

## ASG NOTE TO MEMBERS

Members will be aware that it has been necessary to revise the draft guarantee wording for ship liability underwriters to provide to cargo owners. This standard document is ASG 9 "Cargo Undertaking".

With immediate effect a revised ASG 9 standard form appears in the public section of the website.

The revision made to the previous form is at paragraph 4.

The previous form stated:

*"(4) Nothing in this undertaking shall prevent the Cargo Owners from seeking an adjustment to the amount secured hereunder."*

The revised form states as follows:

*"(4) Nothing in this undertaking shall prevent the Cargo Owners and/or the Shipowners from seeking an adjustment to the amount secured hereunder."*

The amendment now permits both parties to ask for security to be raised or lowered as necessary.

Attached to this note is the previous ASG 9 form, a marked up form with the revision highlighted in red and a clean copy of the new ASG 9 form.

Should Members have any questions arising from this revision they should be addressed to Mark Lloyd of Waltons & Morse.

June 2013

**NOTE TO ASG 9**  
**ASG CARGO UNDERTAKING**

ASG is a draft guarantee wording for ship liability underwriters to provide to cargo owners. Many P and I Clubs have their own wordings.

**ASG CARGO UNDERTAKING**

TO:

Dear Sirs

Ship :  
Voyage :  
Cargo :  
Bills of  
Lading/Container :  
nos.  
Claim :

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IN CONSIDERATION of the owners of and other persons entitled to sue in respect of the cargo referred to above (hereinafter together referred to as the "Cargo Owners"), consenting to release from arrest and/or refraining, subject to (4) below, from taking action resulting in the arrest or re-arrest at anytime hereafter of the above-named ship or any other ship in the same ownership, associated ownership or management for the purpose of obtaining security in respect of the above-mentioned claim of the Cargo Owners, and of the Cargo Owners refraining, subject to (4) below, from commencing and/or prosecuting legal or arbitration proceedings in respect of the above mentioned claims otherwise than before the court referred to below against the above-named ship and/or [**name of shipowner**] of [ **insert address**] (hereinafter "the Shipowners"), who owned the above-named ship at all material times, we hereby undertake to pay to you on behalf of the Cargo Owners on demand such sums as may be adjudged or declared by the English High Court of Justice (or an appeal therefrom) to be or have been payable by, or as may be agreed to be or have been recoverable from, the above-named ship and/or the Shipowners (or their successors) in respect of the said claim, interest and costs of the Cargo Owners provided that the total of our liability hereunder shall not exceed the sum of [**insert sum**].

And for the consideration aforesaid:

- (1) We hereby warrant that the above-named ship was not demise chartered at any material time.
- (2) We further undertake that we will within 14 days of the receipt from you of a request so to do, instruct and authorise solicitors forthwith

- (a) to accept on behalf of the above named ship and/or the Shipowners service at your option of a claim form in rem and/or in personam issued by the Cargo Owners in the English High Court of Justice; and
  - (b) to notify you in writing that they have been so instructed to accept service at an address in England.
- (3) We confirm that the Shipowners agree that the above-mentioned claim shall be subject to English law and to the exclusive jurisdiction of the English High Court of Justice.
  - (4) Nothing in this undertaking shall prevent the Cargo Owners from seeking an adjustment to the amount secured hereunder.
  - (5) We warrant that we have received irrevocable authority from the Shipowners to instruct solicitors as aforesaid and to give this Letter of Undertaking in these terms.

This undertaking shall also be governed by and construed in accordance with English law and we agree to submit to the exclusive jurisdiction of the English High Court of Justice for the purpose of any process for the enforcement hereof. We confirm that our registered or principal office is situated at **[insert details]**.

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Admiralty Solicitors Group

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