ANDREW LIU & CO LTD

Address: Suit 501, Bank of America Tower
12 Harcourt Road, Central
Hong Kong
Tel: +852 2521 0373
Fax: +852 2521 2715
Email: marketing@andrewliu.com.hk
Website: http://www.andrewliu.com.hk
And at Shanghai: +86 21 6323 0819

Circular Ref: 2011/0014
Date: 31 May, 2011

IMSBC Code - Nickel Ore

We wish to state the importance for shipowners and the master to examine carefully the IMSBC Code and ensure this is complied with. This article is not a substitute for examining the IMSBC Code.

It is essential for both shipowners and shippers that nickel ore is loaded strictly in accordance with the IMSBC Code.

The IMSBC Code applies to all cargoes which may liquefy even though that cargo is not defined as Group A in the IMSBC Code.

The Transportation Moisture Limit (TML) of the cargo is defined as 90pct of the FMP. It is a requirement of SOLAS that the average moisture content of any type of granular cargo in any cargo space must be higher than the TML. There are no exceptions to this rule such as fine weather conditions or a coastal or short voyage.

We wish to stress to shipowners that if the FMP and TML is not assessed in accordance with the IMSBC code, this will amount to a breach of the SOLAS code and the vessel would be considered as undertaking an unduly hazardous, dangerous voyage which would in principle prejudice the vessel's insurances.

Under the IMSBC Code the FMP testing must be carried out within a certain time prior to loading. If sampling and testing is carried out during the course of loading or the shipper is using information of cargo loaded on another ship (even if she is loading during the same period) this is a breach of the IMSBC Code. IMSBC Code requires the sampling and testing of a stockpile must be conducted no more than one week prior to shipment. Should there be rain after the sampling, a further sampling and testing is required prior to loading.

Some shipowners are loading the cargo whilst they simultaneously sample and test the FMP.

This is a breach of the IMSBC Code and which in turn will breach SOLAS rules which will in principle prejudice the vessel's insurances.

Appendix 2 of the IMSBC Code states three methods for assessing the FMP. However we are all aware that even if the shippers purport to issue FMP certificates they have sampled and tested the FMP in accordance with the IMSBC Code, many of these certificates do not state the facts. Whether the certificates of th shippers may be flawed, the master must still ensure the shippers provide a certificate the information required by the IMSBC Code. It is surprising that some masters are not even aware of the IMCBC Code and not requiring and checking the information on the certificates comply with the IMSBC Code.

The IMSBC Code provides for a test which masters should use called the 'can test'. If shippers present significant amounts of cargo which fail this test, then it is probable the cargo is unsafe.

To summarize
a) The master must not commence loading until he has received proper certificates from shippers from a recognized testing company declaring all the information required by and in compliance with the IMSBC Code.
b) The master should not commence loading until he has carried out 'can' tests on each shipment or batch of cargo.

It is very important for shipowners to ensure the IMSBC Code is complied with by both the shippers and the vessel. Especially if the vessel's P+I Club do not require a compulsory sampling and testing of the cargo which not all P+I Clubs require, it is essential the shipowner is able to prove the IMSBC Code has been complied with to ensure the insurances are not prejudiced.

If there are queries on the IMSBC Code, shipowners must let us know and we would be happy to clarify and discuss any queries with the P+I Club.

Andrew Liu & Co. Ltd