



Technical Circular

No.: 027/2016

Date: 13th September 2016

To Whomsoever it may concern

Subject: Malaysia – Limitation of Liability for Maritime Claims 1976 as amended by Protocol 1996

1. Malaysian Merchant Shipping (Amendment and Extension) Act 2011 [Act 1393] amended the Merchant Shipping Ordinance, 1952 requiring mandatory insurance coverage or financial security for all ships inside Malaysia Peninsular waters, Federal Territory of Labuan and/or the Exclusive Economic Zones of Malaysia wef 1 March 2014.
2. Ships shall not enter or leave an area or water as stated in paragraph 1 above unless there is in force in respect of the ship a contract of insurance or other financial security satisfying the requirements of the Convention for the Limitation of Liability for Maritime Claims 1976 as amended by Protocol 1996.
3. The above mandatory requirement applies to all ships including Malaysia ships and licensed boats of less than 300 GT operating in waters as described above.
4. Marine Department of Malaysia has issued Shipping Notice MSN 07/2016 (copy attached) advising that full enforcement of the mandatory requirement of insurance coverage or financial guarantee on all Malaysian ships and licensed boat shall be carried out wef 1st September 2016 through three main methods as follows:
 - i. Random enforcement by Marine Department of Malaysia and other enforcement agencies in waters as stated including port areas and wharfs;
 - ii. The enforcement through documentary evidences during the application of endorsement for port clearances; and
 - iii. The imposition of mandatory requirements during renewal of boat licenses.
5. Ship Owners / operators and masters are advised to be guided by above.

Enclosure:

1. Malaysian Shipping Notice 04/2014.
2. Malaysian Shipping Notice 07/2016.



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