

AIS-Automatic Identification System and AIS Switch-Off Clause

AIS, regulated by SOLAS (Safety of Life at Sea) Chapter V guidelines, is an automatic tracking system developed for the exchange of navigational information between AIS-equipped vessels and terminals.



The information transmitted by vessels are MMSI (Maritime Mobile Service Identity) and IMO (International Maritime Organization) number, call sign, speed, position, etc.

IMO requirement of AIS installation to all vessels (with some exclusions) became effective as from 2004.

AIS assists in many ways to shipping community. While helping navigation and safety is the key benefit of AIS, such as assisting collision prevention or locating a vessel in case of emergency; AIS also helps governments to control marine traffic and security of shores. For shipowners AIS assists in tracking of their vessels; for authorities and insurers AIS assists in claims analysis; for statisticians AIS assists analysis of world commerce, etc.

As an aid to navigational safety, AIS should always be kept 'on' and data sharing should be continuous.

It can only be switched off in exceptional situations. A ship's master should believe that his vessel or crew is in an immediate danger and switching off AIS will assist in avoiding the treat can be considered an exceptional situation. IMO Resolution A.1106 (29) provides detailed guideline regarding AIS.

However, it has been observed that AIS is switched off or manipulated to avoid detection for performing illegal activities, ship to ship transfers to avoid sanctions in particular. In order to prevent or limit these activities U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) published a recommendation that all charter parties should contain an AIS "switch off" clause to allow termination of agreement in case the AIS is used/switched off against IMO/SOLAS guidelines.

In order to comply with OFAC recommendation, AIS switch off clause is inserted to Charter Parties. However due to lack of a standard wording, each party of the contract try to insert a wording favoring their interest. This led to confusion, unfair terminations and lawsuits, that is not in line with the purpose of the recommendation.



Halil Solak

Assistant Technical Manager

+90 850 420 81 36 (Ext. 236)
halil.solak@turkpandi.com

Halil graduated from Darussafaka High School in 1995 and Maritime Academy of Istanbul Technical University in 1999. He started his marine career at Zodiac Shipping, London. He completed his MBA degree in Risk Management and Insurance at Georgia State University in USA. Before joining Türk P&I as Assistant Manager, he worked as hull and cargo underwriter for Zurich insurance company and later spent 9 years at Omni Broker House as insurance and reinsurance broker. He presented seminars in Risk Management and Marine Insurance, including Exshipping and his articles are published in local and international media.



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BIMCO (Baltic and International Maritime Council) to assist its members and to bring a standard to wordings used, published “AIS Switch-Off Clause” to be used in charter parties. The wording is developed by the assistance of both shipowners, charterers, P&I Clubs and legal experts. The wording can be obtained from BIMCO web site. Both the shipowners and charterers have obligations under the Clause and arbitrary terminations of charter parties is prevented.