



THE STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION (BERMUDA) LIMITED

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To the Members

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Dear Sirs,

CUSTOMS FINES IN ARGENTINA

The Club has recently been notified of two cases concerning customs authorities in Argentina, who have indicated their intention to impose fines for the failure to declare quantities of bunkers and lube oil.

There are two provisions of Argentinian law under which penalties can be imposed. Under Section 954, which penalises discrepancies between quantities declared in the manifest and those verified by the customs, the penalties can be a multiple of up to 5 times the import duty plus payment of the duty itself. The general level of penalty is usually twice the import duties.

Alternatively, under Section 962, which penalises the existence of concealed merchandise the penalty is seizure and a fine equivalent to its market value. In cases where seizure is not possible, as with bunkers, the financial penalty may be twice the market value of the goods.

In the case of a vessel which is carrying a substantial quantity of bunkers, the potential penalties under these provisions of the law may very high.

The penalties so far notified are being vigorously defended. However, it is not currently known whether a successful defence can be maintained. It is therefore of the utmost importance that Members warn Masters of any of their vessels trading to Argentina of the need to ensure that bunker quantities are fully declared in the manifest.

If further information is required, Members are recommended to contact the Managers' London Representatives.

Yours faithfully,

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