

Press Release

NORTH 
SERVICE, STRENGTH, QUALITY

NORTH P&I CLUB – IT’S TIME FOR MEMBERS TO PREPARE FOR THE BIG SWITCH

18 APRIL 2019

North P&I Club has updated its guidance on the 2020 Sulphur Cap for Members, helping them prepare for the big switch to compliance on 1 January 2020. Following on from a comprehensive programme of events, training sessions and publications which have been rolled out over the past 12 months, North’s Members now have access to three new guides to ensure safe and compliant operations.

The three guides cover the three main methods of achieving compliance: using distillates (MGO/MDO), using blended very-low-sulphur fuel oils (VLSFO) or installing exhaust gas cleaning systems (scrubbers). North has looked at the importance of good planning, the risks associated with each option and contingencies in the event of non-compliance. It isn’t just technical – enforcement and contractual risks are also considered.

Tiejha Smyth, Deputy Director (FD&D) at North commented on the importance of suitable transition clauses in the time charterparty to allow for a smooth transition: “It’s vital to make sure that the technical objectives of the transition plan are reflected in the charterparty. For vessels fitted with scrubbers, there will be additional considerations.”

The guides also look at some of the challenges in getting ready to receive compliant fuels. Mark Smith, Loss Prevention Executive said, “Proper planning is key, but when it comes to the switchover, it’s important to do it safe and do it right”. Tank cleaning is likely to be needed and this might mean multiple tank entries. Mark continued, “Too many people die in enclosed or confined spaces. Tank cleaning operations must be subject to a risk assessment and a permit-to-work system”. Furthermore, if the tank and fuel system is not properly cleaned, it could contaminate several hundreds of tons of subsequently bunkered expensive fuel. It could also result in enforcement action, delays and disputes.

For more information and resources on the 2020 sulphur cap, please visit North’s dedicated Insights Area: www.nepia.com/insights/2020-vision

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North P&I Club

North P&I Club is a leading global marine insurer providing P&I, FD&D, war risks and ancillary insurance to over 200 million GT of owned and chartered tonnage. Through its guaranteed subsidiary Sunderland Marine, North is also a leading insurer of fishing vessels, small craft and aquaculture risks. The Standard and Poor’s ‘A’ rated Club is based in Newcastle upon Tyne, UK with regional offices and subsidiaries in China (Hong Kong and Shanghai), Greece, Ireland, Japan, Singapore, USA and Sunderland Marine offices worldwide. North is a leading member of the International Group of P&I Clubs (IG), with over 12% of the IG’s owned tonnage. The 13 IG clubs provide liability cover for approximately 90% of the world’s ocean-going tonnage and, as a member of the IG, North protects and promotes the interests of the international shipping industry. For further information, visit: www.nepia.com.

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