

RE: POLLUTION FINES IN TURKEY AS AMENDED IN 2017

This circular is intended to update Owners of the latest situation with pollution fines in Turkey based on Ingosstrakh's own experience and recommendations of Turkish lawyers and P&I correspondents - Gur Law Firm.

Just like the any other country, Turkish shores are also protected by the strict environmental regulations against possible pollution incidents which may be caused by the vessels.

In line with the Turkish legislation, sea pollution is regulated under the Environmental Code numbered 2872 and in line with the said code, all kinds of materials which are disposed or discharged to environment are considered as waste. Accordingly, disposal or discharge of wastes against the regulations are considered unlawful and thus, penal sanctions and administrative fines may be imposed on responsible parties.

The tariff of the administrative fines that will be imposed to pollutant vessels is revised annually and the tariff which will be applicable through 2017 is as follows:

Tankers which discharge petrol and petroleum products into the sea:

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| 1. Up to 1,000 (inclusive) gross tons | TRY 84.91 per GT |
| 2. Between 1,000 and 5,000 (inclusive) gross tons | TRY 21.18 per GT |
| 3. Over 5,000 gross tons | TRY 2.03 per GT |

Tankers which discharge dirty ballast into the sea:

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|---|------------------|
| 1. Up to 1,000 (inclusive) gross tons | TRY 63.67 per GT |
| 2. Between 1,000 and 5,000 (inclusive) gross tons | TRY 12.70 per GT |
| 3. Over 5,000 gross tons | TRY 2.03 per GT |

Vessels and/or any other sea vehicles which discharge petrol/petroleum products and/or dirty ballast into the sea:

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| 1. Up to 1,000 (inclusive) gross tons | TRY 42.44 per GT |
| 2. Between 1,000 and 5,000 (inclusive) gross tons | TRY 8.45 per GT |
| 3. Over 5,000 gross tons | TRY 2.03 per GT |

Vessels and/or any other sea vehicles which discharge garbage and sewage into sea:

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| 1. Up to 1,000 (inclusive) gross tons | TRY 21.18 per GT |
| 2. Between 1,000 and 5,000 (inclusive) gross tons | TRY 4.18 per GT |
| 3. Over 5,000 gross tons | TRY 0.79 per GT |

For example, a bulk carrier of 6,796 GT which discharges dirty ballast water to sea will be fined $(1,000 \times 42.44) + (4,000 \times 8.45) + (1,796 \times 2.03) = \text{TRY } 79,885.58$ (approx. Euro 20,483)

As it is provided above, the amount of administrative fines are based on the size of the offender vessel and not the scale of the pollution caused by the offender. Therefore, even minor pollution incidents may have excessive consequences for the vessel interests.

Furthermore, in line with the Article 23 of the Environmental Code, should the offender repeats the action which requires to be fined within three years, fine that will be imposed will be doubled on first iteration and tripled on subsequent iterations.

By taking into consideration that pollutant vessel will be arrested till the payment of the administrative fine and criminal proceedings may be initiated against the responsible individuals as per the Turkish Criminal Code, it is highly advised for prudent Owners to instruct their personnel/crew to be extra careful within Turkish Waters for any possible incidents which may be interpreted as causing pollution.

In case of a potential pollution allegation, any evidence such as photographs or videos construing that the vessel is not responsible for the alleged pollution can be vital during the claim which can be initiated for the cancellation of the administrative fine.

It should also be noted that, in line with the article 20/4 of the Environmental Code, if the vessel which causes the pollution, cleans the pollution by its own means, the administrative fine will be applied as 1/3 of the actual amount. Therefore, in case of any pollution incident, reacting immediately and taking necessary steps for cleaning may have importance for mitigating the losses of the vessel interests.

Having in mind the serious consequences of the pollution incidents/allegations, it is of paramount importance that Ingosstrakh is immediately reported of any pollution incident so that to timely appoint local P&I correspondents / lawyers, preserve the evidences and proceed as necessary in most professional and effective manner.

INGOSSTRAKH INSURANCE COMPANY
P&I DEPARTMENT