

REVISED LIABILITY LIMITS UNDER MONTREAL CONVENTION 1999

CLIENT UPDATE

AVIATION

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On 28th December 2019 the International Civil Aviation Organisation (“ICAO”) had revised the limits of liability prescribed under Articles 21 and 22 of the Montreal Convention 1999. The review of the limits was made under Article 24 of the Montreal Convention, which requires the Depository of the ICAO to review the limits of liability under Articles 21 - 23 at a five-year interval to compensate for inflation. The last limit increase was in 2009.

The ICAO had, in July 2019, proposed an increase of 13.9% with respect to the limits of liability. The revised limits took effect on 28th December 2019 and covers the limitation of liability for both airline passengers and cargo as expressed in Special Drawing Rights (SDR)^[1] are as follows:

Montreal Convention 1999	Original limits (SDRs)	Revised limits (SDRs) as of 30/12/2009	Revised limits (SDRs) as of 28/12/2019 ^[2]
Article 21 - Passenger bodily injury / death	100,000	113,100	128,821

Article 22 (1) - Passenger delay	4,150	4,694	5,346
Article 22 (2) - Baggage loss, damage or delay	1,000	1,131	1,288
Article 22 (3) - Cargo loss, damage or delay	17/kg	19/kg	22/kg

As the Montreal Convention is part of domestic law by virtue of its incorporation under the Carriage by Air Act 1974, this revision of the limits of liability will apply immediately without any further steps to be taken. The domestic carriers have incorporated these revised limits into their contracts of carriage and they will apply to claims relating to air travel or shipment of cargo post-28 December 2019, even if the passenger ticket or Airway Bills (AWB) were bought/issued prior to 28 December 2019.

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References:

1. Special Drawing Rights are a supplementary foreign exchange reserves maintained by the IMF based on the value of 5 main nation state currencies – US Dollar, Euro, Chinese Renminbi, Japanese Yen and British Pound Sterling.
2. https://www.icao.int/secretariat/legal/Pages/2019_Revised_Limits_of_Liability_Under_the_Montreal_Convention_1999.aspx