

Singapore: Implementation of 1996 Protocol to LLMC 1976 and Salvage Convention - not yet in force

Introduction

On 14 January 2019, the Singapore Parliament passed the Merchant Shipping (Miscellaneous Amendments) Bill (the “**Bill**”). The main objectives of the Bill are to amend the Merchant Shipping Act to implement: (1) the Protocol of 1996 to amend the Convention on Limitation of Liability for Maritime Claims (the “**1996 Protocol**”) and (2) the International Convention on Salvage, 1989 (the “**Salvage Convention**”).

1. 1996 Protocol

Singapore is currently a party to the Convention on Limitation of Liability for Maritime Claims, 1976 (“**LLMC 1976**”).

The 1996 Protocol raises the limits of liability of a shipowner for maritime claims covered under the LLMC 1976. It also provides for the limits to be amended by means of tacit acceptance.

In 2012, the International Maritime Organization adopted certain amendments to the 1996 Protocol which further increased the limits of liability of a shipowner. The amendments took effect on 8 June 2015.

A comparison of the LLMC 1976 limits and the limits under the 1996 Protocol (as amended in 2012) are set out below:

Claims for loss of life or personal injury

Tonnage (GT)	LLMC 1976 (SDR)	Tonnage (GT)	1996 Protocol (as amended in 2012) (SDR)
< 500	333,000		
501-3,000	333,000 + 500/ton over 500	<2,000	3,020,000
3,001-30,000	1,583,000 + 333/ton over 3,000	2,001-30,000	3,020,000 + 1,208/ton over 2,000
30,001-70,000	10,574,000 + 250/ton over 30,000	30,001 – 70,000	36,844,000 + 906/ton over 30,000
>70,000	20,574,000 + 167/ton over 70,000	>70,000	73,084,000 + 604/ton over 70,000

Other claims

Tonnage (GT)	LLMC 1976 (SDR)	Tonnage (GT)	1996 LLMC (as amended in 2012) (SDR)
<500	167,000	<2,000	1,510,000
501-30,000	167,000 + 167/ton over 500	2,001-30,000	1,510,000 + 604/ton over 2,000
30,001 – 70,000	5,093,500 + 125/ton over 30,000	30,001 – 70,000	18,422,000 + 453/ton over 30,000
>70,000	10,093,500 + 83/ton over 70,000	>70,000	36,542,000 + 302/ton over 70,000

The implementation of the 1996 Protocol does not apply in relation to any liability arising out of an occurrence which took place before the date of commencement of the relevant provisions of the Merchant Shipping (Miscellaneous Amendments) Act 2019.

2. Salvage Convention

The Bill also implements the Salvage Convention, the essential purpose of which was to bring the traditional rules of salvage up to date with modern practice and, in particular, to take account of international concerns relating to the protection of the marine environment.

The key features of the Salvage Convention include a) the introduction of a criteria for fixing the amount of reward for salvors and b) the introduction of a special compensation to salvors who prevented or minimised environmental damage, even if the salvage operations failed to save the ship or its cargo.

The provisions of the Salvage Convention do not apply to:

- a) any salvage operation that takes place in inland waters of Singapore, and in which either no ship is involved or all the ships involved navigate in inland waters (whether of Singapore or otherwise); or
- b) any salvage operation in which the property involved is maritime cultural property of prehistoric, archaeological or historic importance, and is situated on the seabed.

The implementation of the Salvage Convention does not affect any rights or liabilities arising out of any salvage operations started or other acts done before the commencement of the relevant provision of the Merchant Shipping (Miscellaneous Amendments) Act 2019.

Comments

The implementation of the 1996 Protocol in Singapore ensures that Singapore's limitation regime reflects the current value of life and property and is aligned with that of other countries that have acceded to the 1996 Protocol. It is also hoped that this will promote the selection of Singapore law as the governing law of commercial shipping contracts and attract more claimants to utilise Singapore's legal and arbitration dispute facilities and services.

While the Bill has been passed by the Singapore Parliament on 14 January 2019, the amendments have yet to come into force and a further update will be provided then.