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## **G7 Per-voyage Price-cap Attestation**

19 February 2024

### **LEAD AND FOLLOW LINE Marine risks (all classes including War) and/or P&I and FD&D risks**

This Member Alert is applicable to all insurance classes (lead and follow) from 19 February 2024.

#### **Per-voyage attestation requirement applicable from 19 February 2024**

The G7 price cap coalition has published an update on the application of the price cap rules. The rules will take effect on 19 February 2024 (UK and US) and for cargoes loaded on or after 20 February 2024 (EU).<sup>1</sup>

#### **Reasons for why The Swedish Club requires the attestation**

The Swedish Club (the “Club”) is an EU-based insurance company. As such, the Club must adhere to EU sanctions regulations.

The EU price cap sanctions regime takes the form of an insurance ban. It makes it unlawful for an EU entity, including The Swedish Club, to insure trade performed in breach of the G7 per-voyage price cap on Russian origin crude oil/petroleum products.

As such, all members of the Club engaging in price cap trade must duly fulfil the attestation requirements under Article 3n of EU regulation 833/2014.

#### **Per-voyage Attestation to be provided to The Swedish Club within 30 days**

It is a requirement that a per-voyage attestation is provided to the Club for all trades involving transportation of Russian origin crude oil and/or petroleum products.

The per-voyage attestation must be provided to The Swedish Club within 30 days of loading.

It is sufficient to provide one attestation for the voyage, even if the vessel has several insurance classes with The Swedish Club. So, for a vessel with P&I, H&M (lead) and War Risk (follow), The Swedish Club requires one per-voyage attestation only.

Please provide the attestation to your usual Underwriter/Marketing Manager at the Club.

A soft copy suffices, as long as all details have been filled out and the attestation is duly signed.

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<sup>1</sup> Links to the respective guidance:

- [OFAC Guidance on Implementation of the Price Cap Policy for Crude Oil and Petroleum Products of Russian Federation Origin](#)
- [UK Maritime Services Ban and Oil Price Cap Industry Guidance](#)
- [EU Guidance on oil price cap: Oil price cap](#)

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### **Ship-to-ship Transfer (STS)**

If cargo is transferred by way of STS operations, it is a requirement that a per-voyage attestation is provided within 30 days of the STS taking place.

#### **Example – STS Transfer**

Both tankers MT Feeder and MT Mothership is entered with The Swedish Club.

MT Feeder, loads a G7 price-capped cargo in Russia. A per-voyage attestation must be provided within 30 days of loading.

MT Feeder carries out STS operations in the international waters with MT Mothership. MT Mothership must provide a per-voyage attestation within 30 days of the STS taking place.

The above applies irrespective of whether MT Feeder and MT Mothership is entered with The Swedish Club by the same owner or by different owners. The per-voyage attestation relates solely to transportation of oil by the ship – without any reference to who is the owner of the vessel. For sake of clarity, if MT Feeder and MT Mothership are owned by different owners, the attestation will need to be provided by both members.

A soft copy suffices, as long as all details have been filled out and the attestation is duly signed.

### **Follow line business – Attestations**

Where The Swedish Club is a follow line underwriter, the Club requires that a per-voyage attestation is provided by the member.

For follow line business, the attestation can be addressed to either:

1. The Swedish Club; or
2. The lead underwriter (always provided that the attestation is signed by the party that entered into to the insurance contract with the Club". See below).

The Swedish Club is unable to accept the attestation provided by the member to the lead underwriter if the attestation either is a) not signed by the party that entered into the insurance contract with The Swedish Club or, alternatively, b) is not on an acceptable wording.

### **Acceptable per-voyage attestations wordings**

#### **General**

There are, at least, three per-voyage price-cap attestation wordings in the market:

- IG P&I per-voyage Attestation wording
- Cefor per-voyage Attestation wording
- Lloyd's Market Association (LMA) wording

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The IG P&I wording and the Cefor wording are almost identical – with minor changes in the Cefor wording to take account of the fact that marine insurance is a subscription market with lead and follow underwriters.

Which wording that is acceptable depends on the insurance class. In general terms, The Swedish Club will always accept the IG P&I per-voyage wording.

Which wordings will The Swedish Club accept?

Summary of the insurance class and acceptable attestation wording is set out in the table:

## Attestation wordings



### Attestation wordings

The IG attestation wording and Cefor attestation wording can be found on The Swedish Club's website under "Insurance" → "Forms" → scroll down to "Sanctions".

<https://www.swedishclub.com/insurance/forms/>

### **The member party that entered into the insurance contract with The Swedish Club is to sign the attestation**

The attestation must be signed by the party that entered into the insurance contract with The Swedish Club.

The club will not be able to accept an attestation from any other party (such as the registered owner – unless the registered owner is the party that has entered into the insurance contract with the Club).

### *Illustration – The party entering into the insurance contract to sign the attestation*

*'Shippy Shipmanagement' places insurance with The Swedish Club for 15 product tankers. Each product tanker is owned by a separate registered owner (i.e. one-ship companies). In total, therefore,*

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*there are 15 registered companies. The attestation must be signed by 'Shippy Shipmanagement' – and not the individual registered company. That is because the insurance contract was entered into by Shippy Shipmanagement – and not by the individual registered company.*

#### **Attestation – Valid for one voyage only**

As the attestation is 'per-voyage', the attestation is valid for one voyage only.

#### **If no attestation is provided**

Trade involving transportation of G7 price-capped cargoes where no attestation has been provided to the Club within 30 days of loading will be in breach of applicable sanctions regulations. As such, there will be loss of any insurance.

#### **Itemised price information for ancillary costs**

There is a new requirement for members to provide itemised price information to The Swedish Club upon request within a period of 30 days.

Should The Swedish Club request a member to provide itemised price information, we ask that member cooperate with the club and provide the same.

A failure to meet this requirement may lead to the member not discharging its obligations towards The Swedish Club – resulting in loss of insurance cover.

#### **Circulars**

Further details of the price cap and how it affects insurance cover can be found in the P&I Circular of 2 February 2024, as issued by all International Group Clubs – as well as in Marine Circular of 14 February 2014, as issued by Cefor members.

- Circulars – P&I – No: 2708/2024 - <https://www.swedishclub.com/news/circulars/russian-sanctions-update/>
- Circulars – Marine – No: 445/2024 - <https://www.swedishclub.com/news/circulars/cefor-g7-price-cap-per-voyage-attestation-14-february-2024/>

The Swedish Club, Gothenburg, 14 February 2024