CONVENTION ON LIMITATION OF LIABILITY FOR MARITIME CLAIMS, 1976

THE STATES PARTIES TO THIS CONVENTION,

HAVING RECOGNIZED the desirability of determining by agreement certain uniform rules relating to the limitation of liability for maritime claims,

HAVE DECIDED to conclude a Convention for this purpose and have thereto agreed as follows:

CHAPTER I: THE RIGHT OF LIMITATION

Article 1

Persons entitled to limit liability

1. Shipowners and salvors, as hereinafter defined, may limit their liability in accordance with the rules of this Convention for claims set out in Article 2.
2. The term "shipowner" shall mean the owner, charterer, manager and operator of a seagoing ship.
3. Salvor shall mean any person rendering services in direct connexion with salvage operations. Salvage operations shall also include operations referred to in Article 2, paragraph 1(d), (e) and (f).
4. If any claims set out in Article 2 are made against any person for whose act, neglect or default the shipowner or salvor is responsible, such person shall be entitled to avail himself of the limitation of liability provided for in this Convention.
5. In this Convention the liability of a shipowner shall include liability in an action brought against the vessel itself.
6. An insurer of liability for claims subject to limitation in accordance with the rules of this Convention shall be entitled to the benefits of this Convention to the same extent as the assured himself.
7. The act of invoking limitation of liability shall not constitute an admission of liability.

Article 2

Claims subject to limitation

1. Subject to Articles 3 and 4 the following claims, whatever the basis of liability may be, shall be subject to limitation of liability:
(a) claims in respect of loss of life or personal injury or loss of or damage to property (including damage to harbour works, basins and waterways and aids to navigation), occurring on board or in direct connexion with the operation of the ship or with salvage operations, and consequential loss resulting therefrom;
(b) claims in respect of loss resulting from delay in the carriage by sea of cargo, passengers or their luggage;
(c) claims in respect of other loss resulting from infringement of rights other than contractual rights, occurring in direct connexion with the operation of the ship or salvage operations;
(d) claims in respect of the raising, removal, destruction or the rendering harmless of a ship which is sunk, wrecked, stranded or abandoned, including anything that is or has been on board such ship;
(e) claims in respect of the removal, destruction or the rendering harmless of the cargo of the ship;
(f) claims of a person other than the person liable in respect of measures taken in order to avert or minimize loss for which the person liable may limit his liability in accordance with this Convention, and further loss caused by such measures.

2. Claims set out in paragraph 1 shall be subject to limitation of liability even if brought by way of recourse or for indemnity under a contract or otherwise. However, claims set out under paragraph 1(d), (e) and (f) shall not be subject to limitation of liability to the extent that they relate to remuneration under a contract with the person liable.

Article 3
Claims excepted from limitation

The rules of this Convention shall not apply to:
(a) claims for salvage or contribution in general average;
(b) claims for oil pollution damage within the meaning of the International Convention on Civil Liability for Oil Pollution Damage, dated 29 November 1969[1] or of any amendment or Protocol thereto which is in force;
(c) claims subject to any international convention or national legislation governing or prohibiting limitation of liability for nuclear damage;
(d) claims against the shipowner of a nuclear ship for nuclear damage;
(e) claims by servants of the shipowner or salvor whose duties are connected with the ship or the salvage operations, including claims of their heirs, dependants or other persons entitled to make such claims, if under the law governing the contract of service between the shipowner or salvor and such servants the shipowner or salvor is not entitled to limit his liability in respect of such claims, or if he is by such law only permitted to limit his liability to an amount greater than that provided for in Article 6.

Article 4
Conduct barring limitation
A person liable shall not be entitled to limit his liability if it is proved that the loss resulted from his personal act or omission, committed with the intent to cause such loss, or recklessly and with knowledge that such loss would probably result.

Article 5
Counterclaims
Where a person entitled to limitation of liability under the rules of this Convention has a claim against the claimant arising out of the same occurrence, their respective claims shall be set off against each other and the provisions of this Convention shall only apply to the balance, if any.

CHAPTER II: LIMITS OF LIABILITY
Article 6
The general limits
1. The limits of liability for claims other than those mentioned in Article 7, arising on any distinct occasion, shall be calculated as follows:
(a) in respect of claims for loss of life or personal injury,
(i) 333,000 Units of Account for a ship with a tonnage not exceeding 500 tons,
(ii) for a ship with a tonnage in excess thereof, the following amount in addition to that mentioned in (i):
for each ton from 501 to 3,000 tons, 500 Units of Account;
for each ton from 3,001 to 30,000 tons, 333 Units of Account;
for each ton from 30,001 to 70,000 tons, 250 Units of Account; and
for each ton in excess of 70,000 tons, 167 Units of Account,
(b) in respect of any other claims,
(i) 167,000 Units of Account for a ship with a tonnage not exceeding 500 tons,
(ii) for a ship with a tonnage in excess thereof the following amount in addition
to that mentioned in (i):
for each ton from 501 to 30,000 tons, 167 Units of Account;
for each ton from 30,001 to 70,000 tons, 125 Units of Account; and
for each ton in excess of 70,000 tons, 83 Units of Account.
2. Where the amount calculated in accordance with paragraph 1(a) is
insufficient to pay the claims mentioned therein in full, the amount calculated
in accordance with paragraph 1(b) shall be available for payment of the
unpaid balance of claims under paragraph 1(a) and such unpaid balance shall
rank rateably with claims mentioned under paragraph 1(b).
3. However, without prejudice to the right of claims for loss of life or personal
injury according to paragraph 2, a State Party may provide in its national law
that claims in respect of damage to harbour works, basins and waterways and
aids to navigation shall have such priority over other claims under paragraph
1(b) as is provided by that law.
4. The limits of liability for any salvor not operating from any ship or for any
salvor operating solely on the ship to, or in respect of which he is rendering
salvage services, shall be calculated according to a tonnage of 1,500 tons.
5. For the purpose of this Convention the ship's tonnage shall be the gross
tonnage calculated in accordance with the tonnage measurement rules
contained in Annex I of the International Convention on Tonnage
Measurement of Ships, 1969.[2]

Article 7
The limit for passenger claims
1. In respect of claims arising on any distinct occasion for loss of life or
personal injury to passengers of a ship, the limit of liability of the shipowner
thereof shall be an amount of 46,666 Units of Account multiplied by the
number of passengers which the ship is authorized to carry according to the
ship's certificate, but not exceeding 25 million Units of Account.
2. For the purpose of this Article "claims for loss of life or personal injury to
passengers of a ship" shall mean any such claims brought by or on behalf of
any person carried in that ship:
(a) under a contract of passenger carriage, or
(b) who, with the consent of the carrier, is accompanying a vehicle or live
animals which are covered by a contract for the carriage of goods.

Article 8
Unit of Account

1. The Unit of Account referred to in Articles 6 and 7 is the Special Drawing
Right as defined by the International Monetary Fund. The amounts mentioned
in Articles 6 and 7 shall be converted into the national currency of the State in
which limitation is sought, according to the value of that currency at the date
the limitation fund shall have been constituted, payment is made, or security is
given which under the law of that State is equivalent to such payment. The
value of a national currency in terms of the Special Drawing Right, of a State
Party which is a member of the International Monetary Fund, shall be
calculated in accordance with the method of valuation applied by the
International Monetary Fund in effect at the date in question for its operations
and transactions. The value of a national currency in terms of the Special
Drawing Right, of a State Party which is not a member of the International
Monetary Fund, shall be calculated in a manner determined by that State
Party.

2. Nevertheless, those States which are not members of the International
Monetary Fund and whose law does not permit the application of the
provisions of paragraph 1 may, at the time of signature without reservation as
to ratification, acceptance or approval or at the time of ratification,
acceptance, approval or accession or at any time thereafter, declare that the
limits of liability provided for in this Convention to be applied in their territories
shall be fixed as follows:
(a) in respect of Article 6, paragraph 1(a) at an amount of:
(i) 5 million monetary units for a ship with a tonnage not exceeding 500 tons,
(ii) for a ship with a tonnage in excess thereof, the following amount in
addition to that mentioned in (i):
for each ton from 501 to 3,000 tons, 7,500 monetary units;
for each ton from 3,001 to 30,000 tons, 5,000 monetary units;
for each ton from 30,001 to 70,000 tons, 3,750 monetary units; and
for each ton in excess of 70,000 tons, 2,500 monetary units; and
(b) in respect of Article 6, paragraph 1(b), at an amount of:
   (i) 2.5 million monetary units for a ship with a tonnage not exceeding 500 tons,
   (ii) for a ship with a tonnage in excess thereof, the following amount in
     addition to that mentioned in (i):
     for each ton from 501 to 30,000 tons, 2,500 monetary units;
     for each ton from 30,001 to 70,000 tons, 1,850 monetary units; and
     for each ton in excess of 70,000 tons, 1,250 monetary units; and
   (c) in respect of Article 7, paragraph 1, at an amount of 700,000 monetary
     units multiplied by the number of passengers which the ship is authorized to
     carry according to its certificate, but not exceeding 375 million monetary units.
   Paragraphs 2 and 3 of Article 6 apply correspondingly to sub-paragraphs (a)
   and (b) of this paragraph.
3. The monetary unit referred to in paragraph 2 corresponds to sixty-five and
   a half milligrammes of gold of millesimal fineness nine hundred. The
   conversion of the amounts referred to in paragraph 2 into the national
   currency shall be made according to the law of the State concerned.
4. The calculation mentioned in the last sentence of paragraph 1 and the
   conversion mentioned in paragraph 3 shall be made in such a manner as to
   express in the national currency of the State Party as far as possible the same
   real value for the amounts in Articles 6 and 7 as is expressed there in units of
   account. States Parties shall communicate to the depositary the manner of
   calculation pursuant to paragraph 1, or the result of the conversion in
   paragraph 3, as the case may be, at the time of the signature without
   reservation as to ratification, acceptance or approval, or when depositing an
   instrument referred to in Article 16 and whenever there is a change in either.

Article 9

Aggregation of claims

1. The limits of liability determined in accordance with Article 6 shall apply to
   the aggregate of all claims which arise on any distinct occasion:
   (a) against the person or persons mentioned in paragraph 2 of Article 1 and
   any person for whose act, neglect or default he or they are responsible; or
(b) against the shipowner of a ship rendering salvage services from that ship and the salvor or salvors operating from such ship and any person for whose act, neglect or default he or they are responsible; or
(c) against the salvor or salvors who are not operating from a ship or who are operating solely on the ship to, or in respect of which, the salvage services are rendered and any person for whose act, neglect or default he or they are responsible.

2. The limits of liability determined in accordance with Article 7 shall apply to the aggregate of all claims subject thereto which may arise on any distinct occasion against the person or persons mentioned in paragraph 2 of Article 1 in respect of the ship referred to in Article 7 and any person for whose act, neglect or default he or they are responsible.

Article 10

Limitation of liability without constitution of a limitation fund

1. Limitation of liability may be invoked notwithstanding that a limitation fund as mentioned in Article 11 has not been constituted. However, a State Party may provide in its national law that, where an action is brought in its Courts to enforce a claim subject to limitation, a person liable may only invoke the right to limit liability if a limitation fund has been constituted in accordance with the provisions of this Convention or is constituted when the right to limit liability is invoked.

2. If limitation of liability is invoked without the constitution of a limitation fund, the provisions of Article 12 shall apply correspondingly.

3. Questions of procedure arising under the rules of this Article shall be decided in accordance with the national law of the State Party in which action is brought.

CHAPTER III: THE LIMITATION FUND

Article 11

Constitution of the fund

1. Any person alleged to be liable may constitute a fund with the Court or other competent authority in any State Party in which legal proceedings are instituted in respect of claims subject to limitation. The fund shall be constituted in the sum of such of the amounts set out in Articles 6 and 7 as are applicable to claims for which that person may be liable, together with
interest thereon from the date of the occurrence giving rise to the liability until
the date of the constitution of the fund. Any fund thus constituted shall be
available only for the payment of claims in respect of which limitation of
liability can be invoked.
2. A fund may be constituted, either by depositing the sum, or by producing a
guarantee acceptable under the legislation of the State Party where the fund
is constituted and considered to be adequate by the Court or other competent
authority.
3. A fund constituted by one of the persons mentioned in paragraph 1(a), (b)
or (c) or paragraph 2 of Article 9 or his insurer shall be deemed constituted by
all persons mentioned in paragraph 1(a), (b) or (c) or paragraph 2,
respectively.

Article 12
Distribution of the fund

1. Subject to the provisions of paragraphs 1, 2 and 3 of Article 6 and of Article
7, the fund shall be distributed among the claimants in proportion to their
established claims against the fund.
2. If, before the fund is distributed, the person liable, or his insurer, has settled
a claim against the fund such person shall, up to the amount he has paid,
acquire by subrogation the rights which the person so compensated would
have enjoyed under this Convention.
3. The right of subrogation provided for in paragraph 2 may also be exercised
by persons other than those therein mentioned in respect of any amount of
compensation which they may have paid, but only to the extent that such
subrogation is permitted under the applicable national law.
4. Where the person liable or any other person establishes that he may be
compelled to pay, at a later date, in whole or in part any such amount of
compensation with regard to which such person would have enjoyed a right of
subrogation pursuant to paragraphs 2 and 3 had the compensation been paid
before the fund was distributed, the Court or other competent authority of the
State where the fund has been constituted may order that a sufficient sum
shall be provisionally set aside to enable such person at such later date to
enforce his claim against the fund.

Article 13
Bar to other actions

1. Where a limitation fund has been constituted in accordance with Article 11, any person having made a claim against the fund shall be barred from exercising any right in respect of such claim against any other assets of a person by or on behalf of whom the fund has been constituted.

2. After a limitation fund has been constituted in accordance with Article 11, any ship or other property, belonging to a person on behalf of whom the fund has been constituted, which has been arrested or attached within the jurisdiction of a State Party for a claim which may be raised against the fund, or any security given, may be released by order of the Court or other competent authority of such State. However, such release shall always be ordered if the limitation fund has been constituted:
   (a) at the port where the occurrence took place, or, if it took place out of port, at the first port of call thereafter; or
   (b) at the port of disembarkation in respect of claims for loss of life or personal injury; or
   (c) at the port of discharge in respect of damage to cargo; or
   (d) in the State where the arrest is made.

3. The rules of paragraphs 1 and 2 shall apply only if the claimant may bring a claim against the limitation fund before the Court administering that fund and the fund is actually available and freely transferable in respect of that claim.

Article 14
Governing law

Subject to the provisions of this Chapter the rules relating to the constitution and distribution of a limitation fund, and all rules of procedure in connexion therewith, shall be governed by the law of the State Party in which the fund is constituted.

CHAPTER IV: SCOPE OF APPLICATION

Article 15

1. This Convention shall apply whenever any person referred to in Article 1 seeks to limit his liability before the Court of a State Party or seeks to procure the release of a ship or other property or the discharge of any security given within the jurisdiction of any such State. Nevertheless, each State Party may exclude wholly or partially from the application of this Convention any person
referred to in Article 1 who at the time when the rules of this Convention are invoked before the Courts of that State does not have his habitual residence in a State Party or does not have his principal place of business in a State Party or any ship in relation to which the right of limitation is invoked or whose release is sought and which does not at the time specified above fly the flag of a State Party.

2. A State Party may regulate by specific provisions of national law the system of limitation of liability to be applied to vessels which are:
   (a) according to the law of that State, ships intended for navigation on inland waterways
   (b) ships of less than 300 tons.

A State Party which makes use of the option provided for in this paragraph shall inform the depositary of the limits of liability adopted in its national legislation or of the fact that there are none.

3. A State Party may regulate by specific provisions of national law the system of limitation of liability to be applied to claims arising in cases in which interests of persons who are nationals of other States Parties are in no way involved.

4. The Courts of a State Party shall not apply this Convention to ships constructed for, or adapted to, and engaged in, drilling:
   (a) when that State has established under its national legislation a higher limit of liability than that otherwise provided for in Article 6; or
   (b) when that State has become party to an international convention regulating the system of liability in respect of such ships.

In a case to which sub-paragraph (a) applies that State Party shall inform the depositary accordingly.

5. This Convention shall not apply to:
   (a) air-cushion vehicles;
   (b) floating platforms constructed for the purpose of exploring or exploiting the natural resources of the sea-bed or the subsoil thereof.

CHAPTER V: FINAL CLAUSES
Article 16
Signature, ratification and accession
1. This Convention shall be open for signature by all States at the Headquarters of the Inter-Governmental Maritime Consultative Organization (hereinafter referred to as “the Organization”) from 1 February 1977 until 31 December 1977 and shall thereafter remain open for accession.

2. All States may become parties to this Convention by:
   (a) signature without reservation as to ratification, acceptance or approval; or
   (b) signature subject to ratification, acceptance or approval followed by ratification, acceptance or approval; or
   (c) accession. [3]

3. Ratification, acceptance, approval or accession shall be effected by the deposit of a formal instrument to that effect with the Secretary-General of the Organization (hereinafter referred to as “the Secretary-General”).

Article 17
Entry into force

1. This Convention shall enter into force on the first day of the month following one year after the date on which twelve States have either signed it without reservation as to ratification, acceptance or approval or have deposited the requisite instruments of ratification, acceptance, approval or accession. [4]

2. For a State which deposits an instrument of ratification, acceptance, approval or accession, or signs without reservation as to ratification, acceptance or approval, in respect of this Convention after the requirements for entry into force have been met but prior to the date of entry into force, the ratification, acceptance, approval or accession or the signature without reservation as to ratification, acceptance or approval, shall take effect on the date of entry into force of the Convention or on the first day of the month following the ninetieth day after the date of the signature or the deposit of the instrument, whichever is the later date.

3. For any State which subsequently becomes a Party to this Convention, the Convention shall enter into force on the first day of the month following the expiration of ninety days after the date when such State deposited its instrument. [5]

4. In respect of the relations between States which ratify, accept, or approve this Convention or accede to it, this Convention shall replace and abrogate

Article 18
Reservations
1. Any State may, at the time of signature, ratification, acceptance, approval or accession, reserve the right to exclude the application of Article 2 paragraph 1(d) and (e). No other reservations shall be admissible to the substantive provisions of this Convention.
2. Reservations made at the time of signature are subject to confirmation upon ratification, acceptance or approval.
3. Any State which has made a reservation to this Convention may withdraw it at any time by means of a notification addressed to the Secretary-General. Such withdrawal shall take effect on the date the notification is received. If the notification states that the withdrawal of a reservation is to take effect on a date specified therein, and such date is later than the date the notification is received by the Secretary-General, the withdrawal shall take effect on such later date.

Article 19
Denunciation
1. This Convention may be denounced by a State Party at any time one year from the date on which the Convention entered into force for that Party.
2. Denunciation shall be effected by the deposit of an instrument with the Secretary-General.
3. Denunciation shall take effect on the first day of the month following the expiration of one year after the date of deposit of the instrument, or after such longer period as may be specified in the instrument.

Article 20
Revision and amendment
1. A Conference for the purpose of revising or amending this Convention may be convened by the Organization.
2. The Organization shall convene a Conference of the States Parties to this Convention for revising or amending it at the request of not less than one-third of the Parties.

3. After the date of the entry into force of an amendment to this Convention, any instrument of ratification, acceptance, approval or accession deposited shall be deemed to apply to the Convention as amended, unless a contrary intention is expressed in the instrument.

Article 21

Revision of the limitation amounts and of Unit of Account or monetary unit

1. Notwithstanding the provisions of Article 20, a Conference only for the purposes of altering the amounts specified in Articles 6 and 7 and in Article 8, paragraph 2, or of substituting either or both of the Units defined in Article 8, paragraphs 1 and 2, by other units shall be convened by the Organization in accordance with paragraphs 2 and 3 of this Article. An alteration of the amounts shall be made only because of a significant change in their real value.

2. The Organization shall convene such a Conference at the request of not less than one fourth of the States Parties.

3. A decision to alter the amounts or to substitute the Units by other units of account shall be taken by a two-thirds majority of the States Parties present and voting in such Conference.

4. Any State depositing its instrument of ratification, acceptance, approval or accession to the Convention, after entry into force of an amendment, shall apply the Convention as amended.

Article 22

Depositary

1. This Convention shall be deposited with the Secretary-General.

2. The Secretary-General shall:

(a) transmit certified true copies of this Convention to all States which were invited to attend the Conference on Limitation of Liability for Maritime Claims and to any other States which accede to this Convention;

(b) inform all States which have signed or acceded to this Convention of:

(i) each new signature and each deposit of an instrument and any reservation thereto together with the date thereof;
(ii) the date of entry into force of this Convention or any amendment thereto;
(iii) any denunciation of this Convention and the date on which it takes effect;
(iv) any amendment adopted in conformity with Articles 20 or 21;
(v) any communication called for by any Article of this Convention.

3. Upon entry into force of this Convention, a certified true copy thereof shall be transmitted by the Secretary-General to the Secretariat of the United Nations for registration and publication in accordance with Article 102 of the Charter of the United Nations.

Article 23
Languages

This Convention is established in a single original in the English, French, Russian and Spanish languages, each text being equally authentic.

DONE AT LONDON this nineteenth day of November one thousand nine hundred and seventy-six.

IN WITNESS WHEREOF the undersigned being duly authorized for that purpose have signed this Convention.

[Signatures not reproduced here.]

[1] ATS 1984 No. 3; Act 1981 No. 31; UNTS 973 p. 3; UKTS 1975 No. 106 (Cmnd. 6183); SD 15 p. 39; ILM 9 p. 45.
[2] ATS 1982 No. 15; Act 1979 No. 98; SD 15 p. 24; UKTS 1982 No. 50 (Cmnd. 8716); TIAS 10490.
[3] Instrument of accession deposited for Australia 20 February 1991, with reservation pursuant to Article 18.1 that Australia would not be bound by Article 2.1(d) and (e).
[6] ATS 1981 No. 2; Act 1979 No. 98; UKTS 1968 No. 52 (Cmnd. 3678); Cmnd. 353.