

LOCAL VESSELS ADVISORY COMMITTEE

**Amending Schedule 2 of the
Merchant Shipping (Limitation of Shipowners Liability) Ordinance (Cap.434) for
Implementing the 2012 Amendments to the 1996 LLMC Protocol**

PURPOSE

The purpose of this paper is to seek members' views on the proposal of making amendments to Schedule 2 of the Merchant Shipping (Limitation of Shipowners Liability) Ordinance (Cap. 434) (the Ordinance) to give effect to the amendments made to the Protocol of 1996 to amend the Convention on Limitation of Liability for Maritime Claims, 1976 (the 1996 LLMC Protocol).

BACKGROUND

2. The Ordinance was enacted on 1 October 1993 to implement the requirements in the Convention on Limitation of Liability for Maritime Claims, 1976 (the Convention).
3. The Merchant Shipping (Limitation of Shipowners Liability) (Amendment) Ordinance 2005 ("the Amendment Ordinance") came into operation on 3 May 2015 to implement the revised limits of liability in the 1996 LLMC Protocol.
4. The International Maritime Organization (IMO) adopted Resolution LEG.5(99) on 19 April 2012 to amend the 1996 LLMC Protocol by solely increasing the limits of liability relating to the claims of loss of life, personal injury and other claims by 51% arising from ship incidents. Details of the said IMO Resolution can be found in the Annex. These amendments entered into force internationally on 8 June 2015.

PROPOSALS

5. HKSAR Government has an international obligation to implement the latest limits of liability adopted by the IMO through local legislation. A legislative exercise is therefore required to update the relevant liability limitation amounts in Schedule 2 of the Ordinance in order to reflect the changes adopted by the IMO Resolution LEG.5(99).
6. A comparison showing the differences of the relevant limitation amounts before and after the 2012 Amendments could be found in the following table:

	Limits by 1996 LLMC Protocol (Also under existing Ordinance - Cap.434, Schedule 2)	Revised limits by the 2012 Amendments
1. Limits of liability in respect of claims for loss of life or personal injury against the ship which is (except for own passengers)		
Up to 2000 GRT	2,000,000 units*	3,020,000 units
Each GRT from 2,001 to 30,000	800 units	1,208 units
Each GRT from 30,001 to 70,000	600 units	906 units
Each GRT above 70,000	400 units	604 units
2. Limits of liability in respect of any other claims(property) against the ship which is (except for own passengers)		
Up to 2,000 GRT	1,000,000 units	1,510,000 units
Each GRT from 2,001 to 30,000	400 units	604 units
Each GRT from 30,001 to 70,000	300 units	453 units
Each GRT above 70,000	200 units	302 units
3. Limit of liability of claims from (own) passengers		
All ships	175,000 units multiplied by the number of passengers the ship licensed to carry.	No change

* Note:

Units of account: Special Drawing Right (SDR)

As at 11.05.2015, 1 SDR equals to 10.9 HKD.

ADVICE SOUGHT

7. Members' comments and endorsement are sought on the proposal as outlined above.

Marine Department
Multi-lateral Policy Division
July 2015

Enclosure:

Annex: IMO Resolution LEG.5(99).

ANNEX 2

RESOLUTION LEG.5(99)

(Adopted on 19 April 2012)

**ADOPTION OF AMENDMENTS OF THE LIMITATION AMOUNTS IN THE
PROTOCOL OF 1996 TO THE CONVENTION ON LIMITATION
OF LIABILITY FOR MARITIME CLAIMS, 1976**

THE LEGAL COMMITTEE at its ninety-ninth session,

RECALLING Article 33(b) of the Convention on the International Maritime Organization (hereinafter referred to as the "IMO Convention") concerning the functions of the Committee,

MINDFUL of Article 36 of the IMO Convention concerning rules governing the procedures to be followed when exercising the functions conferred on it by or under any international convention or instrument,

TAKING INTO CONSIDERATION article 8 of the Protocol of 1996 to amend the Convention on Limitation of Liability for Maritime Claims, 1976 (hereinafter referred to as the "1996 LLMC Protocol") concerning the procedures for amending the limitation amounts set out in article 3 of the 1996 LLMC Protocol,

HAVING CONSIDERED amendments to the limitation amounts proposed and circulated in accordance with the provisions of article 8(1) and (2) of the 1996 LLMC Protocol,

1. ADOPTS, in accordance with article 8(4) of the 1996 LLMC Protocol, amendments to the limitation amounts set out in article 3 of the 1996 LLMC Protocol, as set out in the annex to this resolution;
2. DETERMINES, in accordance with article 8(7) of the 1996 LLMC Protocol, that these amendments shall be deemed to have been accepted at the end of a period of 18 months after the date of notification unless, prior to that date, not less than one-fourth of the States that were Contracting States on the date of the adoption of these amendments have communicated to the Secretary-General that they do not accept these amendments;
3. FURTHER DETERMINES that, in accordance with article 8(8) of the 1996 LLMC Protocol, these amendments deemed to have been accepted in accordance with paragraph 2 above shall enter into force 18 months after their acceptance;
4. REQUESTS the Secretary-General, in accordance with article 14(2)(a)(v) of the 1996 LLMC Protocol, to transmit certified copies of the present resolution and the amendments contained in the annex thereto to all States which have signed or acceded to the 1996 LLMC Protocol;
5. FURTHER REQUESTS the Secretary-General to transmit copies of the present resolution and its annex to the Members of the Organization which have not signed or acceded to the 1996 LLMC Protocol.

ANNEX

**AMENDMENTS OF THE LIMITS OF LIABILITY IN THE PROTOCOL OF 1996
TO AMEND THE CONVENTION ON LIMITATION OF LIABILITY
FOR MARITIME CLAIMS, 1976**

Article 3 of the 1996 LLMC Protocol is amended as follows:

in respect of claims for loss of life or personal injury,

the reference to:

- "2 million Units of Account" shall read "3.02 million Units of Account";
- "800 Units of Account" shall read "1,208 Units of Account";
- "600 Units of Account" shall read "906 Units of Account";
- "400 Units of Account" shall read "604 Units of Account";

in respect of any other claims,

the reference to:

- "1 million Units of Account" shall read "1.51 million Units of Account";
- "400 Units of Account" shall read "604 Units of Account";
- "300 Units of Account" shall read "453 Units of Account";
- "200 Units of Account" shall read "302 Units of Account".
