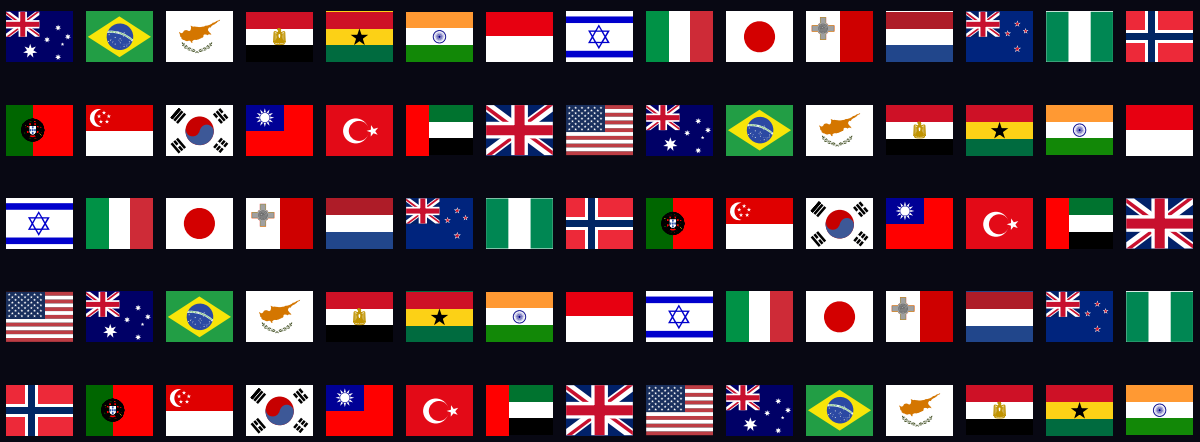
SHIPPING

Cyprus



LEXOLOGY
Getting The Deal Through

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Quick reference guide enabling side-by-side comparison of local insights into newbuilding contracts; ship registration and mortgages; limitation of liability; port state control; classification societies; collision, salvage, wreck removal and pollution; ship arrest; judicial sale of vessels, carriage of goods by sea and bills of lading; shipping emissions; ship recycling; jurisdiction and dispute resolution; international conventions; and recent trends.

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NEWBUILDING CONTRACTS

Transfer of title

When does title in the ship pass from the shipbuilder to the shipowner? Can the parties agree to change when title will pass?

Title in a newly built ship is evidenced by the issue of a builder's certificate, that is to say, a certificate signed by the builder of the ship, and containing a true account of the ship's particulars and of the name of the person on whose account the ship was built and if there has been any sale, the bill of sale under which the ship, or share therein, has become vested in the owner. As ships are movable objects, it follows that upon transfer of title taking place between the builder and the owner, there must be a contemporaneous 'physical' delivery of the ship by builders to owners.

Consequently, absolute title in a ship passes by the builders to the shipowners by means of a builder's certificate (and bill of sale, where applicable) and the physical delivery of such ship to the owner.

Law stated - 15 May 2023

Refund guarantee

What formalities need to be complied with for the refund guarantee to be valid?

There are no statutory requirements applicable in Cyprus for refund guarantees issued by builders to shipowners to be valid, other than the general legal requirements for the underlying shipbuilding contracts to have become effective in the first place.

Law stated - 15 May 2023

Court-ordered delivery

Are there any remedies available in local courts to compel delivery of the vessel when the yard refuses to do so?

An owner may apply to the Cypriot courts and request the issue of an order for 'specific performance' compelling the builder to deliver the ship physically. Specific performance is, however, a discretionary power of the court and is applied in cases where an alternative remedy is not possible.

Law stated - 15 May 2023

Defects

Where the vessel is defective and damage results, would a claim lie in contract or under product liability against the shipbuilder at the suit of the shipowner; a purchaser from the original shipowner; or a third party that has sustained damage?

A shipowner would have a cause of action against the builder for defects to his or her ship, both under the relevant shipbuilding contract and the warranty clause contained therein and, under certain circumstances, the provisions of the law on the sale of goods.

In a sale of a newly built ship that continues under the builder's warranty, and where such warranties are assigned to the purchaser, with the builder's consent, then such purchaser would stand in the same legal position as the original

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shipowner against the builder in relation to these warranty claims. Where such warranties are not applicable, then considering that the rule of 'privity of contracts' applies in Cyprus, the purchaser would not have a right of claim against the builder, but only against the seller of the ship, and would be based upon the terms of the contract of sale of the ship between them. This is usually a memorandum of agreement based on the Norwegian sales form or similar.

Law stated - 15 May 2023

SHIP REGISTRATION AND MORTGAGES

Eligibility for registration

What vessels are eligible for registration under the flag of your country? Is it possible to register vessels under construction under the flag of your country?

All vessels used in navigation and not propelled by oars are eligible for registration in Cyprus provided that they meet the age restrictions set out in the official government policy regulating the registration of old ships in the Cyprus Ships Register. Vessels under construction are registrable in Cyprus.

Law stated - 15 May 2023

Who may apply to register a ship in your jurisdiction?

A citizen of, or a corporation or partnership established in Cyprus, the European Union, the European Economic Area, which includes Norway, Iceland and Liechtenstein), or in a third country where its control or ownership vests in EU interests may apply to register a ship under the Cyprus flag.

Law stated - 15 May 2023

Documentary requirements

What are the documentary requirements for registration?

The documentary requirements are those pertaining to the passing of title in the ship to the buyer such as the bill of sale or builder's certificate, the passing of proper corporate authority to acquire the ship, various forms relating to the technical and safety aspects of the ship, and payment of the relevant fees.

Law stated - 15 May 2023

Dual registration

Is dual registration and flagging out possible and what is the procedure?

Dual registration and flagging out are both possible in Cyprus. The basis for such types of registration is the bareboat chartering of a ship by a shipowner to a charterer, on the condition that the respective laws of the underlying registry and of the bareboat registry explicitly permit dual registration, and contain preventive covenants on matters relating to ownership, and to mortgages over the ship, which shall be exclusively governed by the laws of the ships' underlying register. The bareboat charterer must also undertake to maintain the same safety standards to the ship, even though the chosen bareboat register applies safety standards that are lower than those applied by the ships' underlying register.

Law stated - 15 May 2023

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Mortgage register

Who maintains the register of mortgages and what information does it contain?

The Register Book is entrusted under the Merchant Shipping (Registration of Ships, Sales and Mortgages) Law 1963, as amended, to the Registrar of Cypriot Ships, and contains a description of the ship, and of the particulars of mortgages registered thereon. As there are two types of mortgage: one securing a principal amount and interest; the other securing a current account, the information that is entered in the Register consists of the name and address of the mortgagee, the date of the mortgage instrument, time of registering, the form of the registered mortgage and its ranking.

Law stated - 15 May 2023

LIMITATION OF LIABILITY

Regime

What limitation regime applies? What claims can be limited? Which parties can limit their liability?

The effect of Law No. 20(III)/2005 has been to ratify the 1976 Convention on Limitation of Liability for Maritime Claims and the first amendment thereof as effected via the 1996 Protocol, which was adopted on 2 May 1996 and entered into force on 13 May 2004.

The 2012 Protocol, adopted on 19 April 2012, and the amendments therein in relation to the limitation periods prescribed in the Convention, scheduled to have entered into force on 15 June 2015, will not become effective in Cyprus in the absence of a fresh ratification law ratifying the 2012 Protocol.

The Convention on Limitation of Liability for Maritime Claims of 1976 and of its Protocol of 1996 amending the said Convention (Ratification) and for Matters Connected Therewith Law of 2005 (Law No. 20(III)/2005) applies.

The following claims are subject to limitation:

1. claims in respect of loss of life or personal injury or loss of or damage to property (including damage to harbour works, basins and waterways and aids to navigation), occurring on board or in direct connection with the operation of the ship or with salvage operations, and consequential loss;
2. claims in respect of loss resulting from delay in the carriage by sea of cargo, passengers or their luggage;
3. claims in respect of other loss resulting from infringement of rights other than contractual rights, occurring in direct connection with the operation of the ship or salvage operations;
4. claims in respect of the raising, removal, destruction or the rendering harmless of a ship that is sunk, wrecked, stranded or abandoned, including anything that is or has been on board such ship;
5. claims in respect of the removal, destruction or the rendering harmless of the cargo of the ship; and
6. claims of a person other than the person liable in respect of measures taken to avert or minimise loss for which the person liable may limit his or her liability in accordance with this convention, and further loss caused by such measures.

The claims set out under (4), (5) and (6) are not subject to a limitation of liability to the extent that they relate to remuneration under a contract with the person liable.

The owner, charterer, manager and operator of a seagoing ship and salvors can limit their liability. An insurer of liability for claims is subject to limitation.

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Law stated - 15 May 2023

Procedure

What is the procedure for establishing limitation?

Provision is made in the conventions ratified by Cyprus. The matter has not been tested before the Cypriot courts.

Law stated - 15 May 2023

Break of limitation

In what circumstances can the limit be broken? Has limitation been broken in your jurisdiction?

The limit can be broken when the actual fault or privity of the shipowner is proved. There were incidents where limitation was broken. As the matter has not been tested in Cyprus there is no precedent; however, Cypriot courts would be guided with English case law.

Law stated - 15 May 2023

Passenger and luggage claims

What limitation regime applies in your jurisdiction in respect of passenger and luggage claims?

The Athens Convention limitation regime applies.

Law stated - 15 May 2023

PORT STATE CONTROL

Authorities

Which body is the port state control agency? Under what authority does it operate?

The port state control agency is entrusted to the Deputy Ministry of Shipping and operates under the Paris Memorandum of Understanding of Port State Control.

Law stated - 15 May 2023

Sanctions

What sanctions may the port state control inspector impose?

The port state control inspector may impose all sanctions provided for under the Paris Memorandum, including the detention of ships.

Law stated - 15 May 2023

Appeal

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What is the appeal process against detention orders or fines?

Orders made or fines imposed under port state control fall under normal government administration practice, all of which is subject to recourse to the Supreme Court of Cyprus within 75 days of the giving of the order or of the imposition of the fine.

Law stated - 15 May 2023

CLASSIFICATION SOCIETIES

Approved classification societies

Which are the approved classification societies?

All members of the International Association of Classification Societies are recognised by Cyprus.

Law stated - 15 May 2023

Liability

In what circumstances can a classification society be held liable, if at all?

A class society would be held liable if the cause of the action falls within the criminal domain.

For civil actions, a class society would generally be held accountable if it does not contractually disclaim liability with the shipowner.

Law stated - 15 May 2023

COLLISION, SALVAGE, WRECK REMOVAL AND POLLUTION

Wreck removal orders

Can the state or local authority order wreck removal?

Yes.

Law stated - 15 May 2023

International conventions

Which international conventions or protocols are in force in relation to collision, wreck removal, salvage and pollution?

Collisions

- The Convention on International Regulations for Preventing Collisions at Sea 1972 (Ratification) and for Matters Connected Therewith Law of 1980 (Law No. 18/80), and the following amendments:
  - the Convention on International Regulations for Preventing Collisions at Sea 1972 (Ratification) and for Matters Connected Therewith (Amendment) Law of 1981 (Law No. 8/81);
  - the Convention on International Regulations for Preventing Collisions at Sea 1972 (Ratification) and for Matters

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Connected Therewith (Amendment) Law of 1982 (Law No. 66/82);
- the Convention on International Regulations for Preventing Collisions at Sea, 1972 (Ratification of Amendments) Law of 1989 (Law No. 4/89);
- the Convention on International Regulations for Preventing Collisions at Sea, 1972 (Ratification and for Matters Connected Therewith (Amendment Law) of 2009 (Law No. 14(III). 2009; and
- the International Convention for the Unification of Certain Rules Concerning Civil Jurisdiction in Matters of Collision 1952 (Ratification) Law of 1993 (Law No. 31(III)/93).

Salvage

- The Convention for the Unification of Certain Rules of Law Relating to Assistance and Salvage at Sea and Protocol of Signature, Brussels 23 September 1910 (extended to Cyprus on 1 February 1913).

Pollution

- The Convention for the Protection of the Mediterranean Sea Against Pollution and for Connected Protocols (Ratification) Law of 1979 (Law No. 51/79) (Gazette No. 1524, supplement I, dated 8 June 1979);
- the Convention for the Protection of the Mediterranean Sea Against Pollution and for Connected Protocols (Ratification) (Amendment) Law of 2001 (Law No. 20 (III)/2001) (Gazette No. 3537, Supplement I (III), dated 15 October 2001);
- the Convention for the Protection of the Mediterranean Sea Against Pollution and for Connected Protocols (Ratification) (Amendment) Law of 2007 (Law No. 35 (III)/2007);
- the Convention for the Protection of Mediterranean Sea Against Pollution and for Connected Protocols (Ratification) (Amendment) Law of 2013 (Law No. 2(III)/2013);
- the Convention for the Protection of Mediterranean Sea Against Pollution and for Connected Protocols (Ratification) (Amendment) Law of 2019 (Law No. 17(III)/2019);
- the International Convention for the Prevention of Pollution of the Sea from Ships of 1973, its Protocol of 1978 and the Resolutions MEPC 14(20) of 1984, MEPC 16(22) and MEPC 21(22) of 1985 (Ratification) and for Matters Connected Therewith Law of 1989 (Law No. 57/89) and its amendments:
  - the International Convention for the Prevention of Pollution of the Sea from Ships of 1973, its Protocol of 1978 and the Resolutions MEPC 14(20) of 1984, MEPC 16(22) and MEPC 21(22) of 1985 (Ratification) and for Matters Connected Therewith (Amendment) Law of 1995 (Law No. 11(III)/95);
  - the International Convention for the Prevention of Pollution of the Sea from Ships of 1973, its Protocol of 1978, as Amended by the Resolutions of 1987–1995 (Ratification) and for Matters Connected Therewith (Amendment) Law of 2001 (Law No. 11 (III)/2001);
  - the International Convention for the Prevention of Pollution of the Sea from Ships (Ratification) and for Matters Connected Therewith (Amendment) Law of 2003 (Law No. 38 (III)/2003);
  - the International Convention for the Prevention of Pollution of the Sea from Ships (Ratification) and for Matters Connected Therewith (Amendment) Law of 2004 (Law No. 46 (III)/2004) (EU harmonisation law); and
  - the International Convention for the Prevention of Pollution of the Sea from Ships (Ratification) and for Matters Connected Therewith (Amendment) Law of 2005 (Law No. 36 (III)/2005) (EU harmonisation law), including:
    - the Submarine Pipe-Lines for the Transfer of Oil and Other Hydrocarbon Products Regulations 1995;
    - the Port Reception Facilities for Ship-generated Waste and Cargo Residues Regulations 2003; and
    - the Port Reception Facilities for Waste from Ships and Cargo Residues Regulations 2022 (which transposed EU Directive 2019/883 and repealed the Port Reception Facilities for Ship-generated Waste and Cargo

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Residues Regulations of 2003 to 2017);

- the International Convention for the Establishment of an International Fund for Compensation for Oil Pollution Damage of 1971 and of its Protocol of 1976 (Ratification) and for Matters Connected Therewith Law of 1989 (Law No. 109/89), and its amendment;
- the Protocol of 1992 Amending the International Convention for the Establishment of an International Fund for Compensation for Oil Pollution Damage of 1971 (Ratification) and Matters Connected Therewith (Amendment) Law of 1997 (Law No. 15(III)/97); and
- the International Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter 1972 and the Resolutions LDC5(III), LDC6(III) of 1978 and LDC12(V) of 1980 (Ratification) and for the Matters Connected Therewith Law of 1990 (Law No. 38/90).

The Nairobi International Convention on the Removal of Wrecks 2007 was ratified by Cyprus in August 2015 and entered into force on 22 October 2015.

Law stated - 15 May 2023

Salvage

Is there a mandatory local form of salvage agreement or is Lloyd's standard form of salvage agreement acceptable? Who may carry out salvage operations?

There is no mandatory local salvage form. Lloyd's standard form is acceptable in Cyprus. Any person may carry out salvage operations.

Law stated - 15 May 2023

SHIP ARREST

International conventions

Which international convention regarding the arrest of ships is in force in your jurisdiction?

Cyprus is not a party to the 1952 Arrest Convention; however, the United Kingdom passed the Administration of Justice Act 1956 to ratify the Convention, and the Administration of Justice Act 1956 applies to Cyprus by virtue of its Constitution and section 29 of Law No. 14/60.

Law stated - 15 May 2023

Claims

In respect of what claims can a vessel be arrested? In what circumstances may associated ships be arrested? Can a bareboat (demise) chartered vessel be arrested for a claim against the bareboat charterer? Can a time-chartered vessel be arrested for a claim against a time-charterer?

A vessel may be arrested pursuant to any permissible in rem action under the Administration of Justice Act 1956. An associated vessel may be arrested if, at the time of the cause of action, it was entirely beneficially owned by the relevant owner or charterer. It is unclear if a demise chartered vessel may be arrested for a claim against the bareboat charterer. A contractual claim against a time-charterer of a vessel does not provide a basis for the claimant to arrest such a vessel since the vessel to be arrested must belong beneficially, with respect to all the shares therein, to the

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person liable for the claim in personam.

Law stated - 15 May 2023

Maritime liens

Does your country recognise the concept of maritime liens and, if so, what claims give rise to maritime liens?

Maritime liens are recognised in Cyprus, and the law is similar to that applicable in England. These are:

- lien for damage, being a lien for the amount of a claim arising only in tort against a vessel as a result of her negligent navigation or operation such as collision (excluding damage to cargo or injury to persons on board such a vessel);
- the lien for salvage;
- the lien of the master, officers and crew for wages and other emoluments; and
- the lien of the master for disbursements made on account of the vessel provided that they were made on behalf of the owner of the vessel and not a demise-charterer or a time-charterer, in which case there is only a contractual claim of the master for the disbursements.

Law stated - 15 May 2023

Wrongful arrest

What is the test for wrongful arrest?

The test for wrongful arrest is 'bad faith'.

Law stated - 15 May 2023

Bunker suppliers

Can a bunker supplier arrest a vessel in connection with a claim for the price of bunkers supplied to that vessel pursuant to a contract with the charterer, rather than with the owner, of that vessel?

Yes, provided the bunker supplier shows that the claim falls within one of the sections of the Administration of Justice Act 1956 and, in particular, shows that the person who would be liable on the claim in an action in personam was, when the cause of action arose, the owner or charterer or in possession or control of the ship, the admiralty jurisdiction (whether the claim gives rise to a maritime lien on the ship or not) may be invoked by an action in rem against that ship, if at the time when the action is brought, the ship is beneficially owned as respects to all the shares therein by the owner, charterer or the person otherwise in possession or control of the ship.

Law stated - 15 May 2023

Security

Will the arresting party have to provide security and in what form and amount?

Yes, in the form of a local bank guarantee.

Law stated - 15 May 2023

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How is the amount of security the court will order the arrested party to provide calculated and can this amount be reviewed subsequently? In what form must the security be provided? Can the amount of security exceed the value of the ship?

The amount varies as there is no general rule. In practice, a figure usually representing 10 to 15 per cent of the amount claimed is ordered to be put up. It is highly unlikely that the security ordered will exceed the value of the ship.

Law stated - 15 May 2023

Formalities

What formalities are required for the appointment of a lawyer to make the arrest application? Must a power of attorney or other documents be provided to the court? If so, what formalities must be followed with regard to these documents?

No particular formalities are required to make an arrest application. The claimant will have to engage a local lawyer who will agree to undertake the case. The documents supporting the claim may be photocopies and have to be in a language that is understood by the court; if they are not, they have to be translated into Greek, with the translator swearing an affidavit that the translation is true and correct. Arrest applications can be dealt with in a matter of two to three days.

Law stated - 15 May 2023

Ship maintenance

Who is responsible for the maintenance of the vessel while under arrest?

The initial arrest expenses are paid by the arresting party to the admiralty marshal who is responsible for the maintenance of the vessel while it is under arrest. Such expenses are paid out first in any priority proceedings.

Law stated - 15 May 2023

Proceedings on the merits

Must the arresting party pursue the claim on its merits in the courts of your country or is it possible to arrest simply to obtain security and then pursue proceedings on the merits elsewhere?

Not necessarily. An arrest may be obtained provided that a substantive action is filed on or before applying for the arrest. The action could then be stayed, pending the determination of proceedings elsewhere.

Law stated - 15 May 2023

Injunctions and other forms of attachment

Apart from ship arrest, are there other forms of attachment order or injunctions available to obtain security?

A claimant may apply for an injunction freezing any movable property belonging to the defendant. There are also other

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types of injunction orders available, such as Norwich Pharmacal and Chabra.

Law stated - 15 May 2023

Delivery up and preservation orders

Are orders for delivery up or preservation of evidence or property available?

A party may apply, after closing of pleadings, for the discovery and inspection of documents. The party against whom such order is directed will not be at liberty to produce any documents during the trial that are not discovered. Any documents discovered may then be inspected. Further, any party may apply to the court for leave to administer interrogatories.

Law stated - 15 May 2023

Bunker arrest and attachment

Is it possible to arrest bunkers in your jurisdiction or to obtain an attachment order or injunction in respect of bunkers?

It is possible to obtain an injunction in respect of bunkers.

Law stated - 15 May 2023

JUDICIAL SALE OF VESSELS

Eligible applicants

Who can apply for judicial sale of an arrested vessel?

The arresting party or the admiralty marshal in whose custody the arrested ship is can apply for judicial sale.

Law stated - 15 May 2023

Procedure

What is the procedure for initiating and conducting judicial sale of a vessel? How long on average does it take for the judicial sale to be concluded following an application for sale? What are the court costs associated with the judicial sale? How are these costs calculated?

A judicial sale of a vessel can take place either:

- after judgment (in rem) is obtained whereby the admiralty marshal orders the appraisement (by a valuator) of the vessel, which is then sold by public auction; the admiralty marshal may, in some circumstances, request the court to order sale by private treaty; or
- before judgment, on the application of the arresting party or the admiralty marshal, provided that the court is convinced that the vessel is a 'wasting asset'.

The approximate costs (apart from legal fees) would depend on the value of the vessel (as a percentage is usually charged on the appraisement) and they then form part of the admiralty marshal's expenses. An approximate figure

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would be around €10,000.

Law stated - 15 May 2023

Claim priority

What is the order of priority of claims against the proceeds of sale?

The order is, from highest to lowest priority:

- admiralty marshal's expenses;
- maritime lien (apart from salvage: pari passu);
- mortgages;
- statutory claims in rem (pari passu);
- claims of in personam creditors of the owner of the res; and
- the owner of the res for the (if any) balance.

Law stated - 15 May 2023

Legal effects

What are the legal effects or consequences of judicial sale of a vessel?

It gives the purchaser good title extinguishing all prior liens and encumbrances on the vessel.

Law stated - 15 May 2023

Foreign sales

Will judicial sale of a vessel in a foreign jurisdiction be recognised?

Yes, provided it took place in a country with which Cyprus has entered into a treaty.

Law stated - 15 May 2023

International conventions

Is your country a signatory to the International Convention on Maritime Liens and Mortgages 1993?

Yes, Cyprus is a signatory.

Law stated - 15 May 2023

CARRIAGE OF GOODS BY SEA AND BILLS OF LADING

International conventions

Are the Hague Rules, Hague-Visby Rules, Hamburg Rules or some variation in force and have they been ratified or implemented without ratification? Has your state ratified, accepted, approved or acceded to the UN Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea? When does carriage at sea begin and end for the purpose of application of such

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rules?

The International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading and Protocol of Signature, Brussels, 25 August 1924 (extended to Cyprus on 2 June 1931) applies in Cyprus.

Carriage at sea begins on loading of the cargo and ends on discharge from the ship (on passing the ship's rails).

Law stated - 15 May 2023

Multimodal carriage

Are there conventions or domestic laws in force in respect of road, rail or air transport that apply to stages of the transport other than by sea under a combined transport or multimodal bill of lading?

There are no conventions or domestic laws in force.

Law stated - 15 May 2023

Title to sue

Who has title to sue on a bill of lading?

There is little or no Cypriot case law on the matter and the position under Cypriot law would be identical to that under English law. The Supreme Court of Cyprus in its admiralty jurisdiction applies the law that was applied by the English High Court of Justice up to 1960. Any case law up to 1960 is of binding effect and any subsequent authorities are of a very persuasive nature to the Cypriot courts.

Thus, the Bills of Lading Act 1855 is applicable in Cyprus (see Southfields Industries Ltd v M/V Adriatica K and Others (1989) 1 CLR 301, and Stavros Georgiou & Son (Scrap Metals) Ltd v the Ship 'Lipa' ibid). Section 1 of the Bills of Lading Act 1855 reads as follows:

> *'Every consignee of goods named in a bill of lading, and every endorsee of a bill of lading to whom the property in the goods therein mentioned shall pass, upon or by reason of such consignment or endorsement, shall have transferred to and vested in him all rights of suit, and be subject to the same liabilities in respect of such goods as if the contract contained in the bill of lading had been made with himself.'*

Law stated - 15 May 2023

Charter parties

To what extent can the terms in a charter party be incorporated into the bill of lading? Is a jurisdiction or arbitration clause in a charter party, the terms of which are incorporated in the bill, binding on a third-party holder or endorsee of the bill?

The parties are free to expressly incorporate the terms of the charter party in the bill of lading.

General words in a bill of lading incorporating into it all the terms and conditions, or all the terms, conditions and

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clauses of such charter party, are not sufficient to bring such arbitration clause into the bill of lading so as to make its provisions applicable to disputes arising under that document (Elie Sadek and another v Efpalinos Shipping Company Limited and another (1983) 1 CLR 696).

Law stated - 15 May 2023

Demise and identity of carrier clauses

Is the 'demise' clause or identity of carrier clause recognised and binding?

Yes, it is recognised and binding.

Law stated - 15 May 2023

Shipowner liability and defences

Are shipowners liable for cargo damage where they are not the contractual carrier and what defences can they raise against such liability? In particular, can they rely on the terms of the bill of lading even though they are not contractual carriers?

A charterer may be the carrier and whether the bill of lading is an owner's or charterer's bill is a matter of fact. English case law would be followed to determine such a question.

Law stated - 15 May 2023

Deviation from route

What is the effect of deviation from a vessel's route on contractual defences?

Principles of English law are to be followed (ie, liability as common carrier). Where the Carriage of Goods by Sea Law applies, any deviation in saving or attempting to save life or property at sea, or any reasonable deviation, is not deemed to be a breach of the contract of carriage.

Law stated - 15 May 2023

Liens

What liens can be exercised?

The following liens can be exercised:

- contractual liens, that is, those arising under a charter party, for example, against cargo or sub-charter hire or freight or sub-freights;
- at common law against the goods for freight, general average contributions, and expenses incurred by the shipowner or master in preserving the goods;
- maritime liens and statutory lien (once action in rem has been instituted) and a possessory lien, all against the ship; and
- the claims of the Republic of Cyprus for fees, dues or tonnage taxes chargeable and leviable under the Merchant Shipping (Fees and Taxing Provisions) Law of 1992, constitute a lien on the ship.

Law stated - 15 May 2023

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Delivery without bill of lading

What liability do carriers incur for delivery of cargo without production of the bill of lading and can they limit such liability?

It is the duty of the shipowner to see that the goods are delivered to the person to whom he or she has contracted to deliver them. Delivery to a person not entitled to the goods without production of the bill of lading is prima facie a conversion of the goods and a breach of the contract of affreightment (Archangelos Domain Limited v Adriatica Societa Per Azione Di Navigatione (1978) 1 CLR 439).

Law stated - 15 May 2023

Shipper responsibilities and liabilities

What are the responsibilities and liabilities of the shipper?

The principles of English law are to be followed.

Law stated - 15 May 2023

SHIPPING EMISSIONS

Emission control areas

Is there an emission control area (ECA) in force in your domestic territorial waters?

Yes, there is and it covers the whole of the Republic of Cyprus. Enforcement, however, is possible only in the areas that are under the control of the Cyprus government.

Law stated - 15 May 2023

Sulphur cap

What is the cap on the sulphur content of fuel oil used in your domestic territorial waters? How do the authorities enforce the regulatory requirements relating to low-sulphur fuel? What sanctions are available for non-compliance?

The maximum permitted sulphur content in fuel is 0.1 per cent while the ship is at berth. Detailed evidence has to be maintained showing the steps taken to achieve compliance on those ships that have not been designed to use diesel and gas oil, or have not got the necessary technical adaptation to use such fuel. During a changeover, specific entries must be entered in the official engine log of a ship. Enforcement is performed through port state control (PSC) inspections. In addition to detention of the ship under PSC, the sanctions impose criminal liability on all the responsible persons with fines of up to €50,000, imprisonment of up to five years, or both, and an administrative fine of up to €50,000 on the responsible surveyor.

Law stated - 15 May 2023

SHIP RECYCLING

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Regulation and facilities

What domestic or international ship recycling regulations apply in your jurisdiction? Are there any ship recycling facilities in your jurisdiction?

European Union regulations apply in Cyprus as regards recycling of ships. There are no recycling facilities locally.

Law stated - 15 May 2023

JURISDICTION AND DISPUTE RESOLUTION

Competent courts

Which courts exercise jurisdiction over maritime disputes?

Arrest proceedings and maritime claims (in rem and in personam proceedings) must be brought before the Supreme Court of Cyprus, in its admiralty jurisdiction. This court has exclusive jurisdiction over such questions or claims as defined by the Act. A recent amendment of the Courts of Justice Law 1960 as amended, has conferred limited admiralty jurisdiction upon the various district courts in Cyprus to hear certain admiralty actions subject to their referral by the Supreme Court.

Law stated - 15 May 2023

Service of proceedings

In brief, what rules govern service of court proceedings on a defendant located out of the jurisdiction?

The courts generally have discretion on the method they may direct service to be affected. Otherwise, depending on the country in which the defendant resides, there are numerous bilateral treaties and international conventions that Cyprus has ratified.

Law stated - 15 May 2023

Arbitration

Is there a domestic arbitral institution with a panel of maritime arbitrators specialising in maritime arbitration?

No, there is no domestic arbitral institution with a panel of maritime arbitrators specialising in maritime arbitration.

Law stated - 15 May 2023

Foreign judgments and arbitral awards

What rules govern recognition and enforcement of foreign judgments and arbitral awards?

EU judgments

By article 33 of the EC Regulation, a judgment, including a decree, order, decision or writ of execution, given in a member state may be recognised in the other member states without any special procedure being required, and under

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no circumstances may a foreign judgment be reviewed as to its substance.

Foreign judgments

The 1971 Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters and supplementary protocol thereto are ratified by Law No. 11/76.

A decision rendered in one of the contracting states is entitled to recognition and enforcement in another contracting state under the terms of this convention.

If not within the above convention, the judgment creditor may apply to the district court at any time within six years after the date of the judgment, to have the judgment registered in the district court, pursuant to the Foreign Judgments (Reciprocal Enforcement) Law. Alternatively, he or she may sue on the foreign judgment at common law.

Foreign arbitral awards

The Convention on the Recognition and Enforcement of Foreign Arbitral Awards, signed in New York on 10 June 1958 (the New York Convention), and in force as of 29 March 1981.

Law stated - 15 May 2023

Asymmetric agreements

Are asymmetric jurisdiction and arbitration agreements valid and enforceable in your jurisdiction?

So long as the parties have a clear agreement on the choice of jurisdiction, this would be recognised in Cyprus, unless a party pleads otherwise, in which case the court would have discretion in considering otherwise.

Law stated - 15 May 2023

Breach of jurisdiction clause

What remedies are available if the claimants, in breach of a jurisdiction clause, issue proceedings elsewhere?

There are no specific remedies available. The defendant might file an action seeking a declaration that the claimants' (foreign) action is null and void and should be stayed; however, Cypriot courts, as a matter of public policy, based on the principle of the comity of nations, would be very reluctant to entertain such an action and would prefer to leave the matter to the foreign court to decide.

Law stated - 15 May 2023

What remedies are there for the defendant to stop domestic proceedings that breach a clause providing for a foreign court or arbitral tribunal to have jurisdiction?

The defendant may apply for a stay of proceedings; however, the court always has discretion whether to grant such an application.

Law stated - 15 May 2023

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LIMITATION PERIODS FOR LIABILITY

Time limits

What time limits apply to claims? Is it possible to extend the time limit by agreement?

The Law for the Limitation of Actions, Law 66(I) of 2012, came into force on 1 July 2012.

Actions based on torts are time-barred if not filed within six years (three years for negligence, nuisance and breach of statutory duty) from the date the cause of action arose.

Actions for breach of contract are time-barred if not filed within six years from the date the cause of action arose.

The court has the discretion to extend the various time limits. Even though no case law exists on the matter, the court would most probably accept the parties' agreement to extend the time limits.

Law stated - 15 May 2023

Court-ordered extension

May courts or arbitral tribunals extend the time limits?

Yes, they have the discretion to do so, provided they are satisfied certain requirements are met.

Law stated - 15 May 2023

MISCELLANEOUS

Maritime Labour Convention

How does the Maritime Labour Convention apply in your jurisdiction and to vessels flying the flag of your jurisdiction?

The Maritime Labour Convention will apply fully in Cyprus, and the Deputy Ministry of Shipping is the responsible body to ensure application on all Cypriot ships.

Law stated - 15 May 2023

Relief from contractual obligations

Is it possible to seek relief from the strict enforcement of the legal rights and liabilities of the parties to a shipping contract where economic conditions have made contractual obligations more onerous to perform?

Yes, it is possible to seek relief provided that economic conditions have prevented the performance of contractual obligations, but not merely made them more onerous to perform.

Law stated - 15 May 2023

Other noteworthy points

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Are there any other noteworthy points relating to shipping in your jurisdiction not covered by any of the above?

No.

Law stated - 15 May 2023

UPDATE AND TRENDS

Key developments of the past year

Are there any emerging trends or hot topics that may affect shipping law and regulation in your jurisdiction in the foreseeable future?

On 12/5/2022, the Parliament has passed a law establishing a new Commercial and a new Admiralty Court. The said law has not been published yet.

Law stated - 15 May 2023

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Jurisdictions

Australia	Holding Redlich
Brazil	Kincaid | Mendes Vianna Advogados
Cyprus	Chrysses Demetriades & Co LLC
Egypt	Eldib Advocates
Ghana	Kimathi & Partners Corporate Attorneys
India	Phoenix Legal
Indonesia	Budidjaja International Lawyers
Israel	J.SPRINZAK Maritime Law Firm
Italy	Studio Legale Mordiglia
Japan	Okabe & Yamaguchi
Malta	Dingli & Dingli Law Firm
Netherlands	Van Steenderen MainportLawyers
New Zealand	Hesketh Henry
Nigeria	Creed & Brooks
Norway	Advokatfirmaet BAHR AS
Portugal	Ana Cristina Pimentel & Associados Sociedade de Advogados SP RL
Singapore	Haridass Ho & Partners
South Korea	Cho & Lee
Taiwan	Lee and Li Attorneys at Law
Turkey	Cavus & Coskunsu Law Firm
United Arab Emirates	Afridi & Angell
United Kingdom	MFB Solicitors
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