSA') codifies responsibility provisions for marine incidents. The MSA applies to all Indian ships, regardless of location, as well as foreign ships operating in India from within India's territorial waters or maritime zones close to which India has exclusive control over marine pollution. In *World Tanker Corporation vs. SNP Shipping Services Pvt. Ltd.*, the Supreme Court held that the entire intent of liability limitation is to protect the shipowner from excessive claims, exceeding far into the value of ship and cargo from all over the world in case of accidental, tanker damages, or loss of personal injury or loss.

A petitioner owner must seek the advantages of liability limitation under Section 352I (3), (4), and (5) in the High Court for an appeal on the limitation fund (6). Section 352K specifies where such money shall be chosen, either by depositing a sum with the HC or by providing a bank guarantee or other financial assurance sufficient to the HC. It should be noted that the aforementioned fund is the beneficiary of any subrogation right emerging from any damage payments made by any claimant against any other person. Following payment of compensation, the Public Authority of India or the Fund shall obtain the Right of Subrogation, which includes all rights against the owner or his insurer. Every vessel carrying 2,000 tonnes or more in bulk as tanker cargo is required to generate a certification authenticating liability insurance. Furthermore, certificate issued outside of India are also accepted only if it is generated by competent authority. In contravention of above absence of the certificate, the ship would be restrained from entering or leaving from any Indian ports or within Indian territorial jurisdiction. Furthermore, Parts IX, X, XA, XB, XC, and XI A of the MSA 1958 codify liability and insurance obligations under the MSA.

In the absence of India's implementation of the Civil Liability Convention, which compels owners to maintain required insurance coverage, only general tort responsibility and the

polluter principle read with the MSA that provides for invoking liability are available. It is reiterated that liability is ascribed to the owner, for example, only the owner can be held accountable under the MSA. Aside from when such someone causes injury continuously or carelessly, no other individual, such as the Master and crew, administrator, or salvor, can be made subject. A wide range of people are frequently shielded from such obligation. There is nothing in the MSA that prevents a case of carelessness from being brought against a third party other than those who are exempt these absolved individuals are the kind who can be counted on to be present aboard the vessel in the event of an issue like as an oil leak or any other risk or threat.

Conclusion

The importance of marine insurance protection, both to the assureds in terms of the security it provides and its cost component in the general financial matters of running a ship or moving merchandise, and to nations, particularly agricultural nations, in terms of its effect on their instalment balance, cannot be overemphasized. Considering the long-term effects for the natural environment and the people who rely on it, worldwide legal rules regulating marine-based oil pollution should have the option to examine not only the extent of the harm inflicted, but also the cause of the harm. This suggests that not



only traditional property damage and personal injury, but also environmental damage, should be taken into account.

When it comes to oil contamination, India takes a civil responsibility strategy. Parts XB and XC of the Merchant Shipping Act hold the owner responsible for oil pollution damage and restrict liability for the equivalent. It remains to be observed if the Merchant Shipping Act deciphers the spirit of international treaties in and of itself, or whether it is insufficient in its application when dealing with incidences of oil pollution, a concern that lingers on the author's study observation. The measures for compulsory insurance, budgetary

assurance, and compensation via subrogation have been wisely included into the MSA from the CLC. In any event, the question here is whether doing this much is sufficient to ensure the safety of our Indian coasts. The MSA, like the CLC, makes the owner's liability join and a few others. It does, however, exclude from its scope anyone who may have been directly involved in the incident, such as the charterer, the crew, and the master of the cargo, as well as port professionals who are responsible for organising signals. To avoid catastrophes, the nation's responsibility system should be strengthened by imposing criminal accountability on

the owner as well as affiliated persons who are inextricably linked with the spill.

Insurance of seas from oil contamination is critical, and all efforts should be taken to prevent and protect our coasts. India is becoming a world leader in several areas. It entails a lead opportunity in the Indian Ocean. It must set a good example for other Asian and African countries by enacting stricter environmental rules. To combat this, the "prevention is always better than treatment" technique must be used. There is an urgent need for new regulations backed up by international agreements to combat an environmental disaster.



HOT NEWS

US' FIRST MODERN LAKER BEGINS MAIDEN VOYAGE

The newly built Mark W. Barker, the United States' first new Great Lakes bulk carrier in nearly 40 years, has embarked on its maiden voyage from Fincantieri Bay Shipbuilding in Sturgeon Bay, Wis. The construction

of this vessel, which was made from steel manufactured in Indiana, from iron ore delivered by vessel from Minnesota, reinforces our long-term commitment to shipping and delivering essential cargoes for our customers throughout

the region. The River Class self-unloading bulk carrier is believed to be the first ship for U.S. Great Lakes service built on the Great Lakes since 1983. Measuring 639 feet in length (78 feet W, 45 feet H, 28,000 DWT), the ship will transport raw materials such as salt, iron ore, and stone to support manufacturing throughout the Great Lakes region. This new vessel not only brings with it additional cargo carrying capacity and capabilities, it is the most versatile in our fleet and strategically sized to navigate into nearly any port on the Great Lakes. The M/V Mark W. Barker will give us unmatched ability for cargo operations and to carry unique project cargoes because of both her square-shaped cargo hold and larger hatch openings. She truly was designed to be a vessel for the future.

Courtesy: www.marinelink.com



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