

New wreck removal contracts will have quantitative risk assessment component: BIMCO

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Fairness, transparency and cooperation are the main drivers in a collaborative project by the International Salvage Union and the P&I Clubs to work with the independent shipowners', charterers' shipbrokers' and agents' association Baltic and International Maritime Council (BIMCO) to update industry-standard wreck removal agreements, BIMCO has said.

BIMCO said that the initiative to update the BIMCO wreck agreements emanated from a concern from P&I Clubs about the rising cost of wreck removal and a wish to make the process more efficient and manageable. "Price alone should not be the determinative factor in tendering for projects – the focus should be on assessing risk and finding an optimal solution together with the right salvage contractor", BIMCO said.

Work on revising the BIMCO wreck removal agreements has been ongoing for over a year and a half. The most notable change is the introduction of an optional new risk allocation clause that provides an alternative solution to the existing, but often deleted, Clause 4 (Change of Method of Work and/or Personnel, Craft and Equipment).

BIMCO said that formulating the new clause had proved "no easy task" so that it provided a solution workable, amenable and fair to both the contractor and the client. "The P&I clubs and salvors are working closely together to forge a solution that they believe will best meet the needs of the industry in the years to come. The revision work will continue during the summer, and it is hoped that a new edition of WRECKSTAGE will be available by the end of this year", said BIMCO.

Meanwhile, the Emissions Trading System (ETS) Allowances Clause 2022 for Time Charter Parties is now available on the BIMCO website.

The clause allocates obligations and responsibilities for obtaining, transferring and surrendering allowances for greenhouse gas emissions from ships operating under

an emissions scheme, such as the impending EU ETS. The basic principle is that, as the charterers are operating the ship and providing and paying for the fuel, they are also responsible for emissions trading allowances which they transfer to the owners for settlement.

The owners must monitor and report the ship's emissions and provide to the charterers the relevant actual emissions data and the basis of their calculations. Using this information, the charterers transfer the appropriate allowances to the owners at the end of each month. The clause addresses the adjustment of allowances due to off-hire events and what happens if the charterers fail to transfer allowances when due.

<https://www.bimco.org/insights-and-information/contracts/20220623-st17-annex>

<https://britanniapandi.com/2022/06/bimco-ets-allowance-clause/>

<https://www.bimco.org/insights-and-information/contracts/20220531-ets-clause-published>