

Client Circular

Trading to Guyana: New Oil Spill Liability & Compliance Requirements (2025 Act)

Date: 28th April 2026

Ref: 2026/06

For the Attention of:

Shipowners, Operators, Managers, and Charterers with vessels trading to or calling at ports in Guyana

Effective Date:

The Oil Pollution Prevention, Preparedness, Response and Responsibility Act 2025 is in force following passage on 16 May 2025 and publication in the Official Gazette on 28 May 2025.

Executive Summary

Guyana has enacted a strict-liability oil pollution regime that represents a material departure from its previous, relatively permissive framework. Under the new Act, vessel owners and operators are “Responsible Parties” and are liable for oil pollution damage without regard to fault.

The regime is conceptually aligned with high-accountability frameworks such as the U.S. Oil Pollution Act of 1990 (OPA 90) but goes further in several respects, most notably by removing statutory liability caps and requiring financial assurance “as comprehensive as practicable.” Failure to comply exposes vessels to port denial, detention, and significant administrative fines.

Key Legislative Changes

1. “Responsible Party” Designation

The Act designates a wide class of Responsible Parties, expressly including:

- Vessel owners
- Operators and managers

- Controllers of vessels (including charterers in certain circumstances)

Responsible Parties are strictly liable for oil pollution damage arising from their vessels, irrespective of fault or intent.

2. Removal of Liability Caps

Unlike international conventions and many national regimes:

- The Act imposes uncapped liability for:
 - Cleanup and removal costs
 - Environmental restoration
 - Economic losses
 - Government response costs and loss of revenues
- Liability expressly extends beyond cleanup to broader environmental and economic damage.
- There is unlimited liability with no statutory ceiling equivalent to OPA-90 or CLC limits.

New Entry & Trading Pre-Requisites

Required Onboard & Shore Documentation

Vessels calling Guyanese ports or operating in Guyanese waters should expect to demonstrate:

- **SOPEP / SMPEP** (Shipboard Oil Pollution Emergency Plan)
- **IOPP Certificate**
- **Evidence of Financial Assurance** for oil pollution liabilities, acceptable to the Competent Authority.
- **Evidence of Required Inspections** for regulatory required inspections onboard.

Inspection & Oversight Authorities

The Act empowers:

- The **Civil Defense Commission (CDC)** as the Competent National Authority
- The **Environmental Protection Agency (EPA)** and

- The **National Oil Spill Committee**

These bodies may conduct or participate in:

- Vessel inspections
- Documentation reviews
- Compliance audits prior to or during port calls.

Mandatory Spill Notification

Any actual or suspected oil spill must be:

- Immediately reported to the CDC and relevant authorities
- Followed by written notification and cooperation with the national incident command structure

Failure to notify constitutes a separate offence under the Act.

The “US\$2 Billion Question” – Clarifying Financial Assurance

Public commentary has referenced a US\$2bn parent company guarantee in the context of major offshore field operators (e.g. ExxonMobil and its co-venturers).

It is critical for vessel owners to understand:

- The US\$2bn figure does NOT apply to OSVs, tankers, or general trading vessels
- Vessel owners are instead required to demonstrate “adequate” financial assurance, assessed according to:
 - Vessel type and tonnage
 - Fuel inventory and spill risk profile
 - Nature of operations (e.g. offshore support, towing, bunkering)

There is no single prescribed dollar figure for vessels under the Act. Acceptance is determined on a case-by-case, practicability basis by the authorities.

Penalties for Non-Compliance

Failure to comply with the Act may result in:

- Denial of port entry
- Vessel detention

- Suspension of operations
- Administrative fines may reach GYD 2 billion (~USD 10 million) per violation
- Potential exposure to civil claims by affected parties

Certain penalties do not require a spill to have occurred; procedural non-compliance alone is sufficient.

Action Items for Owners & Operators (Immediate Steps)

Owners and operators trading to Guyana should act now:

1. Audit P&I and Pollution Cover

- Confirm pollution limits, sub-limits, and exclusions
- Understand where statutory exposure exceeds insurance cover

2. Assess Financial Assurance Gaps

- Determine whether supplemental guarantees or structured assurance are required beyond IG P&I

3. Review and Update SOPEP / Spill Response Readiness

- Ensure plans are vessel-specific, current, and operationally credible

4. Review required inspections history/schedules

- Ensure that all required inspections have been conducted and documented and are planned/scheduled as appropriate and records are ready for review.

5. Confirm Notification & Response Protocols

- Align onboard procedures with Guyana's mandatory reporting requirements
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6. Engage Early with Compliance Advisors

- Proactive engagement materially reduces the risk of port delays or adverse regulatory decisions

Closing Note

Guyana has clearly signaled a policy shift toward maximum accountability and the “polluter pays” principle. While the Act imposes demanding obligations, regulators also recognize practical limits of the international marine insurance market.

Well-structured, proportionate financial assurance, combined with credible spill preparedness, will be essential to maintaining uninterrupted access to Guyanese waters and ports.

For tailored guidance on compliance structures, financial assurance solutions, or spill response alignment, owners should seek specialist advice early in the trading cycle.

Our Latin America and Caribbean team can assist you make the requisite enquiries and representations to the CDC. Please reach out to us if you require our assistance in this regard.

This advisory is provided for general guidance and does not constitute legal advice.

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