

Law No. 8 Of The Year 1990
Promulgating The
Maritime Trade Law

In the name of the People;

The President of the Republic;

The People's Assembly decrees the following Law, and it is promulgated by us :

Article : 1

Subject to such rules and provisions as are prescribed in special laws, the provisions of the attached "Maritime Trade Law" shall come into force, and the "Maritime Law On Trade" as issued on 13th November, 1883 shall hereby be superseded.

Article : 2

The President of the Republic shall issue a decree determining the Minister and the Administrative Quarter concerned with applying the provisions of the attached law.

Article : 3

The present law shall be published in the Official Journal and come into force six months after the date of its publication.

To receive the Seal of the State and be enforced as one of its laws.

Promulgated at the Presidency of the Republic on 26th Ramadan, Hejira Year 1410 (Corresponding to 22nd April, 1990)

HOSNI MUBARAK

Maritime Trade Law

Part - I

Of Ships

Chapter : 1 **General Rules**

Article : 1

- I- A "Ship" is every establishment operating or provided to operate in maritime navigation, even if it does not aim at profit-making.
- 2- The ship's appurtenances which are necessary for using the ship shall be considered part of it.

Article : 2

Excluding such cases as are prescribed in a special provision, the texts and provisions of the present law shall not apply to warships and ships which are appropriated by the State or by a Public Person for a public service and for non-commercial purposes.

Article : 3

The Registration and safety of, and control over ships, and the documents a ship shall carry and maintain shall be subject to the provisions of related laws.

Article : 4

Subject to the provisions prescribed in the present law, the provisions on movable property - excepting the actual acquisition provision shall apply to ships.

Article : 5

Subject to the provisions prescribed in special laws, a ship shall acquire the Egyptian Nationality if it is registered in an Egyptian Port and is owned by a physical or juridical person enjoying the Egyptian Nationality. If the Ship is owned in common, the majority of shares should be held by Egyptians in order for the ship to acquire the Egyptian Nationality.

Article : 6

- (1) Every Egyptian ship shall fly the flag of the Arab Republic of Egypt. It shall not fly another flag except in the cases where maritime usage and practices are running accordingly.
- (2) The ship shall have a name to be approved by the competent Administrative Quarter. The ship's name accompanied by its registration number shall be put up in a prominent place thereof, according to such provisions as shall be prescribed in a decree of the competent Minister.
- (3) The ship owner shall indicate its gross as well as net tonnage. These two tonnages shall be determined by a decree of the competent administrative quarter. A certificate to this effect shall be handed by this Quarter to parties concerned.
- (4) Shall be liable to imprisonment for a period not exceeding one year and a fine not exceeding three thousand pounds, or either penalty both of ship owner or captain who contravenes the provisions prescribed in this article, unless the violation is aimed at avoiding the capture of the ship.

Article : 7

- 1- Foreign residents of the Arab Republic of Egypt shall apply for a permit from the competent Administrative Authority, in case of using their own excursion and cruise boats in Egyptian territorial waters. They shall also apply for registration of their boats in the boats' register as provided for the purpose. The permit thus granted shall be invalidated if the ship is used for

other than excursion purposes. The boats registration Office shall then be notified to cross out the registration of the boat from the book.

- 2- Ships as referred to in the previous clause shall fly the flag of the country whose nationality they hold. They are not permitted to fly the flag of the Arab Republic of Egypt.
- 3- An excursion ship owner who violates the provisions of this article shall be liable to imprisonment for a period of not more than one year, and a fine not exceeding Three Thousand pounds, or either penalty.

Article : 8

- 1- Ships not enjoying the Egyptian Nationality may not have fishing , tugging or piloting activities in Egyptian territorial water. Nor shall they exercise coastal navigation between Egyptian ports.
- 2- Ships holding a foreign nationality may - by virtue of a decree of the competent Minister - be licensed to exercise one or more of the activities set forth in the previous clause, for a determined period of time.
- 3- A ship owner who violated the provisions of this article shall be liable to imprisonment and a fine not exceeding Five Thousand Pounds, or either penalty.

Article : 9

- 1- Egyptian Criminal Legislations Provisions shall apply to all crimes committed on any ship flying the flag of the Arab Republic of Egypt.
- 2- Law provisions on Order and Discipline shall apply to ships as mentioned in the previous clause in connection with the maintenance of order and discipline on these ships.

Article : 10

The Court of First Instance within the jurisdiction of which is located the Office at which the ship flying the flag of the Arab Republic of Egypt is registered shall be concerned with examining the Actio In Rem (Real Action) connected with that ship, unless otherwise prescribed in the law.

Article : 11

- I- Acts involving the institution, transfer, or abatement of a right of property or other real rights on the ship shall take place by virtue of an official written document, failing which such acts shall be null and void.
- 2- In case these acts should take place in a foreign country the relevant official document shall be drawn up before the Consul of the Arab Republic of Egypt in that country, and in the absence of such consul the document shall be drawn up before the competent local official.
- 3- Acts as referred to in the previous clause shall not be valid vis a vis third parties unless they are registered at the request of parties concerned, in the Ship's register which is kept in the appropriate registration Office. The level of registration shall be according to entry precedence in that register.

Article : 12

- I- An Egyptian ship's ownership shall not be transferred to a foreigner, whether such transfer is made against payment or free. Nor shall such ship be rented out to a foreigner for a period exceeding two years except after a permit is obtained from the competent Minister.
- 2- Whoever violates the ban prescribed in the previous clause of this article shall be liable to imprisonment for a period not exceeding one year, and a fine of not more than Three Thousand Pounds, or either penalty.

Chapter : 2
Real Rights On The Ship

First : Shipbuilding

Article : 13

The Contract of building the ship and all modifications brought to it shall only be established in writing.

Article : 14

The ownership of the ship shall be held by the shipbuilding contractor, and shall not be transferred to the Principal ordering its building except after the ship is handed over and tested, unless otherwise agreed.

Article : 15

The shipbuilding Contracts shall guarantee the ship will be free of hidden flaws and defects, even if the Principal ordering its building accepts to receive the ship after testing it.

Article : 16

The action to guarantee the ship is free of hidden flaws and defects shall lapse with the passage of one year from the date the flaw and defect is known. The action shall likewise lapse with the passage of two years from the time the ship is handed over unless the shipbuilding contractor is proved to have premeditatedly hidden the defect, by deceit.

Article : 17

The provisions of articles 15 and 16 of the present law shall apply to contracts covering the performance of repairs to the ship.

Second : Common Ownership

Article : 18

- I- The majority opinion shall be taken in connection with every decision involving the exploitation of a ship owned in common, unless otherwise provided by the law or agreed upon.
- 2- The majority voting shall be fulfilled with the approval of owners of more than half the shares of the ship unless otherwise provided by the law, or the owners agree on a different majority.
- 3- Each owner among the minority voting against the decision may object to such decision, within fifteen days from the date it is issued, before the Court of First Instance within whose jurisdiction is located the office of the ship's registration. The Court may confirm or cancel the decision. The objection brought in court shall not stop implementing the decision unless the Court orders stopping it.

Article : 19

- 1- The Management in Common may be assigned - by a decision of the majority of owners - to one or more directors among the ship owners or third parties. If no Manager in Common is appointed, each owner shall be considered as manager. In the event of multiplicity of Directors, they shall act jointly and collectively unless otherwise agreed by them.
- 2- The names of the ship directors shall be published in the ship registration journal.

Article : 20

- 1- A Director of the ship shall have the power to perform all acts and works as needed for Management in Common. However, he shall not sell, mortgage, or entail any other real right on the ship or rent it out for more than one year, except with the permission of the ship owners as issued with the required majority of votes.

- 2- Every agreement to restrict the authority of the Director contrary to the provision set in the preceding clause shall not be used against third parties.

Article : 21

Each owner in common shall bear a share in the common expenditure and in the losses realized in proportion to his/her share in the ship ownership, unless otherwise agreed. A ship owner in common shall also have a share in the net profits resulting from using the ship, according to the same percentage.

Article : 22

If the Director is among the owners in common, he shall be responsible in all his properties for the debts resulting from the common ownership. In case of plurality of Directors they shall be responsible in all their properties jointly between themselves. Every agreement to the contrary shall not be used against third parties. The shipowners other than the directors shall be responsible in all their funds and properties, jointly among themselves, for the debts resulting from the ownership in common, unless otherwise agreed. Such agreement between them shall not be used against third parties except from the date it is published in the Ship Registration Journal.

Article : 23

- 1- Each owner in Common shall have the right to dispose of his/her share, without the approval of other owners in common, unless such act is likely to deprive the ship of its Egyptian nationality, in which case the approval of all the shipowners shall first be secured.
- 2- However, a common owner may not mortgage his share in the ship except with the approval of other shipowners holding at least three fourths of the shares.
- 3- A common owner who disposes of his/her share shall remain responsible for the debts connected with the common ownership up to the date the disposal of his share is published in the Ship Registration Journal.

Article : 24

- 1- If a common owner sells his share in the ship to a buyer outside the common owners circle, the buyer shall notify the other common owners by registered letter with acknowledgment of receipt, of the sale and the price agreed upon.
- 2- Each common owner shall have the right to recover the sold share by virtue of a notice addressed thereby to each of the buyer and the seller providing such common owner shall pay the price and costs, or offer them in true form according to the law . He may also file a court action if so necessary. These steps shall, however, take place within thirty days from the date of the notice as prescribed in the previous clause.
- 3- If more than one common owner ask for recovering the sold share, it shall be divided between them in the proportion of their own shares.

Article : 25

If the common owner is one of the ship's workers, he may - in case of his dismissal - withdraw himself from the common ownership. In case of differences arising, his common share shall be estimated by the Court of Jurisdiction.

Article : 26

- (1) A ship shall not be sold except by virtue of a decision to be issued with the approval of the shipowners holding at least three fourth of the sharing portions. Such decision shall determine the method and conditions of concluding the sale.
- (2) In case of differences between the shipowners making it practically impossible to maintain beneficially the common ownership of the ship, each owner may ask the court of jurisdiction to pass a court ruling ending the state of common ownership and ordering the sale of the ship. Such court ruling shall indicate the method and conditions of concluding the sale.

Article : 27

In case an attachment is levied on sharing portions representing more than half the ship, the mandatory sale shall then comprise the ship as a whole. However, at the request of any owners of the ship whose sharing portions have not been subject to the attachment, the Court may order that the sale be restricted to the sharing portions subject of the attachment, in case serious reasons are provided to justify such request.

Article : 28

The state of common ownership shall not expire with the decease of any of the shipowners, or with levying an attachment on such owner, or even declaring him bankrupt or insolvent, unless otherwise agreed.

Third : Privileged Rights On Ships

Article : 29

The following constitute exclusive privileged rights on ships :

- I- Judicial expenses incurred for selling a ship and distributing its price.
- 2- Taxes and duties payable to the State or to a Public Law Person, as well as Load, Harbour, Pilotage, and Tug dues, and also guard and maintenance and other marine service costs and charges.
- 3- Debts consequent upon work contracts of the ship captain and sailors, and others bound under contract to work on the ship.
- 4- Compensations payable for rescue works, and the ship's share in joint losses.
- 5- Compensations payable for collision or pollution and other navigational incidents, and also for damages to harbours and dock installations and navigational routes, as well as for physical injuries caused to passengers, the captain and sailors, and for destruction or damage of goods and luggage.

- 6- Debts consequent upon contracts as concluded by the ship's captain, as well as the operations carried out thereby outside the port of the ship's registration, within the limits of his legal powers for actual needs necessitated for maintenance of the ship, or pursuing its journey, whether the captain is himself the owner of the ship, or is not its owner, and whether the debt is payable to him or the supply contractor, the loaners, the persons who perform repair works on the ship or other contractors, as well as the debts established on the ship furnisher ensuing from works performed by the ship's agent pursuant to the provisions of article 140 of the present law.

Article : 30

Privileged rights shall not be subject to any formal procedure or any conditions connected with the provision of evidences.

Article : 31

- 1) Privileged rights as provided for in article 29 of the present law shall be established on the ship and freight costs concerning the journey during which the debt is originated, and also the adjuncts and supplements of each of the ship and freight costs as acquired from the start of the journey.
- 2) However, the privileged rights as prescribed in item 3 of article 29 shall be established on freight costs payable for all journeys taking place under contract of the same work.

Article : 32

- 1) The following shall be considered as supplement and adjunct of each of the ship and freight costs :
 - a. Compensations payable to the shipowner for material damages caused to the ship without being repaired, or to freight cost losses.
 - b. Compensations payable to the shipowner for joint and common losses if they ensue from material damages caused to the ship without being repaired, or from the loss of freight costs.

- c. Compensations payable to the shipowner for rescue works taking place until the end of the journey after deducting the amounts payable to the captain and the sailors, as well as others who are bound under contracts to work on the ship.
- 2) Passengers travel fare shall be considered similar to the freight costs.
- 3) Compensations payable to the shipowner by virtue of insurance contracts and policies, or the assistance and aid granted by the State or by a Public Juridical Person shall not be considered as supplements and adjuncts or the ship and freight costs.

Article : 33

A privileged right on the freight cost shall be maintained as long as the freight cost remains payable, or is held under the hands of the captain or the owners representative. The same goes for the privileged right on the supplements and adjuncts of the ship and the freight cost.

Article : 34

- 1) Privileged rights connected with one and the same journey shall ensue and be established in the order prescribed in article 29 of the present law.
- 2) Debts as mentioned in each item of article 29 shall enjoy the same degree of privilege and shall be distributed in the proportion of the value of each such debt.
- 3) Debts as mentioned in items 4 and 6 of article 29 with respect to each item separately shall be arranged in reverse order of their date of inception.
- 4) Debts connected with the same incident shall be considered as incepted at the same date.

Article : 35

- 1) Privileged debts originating from any journey shall take precedence over privileged debts resulting from a previous journey.
- 2) However, debts consequent upon one and the same work contract as connected with several journeys shall be treated in similar rank as the debts of the last journey

Article : 36

Privileged debts shall be attached to the ship regardless of which hands it settles in.

Article : 37

Privileged rights on the ship shall expire in the following two cases :

- A- Mandatory sale of the ship .
- B- Optional sale of the ship. The privileged right shall in this case expire with the lapse of sixty days from the date of publishing the sale contract in the Register of Ships. Privileged rights shall then shift to the price of the ship unless such price has already been paid. However, these privileged rights shall be redeemable from the price if the privileged creditors notify each of the old and the new owners via a court bailiff, within the period and date specified in this article, of their objection to payment of the price.

Article : 38

- 1) Privileged rights on the ship shall expire with the lapse of one year, except for the privileged rights instituted to guarantee the delivery debts referred to in item 6 of article 29, for they expire after the lapse of six months.
- 2) The validity of the period referred to in the previous article shall come into force as follows :

- a. Privileged rights guaranteeing rescue compensations shall begin from the day of completing these operations.
 - b. Privileged rights guaranteeing the compensations ensuing from collision and other incidents and physical injuries shall begin from the day the harm and injury are caused.
 - c. Privileged rights guaranteeing the compensations ensuing from the damage or destruction of goods and luggage shall begin from the day of delivering the goods or luggage, or the day they should have been delivered.
 - d. Privileged rights guaranteeing repair and supply debts, and other cases referred to in item 6 of article 29, shall begin from the day the debts fall due for settlement.
- 3) In all cases, the validity period shall begin from the day the debt falls due for payment.
- 4) Paying to the Ship's Captain and sailors and others who are bound under contract to work on the ship any advance amounts on account shall not result in considering their debts as referred to in item 3 of article 29, to be due for settlement before the maturity date of such debts.
- 5) The period for expiry of the debt shall extend for three years if it is practically impossible to retain the ship on which privileged rights are instituted in the territorial waters of the Arab Republic of Egypt. Only persons enjoying the nationality of the Arab Republic of Egypt or those having an elected domicile therein or persons enjoying the nationality of a country treating the nationals of the Arab Republic of Egypt on a reciprocal basis.

Article : 39

The competent Maritime Department shall have the right to retain the wrecks of the ship as a guarantee of the costs of removing, lifting or picking up such wrecks. The said Department shall also have the right of selling such wrecks by auction administratively, or obtain the debt owing to it out of the price of

selling such debts in preference over other debtors, and then deposit the rest and balance of the selling price in the treasury of the competent court.

Article : 40

Provisions of articles 29 to 39 of the present law shall apply to ships used and exploited by the ship furnisher whether or not he is owner of the ship, or by the original lessee. However, the foregoing provisions shall not apply in case the owner loses possession of the ship by illegal act and the debtor is found to be of bad faith.

Fourth - Maritime Mortgage

Article : 41

Mortgaging a ship shall not be concluded except by virtue of an official mortgage contract.

Article : 42

If a ship is owned in common it may be mortgaged with the approval of the owners holding at least three fourths of its sharing portions. If this majority is not fulfilled, the issue may be brought before the competent court who shall then issue its ruling in the best interests of the common owners.

Article : 43

- 1) A mortgage determined on the ship or a portion thereof shall always be maintained on the wrecks of such ships.
- 2) A mortgage determined on the ship shall not apply to the freight or assistance or aid extended to the ship by the State or a Public Juridical Person, or the compensation amounts payable to the ship owner for damages caused to the ship or under insurance contracts. However, in the maritime mortgage contract agreement may be reached for settling to a Creditor his dues out of the insurance amount providing the insured should declare their consent thereto in writing or announce and notify their consent.

Article : 44

A ship may be mortgaged while still under building and construction. Registering the mortgage shall be preceded by a declaration in the Registration Office within the precincts of which is located the place of building the ship. Such declaration shall specify the location of such place, the lengths and other measurements of the ship and its approximate loading capacity.

Article : 45

The mortgage shall be entered in the Register of Ships at the Ship's Office of Registration. If a mortgage is instituted on the ship under building and construction, it shall be entered in the Register of Ships at the Office of Ships Registration within the precincts of which the ships under building location is situated.

Article : 46

For processing the entry of a ship in the Register an official copy of the Mortgage Contract shall be submitted to the ships Registration Office, accompanied with two statements signed by the applicant for registration comprising the following in particular :

- (A) Names of each of the Creditor and the Debtor and their respective addresses and professions.
- (B) Date of Contract.
- (C) Amount of the Debt as indicated in the contract.
- (D) Conditions for debt settlement.
- (E) Name of the mortgaged ship and its descriptions, as well as the date and number of the registration certificate or a declaration of building the ship.
- (F) The Creditor's elected domicile in the precincts of the Registration Office where the entry is processed.

Article : 47

The Registration Office shall record the summary of the mortgage contract and the contents of the two statements specified in the previous article. These data shall be entered in the Ships Register at the Office. A copy of such entries shall be handed to the applicant after marking it with an annotation that the contents and the data have been entered in the Register. The foregoing shall also be indicated in the Certificate of Registration.

Article : 48

If the debt which is guaranteed by the mortgage is made to the order of the Creditor, it ensues that by endorsing such mortgage-guaranteed debt, the rights as instituted by the mortgage shall devolve to the new Creditor. Annotating the name of such creditor shall be marked in the entry of the mortgage.

Article : 49

Entry of the mortgage shall be held for a period of ten years from the date of its entry. The effect of such entry shall be invalidated in case of failing to renew it before the expiry of such period.

Article : 50

A mortgage of the debt shall rank next to privileged debts. The mortgage guaranteed debts shall rank in precedence according to the order of their entry dates. If in the same day several mortgages are entered, they shall then be considered of same and equal privilege and precedence rank.

Article : 51

Creditors who are mortgagees of the whole or part of the ship shall follow it regardless of whose hands the ship will devolve to. A mortgaged ship shall not be disposed of after entering the attachment/lien report in the Ships Registration Book.

Article : 52

- 1) If the mortgage affects a part not exceeding half of the ship, the mortgagee creditor shall then levy the attachment on and sell no more than that part, of the ship. If the mortgage affects more than half of the ship the court may then, at the request of the Creditor, order selling the whole ship after levying an attachment on it.
- 2) In case of common ownership of the ship, the Creditor shall officially call the attention of the rest of ship owners- fifteen days before starting the sale procedures - to the requirement of settling the debt payable to him, or failing to proceed with such settlement - procedures shall continue to be taken for execution of attachment and sale of the ship.

Article : 53

A ruling on adjudication of the auction shall clear the ship of all mortgages and the rights of Creditors shall thus be shifted to the price as raised through auction.

Article : 54

- 1) If the ownership of the whole or part of the mortgaged ship is transferred before entry of the attachment procedures report, a mortgagee creditor who has taken procedures for execution on the ship shall notify the holder possessing the ship or part of the ship thus transferred of the attachment procedures report, and shall serve on him a notice through a court bailiff, to proceed with paying the price.
- 2) If the ship holder wishes to avoid attachment and sale procedures, he shall before beginning the procedures, or within a period of fifteen days following immediately the serving of the notice - Notify the Creditors who are recorded in the Register of Ships via a bailiff and at their elected domicile of the summary of the contract, along with indicating the date of contract, and the name, type, loading capacity and price of the ship, as well as the expenses and the list of debts as recorded their dates and amounts, the names of creditors, and his preparedness to pay the mortgage-guaranteed

debts forthwith whether they are payable immediately, or not yet falling due for payment, within the limits of the ship's price.

Article : 55

- 1) With respect to the case specified in the previous article, each creditor may demand selling the whole or part of the ship by auction with authorization to increase one tenth of the price and submit a warranty of the price and the expenses.
- 2) This demand for selling the ship shall be notified to the ship holder , duly signed by the creditor, within ten days from the date of the notification specified in the previous article. Such demand shall comprise a citation to the ship holder to appear before the court within the precincts of which the ship is located, or the court within whose precincts the harbour of ship registration is situated in case the ship is not to be found in any of the Egyptian ports, in order to hear the court ruling to sell the ship by auction.

Article : 56

In case no mortgagee creditor submits the request prescribed in the previous article, the ship holder may clear the ship of its mortgages by depositing its price in the court treasury in which case he may ask for striking out the entry of the mortgage without having to follow any further procedures.

Article : 57

- 1) Subject to the provisions of clause (1) of article 12 of the present law, if a mortgaged ship is sold optionally to a foreign buyer, the sale shall be considered as null and invalid, unless the mortgagee Creditor relinquishes the mortgage in the Sale Contract.
- 2) A ship seller who contravenes the provisions of the previous clause shall be liable to imprisonment for a period not exceeding one year and a fine of not more than three thousand pounds, or either penalty.

Article : 58

Subject to the provisions of article 56 of the present law a mortgage entry shall be struck out by virtue of a court ruling or agreement reached between the debtor and creditor. The Debtor, in the last case shall submit a declaration signed by the creditor with authentication of such signature, consenting to deleting the mortgage entry.

Chapter : 3 **Attachment On The Ship**

First : Protective Attachment

Article : 59

A preventive attachment may be imposed on the ship by writ from the Head of the First Instance Court of Jurisdiction, or his deputy acting for him. A writ imposing such attachment may be issued even if the ship is getting ready for departure.

Article : 60

A preventive attachment shall not be imposed except for settlement of a marine debt. A debt shall be considered as marine debt if it is instituted by any of the following reasons :

- A) Port and Water Courses duties.
- B) Expenses outlaid for removal, pick up, or lifting the ship wrecks and merchandise.
- C) Damages caused by the ship by cause of collision, pollution or other similar marine incidents.
- D) Casualties in lives or bodily injuries caused by the ship, as a result of using and exploiting it.
- E) Contracts and deeds for using or renting the ship.
- F) Insurance on the ship.
- G) Contracts for transport of goods by virtue of a rental deed or a bill of lading.

- H) The destruction of goods and luggage as transported by the ship, or their damage.
- I) Salvage and Rescue works.
- J) Joint Losses.
- K) Tugging the ship.
- L) Piloting works.
- M) Supply of materials or articles necessary for using the ship or its maintenance, whatever the source such supplies are being obtained.
- N) Building, repairing or furnishing the ship, and expenses of the ship's presence in dockyards.
- O) Salaries and wages of captains, officers, the crew and the maritime and shipping agencies.
- P) Amounts expended by the captains, forwarders, renters, or maritime and shipping agencies for account of the ship or its owner.
- Q) Disputes over the ship's ownership.
- R) Disputes over the common ownership of the ship, or over holding or exploiting and using it, or the rights of ship owners in common to the amounts resulting from using and exploiting the ship.
- S) Marine Mortgage.

Article : 61

- 1) Whoever holds to any of the debts specified in the previous article may levy an attachment on the ship with which the debt is connected or any other ship to be owned by the Debtor if the latter ship was in his possession at the time of instituting the debt.
- 2) However, no attachment may be levied on another ship than the one to which the debt is related if the debt is one of those prescribed in items Q, R, and S of the previous article.

Article : 62

- 1) If the ship charterer is assuming its navigational management, and is exclusively responsible for a marine debt that is connected with it, the creditor may then levy an attachment on this ship or any other ship which is owned by the charterer. No attachment may be levied on any other ship owned by the owner lessor, by virtue of that marine debt.

- 2) The provisions of the previous clause shall apply to all cases where another person than the ship owner is responsible for a marine debt.

Article : 63

- 1) The President of the Court of First Instance or the Acting Court President shall rule the attachment be lifted if another warranty or guarantee is submitted which is adequate to fulfill and settle the debt.
- 2) However, an attachment on the ship shall not be lifted if it had been imposed because of the marine debts specified in items (Q) and (R) of article 60 of the present law in which case the President of the Court of First Instance or Acting Court President may permit the ship holder to use and exploit it if he submits an adequate guarantee or has adequately organized the management of the ship during the period of attachment in the manner determined by the Permit to use the ship.

Article : 64

- 1) A copy of the Attachment Report shall be handed to the Captain of the Ship or his deputy acting for him, and another copy to the competent Maritime Authorities in the Port where the attachment is levied in order to prevent the ship from departing. A third copy shall similarly be delivered to the Office of Registration in the aforementioned Port.
- 2) If the ship is registered in the Arab Republic of Egypt, the Registration Office in the Port where the Attachment is imposed shall notify the Office of the ship's registration, of such attachment, in order to mark it in the Register.

Article : 65

The creditor shall file an action in debt and for pointing (attachment) validity before the Court of First Instance within whose precincts the attachment was levied, during the eight days following immediately the delivery of the attachment report to the Captain of the Ship, or his Deputy acting for him, otherwise the attachment shall be considered as never having existed.

Article : 66

- 1) The Court Ruling On Validity of Attachment shall comprise the writ of sale, the sale conditions, the day set for concluding the sale, and the basic price determined therefor.
- 2) An appeal may be brought against the Court Ruling whatever the amount of the debt, within fifteen days from the date the Ruling is passed.

Second : Distress On The Ship

Article : 67

- 1) Executory distress on the ship shall not be levied except after serving an official notice on the Debtor to proceed with paying the debt. Serving the notice and levying the distress may take place as one procedure.
- 2) The notice shall be served on the person of the owner himself or at his domicile. If the matter is connected with a debt on the ship, the notice may then be served on (handed to) the Captain or the person acting for him.

Article : 68

- 1) A copy of the distress report shall be delivered to the Ship's captain or the person acting therefor, and another copy to the competent maritime Authority at the Port where the distress is levied in order to prevent the ship from departing. A third copy shall be delivered to the Registration Office at the foregoing Port and a fourth copy to the Consul of the country whose nationality is held by the Ship.
- 2) If the Ship is registered in the Arab Republic of Egypt, The Office of Registration in the Port where the distress is levied shall notify the Office of the Ship's registration, of the distress thus levied in order to mark an annotation thereof in its register.

Article : 69

- 1) The Distress report shall comprise a citation to appear before the Justice of Execution at the Court within the precincts of which the distress is levied in order to hear a ruling of the Court to sell the ship.
- 2) The Court sitting shall not be scheduled before the fifteenth day or after the thirtieth day from the date of distress. No date in consideration of the distance shall be added to the foregoing date.

Article : 70

- 1) If the Court passes a ruling to sell the ship, the basic price and conditions of the Sale, as well as the days on which the bidding is to take place shall also be determined thereby.
- 2) Announcing about the sale shall be done through publishing in a daily newspaper. The Sale conditions shall also be affixed at the Office of Registration of the Ship, on the ship itself, and at any other place to be determined by the Court. The notice shall comprise the following :
 - A. Name of the distrainer and his domicile.
 - B. Data of the document by virtue of which the attachment is levied.
 - C. Amount for which the distraint is levied.
 - D. Domicile as elected by the distrainer in the precinct within which the ship is located.
 - E) Name and domicile of shipowner.
 - F) Name and domicile of distrainee.
 - G) Name and description of the ship.
 - H) Name of the Ship's Captain.
 - I) Place at which the ship is located.
 - J) Basic price and sale conditions.
 - K) Date, place, and hour at which the sale is taking place.
- 3) No sale shall take place except after the lapse of fifteen days from the date of completing publishing procedures.

- 4) If the creditor does not fulfill the publishing procedures within sixty days from the date of the Court ruling to sell the Ship, the Court at the Debtor's request may pass a ruling to consider the attachment as never existing.

Article : 71

Selling the ship shall take place after two Sessions separated by a seven-day interval. The highest offer in the first session shall be acceptable temporarily and taken as a basis for bidding in the second session during which the sale shall take place finally in favour of the bidder offering the highest price in the two sessions.

Article : 72

If no offer is submitted on the date set for selling the ship, the Court shall set a new basic price to be lower than the first basic price by no more than one fifth of it and shall determine a date for the bidding session. Procedures of announcing the bidding session shall be followed as prescribed in article 70 of the present law.

Article : 73

The successful bidder shall pay a fifth of the price upon adjudicating the sale providing the successful bidder shall deposit the rest of the price as well as the expenses in the Court's treasury within at most seven days from the date of adjudicating the sale, failing which the ship shall be re-sold on his responsibility.

Article : 74

- 1) No appeal may be filed against the sale adjudication ruling except for a flaw and fault in the bidding procedures or the form of Court ruling.
- 2) The date for filing the appeal shall be within fifteen days from issuing the sale adjudication ruling. No further days in consideration of distances shall be added to such period.

Article : 75

- 1) Actions filed to validate or annul the attachment shall be lodged with the Clerks Office of the Court carrying out the sale, at least forty eight hours ahead of the day set for the bidding session. Submitting the initiatory pleading for such actions shall result in stopping the sale procedures. A ruling which is issued in these actions may be appealed against within fifteen days from the date of issuing the ruling.
- 2) If the appellant loses the case a ruling may then be passed inflicting upon him a fine of not less than five hundred pounds and not exceeding three thousand pounds, subject always to compensations if necessary.
- 3) Droitural actions which are brought after issuing the sale adjudication ruling shall be considered as a cessation ? against the delivery of amounts raised from the sale.

Article : 76

Distributing the price collected from the bidding shall be subject to the provisions prescribed in the Civil and Commercial Procedural Law concerning the distribution of proceeds raised from execution of the ruling.

Article : 77

If a ship is sold as a result of levying an attachment on it, the successful bidder shall bind himself by the work contracts of the Captain or sailors working on the ship.

Part - II

Persons Of Maritime Navigation

Chapter : 1 **Owner And Furnisher Of The Ship**

Article : 78

The furnisher of a ship is the party using and exploiting the ship for its account in his capacity as owner or charterer thereof. The owner shall be considered furnisher of the ship until otherwise established.

Article : 79

A decree of the competent Minister shall regulate the technical issues connected with furnishing the ship and forming its crew and sailors, and also of its safety, with due observation of international conventions in force in this respect in the Arab Republic of Egypt and custom of trade.

Article : 80

The owner or furnisher of the ship shall be in civil terms responsible for the actions and deeds of the ship's captain, crew and sailors and also the pilot and any other person in the service of the ship, if such deeds and actions should take place during or because of their performance of their duties. He shall also be responsible for the Captain's obligations ensuing from contracts as concluded thereby within the limits of his legal powers.

Article : 81

- 1) The shipowner shall determine his responsibility whatever the type of such responsibility, by the amounts specified in item (A) clause (1) of article 83 of the present law if the debt is resulting from either of the following reasons:

- A. Damages caused by the ship to the Harbour's installations, dockyards, water courses, or navigational aids.
- B. Physical and material damages occurring on board the ship, or those connected directly with maritime navigation or the operation of the ship.
- 2) The shipowner may insist on determining his responsibility in the cases specified in the previous clause, regardless whether the debt is in favour of the State or a public person. Insisting on determining the responsibility shall not be considered as recognition thereof.

Article : 82

A shipowner shall not insist on determination of responsibility if the debt is resulting from any of the following reasons :

- A) Floating a sunken or stranded or deserted ship, lifting its wrecks and lifting its cargo and objects found on it.
- B) Salvaging the ship.
- C) Participating in joint losses.
- D) The rights of the ship's captain and crew and all other persons subservient to the shipowner who happen to be working on the ship or whose job is related to serving the ship. Also the rights of successors and heirs of such persons.
- E) Nuclear damage.
- F) Damage resulting from oil pollution and contamination by other materials.

Article : 83

- 1) The responsibility of the shipowner shall be determined pursuant to the following :
 - A) With regard to prosecutions resulting from physical damages, the liability shall be determined at Six Hundred Thousand Pounds if the

total tonnage of the ship does not exceed 500 (five hundred) tonnes. If the total tonnage is in excess of such figure, the liability shall be increased by three hundred and fifty pounds per tonne in excess.

- B) For prosecutions resulting from other than physical damages, the liability shall be determined at three hundred thousand pounds if the total tonnage of the ship does not exceed five hundred tonnes. If the total tonnage exceeds this figure, the responsibility shall be increased by one hundred and fifty pounds per tonne in excess.
- 2) Any agreement shall be null if taking place before occurrence of the incident instituting the debt and the subject of such agreement is connected with determining the liability of the shipowner at less than the amount prescribed in the previous clause.
- 3) The total tonnage of the ship is calculated according to laws and decrees issued in connection therewith.

Article : 84

If the amount appropriated for physical damages is inadequate to fulfill the liability in full, these damages shall have their share as well in the amount appropriated for other than the physical damages.

Article : 85

Distribution for either of these two groups, out of the damages referred to in clause (1) of article 83 of the present law shall be made in the proportion of each undisputed debt. However, damages as indicated in item (A) clause (1) of Article 81 of the present law shall have precedence over other damages which are mentioned in item (B) clause (1) of article 83.

Article : 86

Amounts appropriated for compensations for non-physical damages resulting from one incident shall be considered an independent unit appropriated for payment of compensations due in connection with such incident regardless of debts resulting or which could result from another incident.

Article : 87

- 1) If for the same incident a debt becomes payable to the shipowner by one of the creditors in such accident, determining the liability shall only apply to the rest of the amount remaining from a set-off of the two debts.
- 2) The Creditor shall take no Procedures on the properties ,of the shipowner if the amounts appropriated for compensation are actually placed under the hands of and at the disposal of the Creditor, or if the shipowner submits a guarantee to be acceptable by the Court.

Article : 88

- 1) If the shipowner before distribution of the amounts appropriated for compensations arranges to settle one of the debts subject of such distribution he may then replace the creditor in this distribution within the limits of the amount he has already settled.
- 2) The Court - at the request of the shipowner - may withhold for a period to be determined thereby part of the amounts appropriated for payment of compensations, toward settling a debt the shipowner is established to be committed to settle.

Article : 89

The shipowner may not insist on determining his responsibility if the Claimant establishes that the damage was caused by some act or refraining from an act of the shipowner or his deputy with the aim of causing the damage or by an indifference and recklessness with the knowledge that some damage could occur.

Article : 90

- 1) The liability action against the shipowner shall lapse with the expiry of two years from the date the act establishing the liability occurs.

- 2) The validity of the period prescribed in the previous clause shall be interrupted by sending a registered letter with acknowledgment of receipt or by taking receipt of documents connected with the claim or also by delegating an expert to assess the damages, in addition to the other causes prescribed in the Civil Law.

Article : 91

- 1) The provisions on determining the liability of the shipowner shall apply to the furnisher who is not owner of the ship, the charterer, the maritime director in common, the insurer, and persons who have performed services directly related to the ship salvage operations. These provisions shall also apply to the Captain and Crew of the Ship and other subservients of the ship owner, as far as the performance of their assignments is concerned, providing the liability of the shipowner and that of the subservient for the same accident shall not exceed the limits prescribed in clause (1) of article 83 of this law.
- 2) If an action is brought against the Captain or crew of the ship, or others who are subservients thereto, they may determine their responsibility even if the incident causing the damage was due to a personal fault on their part in their capacity as defined.

Chapter : 2 **C a p t a i n**

Article : 92

The furnisher of the ship shall appoint the Captain of the ship and remove him. The Captain, in case of his removal, shall have the right to compensation if justified in accordance with the general rules.

Article : 93

- 1) The Captain alone shall command the ship and direct the sea journey. The officer who is directly next to him in rank shall act for the Captain in case of the latter's decease or absence or in case of some other impediment.

- 2) In Commanding the ship, the Captain shall observe the technical rules and norms in maritime navigation, and the international conventions in force in the Arab Republic of Egypt, the maritime usage, and the rules applicable in the ports of the country where the ship is anchored.
- 3) The Captain shall maintain the ship's seaworthiness and arrange for the sufficiency of supplies and all that is required for the ship during its sea journey.

Article : 94

- 1) The Captain of the ship shall not relinquish its command from the time it begins the journey until the ship's arrival at a safe port or berth.
- 2) He shall not quit the ship or issue an order to leave it except for an impending danger and after consulting its officers. In this case he shall salvage the funds and papers of the ship, and the most valuable goods if so possible.

Article : 95

The Captain shall personally assume the command of the ship on entering a port, or a berthing place, or a river, and also on coming out of such places, or during its transit through a water/maritime course, and also in all cases where the ship is faced with special obstacles, even if the Captain is obliged to use a pilot.

Article : 96

- 1) The Captain shall have notarization power on the ship.
- 2) On persons who exist on the ship, the Captain shall have such powers as are necessary to maintain order security and safety of the ship and its journey. He shall also have the power to inflict disciplinary penalties according to laws in regulation thereof.

Article : 97

- 1) In case birth or death occurs during the journey, the Captain of the ship shall register such facts in the Ship's official incidents book, and follow the procedures prescribed in Civil Status Laws.
- 2) In case of decease of a person on the ship, the Captain shall participate with one of the ship's officers in taking stock of the luggage belonging to the deceased, preserve them, and deliver such luggage to the competent administrative authorities in the first port to be reached thereby in the Arab Republic of Egypt.
- 3) If any person on the ship suffers an infective disease the Captain may instruct that he be landed at the nearest place where he can be treated.

Article : 98

- 1) If an accident is committed on the ship the Captain pending arrival of the appropriate and competent authorities assume collecting evidences and conducting investigations which cannot tolerate any delay. In case of necessity he may order detaining the convict in custody and take procedures and steps as necessary for safekeeping the objects that might be useful in providing evidence for the crime.
- 2) The Captain shall draw up a report on procedures as taken by him, and deliver such report together with his report on collection of evidences and seized objects, to the Public Prosecution or to a Legal Officer at the first Egyptian Port he is to reach.

Article : 99

- 1) The Captain shall be considered the legal deputy of the furnisher of the ship, as well as his representative in Court. His task as deputy and delegate of the furnisher shall comprise all works necessary for the ship and the journey. All limitations affecting such delegation shall not be made use of vis-a-vis good faith third parties. The Captain shall exercise the powers prescribed therefor vis-a-vis those holding an interest in the ship or the shipment.

- 2) The capacity of legal representative for the furnisher shall not be established for the Captain except for the place where the furnisher or an agent of the furnisher is not available. The presence and existence of the furnisher or his agent shall not be aducible and made use of vis-a-vis third parties, unless that third party is aware thereof. However, the Captain may carry out usual and ordinary works connected with the management of the ship and its simple repairs and employ and remove the crew at the place where the ship's furnisher or an agent of the furnisher is available.

Article : 100

In relation to his trading and merchant functions, the Captain of the Ship shall follow and apply the instructions of the Ship's outfitter and rigger, and according to practices, shall notify him of all issues connected with the ship and the Consignment.

Article : 101

The ship's Captain shall keep in his ship , during the journey, all documents as required by Law and as related to the Ship, Crew, Travellers, and Consignment.

Article : 102

- 1) The Captain shall hold the official accident and status Book of the Ship. The pages of such official book shall be numbered and marked with the annotation of the competent Maritime Department.
- 2) In the Official Accident and Status Book of the Ship shall be recorded all emergency incidents, the decisions to be taken during the voyage and the daily notes and remarks concerning the climate and the sea. The book shall comprise a statement of crimes and wrongdoings as are committed by the crew or travellers, the disciplinary penalties as inflicted on them, and the birth and death cases occurring on the ship.
- 3) The Captain of a propeller-ship shall hold a register of the motive engines, in which he shall indicate the quantity of fuels he has taken with him, on

travelling and the daily consumption of such fuels, and all that is connected with the motive engines.

Article : 103

Within twenty four hours from the ship's arrival at the Port of Destination or the place where it has anchored optionally or compulsory, the Captain shall submit the Official Book of Accidents and Status to the competent Maritime Department to have it marked with its annotations. Annotations in the Book, outside the Arab Republic of Egypt shall be entered by the consul or the competent local Authority where no Consul exists.

Article : 104

- 1) In case unusual incidents should occur during the Journey, as connected with the ship or persons boarding the ship, or the consignment carried thereby, the ship's Captain shall draw up a report on such incidents.
- 2) The Captain shall submit such report to the competent Maritime Department within 24 hours from the Ship's arrival at the Port or the Berthing Place. The report, outside the Arab Republic of Egypt, shall be submitted to the Consul, or the competent Local Authority where no Consul exists.
- 3) The Department/Authority to which the Report is submitted shall assume its investigation by hearing the statements of the crew and travellers if so necessary, and collect all data and information that could assist in reaching the truth about the contents of the report, and draw up a report on all steps thus taken, of which the Captain shall receive a copy. In all cases, evidence may be established to the contrary of the Report contents.
- 4) With the exception of extreme necessity cases, the Captain may begin to unload the ship before submitting the foregoing report.

Article : 105

- 1- Where there is a sudden need arising during the journey, the Captain may obtain a loan guaranteed by the ship and its rental. Should the guarantee be inadequate, the loan may be obtained with the guarantee of the ship's

consignment. In all cases, however, no loan may be obtained except after a permit is obtained from the Summary Court Justice in the area where the ship is berthing in the Arab Republic of Egypt, and from the Consul, or the Local Judiciary Authority where no consul exists if the ship is outside the Arab Republic of Egypt.

- 2- If the Captain could obtain no loan, he may then, after obtaining an authorization to be issued according to the provisions of the previous clause, proceed with selling the goods subject of the shipment, up to and within the limits of the amount thus needed. The Captain or the Ship's outfitter and furnisher shall calculate the account of goods thus sold, for their owners, on the basis of the current price of goods of their kind and nationality (source) at the Port of destination on the expected day of their arrival.
- 3- The Shippers or their Agents may object to Mortgaging or selling the Goods, and demand unloading the goods providing they shall pay the full freight thereof.

Article : 106

The Captain shall not sell the Ship without special authority and delegation from its owner.

Article : 107

- 1- If during the journey the Captain is obliged to get the ship repaired, the charterer or the shipper shall then have the option either to wait pending repair of the ship or get his goods out of it and in this (latter) case the charterer or shipper shall pay the freight in full.
- 2- The Charterer or Shipper shall not bear any increase in the freight, for the period of ship repair. If it is found impossible to get the ship repaired within a reasonable period, the Captain shall charter one or more ships, with expenses at his cost to carry the goods to their destined place without claiming any increase in the freight. If this is also impossible, the freight shall only be due in respect of the part of the journey covered by it. In this case, each shipper shall assume transport steps for his goods, and the captain shall apprise them of the situation and condition in which he is found

and take all necessary means to preserve the goods. This shall all be valid unless there is an agreement providing otherwise.

Article : 108

- I- The Captain of the Ship shall take all steps required to maintain the interests of the Ship owner, the outfitter, the crew, the travellers, and all title holders on the Ship, in accordance with trade usage.
- 2- The Captain shall, in case of necessity, carry out all steps considered as urgent and required for the safety of lives and for the preservation of the ship and the consignment. However, he shall notify the furnisher and outfitter before deciding to carry out any unusual steps if circumstances would allow so doing.
- 3- The Captain shall be responsible and accountable for his faults and mistakes simple as they might be.

Chapter : 3

The Crew And The Maritime Labour Contract

First : General Rulings

Article : 109

- I- A Crew member shall mean every person engaged by virtue of a maritime labour contract. The Captain shall be considered as member of the crew in relation to the Labour Contract concluded between him and the outfitter/furnisher.
- 2- Laws, Regulations, and International Conventions in force in the Arab Republic of Egypt and Maritime Usages shall determine the meaning defined for the Captain, Officers, and Maritime Engineers, and the number of sailors required to man the ship, as well as the qualifications and conditions to be fulfilled thereby.

Article : 110

- 1- No person enjoying the Egyptian Nationality shall perform any work on board a ship sailing outside Egyptian territorial waters except after obtaining a sea passport from the competent Maritime Department.
- 2- Such sea passport shall be subject to the provisions prescribed in laws and decrees as issued in respect thereof.

Article : 111

No person may carry out a work on an Egyptian Ship except after obtaining a licence from the competent Maritime Department according to laws and decrees issued in respect thereof.

Article : 112

- 1- No foreigner may work on a Ship engaged in coastal navigation, tugging, or piloting business in Egyptian ports, except by virtue of a licence to be obtained from the Competent Maritime Department.
- 2- The Number of foreign sailors working on Egyptian ships and the wages appropriated for them shall not exceed the percentages to be specified by a decree of the competent Minister.

Second : Maritime Labour Contract

Article : 113

A Maritime Labour Contract is a contract under which a person is bound to work on a ship against wage payment and under the control and surveillance of the Ship's Outfitter or Master.

Article : 114

- 1- The Maritime Labour Contract shall be subject to the provisions of laws on work and social insurance , where no other provision is prescribed in the present law.
- 2- The provisions of the Maritime Labour Contract as prescribed in the present law shall not apply to persons working on sea vessels with a total tonnage of less than 20 tonnes.

Article : 115

A Maritime Labour Contract shall only be established in writing. However, a sailor may alone provide proof thereof and establish it by all methods of evidence.

Article : 116

- I- A maritime Labour Contract shall be drawn up in triplicate, of which one copy shall be delivered to the Employer, the second deposited with the competent Maritime Department, and the third shall be handed to the Sailor, unless it is a joint Contract in which case the Employer shall retain the last copy, while the sailor may obtain an extract of the data concerning him in it.
- 2- The Contract shall indicate the date and place of concluding it, its period, the sailor's name, age, nationality and his home address, the kind of work he is bound to perform, his wage and the method of its determination, as well as the number, date, and place of issuing his sea passport and the maritime work permit. If the contract is signed per journey, it shall indicate the date of travel, the port from which the journey is originating, and the port at which it is terminating .
- 3- The Employer shall deliver to the sailor a receipt concerning all papers deposited with him by the sailor.

Article : 117

- 1- A sailor should perform the work agreed upon, and shall obey the orders of his supervisors as regards the service on the ship. He shall not leave out of the Ship without permission.
- 2- The sailor, in case of danger, shall work in salvaging the ship and rescuing the persons on it as well as the consignment. In the latter case, he shall be granted a compensation/bonus for extra/overtime work such that the bonus shall not be less than the wage due for hours spent on such work.

Article : 118

The Ship's Master or any crew member shall not ship goods on the ship for his own account except with a permission from the Employer. Violating this prohibition shall result in binding the violator to pay freight for the goods thus shipping to the Employer, plus another equal amount. The Ship's master may also order that these goods be hurled into the sea if they represent a danger to the safety of the ship or the persons boarding it, or also to the consignment, or if they necessitate the payment of fines or costs.

Article : 119

- 1- The Employer shall pay the wages of the sailors at the time and place to be indicated in the Contract, or as provided for in maritime usage.
- 2- The minimum wages and salaries of sailors on Egyptian ships, their pay increases, allowances and bonuses, as well as the method of paying them and promoting the sailors, and also regulating their vacations shall be determined by a decree of the competent Minister.

Article : 120

A percentage of which the minimum limit shall be determined by decree of the competent Minister shall be added to the sailors' wages as indicated in the Contract.

Article : 121

If the wage is set per journey, it shall not be reduced in case the journey is shortened by act of the outfitter or master of the Ship. If, however, the said act should result in extending the period of the travel, or postponing it, the wage shall be increased in the proportion of the period extension. This last ruling shall not apply to the Ship's master in case postponing the travel or extending its period should result from an error/fault of the Master himself.

Article : 122

- 1- If the sailor is appointed to work per journey for one-way trip, the Employer shall pay him his full wage if he dies after starting the journey.
- 2- If the sailor is appointed for a round trip, the Employer shall pay him half his wage if he dies during the outgoing trip or at the port of destination, and his full wage if he dies during the return trip.

Article : 123

- 1- If it is decided for a sailor's travel, he may receive a loan not exceeding one fourth of his original wage.

A statement of the loan shall be mentioned in the Sailors Register, or the Official Accident and Status Book according to each case. Such statement shall be signed by the sailor.

- 2- The loan may be paid to the sailor's wife, children, ascendants, or descendants, and also to persons living with him as dependents, by virtue of a delegation from the sailor himself.
- 3- The loan may not be retrieved in case of cancelling the contract for any reason whatsoever, even if there is agreement on retrieving the loan.

Article : 124

A sailor's wage shall not be attached or assigned except within the limits prescribed in Labour Laws.

Article : 125

The Employer shall be responsible, during the travel, for the sailor's free food and accommodation on the ship, in accordance with the laws and decrees governing such relation .

Article : 126

- 1- The Employer shall provide free medical treatment to the Sailor if he receives a wound or contracts a disease while he is serving on the ship. If the wound or disease results from disobedience or drunkenness or another like misconduct status, the Employer shall provide his medical treatment costs providing these costs shall be charged to the sailor's wages due to him.
- 2- The Employer's obligation to provide medical treatment shall terminate if it transpires that the wound or illness is incurable.

Article : 127

- 1- A sailor who receives a wound or contracts illness while serving on the ship shall be entitled to his wage in full during the journey.
- 2- Entitlement to the wage or aid after completion of the journey shall be subject to the provisions prescribed in Labour Laws.
- 3 - A sailor shall not be entitled to any wage or aid if the wound or illness should result from disobedience or drunkenness or any like misconduct status.

Article : 128

- 1- If a sailor dies while serving on the ship, the Employer shall pay the expenses of his interment in his country whatever the cause of the decease.
- 2- The Employer shall deposit in the treasury of the competent Maritime Department the cash pay and other amounts as shall be due to the deceased sailor, within fifteen days from the date of his death.

Article : 129

- 1- The Employee shall return the sailor to the Arab Republic of Egypt if during the travel something should occur which necessitates the sailor's debarkment from the Ship unless this is taken place upon orders from the foreign Authority or based on an Employer Sailor accord.
- 2- If a sailor is appointed at port of the Arab Republic of Egypt, he shall be returned to that Port, unless it is agreed in the contract on returning him to another port in it.
- 3- If the sailor is appointed in a foreign port, he shall be returned according to his choice to that same port, or to another port he shall determine in the Arab Republic of Egypt.
- 4- The foreign sailor shall be returned to the port where he has been appointed, unless the contract provides for returning him to a port in the Arab Republic of Egypt.
- 5- The obligation to return the sailor shall comprise his food and accommodation expenses, in addition to his transport costs.

Article : 130

If the Labour contract is concluded for a determined period, and such period expires during the journey, the validity of the contract shall extend by force of law until the ship arrives at the first Egyptian Port. If the ship transits before its entry in an Egyptian Port, by the port where the sailor should be returned

according to the provisions of article 129 of the present law, the Contract shall only extend to the time of the ship's berthing in that Port.

Article : 131

If a sailor dies in defending the ship or its shipment or the travellers on the ship, his successors (heirs) shall be entitled to an amount equivalent to his wage for three months, or the wage determined for the journey, if such wage is payable by journey, in addition to indemnities and bonuses as prescribed in the present law, the labour laws and the Social Insurance Laws.

Article : 132

If a sailor is discharged from service, the Master of the Ship may not oblige him to leave the Ship if he is in a foreign port , except by written permit from the Egyptian Consul or the Local Maritime Authority where no Egyptian Consul exists. The decision of dismissal, its date and its cause shall be recorded in the Ship's book, otherwise his discharge shall be considered illegal.

Article : 133

If a force majeure prevents starting the travel, or his continuation in the service of the Ship, the sailor appointed per Voyage shall receive his pay for the days he has spent actually in the service of the Ship. However, he shall not claim any indemnity or compensation.

Article : 134

- 1- If the ship sinks or is confiscated or lost, or has been unseaworthy, the Court may pass a ruling exempting the Employer from paying the whole or part of the sailors' wages in case it is established that the harm caused to the ship has resulted from their doings or neglect in rescuing the ship or salvaging the wrecks, travellers or consignment.
- 2- The Employer in the foregoing case as mentioned in the previous clause may terminate the maritime labour contract without prior notice.

Article : 135

All lawsuits resulting from the maritime labour contract shall lapse with the passage of one year from the date of contract termination.

Article : 136

An Employer who contravenes the provisions of this Chapter shall be liable to a fine penalty of not less than five hundred Egyptian pounds and not exceeding two thousand pounds, subject to all other severer penalty prescribed in other laws. The penalty shall be multiplied with the multiplicity of those against whom such contravention has taken place.

Chapter : 4 **Maritime Agents And Contractors**

First : General Provisions

Article : 137

Contracts and works concluded and carried out by maritime agents and contractors shall be subject to the Law of the country in which lies the port where these contracts or works are effected.

Article : 138

Cases as filed against the maritime/shipping agents or contractors against the Principal or Employer may be brought before the Court within the precincts of which the domicile of the agent or contractor is situated.

Article : 139

The right of the Principal or Employer to prosecute the maritime/shipping agent or contractor shall abate with the lapse of two years from the maturity date of the debt.

Second : Ship's Agent

Article : 140

The Ship's agent, in his capacity as agent for the outfitter/furnisher shall assume the works connected with the normal requirements as necessary for the ship.

Article : 141

The Ship's Agents may deliver the goods for shipping on board the Ship in case of its departure, or deliver these goods to their title holders after unloading them from the ship on its arrival. He may as well collect the freight owing to the outfitter.

Article : 142

The Ship's Agent shall be accountable vis-a-vis the furnisher/outfitter in his capacity as agent receiving his pay for that.

Article : 143

The Ship's Agent shall not be accountable to the shippers or consignees, for the destruction or damage occurring to the goods he receives for shipping on the Ship, or those which he unloads from the Ship in order to deliver them to their owners, except for his personal mistake and the mistake of his subordinates.

Article : 144

The Ship's Agent shall be considered as deputy to the outfitter/furnisher in respect of the court actions brought by or against the latter in the Arab Republic of Egypt. The domicile of the Ship's agent in Egypt shall also be considered as domicile for the outfitter/furnisher at which the latter shall be served legal and non-legal notices and papers.

Third : Agent For The Shipment

Article : 145

The Shipment Agent shall represent and deputise for the parties concerned in receiving the goods upon arrival and in paying the freight as well in case this is wholly or partly due for payment.

Article : 146

The Shipment Agent shall take all procedures and arrangements as required by law, to maintain the rights of parties concerned to the goods subject of the shipment, vis-a-vis the carrier, otherwise he shall be considered and presumed to have received the goods according to their conditions and quantities as mentioned in the bills of lading. The contrary may be established, of such presumption, in the relation between the Shipment Agent and the Carrier.

Article : 147

- 1- The Shipment Agent shall be accountable vis-a-vis the parties concerned, for the goods he has received, in his capacity as salaried agent.
- 2- The provisions prescribed in article 143 of the present law shall apply to the Shipment Agent.

Fourth : Maritime Agent

Article : 148

- 1- The Maritime / Shipping Agent shall perform all material operations connected with loading or unloading the goods on or from the Ship.
- 2- The Maritime / Shipping Agent may be assigned to carry out for account of the outfitter/furnisher, shipper, or consignee, other operations connected with loading or unloading providing such assignment shall be entrusted thereto in express writing, by the Ship's Agent or Shipment Agent.

Article : 149

- 1- The Maritime Contractor shall undertake the loading and unloading operations and other additional works for account of the party assigning the job thereto. The Contractor shall only be accountable in this respect to such person who alone may file an Action against this Contractor.
- 2- If the Carrier is the party assigning to the Maritime Contractor the task of fulfilling the work upon instructions from the concerned party, or based on a provision set forth in the bill of lading or the ship charter deed, the carrier shall notify the maritime contractor accordingly.

Article : 150

The Maritime Contractor shall be accountable for the works undertaken thereby according to article 148 of the present law, concerning his and his subordinates' faults and errors.

Article : 151

The Maritime Contractor shall be subject to the provisions on determination of liability/responsibility as prescribed in article 233 of the present law.

Part - III

Exploiting The Ship

Chapter : 1 **Chartering The Ship**

First : General Rules

Article : 152

The Charter of a ship is a deed whereby the lessor places a specific ship, or part thereof, at the Charterer's disposal, against rental payment, for a specified period (chartering by period) or for carrying out one or several specific voyages (chartering by voyage).

Article : 153

A charter deed of the Ship shall be established only in writing, with the exception of chartered ships whose total tonnage does not exceed 20 tonnes.

Article : 154

Selling the Ship shall not result in terminating its charter deed.

Article : 155

Save for ships whose total tonnage does not exceed 20 tonnes, a charter contract of the Ship shall not be pleaded if the charter period exceeds one year, unless such charter is recorded in the Ships Entry Register.

Article : 156

The Charterer of a ship may exploit and use the ship in transporting persons, and in carrying goods even though these goods are owned by a third party, unless otherwise prescribed in a provision of the Charter Deed.

Article : 157

- 1- The Charterer of a ship may sublet the Ship to a third party unless otherwise provided in the Charter Deed.
- 2- In case of subletting the ship, the original charterer shall remain accountable vis-a-vis the lessor for the obligations resulting from the Charter Deed.
- 3- A sub-lease shall not result in a direct relation between the lessor and sub-lessee. However, the lessor may have remedy over the sub-lessee up to and within the limits of the rental due thereby to the original charterer, subject to the Rules on Omissive Responsibility.

Article : 158

- 1- The Lessor of a ship shall have the right of locking up the goods Carrier by the ship which are a property of the Charterer to guarantee settling the rental to the lessor, together with all relevant ancillaries, unless a bail is ordered by a ruling of the Summary Court Justice.
- 2- In case of using the right of locking up the goods, the Justice shall order unloading the goods from the Ship, and depositing them with a Trustee to be specified by the Judge. He may also order selling the whole or a portion of the goods for settlement of the rental and its ancillaries. A date shall be determined by the Judge for a session to sell the goods. The judge shall also indicate the method and way of carrying out such sale.

Article : 159

The Lessor shall have a privileged right on the goods referred to in the previous article to guarantee settlement of the rental and its ancillaries.

Article : 160

No renewal of the Ship's charter deed is presumed after expiry of the charter deed period.

Second : Chartering A Ship Without Outfit

Article : 161

Chartering a Ship without outfitting it is a contract whereby the Lessor shall place the Ship under the Charterer's disposal for a determined period, without outfitting, furnishing, and supplying it with sailors and provisions, or after furnishing it without inadequate supplies and sailors.

Article : 162

- 1- The Lessor shall place the ship at the Charterer's disposal at the time and place as agreed upon, The Ship thus chartered shall be seaworthy and good for use as agreed between the two parties.
- 2- The Lessor shall repair the ship of any damage caused to it, or replace the damaged parts thereof if the damage is caused by a force majeure or self-imperfection in the ship, or if the damage results through ordinary use of the ship and for the purpose agreed upon. If the damage in such cases results in delaying the use of the ship for a period exceeding twenty four hours, no rental shall be payable for any excess period during which the ship remains delayed by such damage.

Article : 163

- 1- The Charterer shall preserve the ship in good maintenance, and use it for the purpose agreed upon, in accordance with its technical characteristics as recorded in the ship's navigational licence.
- 2- As different from the cases prescribed in paragraph-2 of the previous Article, a charterer shall be responsible for repairing the damage occurred to the Ship, or replacing the equipment and engines to become damaged on the ship.

Article : 164

The Charterer shall appoint the sailors, sign labour contracts with them, and pay their wages and all other obligations an employer is required to fulfill. The Charterer shall bear the expenses involved in exploiting the ship, as well as the insurance fees and premiums thereon.

Article : 165

- 1- The Charterer shall return the ship at the end of its charter deed, in same condition as it was originally handed over thereto, with due consideration to possible consumption through normal and ordinary use thereof. Returning the ship shall take place at the port it was originally delivered to him, unless otherwise agreed .
- 2- The Charterer shall return the provisions and supplies as existed on the ship, and in the same condition as when delivered to him at the time the ship was handed over thereto. If these items are destroyed through being used, the Charterer shall return other substitutes to replace them.
- 3 - In case the Charterer Delays returning the ship for a reason due to him, he shall pay a rental equivalent to that of the ship for the first fifteen days, and twice the rental for other days of delay in excess of that, unless the lessor establishes that the damage occurred by such delay exceeds the rental amount of the days thus delayed.

Article : 166

The Charterer shall guarantee the procedures taken by third parties in having remedy over the lessor for reasons due to the Charterer's use and exploitation of the ship.

Article : 167

Actions at Law resulting from the charter deed of a ship leased unfurnished shall lapse with the expiry of two years from the date the ship is returned to the

lessor, or the date of deleting the ship from the Register of Ships in case of its destruction.

Third : Lease Of An Outfitted Ship

(1) General Provisions

Article : 168

Leasing a furnished and outfitted ship is a contract whereby the Lessor shall provide a specified ship fully outfitted and furnished at the Charterer's disposal for a determined period, or for specified voyage (s).

Article : 169

The Lessor shall be responsible for the damage occurring to the goods and merchandise brought on board the ship by the Charterer, unless the lessor establishes that he has carried out his obligations in full, and that the damage occurred did not result from negligence on his part or by the lessor's subordinates in fulfilling such obligations.

Article : 170

The Charterer shall account and be responsible for the damage occurring to the ship or the goods shipped on it if such damage is a result of his improper use of the ship or a defect/fault in the merchandise loaded on it.

Article : 171

1. Actions at law, resulting from the lease contract of a furnished and outfitted ship shall lapse with the expiry of two years, and the period for Lapse of the Action in case of chartering the ship for specified period, shall begin from the date of contract termination, or the date of ending the last voyage, in case the period is extended according to paragraph 2 of article 178, or the date of learning about the occurrence of the incident which renders the implementation or continuing the implementation of the contract feasibly impossible.

2. The period in case of leasing the ship per voyage shall lapse from the date of completing the voyage or the date of learning about the accident occurrence which makes the start of or continuing the voyage practically impossible. The voyage shall end with the ship's arrival at the port agreed upon, and with unloading the merchandise placed on the ship by the Charterer.
3. The period, in case of the ship's destruction, shall begin from the date of deleting it from the Register of Ships.

(2) Leasing The Ship Per Period

Article : 172

In the deed of Chartering the Ship per period, the following data shall be mentioned :

- a) Name of lessor, name of charterer, and address of both lessor and charterer.
- b) The Ship's name, nationality, and tonnage, and other data as necessary for its determination.
- c) Amount of rental of the Ship and method of its calculation.
- d) Lease Period.

Article : 173

The Lessor shall provide the Ship at the disposal of Charterer, at the time and place as agreed upon, and the ship, as provided by lessor, shall be seaworthy and outfitted with all furnishings as required for implementing the operations specified in the lease contract. The Lessor shall maintain the ship in this seaworthy and furnished condition for the whole lease period.

Article : 174

- 1) The Lessor shall maintain and reserve for himself the navigational management of the Ship.
- 2) The Trading management of the ship shall be transferred to the Charterer who shall also bear its expenses, and shall in particular supply the ship with refuelling, oils and lubrication services, and settle the port duties and pilotage fees, and all other such expenses. The Ship's master shall comply with the Charterer's instructions in connection with such management.

Article : 175

The Charterer shall pay the rental amount in full for the whole period during which the ship is placed at his disposal even though the ship might have to stop and discontinue sailing because of navigational accidents. However, if the ship is attained by some damage rendering it unfit for commercial use and the period required for its repair will exceed twenty four hours, the rental of the charter ship shall not be payable for the excess period during which the ship remains unsuitable for use.

Article : 176

- 1) The rental amount of the Charter ship shall not be due if the Ship is wrecked/destroyed or stopped from sailing/continuing its voyage because of a force majeure or by an act of the Lessor or his subordinates.
- 2) If the news of the ship is stopped/interrupted then the ship is established to have been wrecked, the ship's rental shall be payable in full up to the date the last news is received about it.

Article : 177

The Lessor shall restore his right to take over and have full control and disposal over his ship if he does not receive the full rental amount within three days from the date of serving a Disrationare//Warning on the Charterer for payment of the rental. The Lessor shall in this case carry the Charterer's

merchandise goods as shipped on the Vessels, to the port of destination against charging the freight as normally charged for equal instances, without derogation to the Lessor's right of claiming damages.

Article : 178

- 1) The Charterer, at the expiry of the Charter lease shall return the ship and hand it over to the lessor at the Port where it was placed at his disposal, unless otherwise agreed.
- 2) If the Charter period expires during the ship's voyage, the contract shall extend, by force of law, to the end of the voyage. The Lessor shall in this case be paid the rental as prescribed in the lease for excess days.
- 3) The rental amount shall not be reduced in case the ship is returned before expiry of the charter period unless otherwise agreed.

(3) Chartering The Ship Per Voyage

Article : 179

In the Ship's charter lease per voyage, the following shall be mentioned :

- A) The name and address of each of the Lessor and Charterer.
- B) The Ship's name, nationality, tonnage, and all other relevant descriptions as needed to define it.
- C) Type, amount, and description of the ship's cargo & load.
- D) Places of loading and unloading and the period during which it was agreed to fulfill this assignment.
- E) Freight and the method of its calculation.
- F) Indication of voyages as agreed to be performed.

Article : 180

The Lessor shall place and provide the ship at the disposal of the Charterer at the time and place agreed upon between them . The ship shall also be seaworthy and outfitted with all necessary furnishings as needed for carrying out the voyage(s) specified in the Charter lease. The Lessor shall maintain the ship in this condition all through the voyage(s), and fulfill all requirements on which depends the fulfillment of such voyage(s).

Article : 181

The Lessor shall maintain and reserve for himself the navigational and also the mercantile management of the Ship.

Article : 182

- 1) The Charter shall load, ship and unload the goods within the periods agreed upon in the charter contract unless no periods are specified in the deed in which case maritime usage shall be applicable.
- 2) The usage of the Port of Shipment or the Port of unloading shall apply in calculating the periods. Where no usage particular to that port is applicable the general maritime usage shall apply.

Article : 183

- 1) If shipping or unloading the goods is not fulfilled during the period as originally specified in the contract or determined by the usage of navigation, an additional period equal to the original period shall apply, for which the Lessor shall be entitled to a daily compensation as specified by the Contract or Usage. If, however, shipping or unloading the goods is not carried out within that additional period, a further additional period not more than the first period shall apply for which the lessor shall receive a daily compensation equivalent to time and a half the daily compensation prescribed for the first additional period. The foregoing compensations shall not derogate the right to other compensations becoming payable in respect thereof.

- 2) The daily compensation payable for the additional period above shall be considered as extras to the freight and subject to the provisions governing such freight.

Article : 184

- 1) If the shipment is fulfilled and carried out before expiry of the period determined therefor, the days remaining thereof shall not be added to the period of unloading as prescribed, unless otherwise agreed.
- 2) Agreement may be reached on granting the Charterer a bonus for expediting the shipping and unloading assignment.

Article : 185

After the lapse of unloading periods, the captain of the ship may order the disembarkment of goods as shipped on the vessel, at the Charterer's cost and responsibility. However, the Ship's master shall take necessary arrangements and procedures to ensure the safety of goods unloaded from the ship.

Article : 186

If the Charterer does not ship all the goods agreed upon, he shall still pay the full freight on the original full cargo.

Article : 187

The Lessor shall not ship on his vessel other than the goods of the Charterer, without the latter's approval.

Article : 188

The Charter Deed of the Ship shall be rescinded without compensation by the lessor or the Charterer, in the event a force majeure should occur which renders impossible the fulfillment of the trip, or in case trade is banned with the country where the Port determined for unloading the goods is lying.

Article : 189

The Charterer may terminate the Ship's charter deed any time before starting the shipment of goods thereon, against compensating the Lessor for the damage caused to the latter by such termination, providing the compensation shall not exceed the equivalent of the freight agreed upon.

Article : 190

The Charterer may demand, any time during the ship's voyage, unloading the goods before their arrival at the port of agreement, providing he shall pay full freight and unloading costs on these goods.

Article : 191

The Charter Deed shall remain valid without increasing the rental or paying a compensation, in case a force majeure should temporarily prevent the ship from sailing or continuing its voyage, in which case the Charterer may unload the goods at his expense, and later ship them again on the ship, always at his expense, and full freight and rental shall be payable thereby.

Article : 192

If the voyage begins, then it becomes impossible to continue sailing for reasons which are not due to the Lessor or his subordinates, the Charterer shall then only pay the freight/ rental corresponding to the portion covered of the voyage.

Article : 193

- 1) If it becomes practically impossible to reach the Port determined for unloading the goods, the Lessor shall direct the ship to the nearest port to the one specified in the deed, where the goods may be unloaded.

- 2) The Lessor shall bear the cost of carrying the goods to the port agreed upon, unless the ship's arrival there has been impossible because of a force majeure in which case the Charterer shall bear the costs.

Article : 194

- 1) No rental shall be payable if the goods carried on the ship by the Charterer are destroyed unless the payment of the rental is otherwise agreed upon in all cases.
- 2) However, the rental/freight shall be payable if the goods destruction has been the result of a fault of the Charterer or the latter's subordinates or because of the goods nature or defect or if the Ship's master is forced to sell them during the voyage because of a defect therein or their damage, or if otherwise the Captain should give orders for destroying the goods because of the danger or harm represented thereby or because carrying such goods is banned while the Lessor was not aware of such ban, danger, or harm at the time the goods were put on board the ship.
- 3) Freight/rental shall be payable for animals which die during the voyage for reasons which are not due to a fault of the Lessor or his subordinates.

Article : 195

The Charterer shall not be relieved of paying the freight/rental by abandoning the goods, even if they are damaged, or their quantities or value is diminished during the voyage.

Chapter : 2 **Maritime Transport Contract**

First : General Provisions

Article : 196

A Maritime Transport Contract is a deed whereby the Carrier is bound to transport the goods or persons by sea against transport charges.

Article : 197

A maritime transport contract shall only be established in writing.

Article : 198

The provisions of this Chapter shall be applicable exclusively with respect to the maritime transport contract, whether the Carrier is owner, outfitter, or charterer of the ship.

Second : Transport of Goods

Article : 199

- 1) On receiving the goods, the Carrier shall issue the relevant bill of lading upon the forwarder's request.
- 2) The Carrier may deliver to the forwarder a receipt against the goods to be shipped, before shipping them.
- 3) The receipt shall be replaced by the Bill of Lading upon the forwarder's request after loading the goods on the Ship.
- 4) The Forwarder may ask the Carrier or his designated deputy to indicate in the bills of lading a statement showing that the goods have actually been shipped on a certain ship(s) together with an indication of the date of shipment.

Article : 200

The following shall in particular be mentioned in the bill of lading :

- (A) Name and address of each of the Forwarder, Carrier, and consignee.
- (B) Description and specification of goods as indicated by the forwarder, and in particular their nature, the number of parcels, and their weight or size or

distinctive marks as mentioned thereon, as well as their external appearance including the container in which they are placed.

- C) The name of the ship if the bill of lading is issued at the time of, or after the loading operation.
- D) Name of the Ship's Captain.
- (E) Port of Shipment and Port of unloading.
- (F) Freight if it is payable in full on arrival, or the portion still due of it.
- (G) Place and date of issuing the bill of lading, and the number of copies as issued of the bill of lading.
- (H) The carrying of goods is being done on deck if they are so loaded.

Article : 201

The markings as put on the goods shall be adequately added whereby the goods may easily be identified and defined so they shall be possible to read until the end of voyage.

Article : 202

- 1) The bill of lading shall be issued in two copies of which one shall be handed to the Forwarder, while the other copy shall be kept with the Carrier and on it shall be added the annotation : Unassignable.
- 2) The Carrier or his designee shall sign the copy handed to the forwarder. The signing of the copy shall be in writing, or in any other way standing for signing it. Such copy shall give its legal bearer the right to receive and dispose of the goods.
- 3) At the forwarder's request several copies of the bills of lading may be issued, and each copy shall be duly signed and in it shall be mentioned the number of copies as issued altogether. Each of these copies shall stand for the rest

of them. Delivering the goods by virtue of any such copy shall result in considering the other copies as cancelled with respect to the Carrier.

Article : 203

- 1) The Bill of Lading shall be issued in the name of a defined person, or to such person's or to bearer's order.
- 2) Assigning the nominal bill of lading shall be done by following the rules prescribed in respect of title assignment.
- 3) A Bill of Lading to order shall be negotiable by endorsement. The mere endorsement of the bill of lading by bearer shall be tantamount to a title assignment endorsement, to which shall apply the provisions of the Mercantile Code. It is noted that the bearer bill of Lading shall be negotiable by being handed over.
- 4) A statement may be added to the bill of lading banning its assignment or negotiability.

Article : 204

The person whose name is mentioned in the bill of lading, or to whom the bill of lading is assigned if it is a nominal bill of lading, shall be legal bearer thereof. The person shall be a bearer of the bill of lading if it is a bill of lading to bearer's order, or it is endorsed in blank. The person shall be the last endorsee if the bill of lading is issued to order and the name of the endorsee is mentioned in it.

Article : 205

- 1) The forwarder shall submit in writing the data concerning the goods, on delivering them to the Carrier. This data shall be mentioned in the bill of lading. The Carrier may set forth reservations on such data as indicated in the bill of lading if he feels he has got serious reasons to suspect its validity, or is not possessed of normal techniques and methods to ensure its validity. The reasons for such reservations on the data of the Bill of lading shall also be mentioned therein.

- 2) If the goods thus transported are dangerous, inflammable or explosive materials, the Shipper shall notify the Carrier accordingly, and shall place a statement on the goods indicating a warning from the dangerous status of such goods, and the methods of protection therefrom whenever possible.

Article : 206

The Shipper shall be responsible vis-a-vis the Carrier to indemnify him for the harm and damage resulting from all incorrect data, provided by the Shipper about the goods thus carried, even if the Shipper assigns the bill of lading to a third party.

Article : 207

- 1) All Letter of Guarantee or Agreement whereby the Shipper warrants to indemnify the Carrier for all damage resulting from issuing the bills of lading without any reservation being made on the data contained therein shall not be adduced or made as of vis-a-vis- a third party who at the time of getting possession of the Bills of Lading was not aware of the incorrectness and invalidity of such data.
- 2) A Consignee in whose name or to whose order the Bill of Lading is issued shall be considered a Third Party under the provisions of this article, unless such Consignee is the Shipper himself.

Article : 208

- 1) If the Master of the Ship detects on his ship before sailing off the existence of goods which are not mentioned in the bill of lading or in the delivery receipt for goods, or discovers that the data related thereto are incorrect, he may then remove such goods from board his ship at the place of shipping or keep the goods and carry them against a freight equivalent to that payable on goods of the same type, at the said place, subject to all compensations, payable and due thereon.
- 2) If during the voyage he detects the existence of goods as mentioned in the previous clause, the Master of the Ship may order throwing them into the

sea in case they are liable to cause damage to the ship or goods as shipped on it, or in case carrying such goods shall require paying fines or incurring expenditures exceeding their value, or if the sale or export of these goods is prohibited.

Article : 209

- 1) If the Shipper places dangerous, inflammable, or explosive goods on the Ship, the Carrier may at any time remove these goods from the ship, or destroy them, or eliminate their peril, in which case the Carrier shall not be accountable if he establishes that he would not accept to ship them on the Ship had he learned about their nature.

The Shipper shall be accountable for the damages and expenditures to occur and incur as a result of placing these goods on the ship.

- 2) If the Shipper is aware of the nature of these goods and still he authorizes placing them on the Ship (shipping the goods) he may not thereafter remove them from the ship, destroy them, or eliminate their peril unless their danger turns so grave as to threaten the ship or the shipment in which case the Carrier shall bear no responsibility at all except with regard to common maritime losses in case of necessity.

Article : 210

- 1) Subject to the provisions of clause-1, article 205, of the present law, a Bill of Lading shall be considered as a proof that the Carrier has received the Goods from the Shipper in their condition as specified therein. If the Bill of Lading comprises the statement indicated as per clause-3 of article 199, of the present law, it shall then be considered as a proof of shipping the goods on the ship(s) specified in the said statement, and on the date indicated therein. The bill of lading shall also be considered as a demonstration in providing evidence of the data comprised therein, between the Carrier and Shipper, and with respect to Third Parties.
- 2) In the Carrier-Shipper relations, proof may be established other than the evidence deduced from the bill of lading as different from the data set forth therein. No evidence other than that deduced from the Bill of Lading or any

other data than what is mentioned therein shall be established vis-a-vis a bona fide third party. Establishing such evidence is only allowable for the Third Party alone.

- 3) A Consignee in whose name, or to whose order, the Bill of Lading is issued shall be considered as "third party" under the provisions of this article, unless such consignee is the Shipper himself.

Article : 211

A Receipt for Shipment which the Carrier delivers to the Shipper, as referred to in clause-2 of article 199 of the present law, shall be considered as evidence to establish that the Carrier has received the goods from the Shipper in their condition as specified in the receipt, unless otherwise is established.

Article : 212

- 1) Whoever holds the right to receive goods by virtue of a bill of lading may require from the Carrier to issue Delivery Permits connected with supplies from such goods, providing the bill of lading specifies the possibility of delivery in portions by virtue of such permits.
- 2) Delivery permits shall be issued in the name or to order of a specific person, or to bearer, and shall be signed by the Carrier and the party requesting such permit.
- 3) In case the Bill of Lading is negotiable, the Carrier shall indicate in it a statement of the delivery permits as issued thereby and the goods mentioned therein. If the consignment is entirely divided over several delivery permits, the Carrier shall recover the bill of lading.
- 4) The Delivery Permit shall give its legitimate holder the right of taking delivery of the goods mentioned in it.

Article : 213

Selling the Ship shall not result in rescinding the maritime transport contract.

Article : 214

The Carrier shall prepare and outfit the ship with all of its needs and demands to be in a seaworthy condition, and to fulfill the voyage agreed upon, as well as to carry the type and kind of goods to be shipped thereby. The Carrier shall also prepare the ship's divisions which are provided and appropriated for loading and shipping the goods to become suitable for placing and preserving the goods in them.

Article : 215

- 1) The Carrier shall be bound to load the goods on, and unload them from the Ship unless otherwise agreed. He shall also stack the goods in the ship, and transport and deliver them on arrival.
- 2) The Carrier shall assume the maintenance of goods which are shipped on his Vessel.

Article : 216

With the exception of coastal navigation between Ports in Egypt, the Carrier shall not ship goods on deck of the ship unless so authorized in writing by the Shipper, or the Carrier is bound to ship goods on deck of the ship in that way by virtue of the law in force at the Port of Shipping, or if so necessitated by the nature of the shipment, or if the usage of the said Port provides for shipping the goods in that way. In all cases it shall be mentioned in the bill of lading that the goods are shipped on deck.

Article : 217

In case the Ship is stopped from pursuing the travel, whatever the reason for such stoppage, the Ship's Carrier shall exert all necessary care and effort to have another ship provided and prepared for the transport of goods to the Port agreed upon, and shall bear and incur the expenses ensuing therefrom unless stopping the ship from operating is due to a case of waiver from responsibility as prescribed in article 229 of the present law, in which case the expenses incurred shall be met

by the Shipper and the Carrier shall be entitled to be paid the freight agreed upon for the whole voyage if the goods arrive in the Port agreed upon.

Article : 218

The Shipper shall deliver the goods to the Carrier at the place and time agreed upon or as provided for by established usage at the Port of Shipment where no agreement provides otherwise. The amount of compensation as becoming payable and due for delaying the implementation of such obligation shall not exceed the equivalent of the freight as payable for transporting the goods.

Article : 219

- 1) The Shipper shall commit himself to pay the freight amount and if such freight is payable on arrival of goods, it shall be borne and paid by the party entitled to receive the goods if such party accepts to take delivery thereof.
- 2) If the amount of freight payable on arrival of goods is not mentioned in the Bill of Lading, the Carrier shall be assumed to have received the full freight amount on shipping the goods. He shall not establish anything otherwise, vis-a-vis a third party who at the time of receiving the bill of lading is unaware that the freight or part of the freight is still due for payment. A Consignee in whose name or to whose order the bill of lading is issued shall be considered a third party under the provisions of the present article unless the consignee is the Shipper himself.
- 3) The Shipper or the party entitled to take delivery of the goods shall not be exonerated from paying the amount of freight even though the goods have become damaged or the quantity or value of the goods has decreased during the travel.

Article : 220

The freight shall be payable on such goods as the Ship's Master decides to throw into the sea or sacrifice in any form in order to rescue the ship or the shipment, subject to the provisions on common maritime losses.

Article : 221

The freight amount shall not be payable in case the goods should be damaged by reason of a force majeure or the Carrier's neglect in implementing the obligations prescribed by law or the contract.

Article : 222

The Shipper shall guarantee the Ship or Goods shipped on it against the damage caused to them if such damage results from an act of the shipper himself or his subordinates, or a flaw/defect in his goods.

Article : 223

The Captain of the Ship shall deliver the goods on its arrival, to the legitimate holder of the Bill of Lading or his designee for receiving the goods.

Article : 224

Handing a copy of the bill of lading to the Carrier shall be considered a presumption of delivering the goods to the party having the right of taking receipt thereof unless otherwise is established.

Article : 225

- 1) If several persons come forward with copies of the negotiable bill of lading, asking to take receipt of the goods, precedence shall be given to the party holding the copy which bears the first endorsement in it denoting preceding to the endorsements of the other copies.
- 2) If a bona fide holder of a copy of the bill of lading has already received the goods, he shall then be accorded precedence over the holder of the other copies, even if the endorsements in these latter copies bear a date prior to the endorsement date in the copy of the former holder.

Article : 226

- 1) If the party who has the right to receiving the goods fails to appear, or appears but refrains from receiving the goods or paying the freight due thereon or any other amounts becoming due as a result of transporting the goods, the Carrier may then ask for permission from the Summary Court Justice to deposit the goods with a Trustee to be designated by the Judge. The Carrier may as well request authorization to sell the whole or part of the goods in order to get settlement and fulfillment of the foregoing amounts.
- 2) The Carrier shall have a privileged right to the price of goods in order to get settlement and fulfillment of the freight due on the goods and other amounts becoming due as a result of transporting the goods.

Article : 227

- 1- The Carrier shall guarantee the goods against destruction or damage if destruction or damage should take place between receiving the goods by the Carrier at the Port of Shipment and delivery of goods thereby to the Party that holds the right of taking receipt thereof, at the Port of debarkation, or the time of depositing such goods according to the previous article.
- 2- The provisions on Liability as prescribed in the previous clause shall not apply to the following :
 - a) Coastal navigations between Ports in the Arab Republic of Egypt unless otherwise agreed.
 - b) Transport of goods by virtue of a Charter Deed unless the bill of lading is issued in implementation of such transport in which case the provisions on Liability shall apply from the time the bill of lading regulates the relation between its (B/L's) Bearer and the Carrier.

Article : 228

Goods shall be considered as perished if they are not delivered within sixty days from expiry of the delivery date prescribed in (clause-2) of Article 240, of the present law.

Article : 229

The Carrier shall be exonerated from the liability prescribed in Clause - 1 of article 227 of the present law, if he proves that the deterioration or damage of goods is due to an alien cause which the Carrier, his designee, or any of his subordinates had nothing to do with.

Article : 230

If the Shipper intently mentions incorrect data in the Bill of Lading, concerning the nature or value of the goods, the Carrier shall not then be questionable for the deterioration or damage of goods if such data is established to be incorrect.

Article : 231

The Carrier shall not be questionable for the deterioration or damage of goods which are mentioned, in the bills of lading, to be carried on deck, if the deterioration or damage is established to have been caused by the dangers and risks associated with that type of transport.

Article : 232

In case of transporting live animals, the Carrier shall not be liable for the destruction of or harm caused to such animals, if such destruction or harm is a result of the risks and dangers associated with that type of transport. If the Carrier carries out the instructions of the Shipper concerning the transport of these animals, the destruction of or damage caused to such animals shall be considered as resulting from the risks and dangers associated with that type of transport until the Shipper can establish there has been some error or fault made by the Carrier, his designee, or any of his subordinates.

Article : 233

- 1) The liability, whatever its kind, for the deterioration or damage of goods shall be determined at no more than Two Thousand Egyptian Pounds, for

each parcel or unit of shipment, or no more than Six Egyptian Pounds for each kilogramme of the total weight of goods, whichever limit is higher.

- 2) If the parcels or units are gathered in containers, and the number of parcels or units comprised in the container is mentioned in the bill of lading, each such parcel or unit shall be considered as a separate entity as regards determining the ceiling of liability. If the Container is not owned or provided by the Carrier when it is destroyed or damaged it shall be considered as an independent parcel or unit.

Article : 234

The Carrier shall not insist on determination of liability, vis-a-vis the Shipper, if the Shipper has provided - before the shipment of goods - a statement on the nature and value of such goods, and the special importance attached to providing due maintenance therefor, along with indicating such statement in the relevant bill of lading. The said statement shall be considered as a presumption of correctness of the value of goods as determined therefor by the Shipper until the Carrier could provide evidence to the contrary.

Article : 235

- 1) If a Liability Action is brought against a subordinate of the Carrier, for the deterioration or damage of goods, such subordinate may stick to the provisions on exemption from any determination of liability, providing he can establish that the error committed thereby took place in the course of performing his job or because of his assignment.
- 2) The amount of compensation to be ruled against the Carrier and his subordinates shall not exceed the ceiling as prescribed in (Clause - 1) of article 233, of the present law.
- 3) A subordinate of the Carrier shall not insist on determining the liability if it is established that the harm was caused by an act or refraining from doing an act with the aim of causing the harm, or through recklessness coupled with a perception that a harm could occur.

Article : 236

All agreement before occurrence of the incident causing the harm, shall be invalid and null, if reached on one of the following issues :

- A) Exempting the Carrier from Liability for the Deterioration or Damage of Goods.
- B) Modifying the burden of Evidence which by law is laid on the Carrier's shoulder.
- C) Determining the Carrier's liability at less than what is prescribed in (Clause - 1) of article 233, of the present law.
- D) Assigning to the Carrier the rights established through insurance on goods, or through any other like agreement.

Article : 237

The Carrier may assign the whole or part of the rights and exemptions prescribed therefor. He may also increase his liability and obligations providing it shall be so indicated in the Bill of Lading.

Article : 238

Agreement may be reached on otherwise than the provisions of article 236 of the present law, in case the exceptional conditions in which the transport of goods is taking place should justify concluding such agreement, providing such accord shall not be likely to exempt the Carrier from his liability for his or his subordinates errors, and no Bill of Lading shall be issued, along with recording the accord in a non-negotiable receipt specifying such arrangements.

Article : 239

- 1) In case of destruction or damage of the goods, the party coming forward to take receipt thereof shall notify the Carrier, in writing, of the destruction or deterioration of goods, within a date not exceeding two working days from

the date of taking receipt of goods, failing which the goods shall be considered as having been delivered in their condition as specified in the Bill of Lading until otherwise established. If the deterioration or damage is invisible, the notification may then be submitted within fifteen days from taking receipt of the goods.

- 2) The notification prescribed in the previous clause shall not be required for submission if a survey and examination of the goods take place and the condition of goods is recorded at the time of their delivery, in the presence of the Carrier or his Designee and the party taking receipt of the goods.

Article : 240

- 1) The Carrier shall be accountable for delaying the delivery of goods unless he establishes that the delay has been due to an alien cause with which he had nothing to do.
- 2) The Carrier shall be considered as having delaying the delivery of goods at the time agreed upon, or the time at which an ordinary Carrier is supposed to deliver the goods under similar conditions if no agreement was reached on a time for delivery of goods.
- 3) The amount of compensation as ruled against the Carrier in case of delaying the delivery of the whole or part of the goods shall not exceed the ceiling set for compensation amounts as prescribed in (Clause - 1) of article 233, of the present law.
- 4) No compensations shall be payable for the harm caused by delaying the delivery of goods, if the Claimant of Compensation fails to notify the Carrier, in writing, of such delay, within Sixty Days from the date of taking receipt of the goods.

Article : 241

- 1) The Carrier shall not insist on determining his liability for the deterioration or damage of goods, or for delaying the delivery of such goods if it is established that the harm was caused by an act done or refrained from being done thereby or by his designee or any of his subordinates with the aim of

causing the harm, or through recklessness coupled with an understanding that some harm could occur in so doing.

- 2) The intention of the Carrier or his designee shall be assumed to be tending toward occasioning the harm, in the following two cases :
 - A) If he issues the bill of lading without reservations notwithstanding the existence of a requirement to mention such reservations in the bill of lading, with the aim of causing harm to a bona fide third party.
 - B) If he ships the merchandise on deck, in contravention to an express agreement necessitating the shipment of goods in the vessels holds.

Article : 242

The Carrier shall not be accountable for the deterioration or damage of the goods or delaying their arrival if such damage, deterioration or delay has taken place because of rescuing or attempting to rescue lives at sea, or due to plausible arrangements adopted thereby to salvage properties at sea.

Article : 243

- 1) The Carrier may assign the execution of the whole or part of the transport operation to another Carrier (Actual Carrier), unless otherwise agreed, in which case the Carrier who concluded the maritime transport deed with the Shipper (contracting Carrier) shall remain accountable to the Shipper for all damages and harms which take place in the course of implementing the Transport Contract. The Actual Carrier shall not be accountable vis-a-vis the Shipper except for the harms and damages which occur to the portion of transport as carried out thereby. He shall be accountable for these damages, vis-a-vis the Shipper, jointly with the Contracting Carrier.
- 2) Each of the Carrier, the Contracting Carrier, and the Actual Carrier shall have the right to insist on determining the liability prescribed in Clause - 1 of article 233 of the present law. The compensation amount to be collected by the Claimant, from the contracting Carrier and the Actual Carrier, shall not exceed the ceiling prescribed in the previous clause.

- 3) In case of Transporting the Goods by virtue of a direct bill of lading, the provisions as prescribed in the two previous clauses shall apply to the liability of the first Carrier who issued the bill of lading and the responsibility of the subsequent carriers. However, the First Carrier shall be exonerated from liability if he establishes that the accident causing the deterioration or damage of goods or delaying their arrival occurred while the goods were in the care of a subsequent Carrier.

Article : 244

- 1) Court actions resulting from a maritime transport contract involving the transport of goods by sea , shall lapse with the expiry of two years from taking receipt of the goods or the date at which the goods ought to be delivered.
- 2) The period of limitations shall be interrupted by a registered letter with acknowledgment of receipt, or by delivering the documents concerning the Claim, or by delegating an expert to estimate the harms and damages, in addition to other factors as prescribed in the Civil Law.
- 3) The right of the party to whom the claim is addressed in having remedy over third obligor parties, shall lapse with the expiry of ninety days from the date of bringing the court action against him, or the date he fulfills the settlement of the claim even though the limitations period referred to in Clause - 1 of this Article will have expired.

Article : 245

Cases resulting from a Maritime Transport Contract by Sea shall be brought before the Court of Jurisdiction according to the provisions of the Civil and Commercial Procedural Law. The said actions may also be brought, at the option of the Claimant, before the court within the precincts of which is lying the Port of Shipment or Port of Debarkation, or the Port at which an attachment was levied on the ship. All agreement which precedes the emergence of dispute and provides for stripping the Claimant of his right to such choice , or restricting such right of option, shall be null and void.

Article : 246

If under a contract for the transport of goods by sea, agreement is reached on referring to arbitration the cases arising from the contract, such arbitration shall be conducted, at the Claimant's choice, within the precinct of the Court in which the Port of Shipment, the Port of Debarkation, or the Respondent's Domicile is lying, or in the place where the contract was concluded, providing in that the Defendant shall have a registered head office or an Agency Branch. The arbitration may also be held at the place specified in the Arbitration agreement, or in the precinct of the Court where attachment on the Ship is levied. All agreement which precedes the emergence of dispute and provides for stripping the Claimant of his right to such option, or restricting such right, shall be null and void.

Article : 247

In case agreement is reached on referring the Court actions ensuing from the Contract for Transport of Goods by Sea, to arbitration, the Arbiters shall issue their final decisions in the dispute based on the provisions prescribed in the present Law, in connection with the aforementioned contract. All agreement which precedes the emergence of dispute and provides for exempting the arbiters from adhering to these provisions shall be null and void.

Third : Transport Of Individuals

Article : 248

- 1) A contract for transport of persons by sea shall be established by a written document called "Travel Ticket", in which shall the following be mentioned in particular :
 - A) Carrier's Name and Name of Passengers.
 - B) Statement of the Voyage.
 - C) Name of the Ship.
 - D) Port and Date of Departure, and Port of Destination, Date of arrival, and the intermediate ports determining for berthing the Ship.
 - E) Freight / Haulage.

- F) Class, the number of the cabin occupied by the passenger, or the passenger's place on the Ship.
- 2- The Travel Ticket shall not be assigned to a third party except with the Carrier's approval.

Article : 249

A travel ticket may be substituted by another document indicating the Carrier's name and the services to be rendered thereby, if the total tonnage of the ship does not exceed Twenty nautical tons, or the ship is performing services inside the port or within limited areas to be defined by the Maritime Authorities.

Article : 250

The Carrier shall prepare , outfit and provide the ship with all its needs and necessities that should render it seaworthy and fit to carry out the voyage as agreed upon.

Article : 251

The passenger shall attend for travel at the time and place specified in the travel ticket. If the passenger fails to show up for travel, or is late behind the departure time, he shall always pay the travel fare.

Article : 252

If the passenger dies or an impediment arises to prevent his travel, the contract shall be rescinded, providing he or his successors shall notify the Carrier thereof at least three days before the date scheduled for travel. If the notification is given as prescribed, the Carrier shall only be entitled to one fourth of the ticket price. The provisions of this article shall also apply to the members of the passenger's family and his dependents who were scheduled to travel with him if they request to be so treated.

Article : 253

If the travel begins, the conditions connected with the person of the passenger shall have no effect on the obligations prescribed by the contract.

Article : 254

- 1) If the travel is made impossible for reasons the Carrier has nothing to do with, the contract shall then be rescinded without compensation. But if the cause impeding the travel is established to be due to an act of the Carrier, the latter shall pay a compensation equivalent to half the fare.

The impediment to the travel is presumed to be due to an act of the Carrier until otherwise established.

- 2) If the travel is stopped for a period exceeding three days, the passenger may then rescind the contract with proper compensation if necessary. The Carrier shall be exonerated from the obligation to pay the compensation if he can establish that stopping the travel was due to reasons he had nothing to do with. The contract shall not be rescinded if the Carrier manages to transport the passenger to the destination and within the time agreed upon on a vessel of same standard.

Article : 255

The Passenger may ask for rescinding the contract with compensation if necessary, if the Carrier effects a substantial change in the travel schedules or the itinerary of the ship, or even in the announced intermediate berthing ports. However, the Carrier shall be exonerated from paying the compensation if he establishes that he has exerted normal efforts to avoid such modification.

Article : 256

- I- The Carrier shall be accountable for the damage occurring as a result of the passenger's decease, or the physical injuries attaining him if the accident causing such harm occurs during the implementation of the contract of transportation.

- 2- An accident shall be considered occurring during the implementation of the contract of transportation if it occurs during the travel, or the passenger's boarding or debarkation from the ship at the Port of Arrival or at an intermediate port, or during the period in which the passenger is under the guard of the Carrier before boarding or debarking from the ship.

Article : 257

The Carrier shall be exonerated from the liability prescribed in the previous article if he establishes that the decease or injury of the passenger was due to a foreign cause he had nothing to do with.

Article : 258

- 1) A Court ruling of Compensation against the Carrier in the case of a passenger's decease or injury shall not exceed a hundred and fifty thousand Egyptian pounds. However, agreement may be reached on a compensation amount with a limit exceeding the amount herein specified.
- 2) The Compensation amount as prescribed in clause-1 of the present article comprises the total compensation amounts claimed by the passenger, his successors, or his dependents, for each of the accidents separately.

Article : 259

The Carrier may not insist on determining the Liability if it is established that the harm was due to an act or refrainment from an act of the Carrier or his designee with the aim of causing the harm , or due to carelessness/recklessness coupled with a perception that harm could occur.

Article : 260

All agreement to be reached before the occurrence of the accident causing the harm shall be null and void, if the subject of such agreement is concerned with one of the following arrangements :

- A) Exonerating the Carrier from his liability vis-a-vis the passenger, his successors, or his dependents.
- B) Modifying the burden of evidence provision as shouldered to the Carrier by virtue of the law.
- C) Determining the compensation amount at less than what is provided for in article 258 of the present law.
- D) Assigning to the Carrier the rights originating from insurance on the passenger personally.

Article : 261

In case of a physical injury, the Carrier shall be notified in writing, of the injury occurring to the passenger, within fifteen days from the date the passenger leaves the Ship, failing which he shall be assumed to have departed from the ship without suffering any injury unless he establishes the opposite.

Article : 262

The Carrier shall account for the harm resulting from delaying the implementation of obligations as prescribed in the contract, unless he establishes that such delay was due to an alien cause he had nothing to do with.

Article : 263

- 1) The Court Action For Compensation of the harm resulting from the passenger's decease or injury, shall lapse with the expiry of two years from :
 - A- The day following that on which the passenger leaves the ship, in case of the bodily injury.
 - B- The day the Passenger would have left the ship in case of his decease during the execution of the Contract of transportation.
 - C- The day the decease occurs, if the death takes place after the passenger leaves the ship, because of an accident taking place during the

implementation of the Contract of Transportation. In this case, the Action shall lapse in any way, with the expiry of three years from the date the passenger leaves the ship.

- 2) The action for compensation of harm resulting from delaying the arrival date shall lapse with the expiry of six months to be calculated from the day next to that on which the passenger leaves the ship.

Article : 264

If an action for compensation is brought against an agent for the carrier, or one of his subordinates the defendant against whom the action is brought may maintain and stick to the rebuttals which the Carrier has the right to invoke, and to the provisions on liability and abatement of action by prescription if the agent or the subordinate established that the act attributed thereto was done while or because of performing the duties of his position.

Article : 265

- 1) The provisions of the Contract for Transport of Persons, as prescribed in this Chapter shall not apply to free transportation, unless the Carrier is a professional of transport. Neither shall these provisions apply to cases of persons who sneak into the Ship with the aim of travelling free on the ship.
- 2) The provisions of the Contract for Transport of Persons, as prescribed in this Chapter shall apply to those whom the Carrier agrees to transport in order to accompany a live animal, or any other thing transported by the Carrier under a contract for transport of goods.

Article : 266

The Carrier's obligation shall comprise the transport of luggage for the passenger within the limits specified by the contract or the usage of the profession.

Article : 267

- 1) The Carrier or his Designee shall deliver a receipt of the luggage handed to him by the passenger for the purpose of transporting it. The luggage shall be recorded in a special register provided for the purpose.
- 2) Shall be considered as registered luggage, such vehicles and carriages as the passenger hands over to the Carrier in order to transport them on the ship.

Article : 268

- 1) The amount of compensation as ruled by the Court against the Carrier in case of destruction or waste of recorded luggage shall not exceed Five Thousand Egyptian Pounds, each passenger, unless the harm is connected with a motor vehicle or other carriages for which the amount of compensation may exceed that limit, providing it shall not exceed fifty thousand Egyptian Pounds, each vehicle or carriage including any luggage which might exist therein.
- 2) Subject to the provisions prescribed in the previous clause, and in article 271 of the present law, the provisions of the Contract for Transport of Goods By Sea shall apply to the transport of non-registered luggage.

Article : 269

- 1) The Carrier shall account for the damage or destruction of non-recorded luggage as retained and kept by the passenger if it is established that the harm is due to a fault of the Carrier or his designee or subordinates.
- 2) Subject to the provisions prescribed in article 259 of the present law, the amount of compensations as ruled against the Carrier in case of the waste or destruction of non-recorded luggage shall not exceed two thousand Egyptian pounds, each passenger. This compensation ceiling shall not apply to objects which are deposited by the passenger with the Master of the Ship, or the person tasked to maintain the objects deposited in the ship, in case the passenger notifies him of the special importance attached to the preservation and maintenance of such objects.

Article : 270

The Master of the Ship shall not withhold the passenger's non-recorded luggage, against fulfillment of the luggage freight.

Article : 271

The Action concerning the transport of luggage shall abate with the lapse of two years effective from the day following that on which the passenger departs from the ship, or that on which he ought to have debarked from it.

Article : 272

Actions arising from a Contract for Transport of Passengers by Sea shall be brought before the court of jurisdiction according to the provisions of the Civil and Commercial Procedural Law. The Actions may, at the Claimant's option, be brought before the court within the precinct of which is lying the port of departure, port of arrival, or the port where the ship is detained. All agreement that is reached before the dispute arises, which provides for stripping the Claimant of and restricting his right to such option, shall be considered as null and invalid.

Article : 273

For Sea cruises, the organizer of the journey shall assume the obligation vis-a-vis the cruise passengers, to implement and carry out the journey according to the cruise contract provisions or the conditions announced therefor.

Article : 274

The cruise organizer shall deliver the ticket of the journey to each participant or group of participants, failing which the Cruise Contract shall be invalid and void. The participant shall alone have the right to stick to such nullity.

Article : 275

The Cruise ticket shall indicate the following data in particular :

- A- Name of the Ship.
- B- Name and Address of the cruise organizer.
- C- Name and Address of the passenger.
- D- Travel Class and Number of the Cabin to be occupied by the passenger on the ship.
- E- Price of the Ticket, and a statement of the expenses included in the ticket price.
- F- Port of Departure, Port of Arrival, and Intermediate Ports specified for berthing the ship.
- G- Date of Departure and Date of Return.
- H- Services which the Cruise Organizer undertakes to extend to the passenger participating in the cruise.

Article : 276

In addition to the cruise ticket, the organizer of the journey shall deliver to the passenger a book of coupons indicating - in each - the services the cruise Organizer undertakes to extend to the passenger, ashore, in the Port specified in the coupon.

Article : 277

The Cruise Organizer shall account for violating the obligations specified in the cruise ticket and in the book of coupons referred to in the previous article.

Article : 278

The Cruise Organizer shall be responsible to compensate for the harm caused to the passenger and to his luggage during the implementation of the maritime transport deed. Such liability shall be subject to the provisions prescribed in articles 256 to 272 of the present law.

Chapter : 3

Tugging Operation

Article : 279

- 1) Managing the process of tugging within the ports shall be assigned to the Master of the ship being tugged. The Ship's outfitter and furnisher shall be liable for all damages which would occur during the tugging operation.
- 2) Managing the process of tugging within the Port may-by written agreement - be given over to the Master of the tug-boat in which case the outfitter and furnisher of the Ship shall account for the damages which occur during the process of tugging unless he establishes that the damage emanated from the ship being tugged.

Article : 280

- 1) Managing the process of tugging outside the limits of Ports shall be left in the hands of the Tug- Ship's Master, and the outfitter and furnisher of that Ship shall account for all damages that occur during the process of tugging unless he establishes that the damage generated from the ship being tugged.
- 2) The administration of the process of tugging outside the Port may - by express agreement - be kept in the hands of the Master of the ship being tugged in which case the furnisher and outfitter of the ship shall account for all damages occurring during the process of tugging.

Article : 281

Court actions brought as a result of the process of tugging shall abate with the lapse of two years from the date the process of tugging is completed.

Chapter : 4

P i l o t a g e

Article : 282

- 1) Pilotage is mandatory in the Suez Canal and Egyptian ports as specified by decree to be issued by the competent Minister.
- 2) Regulating pilotage and determining and specifying its areas shall be subject to original duties and other additional and extra duties as applicable thereto, according to laws and decrees issued in connection therewith.
- 3) Cases of exemption from obligatory pilotage of ships in Egyptian ports shall be determined by decree to be issued by the competent Minister.

Article : 283

Each ship which is subject to mandatory pilotage regulations shall comply with the rules to be determined by the administrative authorities concerned with pilotage requests, before such ship can enter to and have access to pilotage areas, or move therein, or get out of such areas.

Article : 284

The Pilot shall render his services first to a ship that is found to be in or facing danger, even if he is not asked to render such services.

Article : 285

If owing to adverse climatic conditions, or upon a request from the Ship's Master, the Pilot is obliged to travel with the ship, the Ship's Master shall bear the pilot's meal and accommodation costs, and his return to the port from which he accompanied the ship, along with relevant compensation payments whenever necessary.

Article : 286

The Ship's Master shall remain in command of the ship and its management during the pilot's assumption of his duties on it.

Article : 287

The ship's furnisher and outfitter shall alone be accountable for such damages as will be caused to third parties by cause of the pilot's faults in carrying out the pilotage process.

Article : 288

The ship's furnisher and outfitter shall be responsible for all damages to be caused to the pilot's boat during his implementation of pilotage works, unless the damage is established to have been caused by a gross fault on the part of the pilot.

Article : 289

The ship's furnisher and outfitter shall be accountable for the harm caused to the pilot or the crew of the pilot's boat while carrying out the pilotage process, unless he establishes that the harm has been the result of a fault of the pilot or the crew.

Article : 290

The Pilot shall not be accountable for the damages attaining the ship he is piloting.

Article : 291

Court actions arising from the pilotage operation shall lapse with the passage of two years from the date the pilotage operation is completed.

Part - IV

Marine Incidents

Chapter : 1 **Collision**

Article : 292

- 1) In case a collision occurs between maritime ships, or maritime ships and internal navigational boats, compensations which are payable for the damages occurring to the ships, objects, and persons on board such vessels, shall be settled in accordance with the provisions prescribed in this Chapter, regardless of the waters in which the collision has taken place. With the exception of floating vessels which are tied to a fixed berthing place, each floating vessel shall be considered by virtue of the provisions of the present article, a maritime ship or an internal navigational boat, according to each case.
- 2) Even if no material collision has taken place, the provisions prescribed in this Chapter shall apply to the compensations payable for the damages to be caused by one ship to another or to the objects or persons on board such ship, if these damages have resulted from a movement made by the ship or by neglecting to make such movement, or also by the failure to observe the provisions prescribed in national legislations or the international conventions in force in the Arab Republic of Egypt concerning the regulation of sailing on seas.

Article : 293

The provisions of this Chapter, except for the provision of clause-2 of article-30 of the present law, shall apply to maritime ships and internal navigational boats to be appropriated by the State or a Public Person for a public service or for non-commercial purposes.

Article : 294

There shall be no presumption of a fault in the liability resulting from a collision incident.

Article : 295

If a collision occurs as a result of a force majeure, or if doubts should arise as to the causes of the collision, each ship which is involved in the accident shall bear the damage caused to it. This provision shall also apply even if the ships involved in the accident, or one of them, was anchored at the time the accident took place.

Article : 296

If a collision should occur through a fault of a ship, the latter shall compensate for the damage caused by such collision.

Article : 297

- 1) If the fault is jointly committed, the responsibility of each one of these ships involved in the accident shall be assessed in the ratio of the fault as committed thereby. Where conditions make it impossible to determine the percentage of the fault each of the ships involved has committed, the liability shall then be divided equally between them.
- 2) Ships which had a share in the fault shall be accountable in the same ratio as prescribed in the previous clause, without these ships being jointly liable vis-a-vis a third party for the damages caused to the ships, their loads, or the luggage and other objects carried on board these Ships, which belong to the crew or any other person on board such ships.
- 3) It shall be considered a Joint Liability vis-a-vis a third party if the fault of the ships has caused the death of, or an injury to a certain person. The ship paying more than its share in such liability shall have remedy over other ships involved, for the portion paid in excess by it.

Article : 298

The Liability as prescribed in the present Chapter shall arise even if the collision is caused by a fault of the pilot himself and though pilotage is made mandatory, subject to the general rules on Liability.

Article : 299

- 1) The Master of each Ship involved in the collision occurring between the ships shall act promptly toward helping the other ships and their crews as well as the persons found on board these ships, to the extent which should not expose his ship, the crew of his ship, and the persons found on board his ship, to a serious danger. The Ship's master shall be liable if he neglects to carry out such obligation . He shall, whenever possible, inform the other ships of the name of his ship, the port of its registration, the place it comes from (port of departure), and the place of destination.
- 2) The furnisher and outfitter shall not be liable for the (master's) violation of these obligations unless the violation is made upon plain and express instructions given by him.

Article : 300

- 1) A Claimant shall bring the lawsuit arising from such collision in one of the following courts :
 - (A) The Court within the jurisdiction of which the domicile of the Claimant is located.
 - (B) The Court within the jurisdiction of which lies the first Egyptian port to which have resorted the ships, or one of the ships involved in the collision that occurred between them.
 - (C) The Court within the jurisdiction of which lies the Port in which are distrained the ships, or one of the ships, between which the collision occurred.

(D) The Court within the jurisdiction of which lies the location where the collision occurred, if such collision has taken place in Egyptian territorial waters.

- 2) Litigants may agree on submitting the dispute arising from the collision to arbitration providing such arbitration takes place, as the Claimant will choose, within the jurisdiction of one of the courts prescribed in the previous clause.

Article : 301

- 1) Compensation cases arising from collision shall lapse with the passage of two years from the date the incident occurs. However, the right to have remedy as prescribed in clause (3) of article 297 of the present law shall abate with the lapse of one year from the date of decease.
- 2) Subject to the provisions of Civil Law, the periods prescribed in the previous clause shall be interrupted, if it is impossible to distrain or take the defendant ship in execution in Egyptian territorial waters, and the Claimant is a national enjoying the nationality of the Arab Republic of Egypt, or has a domicile in it.

Chapter : 2 **R e s c u e**

Article : 302

- 1) The provision of this Chapter shall apply to rescuing maritime ships in danger, and to services of the same type which are rendered between maritime ships and internal navigation boats, regardless of which waters the rescuing operation is taking place, or the service is rendered in .
- 2) Each floating vessel shall be considered by virtue of the provisions of the present article, a maritime ship or an internal navigation boat, according to each case.

Article : 303

The provisions of the present Chapter, with the exception of clause-2 provisions of article 315 of the present law shall apply to maritime ships and internal navigation boats which are appropriated by the State or a public person for a public service or for non-commercial purposes. If these ships or boats are owned by the State or a Public Person, they shall not be subject to the provisions of article 307 and clause-2 of article 315 of the present law.

Article : 304

- 1) All Master of a Ship shall hurry to the rescue of any person exposed to perish in the sea, even if such a person is among the enemies. Such obligation shall be to the extent that does not expose the ship or the persons on board his ship to a serious danger. The Ship's Master shall be accountable if he neglects to carry out such obligation.
- 2) The furnisher or outfitter of the ship shall not be accountable for violating the obligation referred to in the previous clause unless the violation takes place upon plain and express instructions given thereby.

Article : 305

- 1) All rescue act shall give the right to a fair compensation providing the rescue works lead to a useful result. The compensation shall not exceed the value of objects salvaged.
- 2) If the rescue and salvage works fail to achieve a useful result, the ship to which these works have been rendered shall bear the expenses outlaid in this respect.

Article : 306

Persons taking part in rescue works shall not be entitled to any compensation or recovery of expenses outlaid, if the ship to which these works have been extended and rendered has refused their help expressly and for good and reasonable cause.

Article : 307

The compensation shall be payable even if the rescue and salvage works have taken place between ships which are owned by the same person.

Article : 308

In case of tugging a ship, no compensation or recovery of the expenses outlaid in this connection shall be payable to the boat which assumed the tugging operation, for salvaging and rescuing the ship it tugged, or the goods or persons on board the tugged ship, unless the tug boat has rendered exceptional services which do not enter normally in the tugging process.

Article : 309

No compensation or recovery of expenses outlaid shall be payable for salvaging the mail consignments and messages whatever their kind.

Article : 310

- 1) The two parties shall reach agreement together on the amount of compensation. If they fail to agree on it, the Court shall then determine its amount and in the same way shall determine the percentages of distributing the compensation among the ships which have participated in the rescue and salvage operations, and also the percentages of distributing the compensation between the owner of each ship and its captain and crew members.
- 2) If the ship which assumed the rescue task is a foreign ship, the distribution of the compensation shall be made between its owner, its captain, and the persons employed in its service, according to the law of the State and country whose nationality is enjoyed by the ship.

Article : 311

- 1) A compensation for rescuing the persons shall be payable and in case of differences on the compensation the Court shall determine its amount, and the judge may also exempt a rescued person from paying the compensation if so justified by the financial situation of such person .
- 2) Persons who have rescued human souls shall be entitled to a fair share in the compensation payable to those having salvaged and rescued the ship and goods in connection with the same accident. The rescuer's portion in this share shall not combine with the compensation referred to in the previous clause.

Article : 312

The Court may - at the request of either Party-invalidate, annul or modify all agreement on rescuing benefits if the relevant conditions transpire to be unfair.

Article : 313

- 1) The Court in determining the compensation, shall observe the following two bases, in their respective order :
 - a- The measure of benefit resulting from the salvage and rescue operations and the efforts of persons who joined therein, and their efficiency, as well as the danger to which was exposed the ship that was rescued and the persons on its board, the goods shipped thereon, and the risk which endangered the rescuers as well as the ship which took-over such rescue, and the time spent in these operations, the expenses involved the damages ensuing therefrom, and the value of articles and tools used in the process of rescuing the ship and persons and goods thereon, taking into consideration, whenever necessary, that the ship is appropriated for salvage and rescue works.
 - b- The value of objects salvaged and the cost of transport.

- 2) The Court shall take into consideration the same two bases in distributing the compensation among those who shared in the rescue works, in case of their multiplicity.

Article : 314

The Court may pass a ruling for reduction or annulment of the compensation if it transpires that those who undertook the salvage works committed faults that made the rescue operations a matter of necessity, or if they committed thefts or concealed stolen objects, or committed any other such fraudulent and cheating acts.

Article : 315

- 1- Court Actions claiming the compensation or recovery of the expenses involved in the rescue acts shall abate with the lapse of two years from the date on which the rescue works were completed.
- 2- Subject to the provisions of Civil Law, the period prescribed in the previous clause shall be interrupted if distraining the defendant ship in Egyptian territorial waters is found to be impossible, and the Claimant is a person who enjoys the nationality of the Arab Republic of Egypt or has a domicile in it.

Article : 316

All agreement which provides that a foreign court shall have the jurisdiction of examining the cases which result from rescue acts, or that arbitration in such cases shall be held outside the Arab Republic of Egypt, shall be null and invalidated if the rescue works have taken place in Egyptian territorial waters, and the rescuing ship or the rescued vessel enjoys the Egyptian nationality.

Chapter : 3
Maritime Losses

Article : 317

Maritime losses shall be subject to the provisions prescribed in the present Chapter, where no special agreement is reached between the parties concerned. If no agreement or provision is prescribed, the rules prescribed in maritime usage shall apply.

Article : 318

Maritime losses are either common / joint or private losses.

Article : 319

- 1- As a Joint Loss shall be considered all Sacrifice or Unusual Expenses to be decided by the Ship's Master, which are exerted or intently and reasonably outlaid for the general safety, in order to avoid an impending danger threatening the ship or properties carried on it.

A loss to which the provisions of the previous clause are not applicable shall be considered a private loss.

- 2- A Loss shall be assumed to be a Private Loss, and whoever claims it as a Joint Loss shall provide an evidence to establish his claim.

Article : 320

The owner of the object suffering a harm, or the person who outlaid the expenses shall bear his Private Loss, taking into consideration the right of such person to having remedy over the party who caused the harm or benefited from the expenses outlaid.

Article : 321

As Joint Losses shall only be acceptable the material damages and harms caused to the Ship or the Properties carried on it, and the amounts expended therefor, providing that the damages or amounts thus expended have been a direct result of the sacrifice which the Ship's Master decided to exert or the expenses he decided to outlay. However, damages and harms as caused by delays such as delaying the ship, and indirect damages and harms like price differences of the goods, shall not be acceptable as joint losses.

Article : 322

A loss shall be considered a Joint Loss if the accident causing such loss has occurred by fault of one of the parties concerned with the journey, without derogation to the right of other parties who are also concerned with the journey, to have remedy over the one committing the fault.

Article : 323

As a Joint Loss shall be considered all expenses outlaid in lieu of other expenses which would be accepted as a loss if actually spent, providing the expenses outlaid in place thereof do not exceed the amount of expenses that have not been spent.

Article : 324

Saving coastal navigation, goods which are shipped on deck of the ship in violation of the provisions of article 216 of the present law, shall, if salvaged, contribute to compensating for the joint losses, but if they are thrown into the sea or become damaged, their owner shall not ask to have them considered as part of the joint losses unless he can establish that he has not consented to shipping the goods on deck, or if the law or regulations in force at the Port of Shipment, or the nature of the consignment itself necessitate shipping it in that way, or that according to usage of the Port of Shipment the consignment shall only be shipped on deck.

Article : 325

Unacceptable within the Joint Losses shall be the destruction or damage occurring to the goods in respect of which no bill of lading or receipt has been issued by the Carrier or the Carrier's designee. If salvaged, these goods shall share in compensating for the joint losses.

Article : 326

Goods in respect of which a statement is submitted with less than their actual value shall contribute toward compensating for the Joint Losses on the basis of their real value. They shall not be acceptable within these losses, if they are destroyed or damaged, only on the basis of the value mentioned in the statement submitted in respect thereof.

Article : 327

The luggage of the crew and the passengers for which no bill of lading or receipt is issued by the Carrier or his designee, and also the mail parcels and consignments of all kinds, shall not contribute toward compensating the Joint Losses, if salvaged. They shall be acceptable within the joint losses, with their estimated values.

Article : 328

Two Groups (a debtor group and a creditor group) shall be formed of the obligations and rights arising from the Joint Losses.

Article : 329

The Ship, freight, and goods as shipped on it shall contribute toward compensating for the Debtor group, in the following manner :

- A) The Ship shall contribute its value as estimated in the Port at which the sea voyage is completed, plus the amount of sacrifices as borne thereby.

- B) The total freight for transporting the goods, and the fare for transporting the passengers, the refund of which is not specified in the conditions set therefor, shall contribute up to two thirds of their amount, toward compensating for the joint losses.
- C) Goods as salvaged shall contribute their real commercial value as estimated at the port of debarkation. So shall contribute the goods which were sacrificed, according to their estimated commercial value at the aforesaid port.

Article : 330

In the Creditor Group shall be acceptable the damages and expenses which are regarded as Joint Losses, estimated in the following manner :

- (A) The amount and value of the damages caused to the ship shall be estimated at the Port where the voyage is completed, on the basis of expenses as actually spent in repairing the damage caused to the ship, or the estimated repair costs in case no repairs have been made to the ship. In case the ship is totally destroyed, or considered as such, the amounts as acceptable in the joint losses shall be determined on the basis of the value of the ship as intact and sound before the occurrence of the accident, after deducting the estimated repair costs which are not qualified as joint losses, and the price collected from selling the shipwrecks if any.
- (B) The cost of damages caused to the goods shall be estimated at the port of debarkation, on the basis of the commercial value of these goods as intact at the aforementioned port, In case of the goods being damaged, the cost of damages shall be estimated on the basis of the difference between their value as intact, and their value as damaged, on the last day of unloading the goods at the port originally determined for its arrival, or the day on which the maritime voyage ends, if the voyage should end at a different port from the one already mentioned. If the damaged goods have been sold, the damage to be acceptable within the joint losses, shall be determined on the basis of the difference between the net price resulting from selling the damaged goods and the value of goods as intact on the last day of unloading the goods from the ship at the port originally designated for its arrival, or the

day on which the maritime voyage ended if ending at another port different from the one originally designed before.

Article : 331

If a concerned party does not pay the assets required from him to contribute toward compensating for the joint losses, the expenses to be outlaid in order to obtain these funds shall be considered as part of the joint losses.

Article : 332

- 1) If the owners of goods submit cash amounts to guarantee their contribution toward compensating for the joint losses, such amount shall be deposited forthwith in a joint account to be opened in the name of a representative of the Furnisher / outfitter, and a representative for the owners of goods who submitted the aforementioned amounts, in a bank to which the two parties would consent. Such deposits shall be maintained to guarantee the settlement of the rights of concerned parties, in the joint losses. No payments shall be disbursed out of these deposited amounts, nor shall they be returned to their payers except by written authorization from the Accounts Conciliation Expert, without derogation to the rights and obligations ensuing from the final adjustment of accounts.
- 2) In case differences should arise, the Summary Court Justice, shall appoint a representative for the owners of goods, and define the bank in which the amounts shall be deposited.

Article : 333

Joint Losses shall be distributed among all parties concerned in the maritime journey.

Article : 334

- 1) One or more experts to be appointed by the parties concerned shall be assigned the settlement of joint losses. If they fail to agree on the expert(s), the latter shall be appointed by the Summary Court Justice of the court

within the jurisdiction of which lies the last port for unloading the goods. If such port is located outside the Arab Republic of Egypt, the jurisdiction shall go to the court within the precinct of which lies the port at which the ship was registered.

- 2) Experts may resort to the services of third party experts in performing their task.

Article : 335

If all parties concerned fail to reach a consensus on the settlement of joint losses, the issue shall be taken to the court of jurisdiction upon the request of any one of them, in order to approve the settlement proposed. If the Court refuses to approve the settlement, one or more experts shall be appointed by it to conduct a new settlement arrangement.

Article : 336

The Ship's Master may refrain from delivering the goods that should share in compensating for the joint losses, or ask for depositing them for the purpose, unless the goods owner should present an adequate guarantee to pay his share in the losses. If the two parties fail to agree on the required guarantee, the matter shall be raised to the Summary Court Justice to set an estimated guarantee for the purpose.

Article : 337

Debts resulting from Joint Losses shall be considered as privileged debts. Such privilege shall be valid with regard to amounts as payable to the furnisher and outfitter of the Ship, out of the goods which have been salvaged or the proceeds of selling these goods. Concerning the amounts payable to the owners of goods, such privilege shall be accorded to them out of the proceeds collected on the salvaged ship, and its freight and extra amounts as levied in connection with such proceeds. Expenses as outlaid for settlement of joint losses shall have priority over other debts.

Article : 338

No Joint Liability shall be imposed on those who are bound to share in compensating for the Joint Losses. However, if any one of them becomes unable to pay his share in these losses, the portion unpaid thereby shall be divided among the other parties in the proportion of their share in compensating for the joint losses.

Article : 339

- I- A court action lodged for contribution toward meeting the joint losses shall abate with the lapse of two years from the ship's date of arrival at the port which was originally designated for its arrival threat, or the port at which the maritime journey was interrupted.
- 2- The validity of the period referred to in the foregoing clause shall be interrupted by appointing the Debts Settlement Expert - in addition to other reasons as prescribed in the Civil Law. A new period shall in this case begin and its validity shall run for two years from the date of signing the plan for settlement of the Joint Losses, or the date the Debt Settlement Expert is retired.

Part - V

Maritime Insurance

Chapter : 1 **General Rules**

Article : 340

The provisions of the present Part - 5 shall apply to the insurance policy (Deed) which covers the risks and dangers connected with a sea voyage.

Article : 341

- I- An Insurance contract and all modifications introduced to it shall only be established in writing.
- 2- A temporary insurance policy as issued by the Insurer shall bind the two parties pending issuance of the final insurance policy.

Article : 342

- I- In the Insurance Policy the following data shall in particular be indicated :
 - a) Date of the Insurance Deed, defining the day and hour of its conclusion.
 - b) Place of signing the Insurance Policy.
 - c) Name and domicile of both Insurer and Insured.
 - d) Amounts covered by Insurance.
 - e) Risk and dangers as covered by the insurance and risks as excluded therefrom, as well as their time and place.
 - f) Insurance amount and premium.
- 2) The Insurer or his Designee shall sign the Insurance Policy.

Article : 343

- 1) The Insurance Policy shall be concluded and issued in the name of the Insured, to order of the Insured, or to Bearer of the Policy.
- 2) An Insurance Deed may be concluded and issued in favour of an undefined person.
- 3) The Legal Bearer of the Insurance Policy shall have the right of claiming the Compensation. The Insurer may argue vis-a-vis such bearer of the policy, with all rebuttals as he may invoke against the Party with whom the Policy is signed, even if the Insurance Policy was issued to order of such Party, or to bearer of the Policy.

Article : 344

In Re-Insurance cases, the Insured Party shall have no right to insist on the Re-Insurance Deed concluded by Insurer.

Article : 345

Insurance may be concluded on all funds and properties which are exposed to sea and maritime risks and hazards. Only those having interest in the non-occurrence of the danger and risk may be a party to the Insurance Deed, or a beneficiary thereof.

Article : 346

- 1) No Insurance Action shall be acceptable in Court if two months lapse from the Insurance Deed date or the date defined and fixed for starting the validity time of the risk covered by the Insurance, without such risk and danger begin to be valid.
- 2) This provision shall not apply to Insurance Policies which are held in common, except in regard to the first consignment.

Article : 347

- 1) The Insurer may ask for a court ruling which invalidates the Insurance Deed if it is established that the Insured Party has submitted incorrect data, however, not in bad faith, or failed to submit the data as related to the Insurance thus held, such that the Insurer, in both cases has estimated the risk at less than it really is.
- 2) Invalidating the Insurance Deed shall take place even though the incorrect data or refraining from submitting the data does not have any link with the damage and harm occurred to the object covered by insurance.
- 3) The Court, with due consideration to all conditions, may issue a ruling in favour of the Insurer against the Insured Party, in the cases specified in the foregoing two clauses, for payment of an amount equal to the insurance premium if the Insurer can establish there has been an ill Will on the part of the Insured Party, or the payment of an amount equivalent to half that premium if no ill will has been established.

Article : 348

- 1) The Insured Party shall notify the Insurer of all conditions coming up during the validity of the Insurance, which are likely to increase the risk as covered by the Insurer, providing such notification shall take place within three work days from the date the Insured Party learns thereof.

If the notification is not made within that date, the Insurer may then rescind the deed.

- 2) If the notification takes place within the time prescribed in the foregoing Clause, and it transpires that the danger so increased has not been a result of an act by the Insured Party, the Insurance shall remain valid, however, against increasing the insurance premium. In case the increase in the risk is resulting from an act of the Insured Party, the Insurer may then rescind the Contract within three work days from the date he is notified of the increased risk, or maintain the Insurance Deed along with requiring an increase in the insurance premium against increasing the risk. In the former case, the Court

may, upon the request of the Insurer, pass a ruling for paying thereto an amount equivalent to the Insurance Premium.

Article : 349

- 1) The Insurer may request a ruling to invalidate the Deed, in case the Insurance amount exceeds the value of objects thereby insured, and it is established that there has been a deception practiced in respect thereof by the Insured Party or its designee. In this case the Court shall have the right to pass a ruling against the Insured Party to pay to the Insurer an amount not exceeding the full insurance premium in consideration of the damages caused thereto.

If, however, there has been no deception in concluding the Deed, the Insurance contract shall be considered valid up to and within the value of objects as insured thereby.

- 2) In case the insurance amount is proved to be less than the true value of objects insured thereby, the Insurer shall only be committed up to and within the limits of the insurance amount.

Article : 350

- 1) An Insurance contract concluded after deterioration and waste of the objects insured thereby, or after the arrival of such objects shall be null and invalid, if it is established that news about the arrival or destruction of such objects had reached the contract signing place or the place where the Insured Party or Insurer is found, before the Insurance Contract was signed.
- 2) If the Insurance Contract is concluded on the proviso of good or bad news, it shall not be invalidated unless the Insured Party is established to have been aware personally, and before signing the Insurance Contract, of the destruction and waste of the object insured under the contract, or that the Insurer was personally aware, before concluding the contract, of the arrival of the object insured thereby.

Article : 351

If the risk has been covered in the same contract by several Insurers, the latter shall each be committed in the proportion of its share in the Insurance Amount, and within the limits of such share without they being jointly liable under such contract.

Article : 352

- 1) Except for deception and fraudulence cases, if the risk is covered by several insurance deeds, whether they were concluded on the same or different dates, with the total amount of insurance as mentioned in these contracts, being more than the value of the object insured thereby, all insurance contracts as concluded therefor, shall be considered valid, and the Insured Party may then have remedy thereof within limits of the damage, providing it does not exceed the value of the object insured thereby - over whoever he chooses of the Multiple Insurers, without any joint liability among them, in the ratio of the insurance amount wherewith they are each committed to the real value of the object insured thereby.
- 2) An Insured Party who claims a settlement of the Damage caused thereto shall reveal to the Insurer all other existing insurance contracts that he learns of, otherwise his claim shall not be acceptable.
- 3) Each Insurer may have remedy over the other Insurers for the settlement of each one's share in the damage, in the proportion of the amount they are each committed with under contract of insurance. If any of such insurers is insolvent, his share shall then be distributed among the solvent Insurers, in the same proportion.
- 4) In case Deception is established against the Insured Party, each one of the multiple insurance contracts shall be liable to nullification upon the Insurer's request to the Court which in passing its sentence for nullification of the Contract may also rule for paying suitable compensations to those entitled thereto, without such compensations exceeding the total insurance premium.

Article : 353

An insurer shall be accountable for the following :

- A) The Material Damages caused to the objects insured thereby, as a result of a maritime risk or incident which is considered as a Force Majeure, if the risk or incident are covered by insurance.
- B) The share of the properties insured, in the Common sea losses, unless the losses have resulted from a risk that is excluded from the insurance cover.
- C) Expenses and outlays which are spent due to a risk covered by the insurance, in order to protect the insured properties from some material damage, or to limit the degree of such damage.

Article : 354

- 1) The Insurer shall be responsible for a material damage caused to the object insured thereby, as a result of the insurer's fault or a fault of his subordinates working on land, unless the Insurer can establish that the damage has resulted from a premeditated fault, or a gross fault of the Insured himself.
- 2) Subject to the provisions of clause-2, article 377, of the present law, the Insurer shall be responsible for a material damage that is caused to the objects insured thereby, as a result of a fault of the Ship's Master or Crew.

Article : 355

The Insurer shall remain responsible for the risks covered by the insurance, in case of being obliged to change the route, the journey or the ship. If changing the journey or the route is not obligatory, the Insurer shall remain responsible for the accidents which are established to have taken place during the journey in a portion of the route agreed upon, or the route normally used where there is no agreement reached on a specific route.

Article : 356

- 1) Insurance shall not cover civil or foreign war risks, piracy acts, seizure of the ship and goods, commotion, riots, revolutions, strikes, closing down strikes, sabotage acts, terrorism, and damages directly or indirectly caused by explosions or nuclear radiations whatever their cause, unless otherwise agreed.
- 2) With the exception of the provisions of article 378 of the present law, the Insurance under contract shall not cover the damages caused by the insured objects to other properties or persons.

Article : 357

If agreement is reached on covering by insurance the risks of war, such insurance shall cover accordingly the damages that are caused to the objects insured thereby by cause of hostile or retaliatory deeds, being taken as prisoner, capturing, prevention and acts of duress, if such deeds and acts are taking place by governments or authorities whether or not they are recognized governments and authorities, or because of the explosion of mines and other war hardware even if the war had not been proclaimed, or had come to an end.

Article : 358

If it is impossible to determine whether the damage was caused by a military or sea and maritime risk, the damage shall then be considered as caused by a sea risk unless otherwise established.

Article : 359

The Insurer shall not be accountable for the following :

- A) Material Damages resulting from an inherent flaw and defect in the object insured thereby, or by wrapping and packaging it inadequately, subject to the provisions of clause-1 article 377 of the present law.
- B) Normal decrease occurring to goods while on route.

- C) Material damages resulting from fines imposed, confiscation, sequestration, seizure and capture, health arrangements, sterilization, siege penetration, smuggling acts, and exercising a forbidden trade.
- D) Compensations payable by cause of distraint, and the warranty paid to lift the attachment.
- E) Damages which are not counted as material damage directly affecting the objects insured thereby, such as unemployment, delays, price differences, and obstacles affecting the trading transaction and operation carried out by the insured.

Article : 360

- 1) Agreement may be reached on exempting the Insurer from paying the Compensation for Damage, within the limits to be determined in the contract. The amount of exemption shall be eliminated from the compensation amount unless agreement is reached on paying the compensation in full in case the damage exceeds the limits of exemption.
- 2) In all cases, the amount of exemption shall be reckoned after deducting the normal decrease which affects the object insured thereby, while on route.

Article : 361

The Insured must pay the insurance premium and expenses at the place and time agreed upon. He shall exert a reasonable degree of care toward preserving the object insured, and shall give correct data, in signing the contract, on the conditions and status of which he is aware and which are considered sufficient to enable the Insurer to estimate the risks as covered with insurance. The Insured shall also apprise the Insurer, during the insurance validity, of all increase in such risks, within the limits of his awareness thereof.

Article : 362

- 1) If the Insured does not pay the insurance premium falling due for settlement, the Insurer may discontinue the insurance or rescind the Contract.

Interrupting or rescinding the insurance contract shall be generating its effect after the lapse of fifteen days from serving a warning on the Insured in order to settle the insurance premium, and advise him of interrupting or rescinding the insurance contract. The warning may be addressed by registered letter with acknowledgment of receipt, or by Cable or Telex to the last Domicile of the Insured which is known to the Insurer. The warning to proceed with settlement of the insurance premium and the notification of interrupting or rescinding the Insurance may take place together in the same procedure.

- 2) If the Insurance Premium and Expenses have not been paid, a notification of interrupting the Insurance shall not prevent serving another notice of rescinding the contract.
- 3) In case the contract is interrupted, Insurance shall resume producing its effect Twenty Four Hours after payment of the premium and expenses.
- 4) The effect of contract interruption or rescission shall not be valid vis-a-vis a Bona Fide Third Party to whom is transferred the insurance policy ownership before any incident occurs and before notification of contract interruption or rescission. In case of occurrence of an incident, the Insurer may insist on a clearing arrangement vis-a-vis the third party, within the limits of the premium payable.

Article : 363

In case of the occurrence of a risk which is covered by insurance, the Insured shall exert his maximum effort to salvage the objects subject of insurance, and take all procedures and steps to preserve the right of the Insured Party toward having remedy over the responsible third party. The Insured shall still be responsible for the harm caused to the Insurer because of his neglect (the Insured) in carrying out his obligations.

Article : 364

Settlement for the damages shall be made through compensation payment unless the Insured elects to relinquish the object under insurance, to the Insurer, where the law or agreement permits the Insured to choose doing so.

Article : 365

The Insurer shall not be committed to repair or have the objects insured replaced by other substitutes.

Article : 366

For the objects insured, the Insurer shall pay his share in the joint losses and expenses involved for salvage and rescue works, in the proportion of the value of insured objects, after deducting the special losses, which if any, shall be the Insurer's responsibility & burden.

Article : 367

Giving up the objects insured may not be a partial or conditional relinquishment. Nor shall there be any going back on such relinquishment except with the Insurer's agreement. Giving up the object shall result in transferring the ownership of such insured object to the Insurer who shall pay the whole insurance amount. Transferring the ownership shall produce its effect between the two parties as of the day the Insured announces his desire to give up the object to the Insurer. The Insurer may refuse the transfer of the ownership of objects insured, to himself, however, without derogation to his obligation to pay the insurance amount in full.

Article : 368

The desire to give up the object insured shall be notified to the Insurer by serving a notice via a bailiff or by registered letter with acknowledgment of receipt. Announcing such desire shall take place within three months from the date the Insured comes to learn of the accident which permits to give up the object, or the date of expiry of the period prescribed in articles 383 and 392 of the present law.

Article : 369

When the insured advises the insurer, about his desire to give up the object insured, he must declare and give a statement about all the insurance policies &

contracts which he has concluded or which is aware of and those which he knows about.

Article : 370

If the Insured gives a mala fide statement non-conforming to the truth in connection with the Accident, and a harm results therefrom to the Insurer, a Court ruling may be pronounced and passed to extinguish his right to the insurance amount, wholly or partly.

Article : 371

The Insurer shall replace the Insured in all the latter's rights as established in connection with the damages covered by Insurance, within the limits of the compensation the Insurer has paid.

Article : 372

- 1) All court actions arising from the Insurance contract shall abate with the lapse of two years. This period shall be calculated as follows :
 - a. From the date the insurance premium becomes payable through a Court Ruling in the Action claiming the premium.
 - b. From the date of occurrence of the accident resulting in a court action being brought claiming the payment of compensation for the damage occurring to the Ship.
 - c. From the arrival date of the ship or the date it should have arrived, in relation to the Court Action claiming compensation for damages caused to the goods. If the accident occurs at a date subsequent to these two foregoing dates, the validity period for bringing the Court action shall begin from the accident occurrence date.
 - d. From the accident occurrence date, in relation to the Court Action claiming settlement of the cost of damages by means of giving up the objects insured. Where the contract has determined a period for bringing a Court Action claiming relinquishment of the object, the

period thus determined shall begin its validity from the expiry date of that period.

- e. From the date settlement is made by the Insured, in relation to the Court Action brought for sharing in the joint losses, or the Action claiming settlement of salvage expenses.
 - f. From the date a third party brings a Court action against the Insured or the date of settlement by the Insured in relation to the latter's Court action against the Insurer as a result of the third party's claim of remedy over the Insured.
- 2- A Court action of replevin shall abate with the lapse of two years, as regards the recovery of amounts paid by virtue of the Insurance Contract. The validity of the period during which the Action may be brought shall begin from the date of paying amounts undue for settlement.
 - 3- In all cases the period of validity for bringing the court action shall be interrupted with the delivery of a registered letter with acknowledgment of receipt or with the receipt of documents connected with the claim, or yet with delegating an expert to assess the damages, in addition to such other causes as are prescribed in the Civil Law.

Chapter : 2

Provisions On Certain Maritime Insurance Types

First : Insurance On Ships

Article : 373

Insurance on ships shall be held for one or multiple successive journeys, or for a determined period.

Article : 374

- 1- The validity of the guarantee given by the Insurer in relation to Insurance per Journey, shall begin from the time of starting the shipment of goods to the time of complete debarkation of goods, providing such period shall not

exceed the Insurance validity period, in all cases, by more than Fifteen Days from the arrival of the ship to the location of destination and the announcement made by the Ship's Master concerning his ship's preparedness to unload the consignment.

- 2- If the Ship is void of goods, the guarantee made by the Insurer shall begin from the date the ship moves to sail off until it anchors at the location of destination.

Article : 375

If the Insurance as concluded covers multiple successive journeys, the place as determined in the Insurance Policy for completion of the last journey shall be considered as the place where the guarantee made by the Insurer shall expire.

Article : 376

If the Insurance is made for a determined period the guarantee as made by the Insurer shall cover all risks and dangers which take place on the first day of the guarantee period, and those occurring on the last day of it. A day shall be counted on the basis of twenty four hours beginning from the hour of signing the contract, according to local time of the place where the insurance contract is signed.

Article : 377

- 1) The Insurer shall not be held accountable for the damages resulting from inherent defects and flaws in the ship, unless the defect is invisible.
- 2) The Insurer shall not be held accountable for the damages resulting from premeditated faults on the part of the Ship's Master.

Article : 378

Save the damage and harm caused to persons, the Insurer shall pay for the damages whatever their kinds, since the Insurer shall be responsible to pay to

third parties in case a collision occurs between the insured ship and another ship, or the Insured Ship collides against a fixed, moving, or floating object.

Article : 379

- 1) In case Insurance on the Ship is made for one or multiple successive journeys, the Insurer shall be entitled to the insurance premium, in full, once begin the risks as covered by insurance.
- 2) If the insurance is for a determined period, the Insurer shall be paid the premium for the whole insurance period in case the ship is wholly destroyed, or if the Insured opts to relinquish the ship to the Insurer when the destruction of the ship or its relinquishment is considered the Insurer's responsibility. If, however, the destruction or relinquishment of the ships is not of the responsibility of the Insurer, the Amount covering the period from the date the risk insurance validity period begins, to the date of accident occurrence resulting in the ship's destruction, or from the date of announcing the desire of the Insured to give the ship up to the insurer, shall only be payable.

Article : 380

- 1) Within the limits of the insurance amount, the Insurer shall guarantee the damages resulting from all accident occurring during the validity period of the insurance policy, whatever the number of accidents.
- 2) The right of the Insurer to claim a supplementary premium following each accident may also be agreed upon.

Article : 381

In the event of settlement by means of paying compensations, the Insurer shall sustain the expenses involved in replacing the parts and the necessary repairs to render the ship seaworthy, however, without the rest of compensations resulting from the reduction in the ship's value, or its being out of work, or for any other reason.

Article : 382

- 1) Subject to the provisions of article 349 of the present law, if the ship's value is agreed upon in the Insurance contract, no litigation in connection therewith shall be acceptable except in the case of sharing in the joint losses or rescuing costs according to article 366 of the present law.
- 2) The value as agreed upon shall comprise the hull and propellers of the ship and its ancillaries as owned by the Insured including the provisions and expenses involved in furnishing and outfitting the ship.
- 3) All Insurance, whatever its date, as held exclusively on the ancillaries owned by the Insured, shall result in reducing the insurance amount agreed upon by the equivalent of the value of such ancillaries in case of total destruction or relinquishment of the ship.

Article : 383

- 1) The Insured may relinquish the Ship to the Insurer, in the following cases :
 - A- The total destruction of the ship.
 - B- If the costs involved in repairing or rescuing and salvaging the Ship are equivalent to at least three fourths of its value as indicated in the Insurance Policy.
 - C- In case the Ship's news has been interrupted for a period of three months after receiving the last news about it, the Ship shall be presumed as destroyed on the date such news was received.
 - D- If the Ship has suffered irreparable damage, or such damage was impossible to repair due to the lack and inavailability of material techniques as necessary for such damage to be repaired at the place where the ship is found at the time of its damage, but it was, however, possible to tug it to another place where its repair would be possible.
- 2) If the Insurance concluded on the Ship, comprises war risks, the Insured may then use his right to relinquish the Ship in case of its capture or

detention or prevention from sailing off, upon orders from the Public Authorities, in case the Insured is unable to retrieve his ship within Four Months from the date he notifies the Insurer of the incident occurrence.

Article : 384

- 1) Insurance Contracts covering several ships belonging to the same Furnisher shall apply as though each of these ships belonged to a different furnisher and outfitter.
- 2) In relation to the Ship Insurer, the goods and other properties as owned by the furnisher and outfitter shall be considered as owned by the Third Party.

Article : 385

- 1) In case of transfer of the ship's ownership, or the ship is chartered without due furnishing, insurance shall remain valid, by force of law, in favour of the new owner or charterer, providing the Insurer is notified thereof within Fifteen Days from the date of transferring the ship's ownership, or chartering it. Official holidays shall not be included within the Fifteen Days period. The new Shipowner or Charterer shall assume all the liabilities as were shouldered by the Insured vis-a-vis the Insurer by virtue of such Insurance.
- 2) The Insurer may require the recession of the Insurance Contract within one month from the date of notifying him about the ownership transfer of the ship or its charter. In this case the contract shall continue to be valid for a period of fifteen days from the date of requesting its recession.
- 3) The original Insured Party shall remain committed vis-a-vis the Insurer to pay the Insurance Premiums as due up to the date of transferring the ownership of the Ship or that of chartering it.
- 4) If the notification about transferring the ownership of the ship, or chartering it, does not take place within the period prescribed in clause (1) hereabove, the Insurance shall be considered as interrupted from the date of expiry of that period. Insurance contract shall resume producing its effect twenty four hours after the notification is made. The Insurer shall refund the Insurance Premium for the period of interruption of the contract.

- 5) The provisions of this article shall not apply to the case of the Ship ownership in common, unless transferring its ownership will comprise the majority of shares.

Article : 386

The provisions of articles 373 to 385 of the present law shall apply to Insurance Contracts which are restricted to the period of the ship's presence in a port, berth, dry dock, or any other place. These articles shall also apply to Insurance on the ship while still under construction.

Second : Insurance On Goods

Article : 387

Insurance on Goods shall be held by virtue of an Insurance Policy for one journey, or by sharing in a common Insurance Policy.

Article : 388

Goods shall be covered with Insurance uninterruptedly, at any place they are found during the journey as determined by the parties of the Insurance Policy.

Article : 389

If during the journey, the goods are found subject to land, river, or air transport, as part of completing the journey, rules of sea and maritime insurance shall apply during the said transport period completing the journey, unless otherwise agreed upon.

Article : 390

The amount of Insurance on Goods shall not exceed the highest of the following amounts :

- A) The purchase price of the goods at the place and time of shipment, or their current price at that time and place if they were not purchased. The goods transport cost (freight) to the port of destination, and the expected profit, shall be added to the foregoing purchase or current price of goods.
- B) The price of goods at the time and place of arrival, or the date at which the goods, should have arrived, in case they were perished.
- C) The selling price of goods in case the Insured has sold them, to which are added the amounts as might have been agreed upon in the Sale Contract.

Article : 391

Losses as caused to the goods shall be estimated at the difference between the value of goods as damaged and their value as intact and safe, at the same time and place. The percentage of the drop in the goods value shall apply as well to the insurance amount.

Article : 392

The Insured may relinquish the goods to the Insurer in the following cases :

- A) If news of the ship is interrupted for a period of three months after receipt of the last news about it. The Ship shall be presumed as destroyed at the date this news was received .
- B) If the Ship becomes unseaworthy, and no transport procedures of the goods begin by any other means, to the place of destination as agreed upon, within three months from the date the Insurer is notified by the Insured of the Ship's Unseaworthiness.
- C) If the goods are destroyed or damaged up to the equivalent of at least three fourths of their value as mentioned in the Insurance Policy.
- D) If the goods are sold during the journey as a result of suffering material damage, in case the harm is caused by the occurrence of one of the risks covered by Insurance. If Insurance covers war risks, the Insured may use his right to relinquish the goods in case the Ship is captured, retained, or

stopped by order of Public Authorities, if the Goods are not placed at the disposal of the Insured within Four Months from the date the Insurer is notified thereby, of the accident occurrence.

Article : 393

If Insurance is concluded under a joint Insurance Policy, such Policy shall comprise the conditions whereby each of the Insurer and the Insured, are bound, as well as the ceiling of the amount the Insurer undertakes to pay for each shipment, as well as the Insurance Premiums payable to the Insurer by the Insured. As regards the insured goods, the journeys, the ships, and other such data, they shall be determined by Insurance policy annexes to be issued in respect of each shipment separately.

Article : 394

Under a joint Insurance Policy, the Insured shall notify the Insurer of the following shipments, and the Insurer shall be committed to accept insuring these shipments :

- A) All Shipments made for account of the Insured or in implementation of sale or purchase deeds binding him to conclude the insurance on them. Insurance shall automatically comprise these shipments once they are exposed to the danger against which the insurance is held, providing the insured shall submit his notification thereabout within the period as prescribed and set forth in the Insurance Policy.
- B) All shipments made for account of a third party to whom the Insured assigned carrying out insurance procedures on them, providing the Insured has an interest in the shipment, in his capacity as Commission Agent, a Trustee for the goods, or in any other capacity. Insurance shall not cover these shipments save from the time the Insurer is notified thereof.

Article : 395

- I- If the Insured contravenes the obligations prescribed in the previous article, the Insurer may then require rescinding the contract immediately together

with claiming the payment of a compensation to him equivalent to the insurance premiums concerning the shipments of which he was not notified.

- 2- If there is established an ill will on the part of the Insured, the Insurer may restore the amounts paid thereby in respect of incidents involving shipments subsequent to the occurrence of the first premeditated violation on the part of the Insured.

Article : 396

In all cases of insurance on goods, the Insured shall notify the Insurer within fifteen days from the date of receiving the insured goods, of the existence of damage, otherwise he shall be presumed to have received the goods sound and intact, unless the Insured establishes otherwise.

Third : Liability Insurance

Article : 397

In case of holding a liability insurance, no remedy shall be sought against the Insured if the accident indicated in the Insurance policy takes place unless a third party who is harmed by such accident submits against the Insured a claim, whether friendly or in court. The obligation of the Insurer shall be within the limits of the compensation the Insured shall have to pay.

Article : 398

If the subject of Liability Insurance consists of compensating the harm and damage caused to a third party by an act of the Ship, pursuant to the provisions of article 378 of the present law, the Insurance shall then produce no effect unless the amount of insurance on the ship is not adequate to compensate for the harm.

Article : 399

If several Liability Insurance Contracts are concluded, each Insurer shall separately be liable for every accident, within the limits of the insurance amount set forth in the relevant Insurance Policy, regardless of the number of accidents,

providing the total amount received by the Insured shall not exceed the cost of damage ensuing from the Liability.

Article : 400

A Party undertaking the building or repair of the ship may conclude a Liability Insurance contract covering the harms and damages to be caused to the ship or a third party during the building or repair operations of the Ship. Such Liability Insurance shall not be subject to the Sea and Maritime Insurance Provisions unless parties to the insurance contract agree on applying them.

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