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MEDIA RELEASE

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We note, with regret, the gross misinformation and misrepresentation being peddled in the public domain on the **Oil Pollution Prevention, Preparedness, Response and Responsibility Bill 2025** by the usual self-proclaimed “experts”. As a result, the Attorney General Chambers and the Ministry of Natural Resources intend to address this regrettable deluge of misinformation in a series of publications of this type so as to prevent the unsuspecting public from being duped by this massive volume of fallacies and flawed arguments.

We will begin with section 21 because it is perhaps the victim of the worst type of misinterpretation and consequent misrepresentation. The language is simple and clear. It provides:

No transfer of liability.

21. An indemnification or any like agreement shall be invalid for the purposes of transferring the liability of a responsible party under this Act.

This section absolutely prohibits the transfer of liability by any agreement or like instrument. It is that simple. The clear intention, as expressed in the language above, is to prevent a responsible party from divesting or alienating to a third party any liability that it may attract in the course of its operations. It is a common feature in the commercial world for entities to transfer liability to third parties so that their assets are insulated and protected from financial and other consequences

which may result from such liability. This section intends to prohibit that practice so that the liability incurred, at all material times, remain with the responsible party.

The pseudo experts argue, by some interpretational gymnastics, that this section actually permits the evasion of liability. The truth is that the section does exactly the opposite. It completely outlaws any attempt to sever liability. Worst yet, they contend that the section invalidates the parent company guarantee! How the language of that section lends to this conclusion is even more bewildering. The truth is that the section does not deal with or has no connection whatsoever to any form of financial assurance, including the parent company guarantee.

Financial assurance is exclusively addressed in another Part of the Bill. It is elementary that Acts of Parliament must be read as a whole so as to ensure that its specific provisions are interpreted in their proper context. Part VIII of the Bill is titled “Financial Responsibility”. This Part of the Bill deals with the type of financial assurance that is required. It expressly maintains the status quo, that is to say, it keeps the current mechanisms of financial assurance in place, including insurance, bonds, and parent company guarantees.

One commentator has even gone to the ridiculous extreme to say that the Bill repeals the Environmental Protection Act. On the contrary, the Bill expressly embraces the Environmental Protection Act by sections 27 (2) and (3). These sections provide:

Act No. 17 of 2023	(2) Financial assurance shall be in accordance with
Cap 20:05	the Petroleum Activities Act and the Environmental Protection Act.

Cap 20:05	(3) “Financial assurance” has the same meaning under the Environmental Protection Act.
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We believe that the uninitiated outpourings regarding section 21 stems directly from a lack of understanding of certain key legal concepts. A guarantee (of which a parent company guarantee is a specie) is legally distinct, and commercially

different, from the concept of transferring liability. Our expert commentators have either conflated or confused the two. A guarantee does not transfer liability. It assures liability in the event of the failure to discharge by the primary actor (the responsible party). A transfer of liability permits the assignment of liability to a third party, thereby allowing the primary actor (the responsible party) to evade or elude liability. Section 21 prevents this.

Additionally, section 27(4), requires assurance coverage to be as “comprehensive as practicable”. These financial provisions must be read along with section 17. Section 17 places no cap whatsoever on the liability that it creates. This section provides:

Liability.

17. A responsible party is liable for all damages caused by an oil spill incident, removal and removal costs, and restoration of the environment as far as practicable, and for any costs arising therefrom or connected therewith.

In short and simple terms, this Bill has firmly entrenched that the financial assurance framework must be commensurate with the nature of liability created and contemplated by section 17. This robust statutory framework now established protects Guyana and its people. This legal reality is unfortunately lost upon that motley few who continue to haplessly pollute the public domain with their misapprehensions and misconceptions. We respectfully advise the public to ignore them.

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