

**Circular Ref: 2024/005**

Circulated to Insureds, Brokers, Consultants and P&I Clubs

Date: 25<sup>th</sup> September 2024

**Subject: Important Updates to Our International Carrier Bond (ICB) Terms of Service**

We are writing to inform you of important updates to our Terms of Service regarding the procurement of International Carrier Bonds (ICB) on your behalf. These updates are designed to enhance clarity and ensure both Shoreline and our clients fully understand their responsibilities under these agreements. Here are the key changes:

**1. Indemnity Requirements:**

You will now indemnify Shoreline and any agents for all claims, penalties, fines, or costs related to the issuance of the ICB. This includes any legal fees or payments that may arise under the terms of the bond. The term "Agent" has been added throughout the agreement and clarified in the Definitions section.

**2. Advance Passenger Information System:**

We have included the term "Advance Passenger Information System" in the introductory section and added it to the Definitions. This ensures the agreement covers all relevant regulatory requirements related to passenger and crew manifests for vessels trading with U.S. ports.

**3. ICB Application Form:**

The term "ICB Application Form" has been added to the Definitions and to the definition of "Related Agreements," formalizing the process by which you request Shoreline to facilitate the issuance of the ICB.

**4. Revisions to ICB System Standard Terms and Conditions:**

The "ICB System Standard Terms and Conditions" and the "Period of the Agreement" clauses have been updated to include a reference and link to the latest ICB Terms and Conditions, available on our website. Please note that these terms are subject to change, and it is important to stay informed of any updates.

**5. International Carrier Bond Issuer Selection:**

A new clause has been added under the Miscellaneous section that states Shoreline will select the International Carrier Bond Issuer at its sole discretion. This selection may involve one or more bond issuers based on our assessment of the best fit for your requirements.

**6. LIBOR to SOFR Transition:**

All references to LIBOR have been replaced with SOFR (Secured Overnight Financing Rate) in line with global financial benchmarks. This change affects interest rate calculations for any late payments or credit indemnity obligations.

**7. Procurement Fees:**

The procurement fee for the ICB is now deemed fully earned upon issuance of the Credit Indemnity, and it is non-refundable, even if the bond is not issued.

**8. Termination Provisions:**

Shoreline reserves the right to terminate the agreement immediately in the event of a payment default, breach of agreement terms, or if the bond issuer withdraws the bond. Additionally, any breach could result in the termination of related agreements, such as your COFR Agreement.

**9. Interest on Late Payments:**

Late payments will incur interest at a rate of SOFR plus 400 basis points. This ensures transparency regarding financial consequences for delayed payments.

**10. Assignment Restrictions:**

The agreement cannot be assigned without prior written consent, ensuring that your contractual obligations remain personal and specific to your company.

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**Effective Date and Next Steps:**

These updates are effective immediately and apply to all new and existing ICB agreements. We encourage you to review the full updated Terms and Conditions, available on our website at [ICB T&Cs](#).

If you have any questions or need further clarification, please do not hesitate to reach out to us.

Yours sincerely,



Captain Thomas Brown  
Chief Executive Officer - Shoreline Ltd.