



24 hour duty phone: +86 150 1080 6478

email: oasis@oasispandi.com

www.oasispandi.com

Shanghai Dalian Tianjin Beijing Qingdao

Guangzhou Xiamen Ningbo Hongkong

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Subject: China's Maritime Code Revised to Take Effect on 01 May 2026

On October 28, 2025, the Standing Committee of the National People's Congress of People's Republic of China voted to adopt the newly revised Maritime Code, which will come into effect on May 1, 2026.

The newly revised Maritime Code consists of 16 chapters and 310 articles. The Director of the Civil Law Office of the Legislative Affairs Commission of the NPC Standing Committee provided a summary of the amendments in an official interview, which are provided below:

1. Appropriately Unifying Maritime Rules for Domestic and International Markets

- 1.1 Unifying the legal application for domestic and international carriage of goods by sea. The provision in the current Maritime Code stating that the chapter on "Contract of Carriage of Goods by Sea" does not apply to the carriage of goods by sea between the ports of the People's Republic of China has been deleted. Carriage of goods by sea between Chinese ports is now incorporated into the scope of application of the Maritime Code, to better coordinate domestic and international markets and further promote high-quality development of shipping and trade.
- 1.2 Unifying the limitation of liability for carriers in domestic and international carriage of passengers by sea. This effectively resolves the issue of "different values for the same life" arising in judicial practice due to the application of different limitation standards.
- 1.3 Unifying the limitation of liability for maritime claims between seagoing ships and inland watercraft. It is clarified that other crafts not used for military or governmental purposes that collide with a ship shall apply the same limitation of liability for maritime claims.

2. Appropriately Adjusting the Rights and Obligations of Parties in Maritime Activities

- 2.1 Clarifying that the carrier has the obligation to "receive" and "deliver" goods, and correspondingly adjusting the definition of the actual carrier, specifying that it includes who is entrusted or sub-entrusted by the carrier and actually performs all or part of the carrier's obligations. This allows parties such as terminal operators to attain the status of actual carrier under specific conditions, thereby enabling them to enjoy the carrier's exemptions and limitation of liability. Simultaneously, the provisions on exemptions are extended to situations where the carrier is liable for delay in delivery.
- 2.2 Clarifying that the shipper shall deliver the goods to the carrier for carriage according to the contract of carriage of goods by sea and guarantee the goods are suitable for the agreed carriage.
- 2.3 Clarifying that where no bill of lading is issued, the relationship between the carrier and the consignee shall be governed by the relevant provisions of Chapter IV "Contract of Carriage of Goods by Sea" of the Maritime Code.
- 2.4 Changing the bearer of costs and risks arising from non-delivery of goods at the port of discharge from the consignee to the shipper, and clarifying that the shipper shall be promptly notified.
- 2.5 Adding provisions on the shipper's right to modify the contract and exceptions where the carrier may refuse such modification.
- 2.6 Enhancing the protection of passengers' rights and interests, appropriately increasing the limitation of liability for the carrier in the carriage of passengers by sea for passenger death or personal injury and loss of or damage to their property.
- 2.7 Adding provisions on compulsory insurance or financial security for carriers or actual carriers in the carriage of passengers by sea, and clarifying that claims for compensation for passenger death or personal injury may be brought directly against the liability insurer or financial guarantor.
- 2.8 Appropriately increasing the limits of liability for maritime claims for ship owners, salvors and other parties.
- 2.9 Appropriately adjusting the rights and obligations of parties to contracts of marine insurance, clarifying rules regarding the refund of premium upon termination of the insurance contract by the insurer, the insurer's obligation to explain and bring attention to the standard clauses in the insurance contract, and the obligation of the insured under an open cover to accurately declare relevant matters to the

insurer, etc.

3. Providing Institutional Guarantees for the Digital Development of Shipping

Adapting to the practical needs of the growing development of electronic shipping documents, and referencing the UNCITRAL Model Law on Electronic Transferable Records and relevant international conventions, the revised Maritime Code includes a dedicated section on electronic transport records within Chapter IV "Contract of Carriage of Goods by Sea". It clarifies the legal status of electronic transport records, stipulating that electronic transport records meeting statutory requirements have the same effect as transport documents; clarifies that the carrier and the shipper may agree to issue and use electronic transport records; electronic transport records must meet conditions such as completeness and accuracy of content, being available for retrieval and inspection, the issuer being identifiable, and the holder being able to prove their identity; and allows for conversion between electronic transport records and transport documents.

4. Improving Systems Related to Marine Ecological Environment Protection

4.1 Adding "strengthening marine ecological environment protection" to the legislative purposes. Adding provisions on the master's duties in preventing pollution damage to the marine ecological environment, and clarifying that the salvor and the salvaged party in salvage operations cannot contractually exempt themselves from their obligation to prevent or minimize environmental damage.

4.2 Establishing a dedicated chapter on liability for oil pollution damage from ships, based on relevant international conventions to which China is a party, clarifying the scope of compensation and liable parties for oil pollution damage from ships; clarifying that the state shall establish a compulsory insurance system for oil pollution damage from ships, and improve and implement the fund system for oil pollution damage compensation according to law; specific sections are added detailing matters related to liability for pollution damage from the carriage of oil by ships and liability for pollution damage from ships' bunkers.

5. Improving Rules on the Application of Law in Foreign-related Maritime Relations

5.1 Adding a mandatory application clause, clarifying that contracts for the international carriage of goods by sea where the port of loading or the port of discharge is located within the People's Republic of China shall be governed by the provisions of Chapter IV "Contract of Carriage of Goods by Sea" of this Code.

5.2 Enriching and improving the rules on the application of law concerning foreign-related relations, clarifying that the ownership and mortgage of a ship under construction, if registered, shall be governed by the law of the country of registration; if not registered, they shall be governed by the law of the place where

the ship is built. A maritime lien on a ship shall be governed by the law of the place where the ship is under arrest. The order of priority among a maritime lien, a possessory lien, and a ship mortgage shall be governed by the law of the forum. Liability for oil pollution damage from ships shall be governed by the law of the place where the pollution damage consequence occurred.

6. Other important revisions

- 6.1 To promote the development of ship financing and leasing business in China, adding provisions on ship financial lease registration to clarifying the protective function of the leased ship for the realization of the lessor's claims.
- 6.2 Clarifying the ownership of a ship under construction: if the parties have an agreement, follow the agreement; if there is no agreement or the agreement is unclear, it belongs to the shipbuilder.
- 6.3 Strengthening the protection of seafarers' rights and interests, clarifying that the employer shall conclude a labour contract with the seafarer in accordance with relevant laws, administrative regulations, and international treaties on seafarers' labour and social security concluded or acceded to by the People's Republic of China.
- 6.4 Modifying the calculation standard for the actual value of goods, clarifying that the actual value of the goods is calculated based on the market price at the place of delivery at the time of delivery; if the market price at the place of delivery at the time of delivery cannot be determined, it is calculated based on the value of the goods at the time of shipment plus insurance and freight.
- 6.5 Moving provisions on voyage charter parties from the chapter "Contract of Carriage of Goods by Sea" to the chapter "Charter Parties", while clarifying that where the voyage charter party contains no provisions or no clear provisions on the rights and obligations between the shipowner and the charterer, the provisions of the section on voyage charter parties shall apply, in addition to the relevant provisions in Chapter IV regarding the rights and obligations between the parties.
- 6.6 Improving general average rules, clarifying that losses or expenses incurred due to the escape or release of pollutants from the ship, cargo or other property during the same maritime adventure shall not be allowed as general average.
- 6.7 To enhance the underwriting capacity and global service level of China's shipping insurance, incorporating contracts of insurance for ships under construction into the scope of application of the chapter "Contract of Marine Insurance".
- 6.8 Further refining provisions on the time limit for maritime claims, ensuring

coherence with the Civil Code, to better protect the legitimate rights and interests of parties.

- 6.9 Adding provisions on countermeasures to counteract discriminatory or restrictive measures taken by certain countries or regions against China in the fields of maritime transport and shipbuilding.
- 6.10 Clarifying the nature and legal status of mutual protection and indemnity clubs (P&I Clubs), stipulating that mutual insurance associations voluntarily formed by members such as shipowners, ship operators, ship managers, or charterers, which collect contributions according to their rules and undertake to indemnify members against losses, liabilities, or expenses incurred in the operation of ships.

7. Summary of amendments made in this revision regarding improving the rules on the carriage of goods by sea

The carriage of goods by sea is the primary mode of transport for international trade and has always been a key focus of the Maritime Code. To adapt to the latest trends in shipping and trade, and properly balance the interests of relevant parties such as the carrier, shipper, and consignee, this revision, based on absorbing and referencing relevant international conventions and considering China's actual conditions with a problem-oriented approach, the following is a brief summary of the major amendments:

- 7.1 Aligning with the Revised Scope of Application, clarifying that contracts of carriage of goods by sea include both international contracts and domestic contracts between Chinese ports, clarifying the differences in rules between the two regarding the period of the carrier's seaworthiness obligation, the determination of delay in delivery, and the applicable exemptions.
- 7.2 Carrier's Obligations and Actual Carrier Definition: Referencing relevant international conventions, adding "receipt" and "delivery" of goods as carrier's obligations, and adjusting the definition of actual carrier accordingly. This allows terminal operators, under specific conditions, to attain actual carrier status and enjoy the carrier's exemptions and limitation of liability. The exemptions are also extended to delay in delivery.
- 7.3 Improving Rules on Deck Cargo: Referencing relevant international conventions, clarifying that if the carrier and shipper agree to carry goods on deck, this must be stated in the bill of lading; otherwise, it cannot be used against a third party acting in good faith.
- 7.4 Modifying the Calculation Standard for Actual Value of Goods: Referencing relevant international conventions and the Civil Code, clarifying that the actual value of the goods is calculated based on the market price at the place of delivery at the time of

delivery; if unavailable, it is based on the value at shipment plus insurance and freight.

- 7.5 Adding Shipper's Delivery Obligation: Summarizing Chinese shipping practices and referencing international conventions, adding provisions on the shipper's obligation to deliver the goods according to the contract and ensure their suitability for the agreed carriage.
- 7.6 Addressing Situations Where No Bill of Lading is Issued: Clarifying that where no bill of lading is issued, the relationship between the carrier and the consignee is governed by the chapter "Contract of Carriage of Goods by Sea".
- 7.7 Providing for Electronic Transport Records: Adapting to the digitalization of shipping documents, referencing international conventions and UNCITRAL model laws, adding a dedicated section on electronic transport records, covering their legal status, issuance, use, transfer, and conversion to/from transport documents.
- 7.8 Adding Basic Rules for Cargo Delivery: Summarizing shipping and trade practices, adding basic rules for the carrier's delivery of goods, specifying delivery under scenarios involving straight bills of lading, order bills of lading, bearer bills of lading, negotiable electronic transport records, and other situations.
- 7.9 Improving Rules on Non-Delivery at Discharge Port: Clarifying that if goods are not taken delivery of at the port of discharge, the master may unload them into warehouses or other appropriate places, with the resulting costs and risks borne by the shipper, who must be promptly notified.
- 7.10 Providing for Shipper's Right to Modify Contract: Summarizing practices in the carriage of goods by sea and referencing the Civil Code, adding provisions on the shipper's right to modify the contract, while specifying circumstances where the carrier may refuse the shipper's request.

We hope the above will be of assistance. If there is any query, please feel free to contact us at oasis@oasispandi.com at any time.

Best regards,

Oasis P&I Services Company Limited