

**Limit of liability in Argentina: u\$ 31,780 per package or unit of freight, as per Hague Rules.**

Argentina ratified the Hague Rules (Brussels, 1924) but did not ratify the Visby rules.

Therefore, the limit of liability applied is of 100 golden pounds per package or unit of freight.

Many members of the Convention made use of the right granted by it to pass the 100 golden pounds into their national currency.

USA, for example, took a value of gold which was fixed at the time of Breton Woods, and elaborated a sum of u\$ 500 as the equivalent of the 100 golden pounds, which was afterwards used by COGSA.

But Argentina did not “elaborate” any equivalent and the Hague Rules are accurately applied.

That means that the Federal Courts calculate the 100 golden pounds – the limit of liability-, as per the international value of gold, in London.

The calculation for the 100 golden pounds is as follows:

$$\frac{7,322 \times 100 \times (\text{value of troy ounce in London})}{31,1035}$$

Where:

7,322 is the content of gold in each golden pound.

100 is the quantity of golden pounds per package of unit of freight.

31,1035 is the grams in each troy ounce.

The actual situation at the International Financial Market – January, 2011- took the value of gold to over u\$ 1,350 per troy ounce, its highest value in history, even higher than when the URSS invaded Afghanistan in December 1979.

This value was pushed by the value of petrol -rounding u\$ 100 per barrel-, the mortgage financial crisis in the American market and the situation in Iraq. Many metals and other commodities –Soybean futures rose to a new 34-year high in Asia trade- accompanied this rise. This creates a very bullish environment for gold.

But for the shipping market it has a particular meaning, specially in those countries as Argentina in which the limit of liability is still calculated as per the free international value of gold.

**Considering a value of u\$ 1,350 per troy ounce, and as per the calculation here above, the limit of liability of 100 golden pounds in Argentina is equivalent to u\$ 31,780 per package or unit of freight.**

This is obviously far enough from the u\$ 500 of COGSA or any other fix sum established by other countries, or from any other country who ratified the Visby Rules.

These amounts allow cargo claims for an ample and complete indemnification which cannot be obtained in most of the other Jurisdictions.