

News 28 Feb, 2024

## Price Cap Attestations - Important notice



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**We refer Members to our Notice to Members No.19 2023/24, setting out details of important changes to attestation requirements for Price Cap cargoes effective from 20 February 2024.**

The requirement for per voyage attestations and ancillary cost information is designed to support the implementation of the Price Cap and disrupt circumvention by reducing opportunities for those using opaque shipping costs to disguise oil purchased above the cap.

Members are reminded that EU Regulation 833/2014 has been amended such that the itemised price information for ancillary costs must be provided to shipowners and their insurers upon request. The price information as set out in the UK and EU guidance should include the following:

*"For cost, insurance, and freight (CIF) contracts, the following should be covered:*

- *Costs: export licences, inspection of products, fees for shipping and loading the goods at the seller's port, packaging costs, fees for customs clearance, duty and taxes, compensation for any damage or destruction of the goods, port dues at the point of loading/export and port service charges at the point of loading/export.*
- *Insurance: cost of insuring the shipment up until the buyer's goods have been delivered at the port of destination.*
- *Freight: cost of shipping the freight via sea or waterway from the seller's port to the buyer's port of destination.*
- *Other costs: any other costs that demonstrate compliance with the general licence and provide assurance that the transaction is being conducted legally (the EU FAQs add that these costs include "costs related to the provision [of] auxiliary services for ship-to-ship transfers")*

*For free on board (FOB) contracts, the following should be covered:*

- *Costs: costs of packaging the exported items, any charges for loading the product onto transport and delivering the goods to the seller's port, export taxes, customs duty and costs, and any transfer, handling and loading charges associated with loading the product onto the ship".*

Members are reminded that the form of attestation provided by shipowners to the Club at Annex A of the Notice to Members No.19 2023/24 must be:

- submitted on Member's headed paper.
- stamped with Member's company stamp
- 'Issued to' The West of England Ship Owners Mutual Insurance Association (Luxembourg), citing the Club's registered address of 31 Grand-Rue, L-1661 Luxembourg, G.D. Luxembourg
- forwarded to: [Russiancalls@westpandi.com](mailto:Russiancalls@westpandi.com)

A draft is attached at Annex A.

**No cover will be available if an attestation, in the correct format, is not received within 30 days of loading.**

Where the cargo is transferred to another vessel via STS, this will constitute a new voyage requiring further attestations.

Members are further reminded to ensure that their contractual right to obtain ancillary costs information well within 30 days of loading is adequately protected. **No cover will be available if, upon request, ancillary costs information is delayed or unavailable due to a lack of a contractual right to the information.**

Members are accordingly advised to urgently check the wording of their charterparties as they may find that wording previously incorporated is no longer sufficient to ensure the prompt provision of ancillary cost information within the prescribed time limit.

The Club is committed to the adherence of the applicable sanctions regimes and failure or refusal by Members to comply with the relevant terms could result in the matter being reported to the appropriate authorities.