

THE SHIPPING LAW
REVIEW

SIXTH EDITION

Editors

George Eddings, Andrew Chamberlain
and Holly Colaço

THE LAWREVIEWS

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This article was first published in June 2019
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Editors

George Eddings, Andrew Chamberlain
and Holly Colaço

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Published in the United Kingdom
by Law Business Research Ltd, London
87 Lancaster Road, London, W11 1QQ, UK
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www.TheLawReviews.co.uk

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ISBN 978-1-83862-031-8

Printed in Great Britain by
Encompass Print Solutions, Derbyshire
Tel: 0844 2480 112

ACKNOWLEDGEMENTS

The publisher acknowledges and thanks the following for their assistance throughout the preparation of this book:

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ASIALEGAL LLC

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PREFACE

The sixth edition of this book aims to continue to provide those involved in handling shipping disputes with an overview of the key issues relevant to multiple jurisdictions. We have again invited contributions on the law of leading maritime nations, including both major flag states and the countries in which most shipping companies are located. We also include chapters on the law of the major shipbuilding centres and a range of other jurisdictions.

As with previous editions of *The Shipping Law Review*, we begin with cross-jurisdictional chapters looking at the latest developments in important areas for the shipping industry: competition and regulatory law, sanctions, ocean logistics, piracy, shipbuilding, ports and terminals, offshore shipping, marine insurance and environmental issues. A new chapter on decommissioning is also included, which seeks to demystify this interesting and fast-developing area of law.

Each jurisdictional chapter gives an overview of the procedures for handling shipping disputes, including arbitration, court litigation and any alternative dispute resolution mechanisms. Jurisdiction, enforcement and limitation periods are all covered. Contributors have summarised the key provisions of local law in relation to shipbuilding contracts, contracts of carriage and cargo claims. We have also asked the authors to address limitation of liability, including which parties can limit, which claims are subject to limitation and the circumstances in which the limits can be broken. Ship arrest procedure, which ships may be arrested, security and counter-security requirements, and the potential for wrongful arrest claims are also included.

The authors review the vessel safety regimes in force in their respective countries, along with port state control and the operation of both registration and classification locally. The applicable environmental legislation in each jurisdiction is explained, as are the local rules in respect of collisions, wreck removal, salvage and recycling. Passenger and seafarer rights are examined, and contributors set out the current position in their jurisdiction. The authors have then looked ahead and commented on what they believe are likely to be the most important developments in their jurisdiction during the coming year.

The shipping industry continues to be one of the most significant sectors worldwide, with the United Nations estimating that commercial shipping represents around US\$380 billion in terms of global freight rates, amounting to about 5 per cent of global trade overall. More than 90 per cent of the world's trade is still transported by sea. The law of shipping remains as interesting as the sector itself and the contributions to this book continue to reflect that.

The maritime sector continues to take stock after experiencing a bumpy ride during the past few years and, while the industry is looking forward to continued recovery, there is still uncertainty about the effects of trade tariffs and additional regulation. Under the current US administration, the sanctions picture has become ever more complex and uncertain.

With a heightened public focus on the importance of environmental issues, a key issue within the shipping industry remains environmental regulation, which is becoming ever more stringent. At the IMO's MEPC 72 in April 2018, it was agreed that international shipping carbon emissions should be cut by 50 per cent (compared with 2008 levels) by the year 2050. This agreement may lead to some of the most significant regulatory changes in the industry in recent years and is likely to lead to greater investment in the development of zero carbon dioxide fuels, possibly paving the way for phasing out carbon emissions from the sector entirely. This new IMO Strategy, together with the stricter sulphur limit of 0.5 per cent m/m coming in from 2020, is generating increased interest in alternative fuels, alternative propulsion and green vessel technologies.

Brexit continues to pull focus, with the withdrawal agreement reached between the EU and UK having been rejected three times and an extension of the Article 50 process granted until 31 October 2019. Much has been printed about the effects of Brexit on the enforcement of maritime contracts. However, the majority of shipping contracts globally will almost certainly continue to be governed by English law, as Brexit will not significantly effect enforceability. Arbitration awards will continue to be enforceable under the New York Convention and it seems likely reciprocal EU and UK enforcement of court judgments will be agreed.

We would like to thank all the contributors for their assistance in producing this edition of *The Shipping Law Review*. We hope this volume will continue to provide a useful source of information for those in the industry handling cross-jurisdictional shipping disputes.

George Eddings, Andrew Chamberlain and Holly Colaço

HFW

London

May 2019

PORTUGAL

*João Afonso Fialho, José Miguel Oliveira and Miguel Soares Branco*¹

I COMMERCIAL OVERVIEW OF THE SHIPPING INDUSTRY

In recent years, the Portuguese government has been working actively on several strategic policies primarily aimed at strengthening traditional ocean activities (e.g., fishing and aquaculture, maritime transport, ports and the naval industry) and empowering emerging economic activities related to the use of the oceans (such as blue biotechnology, ocean renewable energies and deep-sea strategic resources). Most notably, the government approved an ambitious 10-year strategic plan to increase the competitiveness of its ports and shipping sector. The plan, entitled ‘Horizonte 2016–2026’, is expected to create around 12,000 new workstations by 2030 and lead to a total load growth of up to 78 million tonnes (an increase of 88 per cent), all backed by an estimated overall investment of between €2.1 billion and €2.5 billion. The government’s goal is to turn Portugal into a logistic hub of excellence in Europe. In 2017, the Portuguese ports registered record cargo volumes of 95.9 million tonnes and a record high of 3 million TEUs in container handling.

To support the ongoing development of the country’s shipping and maritime industries, the government has recently introduced (1) a tonnage tax scheme – to bring Portugal into line with the fiscal regimes set out in other European countries; (2) a special tax and contribution regime for seafarers; and (3) a simplified registration procedure for ships and vessels. In addition, the government expressed its strong commitment to (1) develop national ports; (2) establish a ‘world-class’ digital port management system; (3) set up an electronic statutory certification on board; and (4) boost sustainable green shipping initiatives. The latter is of utmost importance considering the EU’s call for a global approach to reduce greenhouse gas emission from international shipping (as of 1 January 2020, EU Member States must ensure that ships in EU waters use fuels with a sulphur content of no more than 0.5 per cent).

Finally, Portugal is currently awaiting the approval of its submission for the Extension of the Continental Shelf to the United Nations Commission on the Limits of the Continental Shelf. If this submission is successful, Portugal will have one of the largest economic exclusive zones, with a total maritime area of 3,877,408 square kilometres – an area larger than India and equivalent to the continental European Union (excluding the United Kingdom and Sweden) – with all it entails for the country’s shipping industry.

¹ João Afonso Fialho is a partner, José Miguel Oliveira is a managing associate and Miguel Soares Branco is a senior associate at Vieira de Almeida.

II GENERAL OVERVIEW OF THE LEGISLATIVE FRAMEWORK

As mentioned above, Portugal has recently adopted legislative measures to attract investment and improve competitiveness in the sector. The long-awaited tonnage tax regime (approved by Decree-Law 92/2018 of 13 November 2018) establishes a special tax based on ship tonnage. It further grants a 50 per cent and 25 per cent tax reduction for the first and second business year respectively, and a reduction of between 10 and 20 per cent for vessels with a net register tonnage greater than 50,000 (the latter approved by Order 72-B/2019 of 4 March 2019). This regime applies to companies headquartered and with effective management in Portugal that are in the business of transporting goods or passengers or involved in related maritime activities. To be eligible, at least 50 per cent of the ship's crew must be Portuguese, from an EU or EEA Member State, or from other Portuguese-speaking countries. Lastly, this tax regime offers an income tax exemption for seafarers (provided that they work on board for a minimum period of 90 days per tax year) and reduced social contribution rates.

In addition, there are rumours that a number of legislative initiatives are being prepared, including a new Merchant Navy Law and further green shipping incentives. Overall, Portugal is taking advantage of the fact that the country is party to the most relevant international treaties and conventions to adopt sophisticated internal laws capable of addressing the industry's concerns and boosting the economy.

III FORUM AND JURISDICTION

i Courts

Maritime courts were created in 1986 with the enactment of Law No. 35/86 of 4 September 1986. The original proposal was for five. However, there is currently only one, the Maritime Court of Lisbon, with exclusive jurisdiction to deal in the first instance with maritime disputes materially connected with the Portuguese mainland. Maritime disputes occurring in Madeira and the Azores are resolved at the first instance by local civil courts. Appeals are heard by the Court of Appeal and the Supreme Court as applicable.

Portuguese courts will generally find in favour of their own jurisdiction to rule on claims where parties in dispute and the claim itself have a close connection or link to Portugal.

Any proceedings brought before a Portuguese court in disregard of a foreign jurisdiction or arbitration clause may be challenged. It is up to the defendant to seek formal dismissal of the proceedings based on the breach of the arbitration or foreign jurisdiction clause and ensuing lack of jurisdiction of the Portuguese courts. The court will then assess whether it has jurisdiction (if it does, the court will hear the parties on the substantive proceedings) or rule that it has no jurisdiction and dismiss the claim.

ii Arbitration and ADR

The primary domestic source of law for arbitration in Portugal is Law No. 63/2011 of 14 December 2011 (the Voluntary Arbitration Law (VAL)). The VAL is based on the UNCITRAL Model Law, albeit with differences and specificities tailored to the Portuguese legal system and the arbitral culture and practice.

The VAL is applicable to all arbitrations seated in Portugal although it contains some specific rules applicable to international arbitrations to make Portugal an attractive seat. Under the VAL, when international trade interests are at stake, arbitrations are considered international.

The VAL requires arbitration agreements to be made in writing, otherwise they will be deemed null and void. This requirement is met if the agreement is recorded in a written document signed by the parties, in an exchange of communications providing a written record of the agreement, including electronic means of communication, and any other type of support that offers the same guarantees of reliability, comprehensiveness and preservation. References made in a contract to a document containing an arbitration clause constitute an arbitration agreement, provided that they are made in writing and that the reference is such that it makes that clause part of the contract.

The VAL distinguishes between an arbitration agreement concerning an existing dispute, even if already pending before a state court (submission agreement), and an arbitration agreement arising from a given legal contractual or non-contractual relationship (arbitration clause). A submission agreement must specify the subject matter of the dispute and an arbitration clause must specify the legal relationship underlying the dispute. An arbitration agreement, in the form of an arbitration clause, can cover all future disputes arising out of or in connection with such contract.

In international arbitrations seated in Portugal, the validity of the arbitration agreement and the possibility of referring the dispute to arbitration are determined by reference to the requirements set out either by the law chosen by the parties to govern the arbitration agreement, by the law applicable to the subject matter of the dispute or by Portuguese law, according to which arbitration is allowed.

Any dispute involving economic interests may be referred to arbitration, save for those disputes that are exclusively submitted by a special law to the state courts (e.g., criminal and insolvency disputes) or to compulsory arbitration (e.g., certain labour disputes). In addition, disputes that do not involve economic interests may also be subject to arbitration provided that the parties are entitled to settle the disputed right.

Law No. 29/2013 of 19 April 2013 (the Mediation Law), established for the first time the general rules applicable to mediation carried out in Portugal, and the legal framework for civil and commercial mediation. Under the Mediation Law, disputes falling within the scope of civil or commercial matters and relating to interests of a patrimonial nature can always be subject to mediation. 'Non-patrimonial' disputes may nevertheless be subject to mediation if the parties are entitled to settle a disputed right. In any case, a mediation clause should be executed in writing. Agreements reached through mediation conducted by a mediator officially registered by the Ministry of Justice may be granted immediate enforceability without the need for judicial confirmation provided that certain requirements are met. It is still not common practice to resolve shipping and maritime disputes through mediation.

iii Enforcement of foreign judgments and arbitral awards

Enforcement proceedings of both foreign judgments and foreign arbitral awards are subject to previous *exequatur* proceedings in Portugal, the first under Brussels I and the second under the New York Convention, to which Portugal is a party. Although both instruments provide for different procedural steps in order to obtain *exequatur*, in practical terms there will be a great difference in choosing one over the other. The same goes for enforcement, although in addition to the grounds on which the enforcement of a judgment can be challenged, the enforcement of arbitral awards is also subject to the grounds provided for in Article V of the New York Convention and the VAL.

IV SHIPPING CONTRACTS

i Shipbuilding

Shipbuilding contracts are mainly governed by Decree Law 201/98 of 10 July 1998, and secondarily by the provisions of the Civil Code applicable to works contracts. It is mandatory that they are made in writing and parties are free to agree on its contents (the Norwegian Standard Form Shipbuilding Contract 2000 is widely accepted).

Unless otherwise agreed, title remains with the shipbuilder until delivery and payment in full of the agreed price.

The shipbuilder is statutorily responsible for repairing any defects reported by the owner within one year of delivery.

ii Contracts of carriage

Portugal has ratified the Hague Rules, which have been given the force of law in Portugal by means of Decree Law 37,748 of 1 February 1950. It is mandatory for the Hague Rules to be applied if the bill of lading was issued in the territory of a contracting state. Although not having signed or ratified the Hague-Visby Rules, some of the provisions (notably those in regard to package and unit calculation) were transposed into internal law by means of Decree Law 352/86 of 21 October 1986 (as amended). Decree Law 352/86 applies as a subsidiary to the Hague Rules, also covering a number of issues that fall outside the scope of those Rules, as is the case regarding pre-loading and post-discharge responsibilities and liabilities, calculation of package and units limitation. Decree Law 352/86 has also transposed into domestic law the limitation period of two years arising from the Hamburg Rules.

iii Cargo claims

As a general principle, any party to a contract of carriage that holds an interest over the cargo and can demonstrate that it has suffered loss or damage arising from the carrier's actions or omissions is entitled to sue for loss or damages. Taking the above into consideration, the rights to sue under a contract of carriage rest with (1) the shipper and (2) the rightful holder of the bill of lading. In this respect, when in the presence of a straight bill of lading, the right to bring a claim remains with the named consignee; with an order bill of lading, only the latest endorsee is eligible to sue; and with a bill of lading to bearer, then it is up to the rightful holder at a given moment to sue.

In addition to the above, rights under a contract of carriage may also be validly transferred to third parties either by way of assignment of contractual position or subrogation in rights (which is typically the case when insurers indemnify cargo interests and then seek reimbursement from the carrier), as long as the relevant rules provided in the Civil Code are met.

iv Limitation of liability

Portugal is a party to both the 1924 International Convention for the Unification of Certain Rules relating to the Limitation of the Liability of Owners of Seagoing Vessels and the 1957 International Convention relating to the Limitation of the Liability of Owners of Seagoing Vessels and its 1979 Protocol (the 1957 Convention). In addition to the above conventions, it is also important to consider the limitations arising from the Hague Rules and those provided in Decree Law 352/86 of 21 October 1986 (as amended), which end up transposing into

domestic law some of the provisions contained in the Hague-Visby Rules, notably those in regard to package and unit calculation, and Decree Law 202/98 of 10 July 1998 (on vessels limitation of liability).

Taking into consideration the reservations raised by Portugal at the time of its accession to the 1957 Convention, the following claims may be limited, unless the occurrence giving rise to the claim resulted from the actual fault or privity of the owner:

- a* loss of life of, or personal injury to, any person being carried in the vessel, and loss of, or damage to, any property on board the vessel; and
- b* loss of life of, or personal injury to, any other person, whether on land or on water, loss of or damage to any other property or infringement of any rights caused by the act, neglect or default of any person on board the vessel for whose act, neglect or default the owner is responsible or any person not on board the vessel for whose act, neglect or default the owner is responsible – provided, however, that with regard to the act, neglect or default of this last class of person the owner shall only be entitled to limit its liability when the act, neglect or default is one that occurs in the navigation or the management of the vessel or in the loading, carriage or discharge of its cargo or in the embarkation, carriage or disembarkation of its passengers.

The owner and the insurer for the owner, the ship merchant, the master, crew members and other servants can request for limitation of their liability in the cases stated above. Liability can be limited under the 1957 Convention, as follows:

- a* if the occurrence has given rise only to property claims of an aggregate amount of 66.67 units of account for each tonne of the vessel's tonnage;
- b* if the occurrence has given rise only to personal claims of an aggregate amount of 206.67 units of account for each tonne of the vessel's tonnage; and
- c* if the occurrence has given rise to both personal claims and property claims of an aggregate amount of 206.67 units of account for each tonne of the vessel's tonnage, of which a first portion amounting to 140 units of account for each tonne of the vessel's tonnage shall be exclusively appropriated to the payment of personal claims and of which a second portion amounting to 66.67 units of account for each tonne of the vessel's tonnage shall be appropriated to the payment of property claims; provided, however, that in cases where the first portion is insufficient to pay the personal claims in full, the unpaid balance of those claims shall rank rateably with the property claims for payment against the second portion of the fund.

The units of account mentioned above re special drawing rights, as defined by the International Monetary Fund. The amounts mentioned in points (a) to (c) above shall be converted into euros on the basis of the value of the euro on the date on which the owner has constituted the limitation fund, made the payment, or given a guarantee that, under the relevant law, is equivalent to that payment.

The 1957 Convention was incorporated into domestic law by virtue of Decree Law 49028 of 26 May 1969. Reference must also be made to Article 12 of Decree Law 202/98, which provides that, in addition to the limitation of liability provisions set forth in any international conventions to which Portugal is a party, and where the claims at stake are other than those contained in said conventions, the owner can limit its liability to the vessel and to the freight at risk by abandoning the vessel to its creditors and in order to establish a limitation of liability fund.

V REMEDIES

i Ship arrest

Portugal has ratified the Brussels Convention, under which any person alleging to have a maritime claim (*fumus bonis iuris*) is entitled to seek the arrest of a ship. A 'maritime claim' is one that arises out of one or more of the situations named under Article 1.1 of the Brussels Convention.

Outside the scope of the Brussels Convention, that is to say for the purposes of obtaining security for an unlisted maritime claim (e.g., arrest for a ship sale claim, unpaid insurance premiums, P&I dues) or to seek the arrest of a vessel sailing under the flag of a non-contracting state, a claimant must make use of the provisions of the Civil Procedure Code. In this case, and aside from the jurisdiction issue that needs to be properly assessed, in addition to providing evidence of the likelihood of its right or credit (*fumus bonis iuris*), the claimant shall also produce evidence of the potential risk that the debtor or arrestor may remove or conceal the ship (security for the claim) or that the ship may depreciate in such a way that at the time the final judgment is handed down in the main proceedings, the ship is no longer available or has substantially decreased in value (*periculum in mora*).

With the arrest in place, the claimant is required to file the initial claim for the main proceedings of which the injunction will form an integral part within 30 days of the arrest order. During the proceedings, the parties are free to settle by agreement and withdraw the claim. If the main claim should be filed with a foreign court, then the judge dealing with the arrest application must set out the period within which the claimant must commence proceedings on the merits in the appropriate jurisdiction. The defendant is entitled to post a security before the relevant court in the amount of the claim brought by the claimant and seek the release of the vessel pending foreclosure and auction.

ii Court orders for sale of a vessel

The arrestor or any interested party can seek the judicial sale of an arrested vessel. In principle, the sale cannot take place during the arrest proceedings, being therefore dependent on the outcome of the main claim and requiring the bringing of new enforcement proceedings. In a nutshell, with the enforcement application lodged, the court will notify the debtor (owner or charterer and other interested parties) to settle the claim or to oppose the sale. If the debtor fails to pay or if no opposition is lodged in time, the court will order the sale.

The above notwithstanding, in very limited situations (e.g., when in view of the lack of maintenance, the value of the arrested vessel is depreciating substantially) the Maritime Court has authorised the anticipated sale of vessels within the arrest proceedings. To that extent, the applicant must request in writing authorisation for the anticipated sale of the vessel, ground such request and propose a minimum amount for the sale. In view of the information and evidence produced, the judge will authorise the sale if the arresting party reaches an agreement with respect thereof with the claimant, or the judge is convinced by the facts presented.

The judge will determine how the sale will take place (public auction, private negotiation, sealed bids) and will appoint an auctioneer who will be responsible for the relevant proceedings and arrangements (such as organising the tender and visits to the vessel, collecting the bids, getting the proceeds of the sale, liaising with court). The vessel is typically sold 'as is and where is' and free of any charges or encumbrances. In addition to

reimbursement of the relevant costs and expenses incurred, the auctioneer will be entitled to remuneration to be determined by the court, which typically corresponds to 5 per cent of the sale price.

VI REGULATION

i Safety

Portugal has ratified SOLAS and its 1978 and 1988 Protocols. In light of Regulation (EC) No. 725/2004 of the European Parliament and of the Council of 31 March 2004 on enhancing ship and port facility security, Portugal has also adopted Part A (mandatory for all ships flying the Portuguese flag) and Part B of the International Ship and Port Facility Security Code (ISPS Code). The COLREGs, MARPOL (73/78), the CLC Convention and other international conventions on pollution and environment, as detailed below, are also in force, with all that implies in terms of safety.

The Portuguese maritime administration (DGRM)² is responsible for supervising, controlling and managing general safety and for implementing the obligations undertaken by Portugal in these respects.

In addition, Portugal has ratified the most relevant international conventions and treaties on safety and security adopted by the International Maritime Organization and the International Labour Organization.

The European Maritime Safety Agency (EMSA) is headquartered in Lisbon. It provides technical assistance and support to the European Commission and Member States in developing and implementing EU legislation on maritime safety, ship pollution and maritime security.

ii Port state control

The DGRM is the entity responsible for exercising port state control over all foreign vessels calling in and sailing within Portuguese waters and, consequently, for ensuring that they meet and comply with international safety, security and environmental standards, and that their crews have adequate living and proper working conditions. When deficiencies are uncovered during inspections, the DGRM holds powers to assess fines and detain the vessel until the reported deficiencies are duly rectified.

Portugal is a member state of the Paris MOU.

iii Registration and classification

All types of merchant vessels can be found under the Portuguese flag: product and chemical carriers, bulk carriers, container vessels, gas tankers, cruise ships, crude oil, and so on. To fly under the Portuguese flag, a merchant vessel must be registered either with the Ships Conventional Registry or the International Shipping Registry of Madeira (MAR). In a nutshell, the Conventional Registry implies registration with both the Harbour Master's Office and the Commercial Registry, while registration with the MAR implies registration with its Technical Commission and the Commercial Registry. Vessels under construction are eligible for registration. Dual registration and flying in is also admissible in both the Ships Conventional Registry and the MAR.

² Direcção Geral de Recursos Naturais, Segurança e Serviços Marítimos.

The MAR offers a very competitive tax regime, applicable to both vessels and shipping companies, full access to EU cabotage and full application of the relevant international maritime conventions. In addition, when compared with the Ships Convention Registry, the MAR has fewer requirements in terms of the nationality of crew members and offers a very flexible and competitive mortgage system (e.g., the mortgagor and mortgagee can, by means of a written agreement, freely choose the law that governs the mortgage).

In terms of classification, a number of classification societies are approved, such as, to name a few, RINAVE/Bureau Veritas, DNV GL, Lloyd's Register, the American Bureau of Shipping and Class NK.

iv Environmental regulation

The following conventions and relevant protocols regarding pollution and the environment are applicable:

- a* MARPOL (73/78), its optional Annexes III, IV, V and the 1997 Protocol on Annex VI;
- b* the 1992 Protocol to Amend the 1971 International Fund for Compensation for Oil Pollution Damage;
- c* the CLC Convention 1992;
- d* the 2003 Protocol to Amend the 1992 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage;
- e* the International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC) and its 2000 Protocol (OPRC-HNS Protocol); and
- f* the Bunker Convention.

v Collisions, salvage and wrecks

In regard to collisions, the following international conventions were ratified by Portugal:

- a* the Collision Convention 1910;
- b* the Collision Convention 1952;
- c* the Criminal Collision Convention 1952; and
- d* the COLREGs.

Under the Collision Convention 1952, a claim for collision can be brought before a Portuguese court in any of the following situations: (1) Portugal is the only country where the defendant has his or her habitual residence or place of business; (2) Portugal is the country where arrest of the defendant's vessel has been effected, or of any vessel belonging to the defendant that can be lawfully arrested, or where arrest could have been effected and bail or other security has been furnished; or (3) collision occurred within the limits of a Portuguese port or within its inland waters. When there is a collision between a vessel sailing under the Portuguese flag and another vessel sailing under the flag of a non-contracting state to any of the above conventions and regulations, one must resort to the rules set forth in the Code of Civil Procedure, which provide that the claimant must commence an action before the court of the place where (1) the collision occurred (provided it was in Portuguese territorial waters), (2) the defendant is domiciled, (3) the vessel took refuge, or (4) the vessel first called after the collision.

Salvage is governed by the 1910 Salvage Convention. Note, however, that although Portugal did not ratify the 1989 Salvage Convention, Decree Law No. 203/98 of 10 July 1998 transcribes most of its provisions into domestic law.

Finally, with regard to wrecks, Portugal is not a signatory of the Nairobi WRC 2007. The removal of wrecks must therefore be dealt with pursuant to Decree Law No. 64/2005 of 15 March 2005, which, among other things, lists the entities that hold powers to order the removal of the wreck and the obligations to the owners in respect thereof.

vi Passengers' rights

Portugal has ratified the 2002 Protocol to the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, as amended by its 2002 Protocol. The limitation regime set forth therein on passenger and luggage claims is therefore applicable. Also of relevance is Regulation (EC) No. 392/2009 of the European Parliament and of the Council of 23 April 2009 on the liability of carriers of passengers by sea in the event of accidents.

vii Seafarers' rights

Portugal has ratified the STCW Convention, which prescribes the minimum standards relating to training, certification and watchkeeping for seafarers, which countries are obliged to meet or exceed. By means of Decree Law No. 280/2001 of 23 October 2001 (as amended by Decree Law No. 206/2005 of 28 November 2005 and Decree Law No. 226/2007 of 31 May 2007), Portugal has also approved domestic rules governing the profession of seafarer, including those related to training and certification. Notably, the benefits granted to seafarers under the tonnage tax regime maintain the seafarer's full protection in the event of, *inter alia*, parenthood, sickness, disability and unemployment. With the approval of Decree-Law No. 34/2015 of 4 March 2015, Directive 2012/35/EU, of the European Parliament and of the Council of 21 November 2012, was transposed into domestic law, and the Manila Amendments to the STCW Convention were duly incorporated at a national level.

On 12 May 2016, Portugal ratified the Maritime Labour Convention 2006 (MLC), having become the 78th member state of the International Labour Organization that has committed to the decent work standards of the MLC. As the fourth pillar of the international maritime legal regime, and being complementary to key conventions of the International Maritime Organization, the MLC establishes and protects decent working and living conditions for seafarers. The MLC entered into force in Portugal on 12 May 2017.

VII OUTLOOK

From the legislative initiatives in place and strategic goals established by the Portuguese government for the sector, one can expect the Portuguese shipping industry to have a considerable boom in the coming years, namely with respect to liquefied natural gas and specialised high-value vessels. Portugal is eyeing international shipping trade and is committed to expanding its infrastructures, with a focus on efficiency, sustainability and innovation. To boost efficiency and simplify procedures, Portugal has created a central and single database (the National Maritime and Ship System (SNEM)) for registration and certifications of vessels and seafarers. Overall, SNEM aggregates information on maritime activity and shows the country's willingness to improve business in the sector. Lastly, the strategic plan envisaged and approved by the government for ports and the shipping industry goes hand in hand with the country's drive for 'green energy'. Undeniably, Portugal is committed to becoming one of the major players within the Blue Economy, with all that implies for the sector.

ABOUT THE AUTHORS

JOÃO AFONSO FIALHO

Vieira de Almeida

João Afonso Fialho joined VdA in 2015. He is currently head of VdA's oil and gas practice, having been involved in shipping matters since his first years in the legal profession.

With more than 20 years of practice in the transport sector, his experience in shipping includes the contract of international transport, particularly in providing advice to owners, charterers, P&I clubs and port operators, commodities traders and various industry brokers. Advice is rendered in most shipping industry legal matters, with relevance in particular to the bunkering industry, as well as assistance and salvage at sea, ship arrest, customs and maritime litigation.

João also has an extensive track record with construction contracts and ship acquisition, charter parties, bills of lading, ship finance, mortgages and insurance.

His practice is focused in particular on specific matters arising from shipping activities associated with the oil and gas cluster, including wreck removal and environmentally sensitive issues.

JOSÉ MIGUEL OLIVEIRA

Vieira de Almeida

José Miguel Oliveira joined VdA in 2015. He is a managing associate in VdA's oil and gas practice. He has gained extensive experience within the international shipping industry, particularly across African jurisdictions, where he has been particularly active in assisting all sorts of industry players, from owners, charterers, P&I clubs, ship brokers, ship managers, ship agents, freight forwarders, port operators and stevedores, to commodities traders on all sorts of wet and dry shipping matters. In addition, he provides advice on regulatory matters to oil companies and service providers to the offshore oil and gas industry, notably with respect to the use and employment of rigs, FPSOs, support and multipurpose vessels. He also has a deep knowledge of the bunkering industry, having assisted major players in the setting up of their local structures, securing licences and deals (cargo and bunkering contracts). José is dual qualified (Portugal and Angola) and his regular presence in Angola and Mozambique allows him to gain an in-depth understating of the local and neighbouring industry and relevant legal environment.

MIGUEL SOARES BRANCO

Vieira de Almeida

Miguel joined VdA in 2016. He is a senior associate in VdA's oil and gas practice. Miguel has been actively involved in multiple transactions within the petroleum sector, such as production sharing contracts, joint operating agreements, EPC contracts for FPSOs and other service agreements for exploration and production activities. Miguel has also advised on regulatory matters and bidding procedures for the oil and gas industry.

VIEIRA DE ALMEIDA

Rua Dom Luís I, 28

1200-151 Lisbon

Portugal

Tel: +351 21 311 3400

Mobiles: +351 91 701 86 39 (J A Fialho) / +351 91 537 01 44 (J M Oliveira)

Fax: +351 21 311 3406

jaf@vda.pt

jmo@vda.pt

ivo@vda.pt

www.vda.pt



ISBN 978-1-83862-031-8