



# Regulatory Update 2021

The year 2020 has predominantly been about COVID-19 which impacted both shipping and insurance. One by one, countries went into lockdown and the transition to the "new normal" had to be done overnight. In January last year the industry was concerned about the Sulphur Cap 2020 and the implementation of the Ballast Water Management Convention. We could never have imagined how difficult a crew change, survey or inspection would become in 2020.

Besides fighting the virus, the new year also has its own regulatory challenges. With this circular, MS Amlin would like to inform you about the new and amended regulations, which will come into force in 2021. We have tried to summarise these below. Should you have any specific questions regarding the amendments, kindly direct these to ClientServicesDesk@msamlin.com.

# Index

$\triangleright$	The IMO cyber security regulations	. 2
	IMSBC code	
	IBC Code and Marpol Annex II	
	MLC amendments regarding seafarers' employment agreements	
	Inventory of Hazardous Materials	

# The IMO cyber security regulations

Cyber security has become an increasing risk for the shipping industry and as a result an international approach for managing such risks is required. Upon request from its member states, the International Maritime Organisation (IMO) developed cyber security regulations through the *Guidelines on Maritime Cyber Risk Management* (MSC-FAL.1/Circ.3), which were adopted by means of *Resolution MSC.428(98)*.

### What has changed?

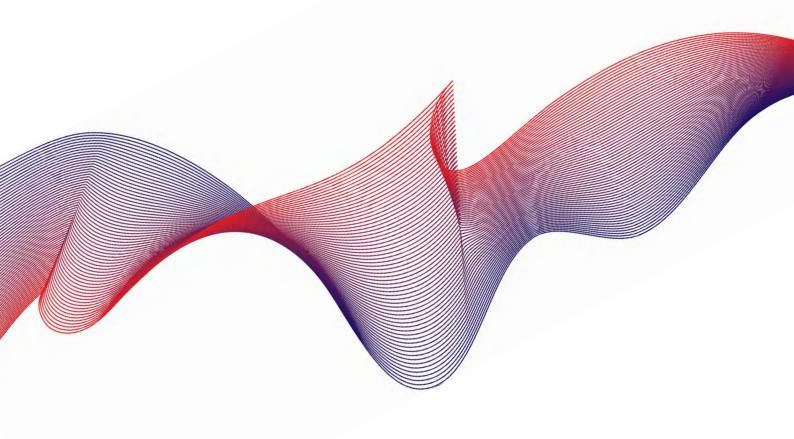
The Guidelines aim at safeguarding the shipping sector from current and emerging cyber threats and vulnerabilities. For that purpose, they provide recommendations on maritime cyber risk management, which can be incorporated as supplementary to the existing risk management processes. In addition, the Resolution encourages organisations in the maritime sector to ensure that cyber risks are appropriately addressed in the existing safety management system (SMS) as defined in the ISM Code. Companies need to do that no later than the first annual verification of their Document of Compliance after 1 January 2021.

Failure to timely implement the required measures and to address cyber risk management in the safety management systems may result in detention of the vessel in some jurisdictions. In the event of any doubt on this matter, we advise all our clients who assume responsibility for the operation of a vessel (both owners and operators) to seek more detailed information from their respective flag states.

### When?

The deadline for compliance with the regulations is 1 January 2021, after which date all marine and offshore organisations must have implemented the required cyber security measures.

- MSC-FAL.1/Circ.3
- Resolution MSC.428(98)



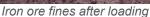
# **IMSBC** code

Carrying solid bulk cargoes involves serious risks which must be managed carefully to safeguard the safety of the crew and the ship. These risks include reduced ship stability and capsizing due to cargo liquefaction, fire or explosion due to chemical hazards, and damage to ship structures due to poor loading procedures. The International Maritime Solid Bulk Cargoes (IMSBC) Code, which became mandatory on 1 January 2011 under the SOLAS Convention, governs the safe carriage of solid bulk cargoes.

The IMSBC Code categorises cargoes into three groups:

- **Group A** cargoes which may liquefy if shipped with a moisture content exceeding their Transportable Moisture Limit (TML).
- Group B cargoes which possess a chemical hazard that could give rise to a dangerous situation on a ship.
- **Group C** cargoes which are neither liable to liquefy (Group A) nor possess chemical hazards (Group B), however, cargoes in this group can still be hazardous.







Iron ore fines after transportation



Cargo of coal on fire

# What has changed?

The revised IMSBC Code (5th amendment) was adopted at the IMO Maritime Safety Committee 101st session (MSC101) held in June 2019, and the individual schedules of each cargo were amended. Some of the updates include:

- Table of characteristics.
- Section 4.1 Identification and classification.
- Re-classification of Group B cargoes.
- The BAUXITE (Group C) schedule has been amended and an additional entry 'BAUXITE FINES' (Group A) has been included.
- A schedule has been incorporated into the Code.
- The existing schedules for SEEDCAKE UN 1386 (b) and SEEDCAKE UN 2217 have been revised.
- New cargoes have been added:
  - o Brucite
  - o Calcium Fluoride, Calcium Sulphate and Calcium
  - o Carbonate Mixture
  - o Chlorite
  - o Ferronickel Slag (Granulated)
  - o Flue Dust containing Lead and Zinc
  - o Iron Silicate Granulated (referenced to 'Copper Slag')
  - Matte containing Copper and Lead
  - Metal Sulphide Concentrates, Self-heating, UN 3190
  - o Zinc Oxide Enriched Flue Dust

Be aware that in case a Group (B) cargo is added into the IMSBC Code, it may require an amendment to the vessel's existing Document of Compliance (DoC) for the Carriage of Dangerous Goods.

#### When?

The IMSBC Code 5th amendment will enter into force on 1 January 2021 and is mandatory for all vessels that load solid bulk cargoes. Always use the latest edition of the IMSBC code.

- IMO Publications
- International Maritime Solid Bulk Cargoes (IMSBC) Code
- Listing of current IMO publications

### The IBC code and MARPOL Annex II

The International Code for the Construction and Equipment of Ships carrying Dangerous Chemicals in Bulk (IBC Code) is an international standard for the safe transportation of dangerous chemicals and noxious liquids in bulk over sea.

Aiming at decreasing the risks for the environment, crew and ships, the IBC Code describes the requirements for the design and the construction standards of such ships and of the equipment they should carry. Moreover, the IBC Code contains a list which provides information on the potential hazards of each cargo or substance as well as minimum requirements for the ship and its equipment.

The IBC Code should not be confused with MARPOL Annex I (oil and oil products) or the IMDG Code (dangerous goods in packaged form).

### What has changed?

The amendments to the IBC Code, adopted by IMO Resolutions MSC.460(101) and MEPC.318(74), are very comprehensive and, as a consequence, a new Certificate of Fitness (CoF) must be issued for each vessel affected by these changes and it must be kept on board.

The substances listed in the IBC Code (Chapter 17 and 18) have been "harmonised" so that substances assessed both before and after the year 2004 are now subject to the same criteria. This means that the criteria for assigning carriage requirements for all products have been reviewed, resulting in amendments in ship type and tank type as well as in additional carriage requirements for certain types of cargo. As a consequence, the range of products that a ship is certified to carry will change from 1 January 2021.

### **MARPOL Annex II amendments:**

The amendments to MARPOL Annex II include a new definition of the so-called "persistent floaters". In addition, Regulation 13 now requires a mandatory prewash after the discharge of persistent floaters when the port of unloading is located inside certain regional areas. These regional areas are listed in Regulation 13.9, whereas the "persistent floaters" are identified in Chapter 17 of the IBC Code.

The Procedures and Arrangements (P&A) manual has to include a new paragraph relating to the procedures for the cleaning of cargo tanks after discharging persistent floaters inside certain regional areas. Therefore, P&A manuals on board all ships should have been amended before 1 January 2021. When a product is loaded prior to 1 January 2021 and discharged after that date, the relevant provisions of

# When?

The new amendments to the IBC Code and MARPOL Annex II are expected to come into force on 1 January 2021, and they will affect all new and existing ships that have a Certificate of Fitness (CoF).

the IBC Code at the time of loading are applicable until the product has been discharged.

- IMO IBC Code
- IMO Carriage of chemicals by ship
- IMO MARPOL Annex II

# MLC amendments regarding seafarers' employment agreements

During the 107th annual meeting of the International Labour Conference (ILC) in June 2018 the amendments to the Maritime Labour Convention (MLC) were approved, which relate to continuation of seafarers' employment agreements (SEA) in cases of piracy or armed robbery against ships.

# What has changed?

The amendments are designed to protect the seafarer from the results of acts of piracy or armed robbery against the ship. An SEA shall continue to have effect while a seafarer is held captive on or off the ship, and it will be deemed to have effect regardless of whether the expiration date of the contract has passed or either party has given notice to suspend or terminate it.

The following amendments have been made:

### Regulation 2.1 – Seafarers' employment agreements

The first amendment is to ensure that an SEA will continue to have effect when a seafarer is being held captive on or off a ship as a result of an act of piracy or armed robbery against the ship, notwithstanding that the agreement has already passed or either party has given notice to suspend or terminate it. This amendment is found under Standard 2.1.

### Regulation 2.2 – Wages

The second amendment further clarifies that in such situations as mentioned above, the seafarer's wages or any other entitlement under his or her SEA are protected, meaning that the seafarer will continue to receive whatever he is entitled to under the SEA or other equivalent agreement as applicable during his or her period of captivity.

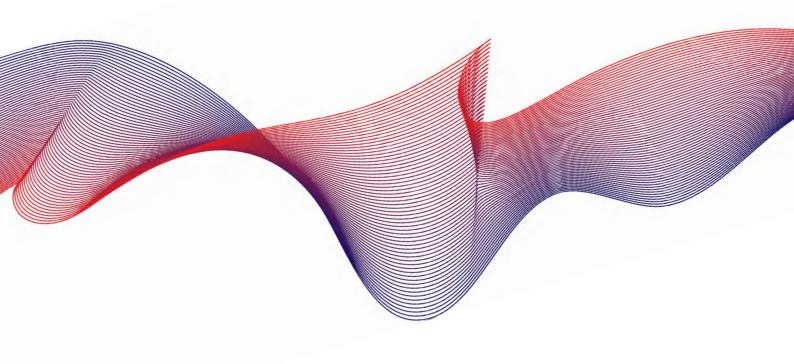
### Regulation 2.2 – Wages

The third amendment provides an exception for a seafarer's claim for repatriation which has already lapsed while he or she is being held in captivity as mentioned above, and thus the seafarer is still entitled to claim for repatriation. This amendment is found under Guideline B2.5.1.

#### When?

The 2018 MLC amendments are expected to enter into force in January 2021.

- ILO (full text of the amendments)
- BIMCO
- UK Government



# **Inventory of Hazardous Materials**

The Inventory of Hazardous Materials (IHM) is a detailed document, in which all potential hazardous materials on board a vessel are identified, located and quantified. The IHM is used when a ship recycling plan is compiled, to ensure minimal environmental impact and safe working conditions in the recycling or scrapping yard.

In December 2018, the European Union's Ship Recycling Regulation (EUSRR) became generally applicable to ships of 500 Gross Tonnage (GT) or more and flying the flag of countries in the European Union (EU) or European Economic Area (EEA). Furthermore, the same requirements are stated in the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (not in force yet).

### What has changed?

The EUSRR states that vessels need to have a valid and certified IHM on board. The IHM should be regularly updated, for example after a repair or conversion, and should stay on board until the end of the vessel's life. Port State Control officers can check the certificate and the validity of the IHM during an inspection.

#### When

The effective date was initially 31 December 2020 but has been extended by six months to 30 June 2021.

For more information, visit:

- DNV-GL
- Lloyd's Register

# We wish you a prosperous New Year!

This circular is meant for guidance purposes only.

Should you require more information or assistance, please feel free to contact our Client Services Desk: ClientServicesDesk@msamlin.com



Client Services Desk

Postal Address: P.O.Box 30152 3001 DD Rotterdam

Visiting Address: Beursplein 37 3011 AA Rotterdam

The Netherlands

Tel: +31 10 799 5800

msamlin.com/pandi

### MS Amlin offices

London, Paris, Antwerp, Rotterdam, Hamburg, Dubai and Singapore

© January 2021. The information contained herein is intended to be for informational purposes only and is correct at the time of printing. This brochure is not, and is not intended to be construed as, an offering of MS Amlin securities in the United States or in any other jurisdictions where such offers may be unlawful. The services and products mentioned in this brochure may not be available in the United States or in jurisdictions where Lloyd's does not have a trading license. Potential insureds should consult with an appropriately licensed broker in their area for further information. MS Amlin Underwriting Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under reference number 204918. Registered office The Leadenhall Building, 122 Leadenhall Building, 125 Leadenhall Building, 126 Leadenhall Building, 126 Leadenhall Building, 126 Leadenhall Building, 126 Leadenhall Building, 127 Leadenhall Building, 128 Leadenhall Building, 129 Leadenhall Building, 128 Leadenhall Building, 128 Leadenhall Building, 128 Leadenhall Building, 129 Leadenhall Building, 128 L