



# P & I REVIEW – UKRAINE Presented by Adv. Pavel Svertilov Manager of CIS PandI Services Ltd, Ukraine

Ukraine, 2014

# CONTENT

- **1.** Situation at Ukrainian ports and status of Crimean ports, specifically at the port of Kerch. Recommendations of P&I Correspondent.
- **2.** International sanctions due to political situation in Ukraine: Legal aspects and P&I Correspondent recommendations.
- **3.** Handling of personal injury claims in Ukraine: Beware of fraudulent PEME certificate. P&I Correspondent recommendations.
- 4. Changes to the order of port inward clearance cancellation of ecological declaration: problem remains.
- 5. *Grain cargo operations at Ukrainian ports: Beware of un-welcomed guests.*



# 1. Situation at Ukrainian ports and status of Crimean ports, specifically at the port of Kerch. P&I Correspondent recommendations.

Despite political turmoil, which took place in Ukraine during spring-summer 2014, the situation in Ukrainian ports is stable and calm. Ukrainian ports, such as: Odessa, Ilychevsk, Yuzhny, Kherson, Dneprobugsky, Nikolayev, Berdyansk, Izmail, and Octoyabrsk are trouble-free and working in the usual regime. Ukrainian port administrations and private terminals located at the port areas have increased the security measures at the ports, therefore in order to get an access to the port terminals appropriate passes for surveyors should be arranged by means of sending 2 days advance notice to the port and immigration authorities.

The situation in the East of Ukraine is more severe. The anti-terrorist operation of the Ukrainian army is still in progress but to a lesser extent since October 2014, when active military actions have been stopped and now the situation is a "frozen conflict". Parts of the Donetsk and Lugansk regions are under control of the anti-government forces, resulting in disturbances.

There are no limitations for transport entering Ukraine except on the territories under control of the separatists. There is a high risk of confiscation of cars, property and cargo as well as threats for life and health of drivers and other involved personnel. Due to these reasons forwarders refuse to arrange cargo and container deliveries in the territories under control of armed separatists. Thus, serious problems with cargo logistic take place in the East part of Ukraine.



Situation in the East of Ukraine - Map of territory of the anti-terrorists operation: Brown color – territory under control of separatists. Blue and Yellow color – territory of Donetsk and Lugansk regions under control of Ukraine.



Map of Ukraine:

White color – annexed territory of Crimea, Red color – territory under control of separatists, Blue color – territory under demonstrations. Yellow under control of Ukrainian government.



The closest port to the so-called "neutral interim zone", which divided Ukrainian army and anti-government forces, is the port of Mariupol at Azov Sea (Donetsk region). The Port is safe and working in the usual manner. There are no restrictions or limitations for the crew of any nationality and shore passes are issued in the normal way. However on the outskirts of the city sometimes shooting takes place, mostly at night time. Therefore due to potential threats of violence and attacks of uncontrolled armed groups on the East of Ukraine, we recommend that the crew do not leave the vessels during berthing at Mariupol. Port of Mariupol: Port is working in the usual manner and in full capacity.







### SITUATION IN CRIMEAN PORTS

Since 18, March 2014 the self-proclaimed Republic of Crimea is annexed to the Russian Federation under the name Republic of Crimea and Sevastopol. The Annexation of Crimea and Sevastopol city as an integral part of the territory of Ukraine was not acknowledged by the international community; The EU and USA have imposed a significant range of economic and political sanctions on Russian officials and legal entities.

All Crimean marine ports (Kerch, Sevastopol, Yalta, Evpatoria, Theodosia (or Feodosia), are considered as ports located on the temporarily occupied territories with a disputable and unclear legal status.

Needless to say that the disputable status of the ports, entails negative consequences for the commercial activity and a significant reduction of ship calls. There is also a decrease of main cargoes operated by the Crimean ports, such as steel products, grain and mineral oil exports. About 90% of cargoes to the Crimean ports were supplied or were delivered in transit by railway from the mainland of Ukraine. Crimean ports handled about 7,5% of the entire Ukraine ports activity in 2013 overall results. As Crimean crisis continued to be in progress the ports of Crimean peninsula lost connection with their main continental suppliers. Ukraine also closed its checkpoints in Crimean ports making it impossible to import cargoes via Crimea.

It is foreseen that that current trend of Crimean ports will be reorientated on Russian cargoes. Sevastopol port does not operate in full capacity due to lack of cargo from Ukraine. Port Kerch is working mainly with Russian cargoes. The situation is stable in the port and port administration works under Russian jurisdiction even at the anchorage. The port of Sevastopol will become a Russian military base. Ports of Yalta and Kerch will be reoriented also for receiving cargoes needed for maintenance of vital activity in Crimea. As declared by Crimean selfproclaimed government ports of Evpatoria and Theodosia will be closed.

After the annexation of Crimea, Ukrainian export cargo was reoriented on the Ukrainian ports and mainly distributed between Mariupol, Ilyichevsk, Nikolayev, Odessa, Yuzhny, etc.

Ukraine has signed the range of international documents (UNO Convention on the Law of the Sea, SOLAS Convention etc.) which obligate the country to provide safety of navigation within its borders. Thus, due to the fact of annexing of Crimea and the confiscation of Ukrainian state property in Crimean ports, pilot stations, hydrographic marine equipment, Harbour Masters' offices, the Ukrainian government officially announced to the IMO Secretariat that Ukraine, is unable to fulfill international obligations for safety of navigation in Crimean ports and cannot guarantee the safety of life of crewmembers and safety of vessels calling at the Crimean ports. The Ministry of Infrastructure of Ukraine declared that Ukraine, is not responsible anymore for observance of international liability in Crimean ports. Relevant notification of Ministry of Infrastructure of Ukraine via the Ministry of Foreign Affairs of Ukraine has been passed to IMO Secretariat on 20, May 2014.



#### Port of Kerch

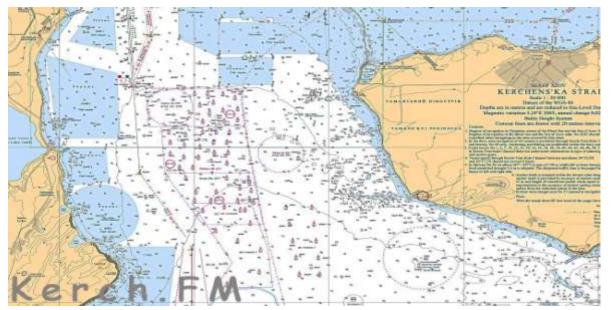
In Kerch, loading of cargo (oil, grain) is carried out at the anchorage, far from the shore. Ships at this anchorage do not obtain "free practique", so they are not cleared by the Immigration, Customs and Sanitary authorities. Thus, formally it is considered that they do not call Kerch port and do not enter the Crimean annexing territory.

At least neither port's registries nor ships' logs bear any official information/notes about any ships' calls at the port. Such practice had developed long before the annexation of Crimea. Therefore at present ships under loading operation at the anchorage of the Kerch port were not entered in the special list of the Ukrainian authorities as vessel contradicting the status of temporarily occupied territory established by Ukrainian Law.

It should be noted however that since Russian federation considers 12 mile as territorial waters, ship's calling Kerch anchorage (about 4 miles from shore), may still be considered by Ukraine as black listed.



*Chart of Kerch-Yenikkale channel with yellow line is a limitation on a waterway (ex-state border) between Russian and Ukrainian (Crimean) parts* 



*Chart of Kerch-Yenikkale channel: Circles mark the places of anchorage where vessels perform cargo operations.* 



# Legal aspects of sanctions that may impact cargo transport

The EU has implemented EU Council Decision 2014/386/CFSP and Council Regulation 692/2014 dated 23 June 2014 to impose the following sanctions:

1. A ban taking effect from 25 June 2014 against the import into the EU of goods originating from Crimea or Sevastopol;

2. A ban on the direct or indirect provision of financing or financial assistance, as well as insurance and reinsurance services relating to the import of goods originating from Crimea or Sevastopol.

There is an exemption for goods which the Ukrainian authorities have confirmed that they originate from Ukraine and there is a provision allowing for execution (until 26 September 2014) of trade contracts concluded before 25 June 2014 and ancillary contracts necessary for their execution is permitted. Those seeking to perform obligations under such contracts will need to comply with the relevant notification requirements i.e. 10 days advance notice to the competent authority of the Member State.

For the insurance sector it is prohibited to provide the insurance and reinsurance services for the following persons and companies.

Current list of sanctions include 3 levels (against persons and against companies):

The 1st level is introduced in March entered into legal force 17/03/2104 and extended on 18/04/2104, (2nd level);

After official annexing of Crimea and the escalation of military conflict the second level of sanctions have been applied.

Sanctions shared on sanctions imposed against persons and entities connected with the occupation of Crimea includes (lists of EU and USA are almost identical): Plus 17 entities have been added as designated parties. These include, but are not limited to, banks, construction companies, transportation companies and holding companies.

Main aims of the sanctions:

To block assets, estates located in EU countries as well as the USA, Canada, Australia and Japan. These sanctions include a ban for providing insurance and reinsurance services.

For airlines: to close EU/USA airports and sky space for the airlines which make flights to the occupied Crimea (Dobrolet airlines, etc.) and provide the insurance and reinsurance services;

To put a restriction on the cooperation in high-tech sectors of Russian economy which import a significant part of their equipment for military, oil and gas sectors abroad.

Key individuals – Russian officials under the sanctions: Mr. Belavencev Oleg Evgenyevich, Mr. Chemezov Sergei Viktorovich, Mr. Kozak Dmitry, Mr. Murov Evgeniy Alekseyevich, Mr. Pushkov Aleksei Konstantinovich, Mr. Sechin Igor, Volodin Vyacheslav, Mr. Fradkov Michail, Mr. Kadyrov Ramzan, Mr. Patryshev Nikolai, Mr. Bortnikov Aleksandr, Mr. Nurgaliev Rashid, Mr. Gryzlov Boris, Mr. Beseda Sergei, Mr. Degtyarov Mikhail, Mr. Tkachyov Aleksandr, Mr. Gubarev Pavel, Mrs. Gubareva Ekaterina, Mr. Fedor Berezin, Mr. Kaurov Valeriy, Mr. Zdriliuk Sergei, Mr. Antyfeyev Vladimir.

Moreover sanctions imposed on Crimean officials (President of Crimea Mr. Sergey Aksenov, Head of Crimean Parliament - Mr. Konstantinov, Ex-Major of Sevastopol, Mr. Chalyy, and Prosecutor of Crimea - Ms Natalia Poclonskaya) and also Ukrainian ex-officials commenced with ex-President Viktor Yanukovich.



### Entities' List under the sanctions

AQUANIKA (a.k.a. AQUANIKA LLC; a.k.a. LLC RUSSKOYE VREMYA; a.k.a. OBSHCHESTVO S OGRANICHENNOI OTVETSTVENNOSTYU RUSSKOE VREMYA; a.k.a. RUSSKOE VREMYA OOO; a.k.a. RUSSKOYE VREMYA LLC), 47A, Sevastopolskiy Ave., of. 304, Moscow 117186, Russia; 1/2 Rodnikovaya ul., Savasleika s., Kulebakski raion, Nizhegorodskaya oblast 607007, Russia, Registration ID 1075247000036; AVIA GROUP LLC (a.k.a. AVIA GROUP LTD), Terminal Aeroport Sheremetyevo Khimki, 141400 Moskovskaya obl., Russia; AVIA GROUP NORD LLC, 17 A, Stratoyava St., Saint Petersburg, Russia; CJSC ZEST (a.k.a. ZEST LEASING), pr. Medikov 5, of. 301, St. Petersburg, Russia; 2 Liter a Pl. Rastrelli, St. Petersburg 191124, Russia; Registration ID 1027809190507; **INVESTCAPITALBANK a.k.a** .INVESTKAPITALBANK; a.k.a. OJSC INVESTCAPITALBANK; a.k.a. OPEN JOINT STOCK COMPANY INVESTCAPITALBANK), 100/1, Dostoevskogo Street, Ufa, Bashkortostan Republic 450077, Russia; SWIFT/BIC INAKRU41; JSB SOBINBANK (a.k.a. SOBINBANK), 15 Korp. 56 D. 4 Etazh ul. Rochdelskaya, Moscow 123022, Russia; 15/56 Rochdelskaya Street, Moscow 123022, Russia; SWIFT/BIC SBBARUMM; Registration ID 1027739051009; SAKHATRANS LLC (a.k.a. OBSHCHESTVO S OGRANICHENNOI OTVETSTVENNOSTYU SAKHA (YAKUTSKAYA) TRANSPORTNAYA KOMPANIYA; a.k.a. SAKHATRANS OOO), 14 ul. Molodezhnaya Rabochi Pos. Vanino, 682860 Vaninski, Raion Khabarovski Krai, Russia; (a.k.a. SMP BANK BANK SEVERNY MORSKOY PUT; a.k.a. SMP BANK OPEN JOINT-STOCK COMPANY), 71/11 Moscow Sadovnicheskaya Street, 115035, Russia; SWIFT/BIC SMBKRUMM;

STROYGAZMONTAZH (a.k.a. LIMITED LIABILITY COMPANY STROYGAZMONTAZH; a.k.a. STROYGAZMONTAZH CORPORATION; a.k.a. "SGM"), 53 prospekt Vernadskogo, Moscow 119415, Russia; STROYTRANSGAZ GROUP (a.k.a. STROYTRANSGAZ; a.k.a. "STG GROUP"), 3 Begovaya Street, Building #1, Moscow 125284, Russia; STROYTRANSGAZ HOLDING (a.k.a. STG HOLDING LIMITED; a.k.a. STG HOLDINGS LIMITED; a.k.a. STROYTRANSGAZ HOLDING LIMITED; a.k.a. "STGH"), 33 Stasinou Street, Office 2 2003, Nicosia Strovolos, Cyprus; STROYTRANSGAZ LLC (a.k.a. 000 STROYTRANSGAZ), House 65, Novocheremushkinskaya, Moscow 117418, Russia; STROYTRANSGAZ OJSC (a.k.a. OAO STROYTRANSGAZ), House 58, Novocheremushkinskaya St., Moscow 117418, Russia; STROYTRANSGAZ-M LLC, 26th Meeting of the Communist Party Street, House 2V, Novy Urengoy, Tyumenskaya Oblast, Yamalo-Nenetsky Autonomous Region 629305, Russia; THE LIMITED LIABILITY COMPANY INVESTMENT COMPANY ABROS (a.k.a. LLC IC ABROS), 2 Liter a Pl. Rastrelli, St. Petersburg 191124, Russia; TRANSOIL (a.k.a. LIMITED COMPANY LIABILITY TRANSOIL; a.k.a. **OBSHCHESTVO** S ORGANICHERNNOI **OTVETSTVENNOSTYU** TRANSOIL, a.k.a. TRANSOIL LLC; a.k.a. TRANSOYL SNG LTD.), 18A Petrogradskaya nab., St. Petersburg 197046, Russia; Registration ID 1037835069986; VOLGA GROUP (a.k.a. VOLGA GROUP INVESTMENTS; f.k.a. VOLGA RESOURCES; f.k.a. VOLGA RESOURCES GROUP), 3, rue de la Reine L-2418, Luxembourg; Russia.



Sanctions of Level No 3 - most severe level. Introduced on 12/09/2104 by EU Representatives Committee against the Russian companies working in the following sectors of economy, briefly:

a) In the oil sector: Rosneft, Transneft, Gaspromneft, Luckoil, Gazprom, Surgutneftegas;

b) In banking sector: Sberbank, VTB, Gazprombank, Vnesheconombank, Rosselkhozbank. It is prohibited to give them credits, financial support, and operation with shares and bonds issued by these banks on the period

more than 30 days (it is actually most kind of financial bonds).

c) In military sector: Oboronprom, Uralwagonzavod, United Corporation, Avia Rosstech, Kalashnikov Corp. Sirius, Stankoinstruments, Chemcomposite, Weapons Factory of Tula, High-Precise Complexes, Air defense company Almaz-Antey Corp., NPO Bazalt, Technologies of the machine construction.

Their assets abroad are blocked. It is prohibiting supplying the military with technologies and concluding contracts with these Russian military companies, especially it is painful for electronic equipment because all electronic equipment on Russian military products is imported from EU and USA.

On 25 July the EU published Regulation 810/2014. This expanded the list of individuals and entities for whom visa bans and asset blocks have been introduced. Thus, any commercial activity with individuals and legal entities included in the list of sanctions is prohibited: Moreover ports of Crimea also included into the list, such as: State ferry enterprise "Kerch ferry", State company "Sevastopol commercial seaport", State enterprise "Kerch commercial sea port". We have to point out that in May-June 2014 "Kerch commercial sea port" exerts control over both the Kerch Strait and Kerch Canal, which vessels must use when sailing in transit to and from the Azov Sea. Canal duties for such transits must be paid to the port authority and any party doing so who is subject to EU jurisdiction may therefore technically be in breach of sanctions by paying funds to a legal entity under the sanctions. The EU has confirmed that this issue and the International Group is now seeking urgent clarification from them. For the avoidance of doubt, the Regulation applies:

- within the territory of the Union, including its airspace;

- on board any aircraft or any vessel under the jurisdiction of a Member State;

- to any person inside or outside the territory of the Union who is a national of a Member State;

- to any legal person, entity or body, inside or outside the territory of the Union, which is incorporated or constituted under the law of a Member State;

\* to any legal person, entity or body in respect of any business done in whole or in part within the Union.

Thus, EU and USA banning the import into the EU of goods originating from Crimea.



## P&I Correspondents' recommendation

- 1.Owners are advised to check the implications on their insurance arrangements when calling Crimea ports. They should also be aware of the complexity of two rival legal systems (Ukraine holding to its territorial rights, and Russia) affecting the territory of Crimea.
- 2.Vessels calling both Crimea and Ukraine ports should take into consideration probable conflicts with Ukraine laws.
- 3.Shipowners involved in trading activity with Crimea, Ukraine or Russia should take care to comply with the above list of sanctions and undertake the due diligence practice in order to check the status of any individuals and legal entities of the commercial activity in order to prevent involvement into any unlawful trading activity and in case of any doubts/questions immediately to notify P&I Club/P&I Correspondents with the request to assist for avoiding negative consequences of unlawful transactions and possibility further of sanctions in the future.

# Handling of personal injury claims in Ukraine

Beware of fraudulent PEME certificate. P&I Correspondents' recommendations.

Handling of personal injury claims are significant part in claims activity of Ukrainian P&I Correspondents due to a significant number of Ukrainian seafarers who are working in the world fleet. Thus, last developments in handling of personal injury claims may affect Shipowners legal position and entail increasing death payments and disability benefits to the claimants due to collision between terms and conditions of applicable CBA and Ukrainian Law. Ukrainian Law and jurisdiction is quite favorable for claimants of personal injury and death claims. In case of legal dispute, claimants usually approach the local court with request also to issue a resolution to impose the ship's arrest as a security measure.

Local lawyers lodge a claim related to general illness which took place during sea service. Despite of the launching of Clubs' PEME programs in order to reduce the potential unnecessary claims, in the last year we had a growth of claims related with seafarers' general diseases, like cancer, leukemia, stroke, diabetes, heart attacks, and hepatitis. We have to stress that some deceases (cancer, some kinds of hepatitis) cannot be diagnosed during ordinary PEME at the medical clinics and special tests/analysis would be required. Meanwhile local lawyers try to prove that general disease occurred onboard due to hard working conditions, hot or cold weather, not proper medical aid or delay in providing an urgent medical aid to a seafarer, etc. Thus, in such cases Ukrainian Law actually make such deceases equal to an accident, by means of special definition "professional illness/decease", i.e. illness as received due to work onboard. Thus, claimant get a right for compensation under Ukrainian Law and local courts are quite favorable to such kind of claims which is settled under Ukrainian Law in the Ukrainian jurisdiction.



We are handling the claim where during our investigation we find that PEME certificate with fit for duty conclusion was fraud (false doctors' signature and clinic's stamp) and seafarer died within first two weeks onboard due to heart Despite of the fact of fraud under attack. Ukrainian Law cannot criminal cases be commenced due to the fact of thye death of the suspect person – i.e. seafarer. Thus, in this case the crewing agent did not even check the PEME certificate and did not approach the PEME accredited clinic to discuss the issuance of the PEME certificate. Therefore the deceased's next of kin blamed the crewing agent for issuing a fraud PEME certificate. Thus, all medical documents of the claimants should be checked thoroughly before employment.

We are handling a case where the widow lodged a statement of claim to the local court after signing the Receipt&Release at the manning agent office. However such R&R was signed without involvement of local P&I Correspondent and has been signed at manning agent's office without notarization. All above-mentioned steps entailed lengthy and complicated court litigation with involvement of lawyers from all parties concerned. However if Receipt&Release was signed by the claimant in the presence of the Notary, duly notarized and formally translated into local language, the court will accept the notarized R&Rs as a true and valid evidence of claim settlement and Shipowner was not involved into the proceedings at the court.

### *P&I Correspondents' recommendations:*

1. To instruct local P&I Correspondents to keep a permanent contact with the next of kin or injured seafarer, to discuss seafarer's health conditions and prospects of recovery with the attending doctor or in case of any doubts to get an alternative medical advice from an independent medical consultants.

2. To monitor constantly the medical costs as per supporting vouchers and obtain medical updates regularly, to require and check the seafarer's PEME certificate, to liaise with PEME accredited clinic and discus the seafarer's heath condition with PEME accredited clinic/doctors and check seafarer's medical history and medical records and analysis results and send outcome of perusal to the Club/Shipowner;

3. Clearly explain to the claimants the Owners/Club's legal position regarding to the claim settlement. Do not lose the proper contact with the claimants/their lawyers because losing of contact entail to a negative effect as sudden ship's arrest. To propose claimants to mitigate the amount of claim if there are legal grounds for reducing the claim amount and explain it to the claimant in due course. It is clear that for such steps Shipowners/Club approval must be given in advance.

4. In case of settlement the significant death claims to request and arrange the signing/certifying of The Statement of Receipt & Release by a Notary Office in order to avoid any claims in tort, and/or third parties claims due to validity and binding notarization form of The Statement of Receipt&Release for Ukrainian courts.



# Changes in the order of port inward clearance – cancellation of ecological declaration: problem remains.

As owners and P&I clubs are well aware, Strict Ukrainian ballast regulations, obligatory state ecologists' permission for de-ballasting operation before commencement the loading and obligatory completion of the ecological declaration by ship's administration with quantity of ballast onboard caused problems for Shipowners and entail negative consequences, such as delay in commencement the loading, administrative fine on Master and Chief Engineer for incorrect or incomplete records in ecological declaration and even delay in ship's sailing and off hire disputes.

Under the Ukrainian Law The State Ecological Inspection has the right to demand from captains of ecological declaration's presentation, taking a ballast water samples or forbidding its deballasting until the receiving of lab. analysis's results. All these powers of ecological inspectors led to ships' detention for quite significant time. It, in turn, caused unreasonable financial losses.

On 08, October 2014 Ukrainian government adopted changes and amendments to the Order No 204 dated 08/09/1999 "On approval of the regulations of ecological control at check-points through state borders and in areas of activity of regional custom houses and customs".

The regulation Enclosure 5 – "ship's ecological declaration" was postponed. We remind that as per ship's ecological declaration the quantity of ballast onboard, bilge waters, quantity of water to be de-ballasted, tanks' capacity should be indicated.

Thus, to submit the ecological declaration to the state ecological inspectors with exact quantity of ballast onboard and quantity of water to be deballasted is not obligatory. Despite of the situation that state ecologists continue to impose the fine for de-ballasting or try to make some unofficial deals "in spec" with the masters via the agents, adopting the above-mentioned Laws means that there is a chance that the situation with the ballast water in Ukrainian ports will be improved.

It is expected that in the very near future the ship's ecological declaration as obligatory documents for port inward clearance will be cancelled finally and simplify the procedure of settlement port inward formalities for vessels and ecologists' permission for de-ballasting would not be required..



# Grain cargo operations at Ukrainian ports: Beware of un-welcomed guests.

Ukrainian ports operating with a significant grain cargo turnover, mostly stored at port silos or grain terminals designated for grain storage and transshipment onboard the vessels. The grain cargo is stored inside closed warehouse equipped with inlet/outlet grids (of small cells) on belt conveyor. During the loading the cargo goes though the closed belt conveyor and load by means of loading pipe. The terminal and port silo has the protective covers in order to protect cargo from elements and foreign matters. Nevertheless we investigated incidents where dead pigeons were found at the cargo compartment inside a parcel of grain loaded onboard and found dead at the discharge port. It entailed a claim from the receivers and problem with sanitary authorities at the port of discharge.

During investigation our surveyor revealed that flat storage port warehouse had two main entrances with doors located at both ends of the w/h compartment. When filling the compartment with grain additional wooden bars are installed in the doors which enable corps of dead pigeons pass through the protecting metal grids of loading pipe and contaminate the cargo.

In order to overcome the above-mentioned problems we recommend the following steps for the proper defense of the Shipowners.



Cargo of grain on the storage site at the grain terminal.



Size check of flap's grid at the grain terminal



*Dead pigeons found at grain cargo at cargo compartment of the vessel at discharge port.* 



### **P&I Correspondents' recommendations:**

- Instruct P&I Correspondents to appoint a surveyor to supervise the loading of grain.

- Make visual inspection of the cargo in a storage site and during the process of loading immediately stop the loading if during the operation any foreign matters inside of the cargo are be found;

- Collect evidences relating to the cargo contamination, photographic record, photo-report will be necessary to assist in the evaluation of the situation and verification of the actual cargo condition which should be forwarded to the Shipowners/Club by P&I Correspondents without any delay.

- If it is suspected that cargo has foreign matters or threats of cargo contamination the P&I surveyor should recommend to the Master to keep Owners/Managers duly informed, stop loading and arrange screening of the cargo by sifter or other available means. The P&I surveyor should be onboard constantly in order to monitor the loading operations and assist the Master until the loading is completed. This newsletter is based on our practical experience in the recent year. We hope that you will find it useful. The content of this newsletter is not a legal advice and should not be constructed as such because every case has its own features and ways of solution. You could contact CIS PANDI Services (Ukraine) Ltd for any assistance if necessary.

#### Odessa 10/2014