

- For each tonne from 2,001 to 30,000 tonnes, SDR 800.
- For each tonne from 30,001 to 70,000 tonnes, SDR 600.
- For each tonne in excess of 70,000 tonnes, SDR 400.

The limit of liability for property claims for ships not exceeding 2,000 gross tonnes was SDR 1 million. For larger ships, the following additional amounts were used in calculating the limitation amount:

- For each tonne from 2,001 to 30,000 tonnes, SDR 400.
- For each tonne from 30,001 to 70,000 tonnes, SDR 300.
- For each tonne in excess of 70,000 tonnes, SDR 200.

Importantly, Article 8 of the Protocol also provides for the limits to be updated in future by means of the 'tacit acceptance' procedure which means that any amendment adopted shall be deemed to have been accepted at the end of a period of eighteen months after the date of notification to all contracting states⁴ and shall enter into force eighteen months after its acceptance, i.e. a total of 36 months.

The new limits

On 19 April 2012, the IMO announced new limits to enter into force, in accordance with the tacit acceptance procedure, on 8 June 2015.

The new limit of liability for claims for loss of life or personal injury on ships not exceeding 2,000 gross tonnes will be increased to SDR 3.02 million whereas for larger ships the following additional amounts will be used in calculating the limitation amount:

- For each tonne from 2,001 to 30,000 tonnes, SDR 1,208 (up from SDR 800).
- For each tonne from 30,001 to 70,000 tonnes, SDR 906 (up from SDR 600).
- For each tonne in excess of 70,000 tonnes, SDR 604 (up from SDR 400).

The limit of liability for property claims for ships not exceeding 2,000 gross tonnes will be SDR 1.51

million whereas for larger ships the additional amounts to be used in calculating the limitation amount are as follows:

- For each tonne from 2,001 to 30,000 tonnes, SDR 604 (up from SDR 400).
- For each tonne from 30,001 to 70,000 tonnes, SDR 453 (up from SDR 300).
- For each tonne in excess of 70,000 tonnes, SDR 302 (up from SDR 200).

The above figures constitute a relatively modest increase of 51 per cent.

Practical Example

To illustrate more clearly the significance of the above increases, let's take the hypothetical example of a bulker called the OCEAN LIMIT with a GT of 50,000 and examine how the limitation amount for property damage would differ under the 1957 and 1976 Conventions, as well as the 1996 Protocol and the latest amendments to its limits:

OCEAN LIMIT limitation fund for property claims under:

- 1957 Convention would amount to SDR 3,333,500 (approx. USD 5,155,000).
- 1976 Convention would amount to SDR 7,593,500 (approx. USD 11,743,000)
- 1996 Protocol would amount to SDR 18,200,000 (approx. USD 28,144,000)
- 2015 New Limits would amount to SDR 27,482,000 (approx. USD 42,500,000)

The development of limitation amounts over time