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## EXPLANATORY NOTE

*(This note is not part of the Order)*

The International Convention on Civil Liability for Oil Pollution Damage 1969 (the CLC), which was extended to the Bailiwick of Guernsey by the Merchant Shipping (Oil Pollution) Act 1971 (Guernsey) Order 1981 (the 1981 Liability Order), provides uniform rules and procedures for determining questions of liability and for awarding compensation when damage is caused by pollution resulting from the escape or discharge of oil from ships.

The International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1971 (the Fund Convention) which was extended to the Bailiwick of Guernsey by the Merchant Shipping Act 1974 (Guernsey) Order 1981 (the 1981 Compensation Order), set up an international fund to provide a supplementary system for compensation and indemnification for such damage. The 1992 Protocol to the CLC and the 1992 Protocol to the Fund Convention respectively create a new 1992 Civil Liability Convention and a new 1992 Fund Convention, which together provide for higher levels of compensation and more extensive liability.

The new 1992 Civil Liability Convention and the new 1992 Fund Convention do not, however, immediately replace the CLC and the Fund Convention: the latter will co-exist with the former for a transitional period. If an incident occurs during this period, compensation could in principle be available under both the original Conventions and the 1992 Conventions. The 1992 Protocols set out specific rules on the payment of compensation in these circumstances.

This Order extends to the Bailiwick of Guernsey, with the necessary exceptions, modifications and adaptations, provisions of the Merchant Shipping Act 1995 which give effect in the United Kingdom to the new 1992 Conventions (including certain general provisions concerning legal proceedings). It also gives effect to the transitional arrangements set out in the 1992 Protocols, by extending to the Bailiwick of Guernsey, with the necessary exceptions, modifications and adaptations, the provisions of the Merchant Shipping (Liability and Compensation for Oil Pollution Damage) (Transitional Provisions) Order 1996. Subject to the terms of that 1996 Order as so extended, it revokes the 1981 Liability Order and the 1981 Compensation Order.