



Hong Kong increases limits of liability for maritime claims

The increased limits agreed in 2015 between the contracting parties to the 1996 protocol, enters into force in Hong Kong on 4 December 2017

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Our earlier [Gard Insight](#) discussed the implementation of the 1996 Protocol to the Convention on Limitation of Liability for Maritime Claims 1976 (the 1996 Protocol) which came into effect in Hong Kong on 3 May 2015. In April 2012 the Member States to the 1996 Protocol agreed an increase of approximately 51 per cent in tonnage limits in their jurisdictions with effect from 8 June 2015 to reflect the changes of monetary values over the period and to cope with inflation. These new limits of liability will now come into operation in Hong Kong on 4 December 2017. The summary of the amendments can be found on the [IMO](#) website.

The tables below set out a comparison between the limits under the 1976 Convention, the 1996 Protocol and the revised 1996 Protocol for personal injury/loss of life claims, property claims and passenger claims in Hong Kong. The amendments will apply to maritime claims that arise after 4 December 2017. The limits are based on the gross tonnage of the vessel and are expressed in Special Drawing Rights (SDR) as published by the [IMF](#). The current exchange rate of the SDR is SDR 1 = USD 1.40.

Property damage claims in Hong Kong

Gross Tonnage

LLMC 1976 limits

pre 3 May 2015

1996 Protocol limits

in force from 3 May 2015

Revised 1996 Protocol limits in force from 4 December 2017

<500

SDR 167,000

SDR 1,000,000

SDR 1,510,000

501 – 2,000

- SDR 167 per ton

SDR 1,000,000

SDR 1,510,000

2,001 – 30,000

- SDR 167 per ton
- SDR 400 per ton

+ SDR 604 per ton

30,001 – 70,000

- SDR 125 per ton
- SDR 300 per ton

+ SDR 453 per ton

70,000

- SDR 83 per ton
- SDR 200 per ton

+ SDR 302 per ton

Personal injury or loss of life claims in Hong Kong

Gross Tonnage

LLMC 1976 limits

pre 3 May 2015

1996 Protocol limits

in force from 3 May 2015

Revised 1996 Protocol limits in force from 4 December 2017

<500

SDR 333,000

SDR 2,000,000

SDR 3,020,000

501 – 2,000

- SDR 500 per ton

SDR 2,000,000

SDR 3,0200,000

2,001 – 30,000

- SDR 333 per ton
- SDR 800 per ton

+ SDR 1,208 per ton

30,001 – 70,000

- SDR 250 per ton
- SDR 600 per ton

+ SDR 906 per ton

70,000

- SDR 167 per ton

- SDR 400 per ton

+ SDR 604 per ton

Passenger claims in Hong Kong

LLMC 1976 limits

pre 3 May 2015

1996 Protocol limits

in force from 3 May 2015

Revised 1996 Protocol limits in force from 4 December 2017

SDR 46,666 multiplied by the number of passengers which the ship is certificated to carry for each passenger

SDR 175,000 multiplied by the number of passengers which the ship is certificated to carry for each passenger

Remains unchanged

Up to SDR 25,000,000

No limit

Remains unchanged

To illustrate more clearly the effect of the increase we set out below some examples of limits converted into US dollars, using the current exchange rate..

Property damage claims in Hong Kong

Gross Tonnage

LLMC 1976 limits

pre 3 May 2015

1996 Protocol limits

in force from 3 May 2015

Revised 1996 Protocol limits in force from 4 December 2017

Handysize ship 25,000

USD 5,961,900

USD 14,280,000

USD 21,562,800

Panamax ship 40,000

USD 8,880,900

USD 21,280,000

USD **32,132,800**

Capesize ship 85,000

USD 15,873,900

USD 38,080,000

USD **57,500,800**

5,000 TEU containership 55,000

USD 11,505,900

USD 27,580,000

USD **41,645,800**

VLCC 160,000

USD 24,588,900

USD 59,080,000

USD **89,210,800**

Personal injury or loss of life claims in Hong Kong

Gross Tonnage

LLMC 1976 limits

pre 3 May 2015

1996 Protocol limits

in force from 3 May 2015

1996 Protocol as amended in 2012 limits

Handysize ship 25,000

USD 1,247,260

USD 28,560,000

USD **37,329,600**

Panamax ship 40,000

USD 18,303,600

USD 42,560,000

USD **57,209,600**

Capesize ship 85,000

USD 32,310,600

USD 76,160,000

USD **107,945,600**

5,000 TEU containership 55,000

USD 23,553,600

USD 55,160,000

USD **76,235,600**

VLCC 160,000

USD 49,845,600

USD 118,160,000

USD **171,365,600**

Passenger claims in Hong Kong

Gross Tonnage

LLMC 1976 limits

pre 3 May 2015

1996 Protocol limits

in force from 3 May 2015

1996 Protocol as amended in 2012 limits

Quantum of the Seas, 4,905 passengers

USD 320,455.422 but not exceeding USD 35,000,000

USD 1,201,725,000

Remains unchanged

The limits adopted in Hong Kong are now in line with the other contracting parties to the revised 1996 Protocol.

The increase in liability limits may result in “forum shopping” in large casualties. That is owners seeking to establish a limitation fund in jurisdictions that apply lower limits, for example, Singapore and mainland China. Conversely, claimants will likely seek jurisdiction for claims in Hong Kong.

The increase in limitation does not affect the P&I cover for claims covered under the terms of the P&I insurance policy.