

Circular by SPICA Service

Spica Services Jakarta has reported on the enactment of the above new Regulation in Indonesia, effective 1st March 2015, being implemented by the Ministry of Transport via the Department of Sea Communications.

Parties will be aware that the new Regulation requires Owners of vessels over 35Gt operating in Indonesia, to have and be able to prove that they have in place, Insurance to cover them for Navigational Risks, Wreck Removal and Related Expenses for Underwater Works, believed to mean Salvage. Failure to do so will reportedly result in a suspension or cancellation of operating licences, and for International Owners, the likelihood of detention and delay.

Whilst the Regulation is reportedly aimed at Indonesian Owners and Operators, there will potentially be an impact on Indonesian Flagged vessels holding cover with International Group and other International insurers, and a potentially wider impact on all vessels trading to Indonesia. The particular issue concerned not being having the necessary insurance in place, but proving same. Authorities current suggesting that a standard template letter be used. This is clearly not a viable option and those IG Clubs that have been directly approached on this have stated so, and we hope that stance will be maintained.

In an effort to obtain clarity on a number of issues surrounding the implementation of the new Regulation, Spica Services Indonesia yesterday (Tuesday) attended a meeting held in Jakarta, hosted by the Department of Sea Communications, attended by Coast Guard, Harbour Masters, Government Agencies such as Ports and Customs and including OJK (Indonesian FSA), industry bodies such as INSA and Insurers, Brokers and other concerned parties. Whilst specific details of how the Regulation will be adhered to and enforced remain elusive, confirmation was received from the highest levels within the Department, that the regulation was implemented to apply to Indonesian tonnage and would not adversely affect foreign vessels. Further, whilst Authorities, presumably local Harbour Masters, may inspect the ship's certificates, a Certificate of Insurance from a P+I Club/Insurer, which clearly states that Wreck Removal is covered, will suffice.

Whilst that is good news, the potential complications arising in the case of Indonesian vessels with IG cover (being greater, but different, from local market cover) and where local Harbour Masters do not recognise the Certificate of Insurance as valid, were raised. In conclusion, we regret that there has been no firm decision made as to how vessels should prove they have the necessary cover in place, so we would suggest that if vessels are actually challenged to prove cover, and their Certificate of Insurance is not immediately

accepted, that they immediately alert Spica Services Jakarta, whose details are provided below, who can refer the matter to senior SeaComms personnel in Jakarta, who have provided the above assurances.

Meantime, efforts to obtain clarity on the various issues outstanding will continue and we will report further.

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Best regards,
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