

CIRCULAR REF: 2011/031

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**28 SEPTEMBER 2011
MJS/ANG/KAH**

NORTH LAUNCHES GRAY PAGE™ ARMED MARITIME SECURITY PROVIDER VETTING PROGRAMME

We are pleased to announce that the Club has contracted with maritime intelligence, investigation and crisis management specialists, GRAY PAGE™ to vet the Armed Maritime Security Provider's (AMSP's) most frequently used by Members under the GRAY PAGE™ *Armed Maritime Security Provider (AMSP) Vetting Programme*.

Despite a wide range of measures implemented across the industry to combat piracy, including the relative success of coalition naval forces in the Gulf of Aden, pirates are responding with more diverse operational practices resulting in a significant increase in the number of incidents taking place in the wider Indian Ocean. In 2011 alone, the IMB Piracy Reporting Centre has recorded 335 piracy attacks and 35 hijackings (data correct at 16 September 2011 www.icc-ccs.org/piracy-reporting-centre)

On 23 May 2011 the IMO's maritime safety committee published *Interim guidance to shipowners, ship operators, and shipmasters on the use of privately contracted armed security personnel (PCASP) on board ships in the 'High Risk Area'*¹ (MSC.1/Circ.1405). This has recently been revised (MSC.1/Circ.1405/Rev.1). Although not endorsing the use of PCASP, nor addressing all the legal issues that might be associated with their use onboard ships, the guidance recommends due diligence when assessing prospective security providers, including a review of company structure, background and training.

North's aim is to help Members identify AMSPs whose governance and operations meet - at the time the vetting is carried out - the professional, legal and ethical standards required by a shipowner or operator² contemplating the use of privately contracted armed security personnel on board a vessel entered with the Club. The programme is designed to complement rather than replace Members' existing processes for the selection of suitable AMSP's.

¹ Defined in the guidance as "Areas as defined in the Best Management Practices to Deter Piracy off the Coast of Somalia and in the Arabian Sea Area (BMP) unless otherwise defined by the flag State."

² To comply with the guidelines contained in MSC.1/Circ.1405/Rev.1

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Although the programme is designed to assist Members exercise due diligence when determining the suitability of prospective security contractors, North strongly endorses the adoption of Industry Best Management Practices ([BMP](#)). The use of armed maritime security providers should not be considered as an alternative to the self-protection measures contained in the latest version of BMP or additional measures recommended by a vessel's Flag State.

For more information, please see the attached FAQs or contact a member of our Piracy Contract Review Team at PiracyContractReviewTeam@nepia.com

MIKE SALTHOUSE
DIRECTOR - North Insurance Management Limited
As Managers on behalf of the North of England P&I Association Limited



GRAY PAGE™ Armed Maritime Security Provider Vetting Programme

FAQ's

GENERAL

Question: How is North helping its members with the evaluation and selection of Armed Maritime Security Providers?

Answer: As Somalia-based piracy continues to threaten merchant shipping in the Gulf of Aden, Arabian Sea and the Indian Ocean, a growing number of shipowners and operators are considering the use of armed security teams to augment the security posture of their ships sailing through these areas.

In its recent guidance on the use of privately contracted armed security personnel ("PCASP") – circulars MSC.1/1405/Rev.1 and MSC.1/1406/Rev.1 – the IMO acknowledges that selecting and evaluating appropriately capable, reliable and lawful providers of armed maritime security services can be a complex task for ship operators.

North is taking proactive steps to assist Members of North of England P&I Club, who are considering contracting with armed maritime security providers ("AMSP's"), in the due diligence process they are expected to undertake when selecting an AMSP.

North has contracted with maritime intelligence, investigations and crisis management specialists GRAY PAGE™ to vet the AMSP's most frequently used by Members under the GRAY PAGE™ *Armed Maritime Security Provider Vetting Programme*.

North's aim is to help Members identify AMSP's whose governance and operations meet, at the time the vetting was carried out, the professional, legal and ethical

standards required by a shipowner or operator contemplating the use of PCASP's on board a vessel entered with the Club.

Question: What is the GRAY PAGE™ Armed Maritime Security Provider Vetting Programme?

Answer: The GRAY PAGE™ *Armed Maritime Security Provider Vetting Programme* has been developed to assist owners objectively evaluate prospective providers against professional, legal and ethics-based criteria encompassing: corporate probity, financial substance, regulatory and legislative compliance, commercial experience, contractual integrity, operational and logistical capability, weapons licensing and accountability, and the selection, recruitment and training of security personnel.

Question: How did North select which AMSPs should be vetted?

Answer: North selected the seven ASMP's most frequently used by Members, to participate in the initial vetting process.

Question: What criteria are AMSP's assessed against?

Answer: AMSP's are assessed against criteria developed by GRAY PAGE™ and approved by North that include and exceed those described in IMO circular MSC.1/1405/Rev.1.

Question: What is the outcome of the vetting process?

Answer: Following the vetting process, North is in a position to provide guidance to its Members on which AMSP's meet - at the time the vetting was carried out - the professional, legal and ethical standards required by a shipowner or operator contemplating the use of PCASP's on board a vessel entered with the Club.

Question: How long are the results of vetting valid for?

Answer: Vetting reports are valid as at the date they are produced. However, there is a process in place to monitor the profiles of AMSP's and where there are changes that fall within the scope of the vetting programme, the AMSP's vetting profile is updated accordingly.

Question: Does North publish the results of the vetting process?

Answer: No. Vetting performed by GRAY PAGE™ at the instruction of North is subject to a confidentiality agreement between North and GRAY PAGE™

Question: Does North produce a list of ‘approved’ Armed Maritime Security Providers?

Answer: No.

Question: Is North ‘recommending’ any particular Armed Maritime Security Providers?

Answer: No, and no information or guidance provided by North to a Member should be interpreted as a recommendation by North or GRAY PAGE™ for the appointment of any particular AMSP. The decision to contract with an AMSP ultimately rests with the Member, having first sought appropriate advice and undertaken the due diligence recommended in MSC.1/1405/Rev.1 as a minimum.

INFORMATION FOR SHIPOWNERS AND OPERATORS

Question: I am a Member of North, how do I find out which AMSP’s have been vetted for North?

Answer: Please contact a member of North’s piracy team for more information on the AMSP’s that have been vetted for North.

Question: If the AMSP I want to use has not been vetted, can I still appoint them?

Answer: The decision to appoint an AMSP should only be made by a ship operator following a comprehensive risk assessment and the vetting of the prospective AMSP. If a Member of North wishes to appoint an AMSP that has not been vetted, they should contact a member of the North piracy team.

Question: Can I appoint AMSP's whose governance and operations do not meet, at the time of vetting, the professional, legal and ethical standards required by GRAY PAGE™ and North?

Answer: If a Member of North wishes to appoint an AMSP that has not met the standards required by GRAY PAGE™ and North, they should contact a member of the North piracy team.

Question: How do I get an AMSP vetted by North?

Answer: Please contact a member of the North piracy team to discuss the options.

Question: Can I instruct GRAY PAGE™ directly, to vet a prospective AMSP.

Answer: Yes. Any Member can directly engage GRAY PAGE™ to vet a prospective AMSP.

For further information please contact GRAY PAGE™

T. +44 (0) 1865 861 400

E. vetting@graypage.co.uk

W. www.graypage.co.uk

However, where Members request the vetting of an AMSP through North, GRAY PAGE™ has agreed to a discount on its standard charge for the service.

INFORMATION FOR ARMED MARITIME SECURITY PROVIDERS

Question: Can we submit our company to be vetted by GRAY PAGE™ for North?

Answer: No. The vetting of any AMSP's for North by GRAY PAGE™ may only be initiated by North.

For further information please contact a member of the North piracy team:

T. +44 191 232 5221

E. PiracyContractReviewTeam@nepia.com

W: www.nepia.com