

New Maritime Law

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The New Maritime Law is about to be endorsed. These are very exciting times for the Al Tamimi Maritime, Aviation & Insurance lawyers and indeed, many others, who have been involved with amendments to the law.

When this law is endorsed and published, the UAE shipping and associated industries will be sailing toward new, unlimited horizons.

The change starts with the name, where, as you will have noticed, I referred to the law as the “Maritime Law” instead of the original “Commercial Maritime Law”. There are a number of major amendments to the new law, which include, but are not limited to:

- Allowing complete non-UAE ownership for vessels registered in the UAE.
- Extending the State’s authority to fight drug and human trafficking occurring in foreign vessels with UAE territorial waters.
- Regulating the registration and licensing of pleasure and fishing boats under 10 tons.
- Foreign Vessel operation within UAE special Economic Zones.
- Reducing the quantum required to approve vessel mortgages from 75% to 50%.
- Widening port local authority to detain vessel departure.
- Extending latent defect time bar to include vessel repair as in vessel construction.
- Identifying the debt resulting from vessel sale as a marine debt enabling creditors to arrest the vessel against such debt however; restricting the arrest right only on the vessel itself and not including sister vessels.
- Widening the range of marine debts acceptable to arrest a vessel.
- Deleting the 24 hours execution requirement between notifying the debtor to pay and vessel auction.
- Reducing the vessel auction sessions into one with a possibility of extending to another hearing instead of three. Also, the new law will require the awarded party to deposit 1/3 of the price and expenses immediately after the award and to deposit the rest within 3 days. Currently, the existing law requires full payment the next after the award.
- Including a new clause regarding vessel repair where the shipper/charterer will have the choice to either wait until the repairs are completed or to discharge the cargo and re-ship onto another vessel.
- Including a new section regulating Marine Agents work and operations.
- Adding a new time bar clause regarding bareboat-chartered vessels.

The proposed amendments to the law are all substantial and important, however, the amendment, which is of particular interest to me, relates to permitting full non-UAE vessel ownership and the authorization to establish an open vessel registry.

Although, we still believe the term “open registry” may not be the most suitable term to describe the UAE ambitions in this regard, we are sure that with the UAE distinguished shipping expertise and infrastructure, this will gradually establish the UAE as a recognized regional and international registry. Furthermore this amendment paves the way for large UAE fleets under other international registered flags to return to where they belong. Such registry procedures will become a beacon, signaling all vessel owners in the region to register their vessels in the first Class A registry in this part of the world.

We know and recognise there is a long road ahead, yet we remain optimistic. There is a need to amend some other associated laws and regulations. There is also a need for upgrade and standardization across many fields and areas within the shipping industry. There is an unresolved amount of determination and

resolution necessary to ensure these requirements are met.

Nonetheless, the new Maritime Law is definitely a huge step in the right direction. In a country capable and used to reducing storms to wind in a teacup, we are all confident the UAE will eventually claim its rightful position as an international registry.