

## Shipping & Transport - Cyprus

### European directive on maritime insurance: harmonisation measures

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The Department of Merchant Shipping has issued a circular to owners and operators of Cyprus-registered ships reminding them that, with effect from January 1 2012, EU Directive 2009/20/EC requires owners of all types of ship of 300 gross tonnes or above to have insurance cover against maritime claims subject to limitations under the International Maritime Organisation's 1976 Convention on Limitation of Liability for Maritime Claims, as amended by the 1996 protocol.

The amount of insurance for every ship per incident must be equal to the relevant maximum amount for the limitation of liability as laid down in the amended convention. Acceptable cover includes protection and indemnity insurance of the type currently provided by members of the International Group of P&I Clubs, other effective forms of insurance (including proved self-insurance) and financial security offering similar conditions of cover.

The directive applies to ships flying the flag of an EU or European Economic Area (EEA) member state, and to ships of any nationality calling at ports of EU or EEA member states or operating within their territorial waters.

With effect from January 1 2012, member states must conduct inspections of ships calling at their ports or operating within their territorial waters in order to verify whether they comply with the requirements of the directive. Non-compliance may result in the vessel being detained, expelled from or refused entry to a member state port. A ship which is expelled from a port of one member state will be banned from the ports of every other member state until the requirements of the directive have been met.

A draft law to transpose the directive into Cyprus law has been reviewed by the Shipping Committee of the Bar Association and will be submitted to Parliament shortly.

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