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Shipping

## Trading to China during COVID-19

We look at some of the challenges arising when trading to the People's Republic of China.

### Sowing the Seed of Confusion

Important amendments to the seed cake cargo schedules in the IMSBC Code became mandatory on 1 January 2021.

### IMO takes first steps to decarbonise shipping

The IMO has announced some of the measures to reach its objectives on reducing CO<sub>2</sub> emissions from international shipping.

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WINTER 2021

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# Signals

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## WELCOME

Welcome to Signals edition 122, which signifies the end of an era. The shipping industry is embarking on steps to go green and we are making our own, albeit less radical, contribution to the environment. This issue of Signals will be the last to be printed; from April onwards, you will receive your copy in digital format only.

At North, we are very aware of the need to operate in a sustainable manner and we are continually looking at our processes in order to reduce our carbon footprint.

We appreciate that many of you prefer to read a paper magazine, but we hope that you will agree that to continue printing, packaging and distributing Signals to our worldwide readership is no longer sustainable. Please rest assured that you will still have access to our news and insights in the digital edition.

Keeping with the theme of sustainability, the IMO have set out how they will regulate CO<sub>2</sub> emissions from shipping, and we look at what this means. Elsewhere in this packed issue, we look at the risk of liquefaction from bulk cargoes, a timely and important health warning on letters of indemnity, handling angry stowaways, carrying out effective pollution drills and much, much more.

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## North

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**Photographs:** Shutterstock.com and istock

### HOW HAVE WE DONE?

Let us know what you think of the latest edition. Contact us at: [signals@nepia.com](mailto:signals@nepia.com)

### INSIGHT ARTICLES AND BACK ISSUES

Current articles, further information and back issues of Signals are available online at: [www.nepia.com/latest/articles](http://www.nepia.com/latest/articles)

# What a 'Can Test' can do



The 'Can Test' can provide an early warning of a cargo's potential to liquefy - but it mustn't be used as a means of determining if the cargo is safe for loading.

**Solid bulk cargoes that liquefy kill. Vessels and seafarers' lives have been lost. The risk of liquefaction is well-known with a number of commonly carried cargoes, but incidents still happen.**

When carrying a Group A cargo, the IMSBC Code requires the shipper to provide the Master of the vessel with a cargo declaration and show the cargo is safe for carriage by testing representative samples using approved test procedures in a laboratory. However, in some trades these declarations and laboratory test result certificates are not always reliable. So, how can the crew help protect themselves?

There is a test that can provide an early warning of a cargo's potential to liquefy, and when carried out properly can save lives - the 'Can Test'.

### What a Can Test CAN do and what it CANNOT do

The Can Test is a simple and useful check available to the ship's crew. When performed correctly, it can help determine if a cargo might be unsafe.

But importantly, the Can Test is not a replacement for proper laboratory testing and as such is not to be used as a means of determining if the cargo is safe for loading.

The IMSBC Code recognises that the Can Test determines the "possibility of flow". It is not an absolute indicator. If, after the test has been conducted properly, the surface of the sample has free moisture or displays fluid conditions, then there is the possibility the cargo could liquefy.

Furthermore, section 8.4.2 of the Code says: "if samples remain dry following a can test, the moisture of the material may still exceed the transportable moisture limit"

It is clear therefore, that the Can Test cannot be used to assess if a cargo is safe for loading. There is no such thing as a 'PASS' or 'FAIL' result for a Can Test.

Masters and attending surveyors are reminded to only use the Can Test as a complementary test and not as a replacement for correct geotechnical testing.

If a Can Test shows free moisture or fluid conditions the Master should make further enquiries about the cargo's suitability for loading, but it may not mean the cargo is definitely unsafe for carriage.

### Stop and ask

If you have a Can Test result showing free moisture or fluid conditions, stop loading and seek expert assistance.

If you have concerns on the reliability of documentation or the Can Test results (even if the result of the test appears dry), take photographs of the Can Test, before and after, and seek expert geotechnical advice.

By John Southam  
Loss Prevention Executive

## FIND OUT MORE

North has produced a briefing on cargo liquefaction that can be read here: [www.nepia.com/publications/bulk-cargo-liquefaction-briefing](http://www.nepia.com/publications/bulk-cargo-liquefaction-briefing)

North has also produced an onboard training pack for crews on the importance of the Can Test, how to do it properly and how to interpret the results, which can be found here:

[www.nepia.com/about-us/what-we-do/loss-prevention/education-and-training/bite-size-training-packages](http://www.nepia.com/about-us/what-we-do/loss-prevention/education-and-training/bite-size-training-packages)

## THE CAN TEST: DO IT RIGHT - IT MIGHT SAVE YOUR LIFE



Take a rigid cylindrical can (0.5 to 1L capacity). Half fill with a sample of the material

Bring it down sharply from a height of about 0.2 m

25  
TIMES

Repeat 25 times at 1 to 2 second intervals



Take high definition pictures and video



Examine the surface If free moisture or a fluid condition appears DO NOT LOAD and SEEK ADVICE



### Supporting you at sea

For mental health and emotional wellbeing at sea call our confidential helpline: +44 191 235 3917 or visit: [www.mindcall.org](http://www.mindcall.org)



### Providing information and resources for the emotional welfare of seafarers

For more information and resources, please visit: [www.mymindmatters.club](http://www.mymindmatters.club)



### Pre-Employment Medicals

For further details regarding our PEME programmes please contact Lucy Dixon or Abbie Rudd. Email: [PEME@nepia.com](mailto:PEME@nepia.com)



### East / West US Coast Ports

If you are disembarking crew for medical treatment, please contact First Call - Hudson Tactix on +1 856 342 7500 or email: [firstcall@hudsontactix.com](mailto:firstcall@hudsontactix.com)

### South Coast US Ports

If you are disembarking crew for medical treatment, please contact First Call - Shuman Consulting Services on +1 281 486 5511 or email: [firstcall@scslp.com](mailto:firstcall@scslp.com)



### Post Repatriation Medical Scheme for Filipino Seafarers

For further details regarding our PRM programmes please contact Lucy Dixon or Abbie Rudd. Email: [PRM@nepia.com](mailto:PRM@nepia.com)

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# Caution when carrying Ivory Coast nickel ore



There has been a recent increase in the export of nickel ore from Ivory Coast which has brought to light challenges faced by vessels carrying this cargo.

**Focusing on operations in the port of San Pedro, the primary concerns are on the moisture content of cargoes at the time of loading, the validity of cargo sample test results and doubts on the status of an operational competent authority.**

## Sampling and testing

Under the International Maritime Solid Bulk Cargoes Code (IMSBC Code), nickel ore is a Group A cargo (liable to liquefy) and the shipper is required to arrange for the cargo to be properly sampled and tested prior to loading.

The shipper must then provide the Master with the information and documentation required in sufficient time, before loading, to ensure that the cargo can be safely loaded, carried and discharged from the ship.

This includes certifying the transportable moisture limit (TML) and moisture content of the cargo to be loaded. This is to be issued by an entity recognised by the competent authority (CA) of the country. The Master is also to be provided with a document issued by the CA stating the shipper's procedures for sampling, testing and controlling moisture content have been approved.

However, in Ivory Coast there have been doubts on whether samples drawn are truly representative, calling into question the validity of the test results for the cargo consignment put forward for shipment. There are also reservations regarding the accuracy of the moisture content results from local laboratory facilities.

Furthermore, the status of an operational competent authority (CA) is unclear. According to BC.1/Circ.74/Corr.1 (3rd October 2019), Ivory Coast has a competent authority listed. However, there is some uncertainty as to whether the listed CA is operational. Investigations have found two companies are authorised by the Ivorian Ministry of Mines to

conduct testing, but it is understood that there is currently no involvement by a CA in the approval of procedures.

Therefore, laboratories issuing TML certificates and moisture content declarations may not have had their sampling and testing procedures approved by a CA.

To date, TML testing of Ivory Coast nickel ore cargoes has been carried out by laboratories in Estonia. Whilst there is no reason to doubt the quality of these testing facilities, the results often come with a warning from the laboratory that the samples were collected by the shipper and the laboratory carries no responsibility for the representativeness of the samples with respect to the cargo intended for loading.

It is also common for the shipper to declare a single TML result obtained from a single cargo sample, and to consider that sample as suitably representative of all mined material in a six-month period. This practice raises concerns as mined materials are unprocessed and highly variable natural products.

## Ensuring cargo safety

Given the issues outlined above, it is imperative that the Master uses all available means to ascertain that the cargo being loaded is safe for carriage.

We recommend that Members inform the club of their intention to load nickel ore in any of the Ivory Coast ports to allow us to assist wherever possible and consider the appointment of a local surveyor to assist the Master in all the relevant checks to the cargo before and during loading.

North's loss prevention department works closely with material experts. Our nickel ore cargo care checklist, formulated with experts Roxburgh, can assist in assessing if the cargo is safe to carry.

Although it may be difficult to get all the information stated in the checklist, try to get as much as possible as this will assist in a remote check of the cargo properties and allow further expert advice to be provided.

## Charterparty protection

Members should consider how they might protect themselves contractually before agreeing to carry nickel ore cargoes, e.g. including an appropriate clause in any charterparty. Equally, Members should not be pressurised into entering into charterparties which restrict their right to fully apply the provisions of the Code, appoint independent surveyors of their choice or take and test cargo samples.

## Acknowledgements

Thanks to Roxburgh for their kind assistance in writing this article. [www.roxburgh.co.uk](http://www.roxburgh.co.uk)

By John Southam

Loss Prevention Executive

## FIND OUT MORE

Based on our experiences of nickel ore cargoes from Indonesia and the Philippines, we have also produced the following on nickel ore cargoes:

Nickel Ore Cargo Care Checklist: [www.nepia.com/publications/cargo-care-checklist-nickel-ore](http://www.nepia.com/publications/cargo-care-checklist-nickel-ore)

Nickel Ore Loss Prevention Briefing: [www.nepia.com/publications/carriage-of-nickel-ore-briefing](http://www.nepia.com/publications/carriage-of-nickel-ore-briefing)

Liquefaction Loss Prevention Briefing: [www.nepia.com/publications/bulk-cargo-liquefaction-briefing](http://www.nepia.com/publications/bulk-cargo-liquefaction-briefing)

# Letters of Indemnity – a health warning



The English courts have recently dealt with a number of disputes under letters of indemnity. This article looks at some of the current issues associated with letters of indemnity, given in return for delivering cargo, without production of an original bill of lading.

## Provision of security

The International Group (IG) approved standard form for a letter of indemnity (LOI) to be given in return for delivering cargo without production of an original bill of lading contains a term that the issuer will provide security, as may be required, to prevent an arrest or detention in connection with a mis-delivery claim.

In *The Miracle Hope*, LOIs in that form were issued up through a charter chain to allow more than a million barrels of oil to be discharged in China without production of an original bill. The trade had been financed by a bank, which paid the seller US\$ 65m under a letter of credit, but the bank was not reimbursed by its customer, the receiver. The bank, as holder of the bills, then pursued a mis-delivery claim worth US\$ 76m against the carrier and arrested the vessel in Singapore to obtain security.

Head time charterers obtained an interim mandatory injunction to compel sub-charterers to provide security to release the vessel. A similar order was issued in proceedings between the sub-charterers and sub-sub-charterers.

The parties could not agree the form of the security and due to COVID-19 it seemed the Singapore Court would be unable to break the deadlock for some time. The matter then came back before the English courts.

Instead of deciding what form of bank guarantee should be provided, the Court simply ordered the defendants to put cash of US\$ 78m into the Singapore Court within 8 days and pay defence funds of US\$ 83,333 to the head owners within four working days.

In that case, the judge was not persuaded that the sub-charterers could not pay the US\$ 78m into Court for practical reasons since it had not produced evidence that it was unable to find the money, supported by appropriate financial documents.

In *Tenacity Marine Inc v. NOC Swiss LLC and Gulf Petrochem* (06 November 2020), by contrast, the English court discharged a similar injunction requiring NOC to provide

security for a mis-delivery claim under the terms of an LOI because NOC had shown it was insolvent and so it was impossible for it to meet its obligations under the LOI.

## LOI invocation clauses

A clause requiring an owner to comply with a request by a charterer to discharge cargo without production of an original bill of lading in return for an LOI is now a common feature of charterparties. Under some charter clauses, the LOI is deemed to be given as soon as a proper request is made. These are known as LOI invocation clauses.

In *The Miracle Hope*, it was argued that the charterparty required a free-standing LOI to be provided in a separate document and that the charter itself did not confer any indemnity.

The Judge determined that some wording within the relevant clause of the charter - such as "following indemnity deemed to be given by Charterers" - showed that the indemnity arose under the charter without the need for a separate letter. The Judge said this interpretation was also consistent with how the parties had conducted themselves. Finally, he said it would be commercially unreasonable and absurd to suggest the charterer should not indemnify the disponent owner against the consequences of an order to discharge without production of the original bills of lading.

## Validity periods

Mis-delivery claims can arise many years after the cargo was discharged and are not always subject to the usual one-year time limit applicable to cargo claims. Therefore, the IG approved standard wordings do not contain any explicit time limit on the validity of the indemnity, and the inclusion of a validity period should be resisted.

In *The Songa Winds* (2018) the governing voyage charter stated that any letter of indemnity would only be valid for three months from delivery. Fortunately for the shipowner, this validity period was not included in the LOI when it was issued and so the LOI did not expire after three months. The Court of Appeal did note,

however, that the charterer could have insisted on including the validity period specified in the voyage charter in any LOI.

## Bypassing the charter chain

In a charter chain, there is no direct contractual relationship between the head owner and a sub-charterer. This means that, ordinarily, a head owner cannot seek to enforce a right of indemnity granted by a sub-charterer to an intermediate charter. This can put a head owner in a difficult position if its charterer is insolvent when a mis-delivery claim arises.

Under English law, the Contracts (Rights of Third Parties) Act 1999 allows a third party to enforce a term of contract which purports to confer a benefit on them. The IG approved LOI form provides that the issuer will indemnify "you, your servants and agents" for losses sustained by delivering cargo without production of an original bill of lading.

In *The Laemthong Glory* in 2005 the Court held a shipowner could enforce an LOI issued on those terms by the receiver to an insolvent charterer because the word "agent" indicated an intention to benefit the shipowner. The same result occurred in *The Jag Ravi* in 2012 where the LOI was issued by the receiver to "the owners/disponent owners/charterers".

The International Group is currently reviewing its approved LOI wordings and revised forms are likely to be issued in the near future.

By David Richards  
Director (Claims)

Adrian Durkin  
Director (Claims)

## FIND OUT MORE

North Members can read more on LOIs in our dedicated loss prevention guide: [www.nepia.com/publications/letters-of-indemnity-a-guide-to-good-practice-second-edition-guide](http://www.nepia.com/publications/letters-of-indemnity-a-guide-to-good-practice-second-edition-guide)



# New measures to prevent sowing the seed of confusion

Important amendments to the seed cake cargo schedules in the IMSBC Code became mandatory on 1 January 2021.



The amendments, which have been in place on a voluntary basis since 1 January 2020, significantly change the seed cake schedules. The existing schedule for SEED CAKE UN 1386 (b) has been revised, the SEED CAKE (non-hazardous) schedule has been removed and two new seed cake schedules have been created

**SEED CAKE, containing vegetable oil UN 1386 (a) mechanically expelled seeds, containing more than 10% of oil or more than 20% of oil and moisture combined**

**What's changed?**  
There are no changes to this schedule.

**What to look out for?**  
The IMSBC Code states UN 1386 (a) is to be carried in bulk only with special permission from the competent authority.

**SEED CAKE, containing vegetable oil UN 1386 (b) solvent extractions and expelled seeds, containing not more than 10% of oil and when the amount of moisture is higher than 10%, not more than 20% of oil and moisture combined**

**What's changed?**  
The IMSBC Code includes a list of products where this schedule does not apply as they have been proven not to be IMDG Class 4.2 (intimating they should have been tested as per section 9.2.2). One of these listed exceptions is "solvent extracted rape seed meal, soya bean meal, cotton seed meal and sunflower seed meal, containing more than 4% oil and 15% oil and moisture combined". The 2018 edition of the IMSBC Code did not include rape seed pellets in this list of exceptions, but it did include the additional text "...and being substantially free from flammable solvents" which has been removed for the 2020 edition.

Despite removing "...and being substantially free from flammable solvents" from the list of exceptions, the instructions in the UN 1386 (b) schedule makes it clear that any seed cake cargo shipped under this schedule must be substantially free from flammable solvents and that the cargo should be properly aged.

Previous editions of the Code require the shipper to provide a certificate, from a person recognised by the competent authority, stating that the provisions of the exemption have been met. However, the new edition states that the certificate must show the oil and moisture content is as specified in the list of exceptions.

**What to look out for?**  
If the cargo presented as UN 1386 (b) is solvent extracted, it must be substantially free from flammable solvents. However, the schedule could be interpreted to mean that there is no need to state this in a declaration, only requiring a certificate stating the oil and moisture content. Therefore, we recommend that the master asks for written confirmation that solvent-extracted cargo is indeed substantially free from flammable solvents.

Despite not being listed clearly in the schedule as a requirement, section 4.2.2 of the Code states that the cargo information should include details of any toxic or flammable gasses which may be generated by the cargo.

**SEED CAKE UN 2217 with not more than 1.5% oil and not more than 11% moisture**

**What's changed?**  
The 2018 edition of the Code stated that the schedule for UN 2217 seed cake did not apply to "solvent-extracted rape seed meal pellets, soya bean meal, cotton seed meal and sunflower seed meal containing not more than 1.5% oil and not more than 11% moisture and being substantially free from flammable solvent". However, the 2020

edition omits "...and being substantially free from flammable solvent" and replaces "rape seed meal pellets" with "rape seed meal" and "rape seed pellets".

Previously, the Code required that "a certificate from a person recognized by the competent authority of the country of shipment should be provided by the shipper, prior to loading, stating that the provisions for the exemption". The need for a certificate stating that the provisions for exception are met has now been removed, due to the new requirements on testing that the cargo does not meet the criteria for a Class 4.2.

**What to look out for?**  
There are no changes to the documentation requirements, the Master still needs a certificate from a person recognized by the competent authority of the country of shipment specifying the oil content and moisture content to be issued as well as a full and correct cargo declaration.

The cargo should be substantially free from solvents, however, as mentioned earlier for UN 1386 (b) cargoes, some shippers may interpret this to mean that they do not need to supply this declaration on any documentation. Again, we recommend the Master asks for written confirmation.

**SEED CAKE (non-hazardous)**

The schedule for non-hazardous seed cake has now been removed.

**SEED CAKES AND OTHER RESIDUES OF PROCESSED OILY VEGETABLES - GROUP B**

**What's changed?**  
This is a new schedule and applies to products that are substantially free from flammable solvents and chemicals. It is classed as a Group B cargo and must have undergone prescribed testing to be classified as a 'material hazardous in bulk' (MHB) due to its self-heating properties. Such cargoes have

been tested and cannot be classified as a Class 4.2 cargo.

**What to look out for?**  
Despite the cargo being tested and not shown to be Class 4.2, it should be stowed and segregated as if it were a Class 4.2 cargo. It should only be accepted on board with a temperature that does not exceed the lesser of either 55°C or the ambient temperature + 10°C.

Masters should try to prevent sources of ignition, especially if the cargo is generating dust. The cargo can be loaded by blower and this equipment and piping must be earthed. Due to the dust that can be generated, crew should use the appropriate PPE during load and discharge.

Due to the chemical properties of the cargo, the atmosphere may become dangerous and persons should not enter the cargo holds. All holds and adjacent spaces should be treated as enclosed spaces.

During the voyage, the temperature of the cargo is to be measured at a number of depths in the cargo spaces and recorded during the voyage.

The cargo should be substantially free from flammable solvents and chemicals and be properly aged dependant on the oil content. However, some shippers may interpret this to mean that they do not need to declare this

on any documentation. Again, we recommend that if it is not supplied, then request confirmation. It is also a requirement that the cargo has been tested as per section 9 of the Code and that is not Class 4.2. We also recommend that the vessel receives such a declaration from the shipper.

**SEED CAKES AND OTHER RESIDUES OF PROCESSED OILY VEGETABLES - GROUP C**

**What's changed?**  
This is another new schedule. To be classified as this Group C cargo, it must be substantially free from flammable solvents and chemicals.

**What to look out for?**  
The Master must be provided with a certificate stating the requirements for exclusion from UN 1386 (b) or UN 2217 have been met. The certificate must also state the material does not meet the criteria for self-heating in bulk or for inclusion in Class 4.2.

Solvent-extracted cargo must only be loaded if it is substantially free from flammable solvents and we recommend confirmation of this fact is sought.

Despite this being a Group C cargo, the hold and all adjacent spaces should be considered dangerous and proper enclosed space entry procedures followed.

**Follow the Code**  
Once the Master has been provided with the appropriate declarations and documentation and is satisfied, follow the specific schedule in the Code that outlines all the hazards and procedures.

**Don't forget your DoC**  
To enable your vessel to carry the new cargo SEED CAKES AND OTHER RESIDUES OF PROCESSED OILY VEGETABLES GROUP B, it should be included on the vessel's document of compliance for hazardous cargo.

**Acknowledgements**  
With thanks to CWA International for their assistance with this article.

**By John Southam**  
Loss Prevention Executive

## FIND OUT MORE

North's loss prevention briefing on seed cake cargoes can be found at: [www.nepia.com/publications/carriage-of-seed-cake-briefing](http://www.nepia.com/publications/carriage-of-seed-cake-briefing)

## SUMMARY OF SEED CAKE SCHEDULES

The table below summarises the new requirements. It must be read in conjunction with the IMSBC code.

Seed Cake Schedule (Cargo)	Mechanically Expelled	Solvent Extracted	MHB	Class 4.2	Carriage Requirements
SEED CAKE, containing vegetable oil UN 1386 (a)	X			X	Mechanically expelled seeds, containing more than 10% of oil or more than 20% of oil and moisture combined.  May only be carried in bulk when special permission has been granted by the competent authority.
SEED CAKE, containing vegetable oil UN 1386 (b)	X	X		X	Not more than 10% oil and when amount of moisture is higher than 10% not more than 20% oil and moisture combined.  Master must have certificate stating oil and moisture content and a statement saying the cargo is substantially free from flammable solvents.
SEED CAKE UN 2217		X		X	Applies to solvent-extracted seeds with not more than 1.5% oil and not more than 11% moisture.  Master must have certificate stating oil and moisture content and a statement saying the cargo is substantially free from flammable solvents.
SEED CAKES AND OTHER RESIDUES OF PROCESSED OILY VEGETABLES - GROUP B	X	X	Self-heating		Applies to seed cakes and other residues of processed oily vegetables that meet the criteria in section 9.2.3.3 for a self-heating solid but does not meet the criteria of a dangerous good as per section 9.2.2 of the Code.  Should still be segregated and stowed as a class 4.2 cargo.
SEED CAKES AND OTHER RESIDUES OF PROCESSED OILY VEGETABLES - GROUP C	X	X			Applies to seed cakes and other residues of processed oily vegetables that do not meet the criteria for materials hazardous in bulk or to be considered class 4.2 as per sections 9.2.2 and 9.2.3 of the Code.  Must come with a certificate outlining the exemptions of UN 1386 (b) and UN 2217 have been met.  Applies only to some cargoes as listed below.
Rape seed meal, rape seed pellets, soya bean meal, cotton seed meal and sunflower seed meal,		X			Containing not more than 4% oil and 15% oil and moisture combined.
Citrus pulp pellets	X				Containing not more than 2.5% oil and 14% oil and moisture combined.
Corn gluten meal	X				Containing not more than 11% oil and 23.6% oil and moisture combined.
Corn gluten feed pellets	X				Containing not more than 5.2% oil and 17.8% oil and moisture combined.
Beet pulp pellets	X				Containing not more than 2.8% oil and 15.0% oil and moisture combined.
Rape seed meal, rape seed pellets, soya bean meal, cotton seed meal and sunflower seed meal		X			Containing not more than 1.5% oil and not more than 11% moisture.



# When stowaways turn violent



The recent incident on an oil tanker where stowaways posed a threat to the crew brought maritime security to the attention of a wider audience.

As reported by news channels, the tanker was in the English Channel when seven stowaways, who boarded in Nigeria, turned against the crew. The crew, fearing for their safety, retreated to the vessel's citadel. The UK maritime special forces unit, the Special Boat Service (SBS), boarded the vessel and the stowaways were arrested.

Incidents such as these are, of course, frightening for those crew involved, especially if the number of stowaways is high in proportion to the number of crew.

## Prevention first

The best defence is to restrict access to the vessel in the first place. This avoids the need to deal with stowaways at all and the unwelcome costs and hardships that they bring. But we are all aware that it is not always possible to avoid stowaways boarding a vessel. Despite maintaining a good watch, carrying out searches before and after the vessel has sailed and vessel security generally being tight, a gang of unwanted individuals is discovered. Now what?

If the crew are fortunate, the stowaways are quiet and generally well-behaved with no weapons and are only too grateful to receive some hot food and access to washing facilities.

There are occasions though, where those same individuals, having somehow found out that they will not be disembarked at their port of choice, turn violent.

## Response to the threat of violence

If the threat of violence, anger or destruction manifests while the stowaways are locked in their cabins, whoever is on guard should immediately call for assistance from the other crew. Don't delay, as the situation can quickly get out of hand.

Do not open the cabin door but allow them to talk, only interrupting if necessary, and always in a calm, quiet manner. Try to avoid sustained direct eye contact (if there is a window). Normally this is enough to calm the situation.

However, sometimes there is no warning and the stowaways can break out of their holding cabins or may turn on crew without warning. If possible, separate the stowaways into small groups and don't allow them to gather, such as when exercising. This is particularly important if there are a large number of stowaways.

When handling stowaways, always be on your guard, never work alone, always ensure you have an escape route and don't try to be hero. Your priority is to keep yourself and your fellow crew safe; if that means running to another place of safety such as the bridge and locking the door, then so be it.

There have been instances where stowaways have escaped the accommodation block, only to find themselves on the cargo decks where the quick-thinking crew locked the doors, ensuring that the crew were all safe and the bridge was protected. In such circumstances, if the vessel is near to shore, external assistance in the form of trained professionals can be mustered to board the vessel, capture and take the aggressors into custody. Decisions will later be taken as to whether the persons will be returned to the vessel under guard or processed ashore.

Of course, we do hope that you will not find yourself in a situation such as this, so it is always advisable to ensure that the vessel has a thorough stowaway search plan in place and that this is strictly followed.

## Stowaway health and welfare

Crew must exercise caution when dealing with stowaways, but there is a duty to treat stowaways in their care humanely, whilst having due regard for the safety of others on board. Stowaways should always be provided with sufficient food and water, somewhere to sleep and access to toilet facilities.

By **Abbie Rudd**  
Senior Executive (Claims)

## FIND OUT MORE

Read our loss prevention briefing on stowaways at [www.nepia.com/publications/stowaways](http://www.nepia.com/publications/stowaways)

# The value of pre-employment medicals



## PEME

Pre-employment medical examinations (PEME) are an effective means to ensure that your crew are fit for employment at sea and reduce the risk of crew illness claims.

As well as causing disruption to shipowners' operations, crew illnesses continue to lead to costly claims. Many of these claims could have been avoided if the seafarer had a comprehensive medical examination by a reliable medical facility or clinic, prior to employment.

North has been successfully running two enhanced PEME programmes for many years, one in the Philippines and one in the Ukraine. Our enhanced PEME not only assists with ensuring fit and healthy crew, it also serves to provide advice on maintaining health and fitness at sea. We also provide advice on effective pre-employment medical screening and the selection of suitable clinics in other crew supply areas worldwide.

The COVID-19 pandemic has resulted in a large number of seafarers having their contracts extended, some by several months. This has further highlighted the importance of an enhanced PEME.

By **Lucy Dixon**  
Senior Executive (Claims)



## FIND OUT MORE

Details on our programmes can be found in North's PEME briefings which also provide Members with advice on effective pre-employment medical screening and the selection of suitable clinics in their other crew supply areas worldwide.

[www.nepia.com/crew-care-programmes](http://www.nepia.com/crew-care-programmes)

For further information on the North PEME programme please contact our PEME team at [peme@nepia.com](mailto:peme@nepia.com)

# Charterers tackle carbon with the Sea Cargo Charter



The Sea Cargo Charter (SCC) provides a framework that enables shipowners, charterers and cargo owners in the bulk industry to align their activities and promote shipping's green transition.

Many shipowners are beginning to focus their efforts on decarbonising their fleet as we move towards 2030 and 2050 in line with IMO policies and ambitions. But with the introduction of the Sea Cargo Charter, cargo interests and charterers can play an important role too.

The Sea Cargo Charter (SCC) provides a framework that enables shipowners, charterers and cargo owners in the bulk industry to align their activities and promote shipping's green transition.

Signatories to the SCC commit to four principles as follows.

## 1. Assessing climate alignment

Signatories are required to calculate on an annual basis the greenhouse gas (GHG) emissions, both in intensity and total.

The performance, or 'climate alignment' of the voyage (a voyage is defined as from the start of discharge of the previous cargo to the point of discharge of the cargo) is assessed by comparing the calculated carbon intensity with established decarbonisation trajectories. These trajectories are set by the SCC for each ship type and size class and represent how many grams of CO<sub>2</sub> can be emitted to move one tonne of goods one nautical mile (gCO<sub>2</sub>/tnm).

The calculation relies on the Energy Efficiency Operational Indicator (EEOI) as the carbon intensity metric to quantify CO<sub>2</sub> emissions relative to the ship's operational activities. The EEOI may also form part of the vessel's ship energy efficiency management plan (SEEMP).

## 2. Accountability

To ensure the information provided is fair and accurate, signatories can only use data types, sources and service providers identified in the SCC Technical Guidance.

## 3. Enforcement

A suitable enforcement mechanism in the form of a charterparty clause is required. This ensures the sharing of the appropriate data and information between the SCC signatories and their contractual counterparties.

The clause needs to be proposed and included as part of the charterparty agreement negotiated with the contractual counterparty. The SCC clause (and supporting definitions) is designed to be generic and broad in its nature so it can be used with any charterparty form. It is also non-prescriptive to resist any urges to make amendments.

## 4. Transparency

Firstly, each signatory must publicly announce its entry into the SCC. Then, every year, they must submit their climate alignment scores and the total annual activity alignment score of its chartering activities (with supporting information) for each vessel category to the SCC.

The SCC will then publish a report in the public domain containing all vessel category climate alignment scores and total annual activity climate alignment scores.

## Industry bodies cautious

Bimco and the International Chamber of Shipping (ICS) cautiously welcomed the introduction of the SCC, but both publicly expressed their reservations.

Guy Platten, secretary general of the ICS has expressed concerns on the SCC, believing it would have a better chance of success if it was to be aligned with the reporting requirements set out by the governments of IMO Member States or even the Poseidon Principles. This was rejected by members of the SCC who suggest the contrary.

Bimco suggested that the SCC is based on old data which may distort reduction targets.

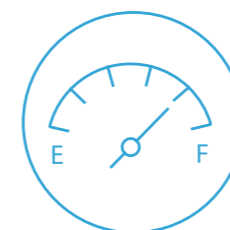
However, the list of signatories to the SCC includes some very big and influential names in the shipping and chartering industries. Shipowners wishing to do business with these parties will need to be aware of the SCC and the relevant charterparty clauses as well as understand the reporting requirements.

By **Mark Smith**  
Loss Prevention Executive

## FIND OUT MORE

Visit the website for the Sea Cargo Charter at: [www.seacargocharter.org](http://www.seacargocharter.org)

## THE PARAMETERS WHICH CONTRIBUTE TO THE EEOI:



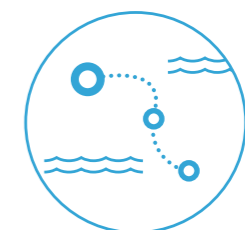
Fuel consumption



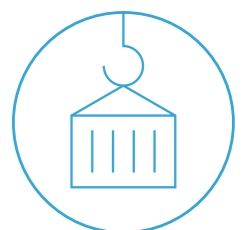
GHG emission factor of each fuel



EEOI



Distance travelled whilst laden with cargo



Amount of cargo transported over given voyage

[www.nepia.com](http://www.nepia.com) 09



# IMO takes first steps to decarbonise shipping

The IMO has announced some of the measures to reach its objectives on reducing CO<sub>2</sub> emissions from international shipping

In almost every walk of life, we see efforts being made to reduce our carbon footprint. Consider the humble washing machine - whether it's on a ship or in your home, it will have an energy rating. Newer, more modern, machines are rated at 'A' and above whereas less-efficient older machines may be rated at 'F'. So when it comes to the time for replacing your washing machine after several years of use, it's likely you will look for one which is more efficient and cheaper to run.

But what if you needed to reduce the carbon footprint of your machine before being able (or to afford) to buy another? Following the recent announcement by the IMO on some of the measures to reach its objectives on reducing greenhouse gas (GHG) emissions, this is effectively what will be asked of shipowners and operators.

We look at two of the IMO's proposed methods to achieve a carbon intensity reduction in the short-term. But first, a reminder on IMO's strategy.

## IMO GOALS ON GHG EMISSIONS

**By 2030:** reduce CO<sub>2</sub> emissions per unit of 'transport-work', as an average across international shipping, by at least 40% (compared to 2008 levels).

**By 2050:** reduce CO<sub>2</sub> emissions per unit of 'transport-work', as an average across international shipping, by at least 70% (compared to 2008 levels).

**By 2050:** reduce the total annual GHG emissions by at least 50% (compared to 2008 levels).



The 2030 target should partly be achieved through finding operational efficiencies, such as speed reduction and voyage optimisation. Any remainder may need to be met by vessel modifications and changing to lower-carbon fuels.

### New short-term regulatory measures

New draft mandatory measures have been agreed by the IMO working group in a bid to reduce greenhouse gases from shipping and will be put forward for formal adoption at the MEPC 76 session, to be held during 2021. The amendments to MARPOL Annex VI will be circulated among IMO member states with a view to entering into force by 2023.

The proposed amendments to the MARPOL convention require a dual approach for ships to reduce their carbon intensity, to meet the 40% reduction target

by 2030, based on the technical and operational measures described below.

### Energy Efficiency Existing Ship Index (EEXI)

All vessels of 400 GT and above will be required to calculate the attained Energy Efficiency Existing Ship Index (EEXI), which indicates its energy efficiency. The vessel must then meet a specific required EEXI, which is based on a required reduction factor to reduce its carbon emissions.

The EEXI is a variant of the Energy Efficiency Design Index (EEDI), a design standard that

applies to new ships built after 2013 and where the requirements become increasingly stringent over time. The EEDI measures the theoretical CO<sub>2</sub> emissions performance, based on engine design and performance data, to promote the use of more efficient (and less polluting) engines. It allows for different types and sizes of vessels by using a capacity per mile rating (e.g. grams of CO<sub>2</sub> per tonne mile). The smaller the EEDI, the better!

The implementation and enforcement of EEXI will broadly follow that of EEDI, including survey and certification. It is expected that vessels must meet the required EEXI by the first intermediate renewal survey after the 2023 enforcement date.

It is anticipated that most existing ships will meet the required EEXI by limiting engine or shaft power or by installing energy saving devices. However, a recent paper by the International Council on Clean Transportation (ICCT) has raised doubts on the effectiveness of the EEXI measure as many vessels are already operating at reduced power through slow steaming.

Owners of vessels that will fall under the EEXI regulation may want to consider early investigation into the impact of this requirement as well as if and how it can be met.

### Carbon Intensity Indicator (CII)

The CII is an operational measure, proposed for ships of 5,000 GT and above, which aligns with the requirements on recording vessel fuel consumption in accordance with the IMO Data Collection System (IMO-DCS).

The proposal will require each applicable vessel to have determined its annual operational carbon intensity indicator. The annual reduction factor needed to improve the ship's operational CII within a specified rating level is then determined.

The ship's actual (achieved) CII is compared with the required annual operational CII and the result is a carbon intensity rating from 'A' (major superior) to 'E' (inferior).

The performance level will be recorded in the Ship's Energy Efficiency Management Plan (SEEMP). The SEEMP will be audited using the principles of the ISM code.

It is expected that a ship rated at 'D' for three consecutive years, or 'E' for one year, will be required to submit a corrective action plan to show how an improvement, to meet the required index ('C' or above), will be achieved.

Port Authorities, Administrations and other relevant stakeholders are being encouraged to provide incentives to vessels rated 'A' or 'B'.

Concerns have been raised by some in the industry on how the CII does not properly consider the effect of external factors on a vessel's operational efficiency. If your ships sail mostly in adverse weather conditions, will this compare poorly against vessels that operate in mostly calm tropical waters? Or if the vessel needs a surge of power for safety of navigation, how will this be recorded and offset?

Therefore, a phased implementation of CII has been agreed where the CII calculations are reassessed after three years.

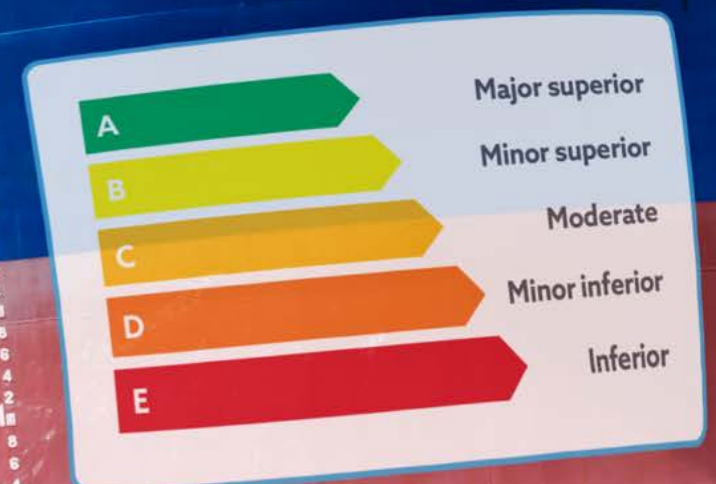
**By Mark Smith**  
Loss Prevention Executive

## FIND OUT MORE

Read more of our articles on setting a course to zero emissions in Signals edition 118 here: [www.nepia.com/publications/signals-issue-118-winter-2020](http://www.nepia.com/publications/signals-issue-118-winter-2020)

Learn more about the resurgence of wind power as a solution here: [www.nepia.com/articles/a-low-carbon-future](http://www.nepia.com/articles/a-low-carbon-future)

The International Chamber of Shipping (ICS) publication 'Catalysing the Fourth propulsion Revolution': [www.ics-shipping.org/wp-content/uploads/2020/11/Catalysing-the-fourth-propulsion-revolution.pdf](http://www.ics-shipping.org/wp-content/uploads/2020/11/Catalysing-the-fourth-propulsion-revolution.pdf)





# DP – Don't Lose Control!



Preventing human errors when changing DP control modes and reduce the likelihood of serious position-loss incidents



**There have been several reports of incidents on Dynamic Positioning (DP) vessels where control was lost because the DP operator (DPO) failed to correctly switch control between different operating stations.**

Investigations rarely find the cause to be a technical malfunction or an issue with the DP system set up, such as a network error. It is more often caused simply by the incorrect actions of the DPOs.

## The importance of redundancy

In some cases, these incidents have been a result of a momentary lapse in concentration, which can happen to anyone. But just like the DP system itself, bridge teams should have redundancy, which is why best practise, such as that found in the Oil Companies International Marine Forum (OCIMF) DP Assurance Framework, is to have at least two DPOs on the bridge. This means that with good communication and teamwork, potential mistakes can be spotted and avoided.

## Experience is key

It goes without saying that all ship managers check that their DPOs are qualified and that they have the suitable DP qualifications for the vessel. But experience matters hugely.

Therefore, ship operators can consider checking a new DPO's previous experience; have they previously used the DP equipment on your vessels? Was their DP time gained doing similar tasks to those required on your vessels?

Ship operators should be aware that DPOs often show their experience by logging DP hours. However, there is a risk that these might be misleading, so seek references from their previous employment.

## Getting familiar

All joining DPOs should undergo a structured and thorough familiarisation. This familiarisation should include reading and understanding:

- all relevant operator manuals for the DP equipment on board
- any DP incident reports that have occurred
- Failure Modes and Effects Analysis (FMEA)
- DP trials reports
- all DP related checklists.

The International Marine Contractors Association (IMCA) publication M 109 outlines all DP related documentation that should be considered. Some of this can be studied at any time, even before joining.

The familiarisation should be vessel-specific and outlined in the vessel's safety management system (SMS). Masters should satisfy themselves that it is carried out fully and the DPO understands the vessel's requirements.

This familiarisation must include setting up in DP and, importantly, how to switch between control modes. Switching between control modes must be done in full accordance with manufacturer's guidelines and not "how I have always done

it". Switching modes can be practised prior to being in operation and under the strict supervision of the Master or their deputy.

## Understanding location specifics

DP vessels can be engaged in a whole range of different operations. So, the DPO should familiarise themselves with Activity Specific Operating Guidelines (ASOG) as well. The ASOG will detail how the operations should be done for that specific field or task, as well as the modes of control the vessel should operate in. This will show the DPO when they can and cannot switch control modes, based on the risks involved.

## It's not all on the crew!

Managers of DP vessels must ensure that the systems and procedures allow for a thorough vessel-specific familiarisation for all DPOs that come on board.

Thought must be given to the time they allow DPOs to gain familiarity, not only with the vessel but with the ASOG which will have an impact on how the vessel operates in the field. They should ensure their procedures tie in with the ASOG and are not just generic for DP operations. Familiarisation becomes even more critical if deploying agency crew rather than direct employees.

Also consider continuous professional development options to ensure DPOs do not suffer from knowledge fade and are regularly reminded of best practise guidance and requirements.

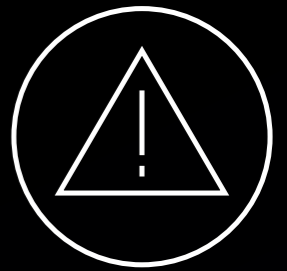
## By John Southam

Loss Prevention Executive

## FIND OUT MORE

Ship operators are encouraged to follow IMCA M 117 – Guidelines for the Training and Experience of Key DP personnel. This contains guidance on crew familiarisation and training to assist in preventing such incidents onboard a copy can be found at [www.imca-int.com/product/the-training-and-experience-of-key-dp-personnel](http://www.imca-int.com/product/the-training-and-experience-of-key-dp-personnel)

# Communications in a Crisis



Pictures taken onboard can reveal much more than intended. Dustin Eno at Navigate Response discusses how a split-second snapshot can have a wide-reaching impact when posted online and how social media training can benefit seafarers.

**In the course of our work, the team at Navigate Response see a lot of pictures and videos taken at sea circulating on social media. These pictures capture everything from birthday parties to the devastating shockwave from the explosion in the Port of Beirut, Lebanon.**

In some instances, the photos are specifically of things, such as damage to the vessel, that the poster almost certainly knows the company's social media policy would not allow them to post (but they've done so anyway). In many cases, the pictures were taken and shared with good intentions, but inadvertently reveal a lot more than the poster realises. Better media and social media training for seafarers could help prevent such missteps.

The English adage that 'a picture is worth a thousand words' points to where things go wrong – most people don't 'proofread' every one of those thousand words before sharing.

Before sharing any photo, always ask yourself, "other than the intended subject, what else can be seen?". For example, pictures have inadvertently revealed voyage plan details with commercial sensitivities or made public the private personal information of seafarers on a crew list visible on a desk – including birth dates and passport numbers.

Pictures have revealed bridge system passwords taped to the edge of the ECDIS display, and perhaps most commonly, revealed safety procedures not being followed which could jeopardise future charters and appear as evidence in a court.

Photos shared 'anonymously' have included company logos and distinguishing markings that made it easy to identify the ship, the company and the not-so-anonymous-anymore poster.

## Educate not eradicate

Of course, our industry is not alone with these problems, but that's no excuse. Some within our industry suggest that the solution is to stop anyone from ever

posting a picture taken on board. This is both impractical and not the best long-term approach for our industry.

We encourage people serving at sea to share images and videos, but to do it with care. It helps raise awareness of our industry, attract a new generation of seafarers, show pride in the company and maintain critical connections with loved ones on shore.

However, we must all be better at vetting photos before we post them. Think about what a photo might reveal which is confidential, embarrassing or a security risk.

## Learning from other's mistakes

The deputy director of emergency response for a small state recently revealed his email passwords, and the

**BEFORE YOU POST A PICTURE, TAKE A CAREFUL LOOK. HERE ARE SOME KEY THINGS TO CONSIDER:**

- Any visible written materials including bulletin boards, computer screens, documents and post-it notes.
- Faces – always ask for consent from colleagues whose faces are shown (even if only in the background).
- Identifying markings (especially logos).
- Reflective surfaces. Reflections often aren't obvious, but can show what is behind the camera and reveal things that should not be shared.

**Sounds easy, and it is, but it's not obvious.**

Dutch Defence Minister revealed the access codes for a 'confidential' video conference of EU defence ministers by posting pictures that showed a little more than they realised.

Those people won't make the same mistake again. Hands on experience is the best way to avoid making such mistakes. Navigate Response's highly interactive online course for seafarers, 'The Media Social Media and You', teaches participants to evaluate and address potential risks in their social media posts (not just pictures) before posting.

Dealing with people who intentionally post content that they know they should not post will always be a challenge but a little effective awareness-raising is all that's required to avoid many of the problems that are created innocently by social media posts.

## Member Benefit

North has an agreement with Navigate Response Limited to offer our Members a 20% discount on the first year of their Crisis Media Response Service which covers:

- Planning & Preparation
- 24/7 x 365 Incident Response
- Media Training

See our website or ask your usual contact at North for further details.

## By Dustin Eno

Navigate Response

## FIND OUT MORE

Navigate Response is a leading global crisis communications network providing reputation management services and media response training for the international shipping, port and offshore industries. To find out more about the services they offer, contact [enquiries@navigateresponse.com](mailto:enquiries@navigateresponse.com) or T: +44 (0)20 3326 8451.

[www.navigateresponse.com](http://www.navigateresponse.com)



# Drill Bits: Pollution



We continue our Drill Bits series with the scenario of a pollution incident that involves the ship's crew, shore-based management and potentially your P&I club.

There are various pollutants that can escape from a vessel, but perhaps the one that causes the most immediate damage to the environment is oil pollution. Typically, oil pollution incidents are a result of a loss of containment of oil cargo (whether crude or a product) or marine fuel oil (bunkers).

Here we will look at a suggested pollution drill for an oil tanker losing oil cargo into the sea, covering the actions to take, and the information that should be transmitted to parties during the drill. Remember, you can tailor this to your vessel type by reframing this as a bunker spill from a breached fuel tank!

## Emergency: Oil Spill



### Running the drill

After a collision incident, the damage assessment and any necessary pollution response are priorities.

The pollution response depends on the type of pollutant and vessel-specific response plans. When carrying out a pollution drill, think about:

- What is the pollutant? Is it oil (persistent or non-persistent), a chemical or dangerous goods?
- Assess the location – what could be affected and how busy is the area?
- What is the plan? For this scenario, it is assumed to be persistent oil, therefore the SOPEP (Shipboard Oil Pollution Emergency Plan) should be followed. In the event of a chemical spill, the SMPEP (Shipboard Marine Pollution Emergency Plan) should be followed. But remember, there may be additional requirements, such as in the United States where the Vessel Response Plan (VRP) is to be followed. Individual states may have additional requirements (e.g. California)
- What are the conditions and weather forecast? The weather conditions, the ease of access to shore resources and the availability of SOPEP equipment on board may dictate if the ship has to use its rescue boat/lifeboats to rig makeshift booms to try and contain the oil or fuel that is being spilled from the ship.

### Preparation

Try to co-ordinate the drill to get as many people involved as possible. The parties that can get involved include:

- the ship's crew
- the vessel manager or operator
- the vessel's P&I club
- spill response organisations relevant to area, e.g. in China, the contracted Ship Pollution Response Organisation (SPRO)

Involving all parties will allow everyone to quickly appreciate the challenges responding and communicating in different time zones.

As ever, when arranging a drill, be mindful of crew's need for adequate rest.



### Scenario

Your vessel, a 20,000 GT product tanker, is manoeuvring to pick up a pilot at a port in eastern China, when you are involved in a collision with a vessel at anchor, a 50,000 GT bulk carrier.

As a result of the collision and the subsequent physical damage, approximately 900 mts of persistent base oil leaks from your vessel's ruptured cargo tank COT 3P into the anchorage waters.

The collision occurs at around 11am LT during the winter season. The sea state at the time is calm within the sheltered anchorage with the outside temperature being 4°C.

### Team roles and goals

#### Bridge Team:

- Execute the relevant contingency plan for damage assessment and pollution response
- Check that the contingency plan is available and correct. Note any potential improvements that could be made to report back to the DPA
- Discuss who should be contacted and what information should be relayed. This should address which parties must be notified in accordance with the response plan (such as local authorities and spill response organisations, e.g. SPRO in China and the QI/OSRO in the United States)
- Maintain a log of events and communications – discuss the importance of record keeping as this provides vital evidence
- Ensure the bridge team know how to save the VDR, download VDR data and the ECDIS playback
- Ensure that the whole bridge team know how to operate the GMDSS equipment. Send a GMDSS test call and log this in the GMDSS logbook
- Test ship-shore comms such as the sat phone
- Discuss how to monitor the elements in the event of a spill that could affect the movement of any pollutants, in particular tide and wind
- Review the vessel's stability; ensure all deck officers are aware of the vessel's damage stability requirements

#### Emergency Response Team:

- Proceed to muster station
- Execute the relevant contingency plan for damage assessment and pollution response
- Discuss how you would assess damage to the hull, such as the purpose and importance of taking soundings and to start in vicinity of any suspected hull breach to check for other flooded compartments
- Discuss practical considerations of mitigating the flow of leaking oil, such as giving the vessel a list or transferring tank contents
- Report the details of noted damage and flooding to the bridge – discuss the importance of clear communications and the correct radio communications methods
- Discuss what is required to effectively monitor the spill (movement of spread, effectiveness of any containment measures etc.) and identify the best position to monitor the spill

- Discuss how you would co-ordinate with any spill response vessels and assist them as required
- Locate and test run any portable or salvage pumps
- Check and discuss your onboard SOPEP equipment, addressing aspects such as:
  - What is contained?
  - Where it is stowed?
  - How to use the equipment
  - Identifying any limitations on its use in different circumstances
- Check all planned maintenance is up to date
- Make sure crew know that SOPEP gear is not to be used in day-to-day work!

#### Engine Room Team:

- Establish communications with the bridge and emergency response teams
- Execute the relevant contingency plan. Check that the contingency plan is available and correct. Note any potential improvements that could be made to report back to the DPA
- Maintain a log of events and communications
- Discuss any necessary transfers of oil or fuel from damaged areas
- Carry out a full set of fuel and oil tank soundings and compare with contents prior to the collision, reporting results to the bridge
- Prepare standby machinery ready for operation – what would you get ready?

#### Shore-based management:

- Execute the relevant contingency plan and set up the emergency response team
- Check that the contingency plan is available and correct. Note any potential improvements that could be made to report back to the DPA
- Establish communications with the vessel
- Discuss communication requirements with various parties as relevant and in accordance with the response plans, such as local authorities and spill response organisations
- Are there any specific reporting requirements? For example, in the United States, the Coast Guard require notification within one hour and if this is not undertaken significant fines and a loss of recovery from the Oil Spill Fund can be applied
- Establish contact with the vessel's P&I Club, providing the following information:
  - Names and types of vessels involved
  - Location and/or co-ordinate of spill
  - A description of what has been spilled, including data sheet or cargo quality

- certificates where available
- Estimate of quantity spilled
- Quantity of cargo and or bunkers on board
- Date and time of incident
- Action taken to combat pollution by the ship and any third-party responders
- Details of any local or international notification requirements that may have already been complied with



### The debrief:

After the drill, everyone should help clear up, don't leave this to one crew member.

The debrief should involve everyone where possible, including the shore team. Your P&I club should contribute to the process, even if that means submitting thoughts by email.

The debrief should cover:

- Did everyone know their roles and responsibilities?
- Did everyone do what was expected of them?
- Were reporting requirements appropriately complied with?
- Was everyone familiar with the SOPEP equipment and its use?
- Were response plans appropriate?
- What went well?
- What problems were encountered and how can these be addressed?
- Were any equipment or procedural defects noted?

If there are any lessons learned, don't waste them. Make sure they are recorded and put into practice.

**By Michelle Foster**  
Senior Executive (Claims)  
**John Southam**  
Loss Prevention Executive

## FIND OUT MORE

Approach your usual P&I contact at North if you would like us to participate in your next pollution drill.



# Trading to China during COVID-19



The patchwork of regulations in different countries to combat COVID-19 is everchanging and ship operators continue to face challenges, particularly those with vessels operating globally. Here, we look at some of the challenges arising when trading to the People's Republic of China (PRC).



## Blocking the return of COVID-19 into China.

The Chinese authorities have introduced a COVID-19 protocol for ships arriving at PRC ports. Two of the key components of this protocol are:

- If a crew member tests positive or has symptoms of COVID-19 prior to arriving at a PRC port, this must be reported
- Crew who have joined the vessel within 14 days of arrival at a PRC port must be tested for COVID-19 upon arrival. Our experience with testing in PRC shows a high instance of crew testing positive even where they are completely asymptomatic and/or have previously tested negative

The Chinese authorities' reaction to a positive test can differ from port to port but it is common for affected crew to be placed under quarantine ashore, at the Member's expense. Additionally, the vessel is likely to be placed in quarantine for a period of at least 14 days.

Towards the end of the quarantine period, the authorities may insist that all crew are tested again. If there are any positive results, despite having been in isolation, the quarantine cycle starts over again.

## Planning crew changes

Until recently it had not been possible to conduct crew changes in PRC. However, at time of writing, the authorities are allowing crew changes, subject to certain restrictions, which in practice can cause the vessel to be significantly delayed and/or the requested crew change denied.

Considering the testing protocol for recently joined crew, we recommend that

all crew changes are carefully considered and planned. Ideally, they should be arranged for no less than 14 days before arrival at a Chinese port or after departing from China.

## Cargo operations under quarantine

During quarantine, cargo operations might be permitted, depending on the cargo and the port. Be aware, however, the authorities may decide to suspend cargo operations.

The authorities may also require the quarantine of any shoreside personnel (including stevedores) that have boarded the vessel or had contact with the crew. This quarantine is for a minimum period of 14 days, which is at Member's expense. There may also be a requirement that the vessel remains at the berth, incurring a daily charge, rather than proceeding to an anchorage.

## Delays and cargo delivery issues

Where there are significant delays, cargo issues may arise. These can be critical for cargoes with a limited life, such as soya beans from the Americas. Shipowners should liaise closely with charterers on cargo care matters in these circumstances, making a careful record of any inspections or monitoring of cargo that takes place.

There are reported instances where vessels have been ordered by authorities to discharge all cargo in the first Chinese discharge port when the bills of lading call for multi-port discharge. This raises a risk of a claim for delivery at the wrong port or mis-delivery, which is outside the scope of standard P&I cover. In the absence of an express requirement under a charterparty, a carrier cannot be compelled to deliver at a

port other than one named in the governing bill of lading. Possible solutions include switching bills of lading to reflect the new discharge port or for the carrier to accept a letter of indemnity. If faced with this situation, approach your usual contact at North.

Vessels experiencing long delays could be at risk of having class and flag certification expiring while waiting. If a significant delay which will impact class and statutory surveys is anticipated, ship operators should contact their class and flag.

## Australian trade dispute

It isn't just COVID-19 that has the potential to cause delays. The deterioration in relations between China and Australia has been widely reported in the news, with China taking a series of trade actions against a range of Australian exports.

There are reports that import quotas for coal from Australia have tightened, resulting in cargoes not being discharged. The crew on vessels carrying coal on this trade should be aware of the potential for delays and the risks from the cargo as detailed in the IMSBC Code. Our Cargo Care checklist on coal cargo which supplements the IMSBC Code advice can be found here: [www.nepia.com/publications/cargo-care-checklist-coal/](http://www.nepia.com/publications/cargo-care-checklist-coal/)

There are concerns that a further escalation could hit the import of other cargoes such as iron ore.

## COVID-19 and the Contract of Carriage

Cargo interests who suffer losses as a result of an onboard outbreak of COVID-19 might seek recovery from the carrier by arguing

the vessel is unseaworthy, therefore a breach of the contract of carriage.

## English law

From an English law perspective, difficult questions are likely to arise; such as whether the outbreak is an attribute of the ship that is capable of affecting its seaworthiness, and how the obligation on the carrier and its delegates to exercise due diligence to ensure the vessel is seaworthy operates in these circumstances.

## Chinese law

In June 2020, the PRC Supreme Court issued guidance which included:

- a ship might be held to be unseaworthy if, at the commencement of the voyage, it is not fit to take measures to control COVID-19 or does not have sufficient 'certified healthy crew'
- a vessel is not unseaworthy merely because it has berthed at an area affected by COVID-19 or if the crew test positive for COVID-19
- carriers will not be found to have deviated from the agreed or customary route to diagnose COVID-19 or to quarantine, provided the shipper is given notice
- carriers will not be liable for delays caused by port traffic restrictions in place because of COVID-19
- a carrier is not liable for discharging at a safe place "adjacent to the original discharge port" due to berthing restrictions

Care should be taken in relation to this advice. Any planned diversion from the discharge port named in the bill of lading could be considered a deviation from the contract of carriage. Discuss this with your usual contact at the Club before taking action.

## Keep up to date

As we go to press, countries are reacting to new waves of infection and the new variants of the Coronavirus. Restrictions imposed by countries and ports can be tightened at very short notice.

For the latest information, always check with your agent and North Members can access MyGlobeView at [www.nepia.com/members-area/globeview](http://www.nepia.com/members-area/globeview)

By Colin Gillespie, Xiao Duan, David Richards and Belinda Ward  
North

## FIND OUT MORE

Read more in our full briefing on trading to China during COVID-19 at [www.nepia.com/publications/country-briefing-trading-to-china-during-covid-19](http://www.nepia.com/publications/country-briefing-trading-to-china-during-covid-19)

# Singapore MPA publishes updated port information



The Maritime and Port Authority of Singapore (MPA) has released a publication containing important maritime information for Singapore Port Waters as well as the Straits of Malacca and Singapore.

The Singapore Straits are amongst the busiest shipping lanes in the world with hundreds of ships using these waters every day. Additionally, the port of Singapore is one of the busiest ports in the world.

As part of their commitment to ensuring maritime safety in the Singapore Straits and the port of Singapore, the MPA has published 'Singapore Port Information' which is updated and released every two years.

The publication is intended to be used in conjunction with the standard charts and publications carried on board vessels and strengthen the passage plans. It includes important information such as:

- A guide to VHF communication
- Pilotage guidelines and procedures, including location of Pilot disembarkation points, to which members should draw their vessels' attention
- Port clearances and reporting
- Port facilities and guides to major port entry
- IMO adopted separation schemes, the routing system in the Straits of Malacca and Singapore

- Characteristics of all the aids to navigation along the Singapore Strait and Singapore Port Waters

- Catalogue of nautical charts

This publication will be useful for mariners, shipping communities, port users and other interested users. Further details on the latest edition of the publication 'Singapore Port Information 2020/2021' and stockists can be found here: [www.mpa.gov.sg/web/portal/home/media-centre/publications/singapore-port-information](http://www.mpa.gov.sg/web/portal/home/media-centre/publications/singapore-port-information)

## Free guidance videos

The maritime authorities of Singapore, Malaysia and Indonesia have come together to produce two guidance videos on safe passage through the Straits, which are free to view on YouTube:

**Safe Passage in the Singapore Straits - Westbound**  
<https://youtu.be/YVjc8cLzQo4>

**Safe Passage in the Singapore Straits - Eastbound**  
<https://youtu.be/zsxQUzBinLc>

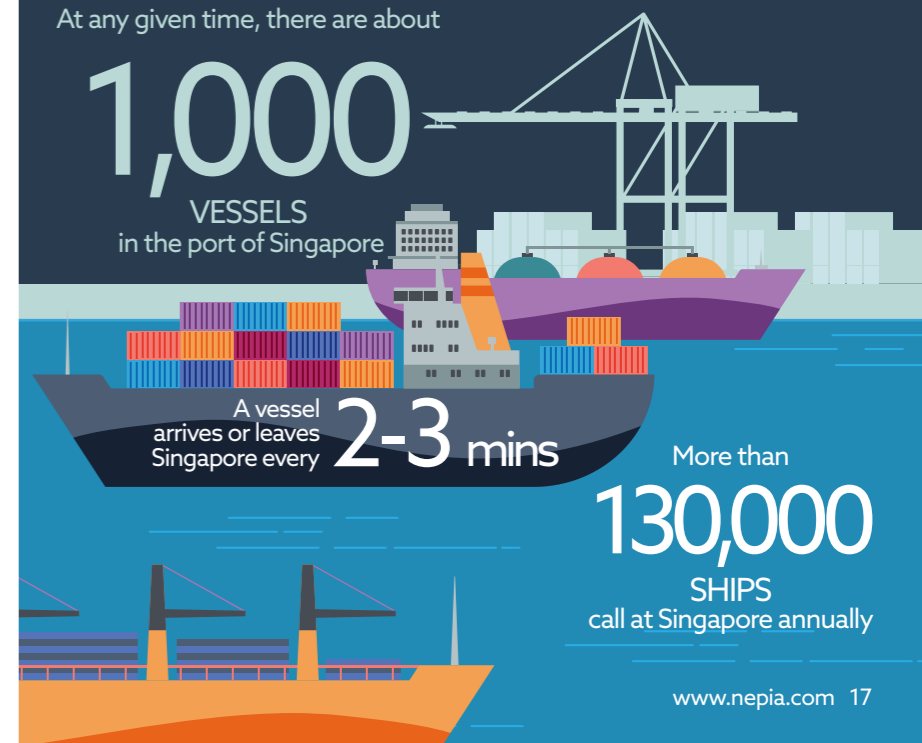
The MPA encourages all ships' bridge teams to view these videos and use the information contained therein as part of the passage plan discussions.

By Andy Desai  
Loss Prevention Executive

## DID YOU KNOW:

At any given time, there are about

**1,000**  
VESSELS  
in the port of Singapore



A vessel arrives or leaves Singapore every **2-3 mins**

More than **130,000**  
SHIPS  
call at Singapore annually



# SureNav Member Benefit

To assist Members with their bridge team management, North P&I Club has partnered with SureNav to offer Members a 45% discount on a package of five remote navigational audits.

## Benefits of Remote Navigation Audits include:

- Five remote navigation audits, all conducted by experienced master mariners. Remote navigation audits use both the VDR data alongside supporting evidence such as copies of the charts used, checklists, log entries and voyage plans.
- Evaluation of compliance with procedures in the vessel's safety management system.
- The audits can be used at any time or on any of their vessels.
- A full report will be issued for each audit, complete with and any support material (video or sound files).

North's Members can sign up for the SureNav discounted package by contacting [support@surenav.com](mailto:support@surenav.com)

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# Charterparty "subjects" – latest case law



A charter agreed "subject" to "suppliers' approval" of the vessel does not oblige charterers to take reasonable steps to obtain suppliers' approval within an agreed deadline.

**When negotiating a charterparty, it is important to appreciate that a charter "on subjects", even if what has been achieved is fully agreed in principle, will usually only become binding if or when all "subjects" applicable have been lifted within a stated deadline; failing which the "subjects" have not been satisfied and the contract does not become legally binding.**

Furthermore, unless the "subjects" are clearly agreed on a basis which obliges one party to take reasonable steps to seek to satisfy the "subjects" within a stated deadline, there is often no basis on which to pursue that party for damages if it does not lift the "subjects" within the deadline.

There are legal authorities by the English courts which consider whether a binding contract comes into effect when the contract is negotiated "on subjects" that are to be "lifted" (i.e. removed) by a party. In *Nautica Marine Ltd v Trafigura Trading LLC (The Leonidas)* [2020] EWHC 1986 (Comm), the English courts have now considered what effect is created by a

"subject" when its satisfaction in relation to the approval of the proposed vessel under a voyage charter is dependent on the actions of a prospective counterparty (charterers) and also a third-party (cargo suppliers).

In this dispute, an in-principle voyage charter was negotiated between prospective owners and charterers which was made "subject" to "suppliers' approval" of the proposed vessel within a four-day deadline. In the event, charterers did not remove "suppliers' approval" within the stated deadline.

As a result, charterers walked away from the in-principle fixture and owners sought to claim damages. This was on the premise that there was a legally binding contract under which charterers were under an obligation to take reasonable steps to obtain "suppliers' approval" of the vessel within the stated deadline in order to seek to satisfy the "subject", which owners argued charterers had failed to do.

The judge held that a binding charter had not been concluded.

This was on the basis that the "subject" was a pre-condition of the contract because the "lifting" (i.e. removal) of the "subject" (being the point at which the contract becomes binding) was dependent on the exercise of commercial judgement (and options) by charterers as to what cargo would be loaded, where loading would take place and who would supply the cargo, for which a wide range of commercial considerations would be in play. As such, that "subject" qualitatively affected the commercial desirability of charterers' decision to charter the vessel.

Accordingly, charterers were not under an implied obligation to take reasonable steps to lift the "subject" before the deadline expired, and so were not liable to pay owners damages for a putative loss of profit.

By **Jim Leighton**  
FD&D Consultant

The "subject" was a pre-condition of the contract because the "lifting" (i.e. removal) of the "subject" (being the point at which the contract becomes binding) was dependent on the exercise of commercial judgement (and options) by charterers.

## FIND OUT MORE

Read the full judgment at [www.bailii.org/ew/cases/EWHC/Comm/2020/1986.html](http://www.bailii.org/ew/cases/EWHC/Comm/2020/1986.html)



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# North in the news

Read North's latest news online

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## MyGlobeView powered by Geollect



Accessed through your MyNorth account, **MyGlobeView** is an advanced interactive geographical information portal exclusively for North's Members and correspondents.

### Additional layers recently added include:

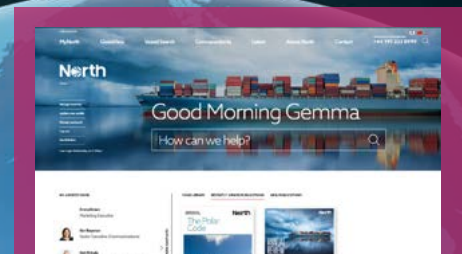
- ✓ Country-specific crew change information
- ✓ Tidal patterns
- ✓ IMO ratifications
- ✓ Industry news
- ✓ ITOPF reports

Plus you can access all of the data sources from GlobeView such as port index information, sanctions updates, selected weather reports and maritime threats and incidents.

### ROUTE RISK ADVICE

The Route Risk Advice tool is a new feature on MyGlobeView and is specifically designed to increase awareness of the potential risks on a voyage whether in port or at sea.

Route Risk Advice allows MyGlobeView users to input a vessel's route and receive a report on the likely risks along the route which allows assessment and, where necessary, management of these risks.



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Registering for your MyNorth account is easy.

[www.nepia.com/mynorth](http://www.nepia.com/mynorth)

Contact our Loss Prevention team on: [loss.prevention@nepia.com](mailto:loss.prevention@nepia.com)

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#### Disclaimer

In this publication all references to the masculine gender are for convenience only and are also intended as a reference to the female gender. Unless the contrary is indicated, all articles are written with reference to English Law. However it should be noted that the content of this publication does not constitute legal advice and should not be construed as such. Members with appropriate cover should contact the North's FD&D department for legal advice on particular matters.

The purpose of this publication is to provide information which is additional to that available to the maritime industry from regulatory, advisory, and consultative organisations. Whilst care is taken to ensure the accuracy of any information made available (whether orally or in writing and whether in the nature of guidance, advice, or direction) no warranty of accuracy is given and users of the information contained herein are expected to satisfy themselves that it is relevant and suitable for the purposes to which it is applied or intended to be applied. No responsibility is accepted by North or by any person, firm, corporation or organisation who or which has been in any way concerned with the furnishing of data, the development, compilation or publication thereof, for the accuracy of any information or advice given herein or for any omission herefrom, or for any consequences whatsoever resulting directly or indirectly from, reliance upon or adoption of guidance contained herein.

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