

JAPAN P&I NEWS

To the Members

China—Introduction to Key Revisions of the Maritime Code of the People's Republic of China

Following our previous Japan P&I News [No.1334](#), dated 12 November 2025, concerning the China's Maritime Code Revised, we have obtained information from Huatai Insurance Agency & Consultant Service Ltd. regarding the introduction of key revisions to the Maritime Code of the People's Republic of China, including a comparison table between the old and new provisions.

The amended Maritime Code of the People's Republic of China will come into effect on 1 May 2026. This marks the first comprehensive overhaul since the Code's enactment in 1993. The primary objectives of the amendments are to adapt to the digitalisation of the shipping industry and environmental regulations, as well as to resolve challenges encountered in judicial practice. In this article, Mr. Minghan Jiang, a Chinese lawyer from Okabe & Yamaguchi, explains key changes as they relate to Contracts of Carriage, Limits of Liability, and Time Limitation as these are of particular relevance to our Members.

Amendments Related to Carriage of Goods

1. Extension of the Carrier's Obligations in respect of Care of Cargo

Under the current Code, the scope of the carrier's obligations to care for cargo are defined as to "load, shift, stow, carry, keep, take care and discharge" the goods. The amended Code adds two new items: "receipt" and "delivery" (Amended Maritime Code, Article 49).

To avoid liability, the carrier is required to prove that it has exercised due diligence to make the vessel seaworthy and has properly fulfilled its obligations to care for the cargo. This extension suggests that carriers may bear a broader burden of proof. Especially in the case of containerised cargo, it is strongly recommended that detailed records be created and maintained at both the time of receipt and time of delivery of the cargo, so that the carrier does not lose the opportunity to assert its defenses.

2. Extension of the Scope of Application

Under the current Code, port-to-port transportation along the coast or at sea within China (such as feeder services) was outside the scope of the Maritime Code. Under the amended Code, limits of liability and exclusion will be available for domestic coastal and maritime carriage (Amended Maritime Code, Article 43). However, it should be noted that exemptions for fire and error in navigation (neglect in the navigation or management of the vessel), which are recognised in international carriage, remain inapplicable to domestic coastal and maritime carriage even after the amendment (Amended Maritime Code, Article 52). Even after the amendments, the provisions of the Code remain inapplicable to transport in rivers, lakes, and other similar inland waters.

3. Revised Criteria for Calculating Damages in Cases of Cargo Total Loss

While the current Code stipulates that the indemnity for lost cargo is calculated based on CIF value, the amended Code aligns with the Civil Code, basing it in principle on the "market value at the place and time of delivery." The CIF value at the time of shipment will only be used if the market value cannot be determined (Amended Maritime Code, Article 56).

4. Clarification of liabilities in the event of non-collection or delayed collection of cargo by receivers

If no one takes delivery of the cargo at the discharge port, the Master may discharge the goods into a warehouse or other appropriate place. The amended Code stipulates that the resulting costs and risks shall be borne by the shipper, provided the carrier promptly notifies the shipper. If a consignee has already exercised its rights under the contract of carriage (e.g., accepting cargo or filing a claim) but subsequently delays or refuses to take delivery, such costs and risks shall be borne by the consignee (Amended Maritime Code, Article 93).

Amendments Related to Oil Pollution

1. New Chapter on Liability for Oil Pollution Damage

China is a state party to the 1992 Protocol to the International Convention on Civil Liability for Oil Pollution Damage (CLC 92) and the International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunker Convention). However, as these conventions have not been formally incorporated into domestic legislation, their implementation is reliant solely on judicial interpretations. The amendment establishes a new chapter dedicated to liability for oil pollution damage, formally incorporating these two international conventions into domestic law (Amended Maritime Code, Chapter XII).

Amendments Related to Limits of Liability

1. Increase in Limits of Liability

While China is not a party to the Convention on Limits of Liability for Maritime Claims (LLMC Convention), the current Code sets limits equivalent to 76LLMC. This amendment raises the limits to the same level as 96LLMC, significantly increasing the shipowner's limitation amount (Amended Maritime Code, Article 219).

Amendments Related to Time Limitation

1. Time Limitation for Non-Contact Damage

The time limitation for claims arising from vessel collisions is two years from the date of the incident. In both-to-blame cases involving third-party personal injury, both vessels are jointly and severally liable. A vessel that pays compensation exceeding its proportion of fault has a right of recourse against the other vessel, subject to a one-year time limitation from the date of payment.

With this amendment, the rules regarding the statute of limitations equivalent to those for ship collisions will also apply to so-called non-contact damage caused to another ship, even where no physical contact between the ships has occurred (Amended Maritime Code, Article 288).

2. Amendment to the Grounds for Tolling the Limitation Period

A "demand for payment by the claimant" has been added to the grounds for interrupting the time limitation, joining the existing grounds of "filing a lawsuit," "commencing arbitration," and "agreement to perform by the respondent." Based on Civil Code judicial interruption, a demand for payment via written letter or email may now suffice to

interrupt the time limitation under the Maritime Code. Consequently, relying on a time limitation defense is expected to become more difficult than before.

Amendments Related to Governing Law

1. Mandatory Application of the Maritime Code

The amended Code mandates that Chapter IV (Contracts of Carriage of Goods by Sea) shall apply to any international contract of carriage where the port of loading or discharge is in China (Amended Maritime Code, Article 295). Consequently, even if a Bill of Lading contains a clause designating the law of another country as the governing law, Chinese courts will prioritise the Maritime Code. Any contractual agreement in violation of the Code will be deemed null and void.

For details, please find attached the circular from our China correspondent, Huatai Insurance Agency & Consultant Service Ltd.

For inquiries regarding the details of this amendment or operational procedures, please contact the Association.

Yours faithfully,

The Japan Vessel Owners' Mutual Protection & Indemnity Association

Attachment: Huatai Circular No.PNI (2025) 08



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Introduction to Key Revisions of the Maritime Code of the People's Republic of China

Dear Sir/Madam,

On October 28, 2025, the newly revised Maritime Code of the People's Republic of China (hereinafter referred to as the "new Maritime Code") was adopted at the 18th Session of the Standing Committee of the 14th National People's Congress. The new Maritime Code consists of 16 chapters and 310 articles and will officially come into force on May 1, 2026. This revision focuses on four core directions: unifying domestic and international maritime rules, addressing trends in shipping digitalization, improving the systems related to

marine ecological and environmental protection, and optimizing the system for the application of foreign-related laws. Additionally, it comprehensively enhances the rights and interests protection mechanisms for various entities in the shipping field.

This Circular will rely on our practical experience in handling P&I cases, combined with specialized interpretations from government departments and authoritative legal experts, to introduce the key chapters of this revision, accompanied by a comparison table of old and new provisions (see Attachment for details). This document serves as a resource to assist the Clubs and their Members in enhancing risk control and compliance operations.

I. Revisions to the "General Provisions" Chapter

1. Elevation of Marine Ecology and Environmental Protection Status

The new Maritime Code adds the phrase "strengthening the protection of the marine ecological environment" to Article 1, placing it on an equal footing with protecting the lawful rights and interests of parties and promoting high-quality development of maritime transport and trade. This revision not only highlights the legislative value of marine environmental protection but also lays the foundation for the subsequent optimization of rules in chapters such as the master's duties, pollution liability, and salvage. Shipowners need to ensure the comprehensive and effective implementation of ship safety and pollution prevention management systems, establish specialized training mechanisms for environmental protection operations, standardize the retention of complete environmental compliance records, and reduce the risk of pollution liability arising from improper operations at the source.

2. Unification of Rules for Domestic and International Transport

The rules applicable to international and domestic maritime carriage of goods are unified by deleting the provision stating that the chapter on Contract of Carriage of Goods by Sea does not apply to transport between Chinese ports (Article 2 of the new Maritime Code). This adjustment fundamentally resolves judicial disputes caused by the "dual-track system" for domestic and

international transport, promotes the uniformity of legal application, and enhances judicial efficiency in dispute resolution.

II. Revisions to the "Ships" Chapter

1. Optimization of Ownership and Mortgage Rules

(1) Adjustment of the Transfer Rules for Mortgaged Ships

Unless agreed otherwise, the mortgagor may transfer the mortgaged ship, and the ship mortgage shall not be affected(Article 17 of the new Maritime Code). The amendment balances transaction freedom and the interests of the mortgagee.

(2) Improvement of the Repayment Order for Multiple Mortgages

The original provision that "The mortgages registered on the same date shall rank equally for payment" is deleted, and it is clarified that "If the mortgage of a ship has been registered, repayment shall be made in the chronological order of registration. Registered mortgages shall have priority over unregistered ones. And repayment shall be made in proportion to the amount of claims secured for unregistered mortgages" (Article 19 of the new Maritime Code).

(3) Establishment of Rules for Ownership of Ships under Construction

The ownership of a ship under construction shall be determined in accordance with the agreement. In the absence of an agreement or if the agreement is unclear, the ownership shall belong to the shipbuilder (Article 10 of the new Maritime Code). This new rule resolves disputes over the ownership of ships during the construction phase.

2. New Section on "Possessory Lien of Ships"

It is clarified that when the debtor fails to pay construction or repair costs, the shipbuilder or ship repairer may retain the lawfully possessed ship and has priority in compensation from the ship (Section 4, Chapter II of the new

Maritime Code). The repayment order for the ship possessory lien is "prior to ship mortgages but subsequent to the maritime liens" (Article 30 of the new Maritime Code).

3. Refinement of Ship Financial Leasing and Registration Systems

(1) Clarification of the Effect of the Lessor's Ownership in Ship Financing Leases, Strengthening the Protection of the Lessor's Claims.

The lessor's ownership of the ship under the ship financing lease shall not act against a bona fide third party unless it is registered (Article 8 of the new Maritime Code), strengthening the protection of the lessor's claims.

(2) Addition of Registration Inquiry Rights, Enhancing Transaction Transparency.

Ship right holders, interested parties, and relevant state authorities may lawfully query the status of ship ownership registration (Article 9 of the new Maritime Code).

4. Specific Optimization of Maritime Liens

As the statutory security interest with the highest priority in repayment in the ship property rights system, this revision focuses on the following optimizations:

(1) "Ship Manager" is included as a subject against whom maritime claims can be asserted, listed alongside the shipowner, bareboat charterer, and ship operator (Article 21 of the new Maritime Code). This amendment provides more comprehensive protection for maritime claimants.

(2) The claims for compensation for the loss of or damage to the goods, containers, or passengers' luggage carried on the ship are excluded from maritime liens (Item 5 of Article 22 of the new Maritime Code). This amendment avoids confusion with other contractual liabilities and pollution liabilities.

(3) For maritime claims such as seafarers' wages and other labor remuneration, the one-year period for the maritime lien shall be calculated from the date when the maritime claimant disembarks from the ship, instead of "when the lien exists" as stipulated in the original law (Article 28 of the new Maritime Code). The amended rule is more in line with the professional characteristics of seafarers and therefore will protect their right to claim.

III. Revisions to the "Crew" Chapter

1. Legalization and International Alignment of Crew Employment Contracts

A new provision on the protection of crew members' labor rights and interests is added (Article 36 of the new Maritime Code), requiring crew employers to conclude employment contracts with crew members in accordance with relevant laws, administrative regulations, and international conventions, thereby bringing the protection of crews' rights and interests directly under the adjustment scope of the new Maritime Code. This revision legally establishes the mandatory nature of crew employment contracts, achieves alignment with the "Maritime Labor Convention, 2006 ", and fills the gap in the protection of crew members' rights and interests in the original law.

2. Expansion of Master's Responsibilities

The new Maritime Code clarifies the master's statutory duties in preventing ship pollution within this chapter. Specifically, Article 37 establishes the general principle of the Master's duty to "prevent ships from polluting the ecology and environment" whilst Article 40 provides specific provisions for particular situations such as abandoning ship, requiring the master to instruct the crew to take measures such as closing oil tank valves and other equipment in emergencies to prevent or minimize pollution damage. Both provisions emphasize the master's obligation to take all reasonable and necessary measures to prevent discharge or leakage of pollutants into the marine environment.

The expansion of the master's responsibilities represents the domestic legislative transformation and response to the "International Convention for the Prevention of Pollution from Ships (MARPOL)", strengthening the master's role in environmental protection. Shipowners need to maintain high standards for the pollution prevention management capabilities of prospective masters, ensuring they are fully competent in fulfilling these statutory duties.

IV. Revisions to the "Contract of Carriage of Goods by Sea" Chapter

1. Unification of Rules for International and Domestic Coastal Cargo Transport

Article 43 of the new Maritime Code brings domestic carriage of goods by sea between Chinese ports within the scope of the new Maritime Code. This means that both international and domestic carriage of goods by sea uniformly and primarily apply the provisions of the new Maritime Code. For situations not specifically provided for in the new Maritime Code, the relevant provisions of the "Civil Code" shall apply.

2. Adjustments to the Rights and Obligations of Relevant Parties

(1) Revisions to "Carrier's" Rights and Obligations

- Drawing reference from the Rotterdam Rules, the new Maritime Code explicitly imposes on the carrier the obligation to properly and carefully "receive" and "deliver" the goods, making the carrier's liability system more complete(Article 49 of the new Maritime Code).
- The carrier's exemptions from liability are extended to situations of delay in delivery (Article 52 of the new Maritime Code).
- The differentiation of carrier liabilities and exemptions in international versus domestic carriage of goods by sea demonstrates an acknowledgment of operational distinctions. It helps to unify judicial standards and improve the accuracy of legal application:

(a) Distinction in Duty of Seaworthiness: The Duty of seaworthiness for carriers engaged in domestic carriage of goods by sea is explicitly stated to include not only before and at the beginning of the voyage but also "during the voyage" (Article 48 of the new Maritime Code).

(b) Distinction in Determining Delay in Delivery: For domestic carriers, failure to deliver the goods within a reasonable time period also constitutes delay in delivery (Article 51 of the new Maritime Code).

(c) Distinction in Exemptions: Domestic carriers are not exempt from liability for navigational fault and fire accidents on board the ship(Article 52 of the new Maritime Code).

(2) Adjustment of the Definition of "Actual Carrier"

Article 44 of the new Maritime Code clarifies that an actual carrier refers to a party that, upon entrustment or sub-entrustment by the carrier, actually performs all or part of the ship's cargo transportation obligations, including receipt, loading, moving, stowage, carriage, custody, care, unloading, and delivery, thereby expanding the scope of entities qualifying as actual carriers. Accordingly, entities such as port operators may, when specific conditions are met, be conferred the status of actual carriers, thus gaining the right to invoke the carrier's statutory exemptions and limitation of liability.

(3) Adjustment of the Shipper's Rights and Obligations

- The shipper must ensure the goods are suitable for the agreed carriage and deliver the goods according to the contract (Article 67 of the new Maritime Code).
- The new Maritime Code stipulates that the party bearing the costs and risks arising from failure to take delivery of goods at the port of discharge is changed from the consignee to the shipper, and the carrier shall promptly notify the shipper. However, if the consignee has already exercised rights under the contract of carriage of goods by sea, the costs and risks shall be borne by the consignee. This revision

clarifies the fundamental order of liability allocation, thereby reducing disputes caused by uncertainty regarding the responsible party (Article 93 of the new Maritime Code).

- The shipper may, during the period in which the carrier in charge of the goods, request in writing to change the port of discharge or consignee, but shall compensate the carrier for losses suffered by it. It also specifies exceptions where the carrier may refuse the change (Article 96 of the new Maritime Code). This adjustment grants the shipper the right to change the delivery arrangements during the carrier's liability period (while setting up a protection mechanism for the carrier). This adjustment responds to the demands of commercial practice and enhances the adaptability of the contract of carriage of goods by sea.

3. Improvement of Rules Related to Carriage of Goods

(1) Refinement of Goods Delivery Rules

Clarifies the party to whom delivery should be made under different types of transport documents (straight bills of lading, order bills of lading, bearer bills of lading, negotiable electronic transport records, etc.) (Article 87 of the new Maritime Code). This revision provides clear and operable legal guidance for the carrier in fulfilling its delivery obligation, significantly enhancing the certainty and security of the goods delivery process and effectively reducing disputes arising from unclear delivery methods.

(2) Modification of the Calculation Standard for the "Actual Value of Goods"

The actual value of the goods shall be calculated principally according to 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, the CIF price (value plus insurance and freight) at the time of shipment shall be used (Article 56 of the new Maritime Code). Changing the calculation standard to "the market price of the goods at the time of delivery at the place of delivery" will make the determination of the compensation value of goods closer to the actual economic loss of the cargo party, reflecting the principle of indemnity,

making the loss calculation more fair and reasonable, and helping to unify the calculation standards for damages in judicial practice.

(3) Addition of the Special Section "Electronic Transport Records"

The new Maritime Code introduces a dedicated section on "electronic transport records" (Section 5 of Chapter IV of the new Maritime Code), explicitly granting such records the same legal effect as paper documents, provided they comply with statutory requirements. It also establishes rules for their issuance, use, and conversion. This move formally recognizes the validity of electronic transport records under Chinese law, creates a structured framework for their application, and represents a legislative response to the trend of digitalization in shipping.

(4) Clarification of Rules for Carrying Goods on Deck

Article 54 of the new Maritime Code stipulates that if the carrier and the shipper agree to carry goods on deck, it shall be stated in the bill of lading. Otherwise, it shall not be enforceable against bona fide third parties. While safeguarding the freedom of contract between the carrier and the shipper, this rule effectively balances the legitimate rights and interests of bona fide holders of bills of lading, reflecting the protection of the interests of bona fide third parties.

V. Revisions to the "Contract of Carriage of Passengers by Sea" Chapter

1. Unification and Increase of Limitation of Liability

The new Maritime Code unifies the limitation of liability for carriers in both domestic and international passenger transportation by sea, while appropriately raising the compensation standards for personal injury and property loss (the limitation of liability for passenger death or injury has been increased from 46,666 SDR to 175,000 SDR per passenger, and the limitation of liability for cabin baggage has been raised from 833 SDR to 1,800 SDR per passenger). Furthermore, the parties are permitted to agree in writing on higher liability limits (Article 115 of the new Maritime Code). This revision

unifies the compensation standards for domestic and international passenger transport, and by significantly raising the limits of liability, it substantially enhances the protection of passengers' personal rights and interests. Furthermore, permitting the agreement of a higher limitation of liability respects the principle of party autonomy and reflects a balance between statutory principles and contractual flexibility.

2. Compulsory Insurance and Direct Claim Mechanism

A compulsory insurance mechanism is established under the new Maritime Code, mandating that carriers or actual carriers shall effect liability insurance or obtain corresponding financial guarantee for passenger injury or death(Article 125 of the new Maritime Code). Furthermore, passengers are granted a direct right of action against the insurer or guarantor (Article 126 of the new Maritime Code). The introduction of the compulsory insurance mechanism provides reliable financial backing for compensation in cases of passenger death or injury, significantly enhancing the enforceability of passengers' claims. The direct claim mechanism simplifies the compensation procedure, effectively safeguards passengers' legitimate rights and interests.

3. Expansion of the Scope of Legal Application

Through adaptive adjustments to the definition of the contract of carriage of passengers by sea, new business models such as cruise transport are now explicitly brought within the scope of legal regulation (Article 105 of the new Maritime Code). This effectively addresses the issue of the previous law lagging behind industry development, thereby expanding the scope of legal application and providing a legal basis for the standardized development of new types of maritime passenger transport services.

VI. Revisions to the "Charter Parties" Chapter

The main adjustment is the optimized positioning of the voyage charter party, moving it from Chapter IV "Contract of Carriage of Goods by Sea" to Section 2 of Chapter VI, listing it alongside time charter parties and bareboat charter parties. This structural adjustment clarifies that when the rights and obligations

of the shipowner and the charterer under a voyage charter party are not agreed upon or are unclearly stipulated, the provisions of Chapter IV regarding the rights and obligations of the parties shall apply in addition to the provisions of this section. This approach respects the freedom of contract while simultaneously filling potential gaps in the regulatory framework.

VII. Revisions to the "Limitation of Liability for Maritime Claims" Chapter

1. Significant Increase in Limitation amounts for Maritime Claims

Referencing the 1996 Protocol to the Convention on Limitation of Liability for Maritime Claims, the limitation amounts for shipowners, salvors, etc., are significantly increased, with substantial raises in both the calculation base and the amount per gross tonnage (Article 219 of the new Maritime Code).

This substantial increase in the limitation amounts is a necessary response to the development of the shipping industry and inflationary pressures, thereby aligning the limitation levels with current socio-economic conditions. The revision not only protects the interests of liable parties such as shipowners within a reasonable scope but also significantly enhances the degree of protection for victims of maritime incidents.

2. Unified Limitation of Liability for Ship Collisions

The new Maritime Code explicitly stipulates that the same limitation of liability applies when a ship collides with a non-military, non-governmental public service craft (Article 219 of the new Maritime Code). This clarification resolves previous judicial disputes arising from the application of different legal standards based on ship type, thereby facilitating more efficient and equitable resolution of ship collision cases.

3. New Exclusions from Limitation of Liability

The new Maritime Code stipulates that the limitation of liability for maritime claims shall not apply to claims for compensation for oil pollution damage caused by ships carrying oil in bulk, and claims for expenses relating to the

raising, removal, destruction, or rendering harmless of a ship which is sunken, wrecked, stranded, or abandoned (Article 217 of the new Maritime Code).

Liability for oil pollution damage caused by ships carrying oil in bulk is subject to a specific limitation regime, calculated based on the ship's tonnage, with a maximum limit of approximately 89.77 million SDR (Article 233 of the new Maritime Code). Compensation for bunker oil pollution damage, however, falls under the general limitation of liability for maritime claims and shares the limitation amount with other non-personal injury claims.

By excluding claims involving significant public interests, such as oil pollution damage and wreck removal, from the general limitation of liability for maritime claims, the revision demonstrates a clear public interest orientation. This amendment aims to ensure that public costs related to navigational safety and marine environmental protection can receive adequate compensation, thereby effectively preventing liable parties from evading or mitigating their public safety and environmental obligations by invoking limitation of liability.

VIII. Addition of a New Chapter on Liability for Oil Pollution Damage from Ships

The revision introduces a dedicated chapter on "Liability for Oil Pollution Damage from Ships," which systematically integrates and refines the domestic application of relevant international conventions. This chapter comprises three sections: General Rules, Liability for Oil Pollution Damage Resulting from the Carriage of Oil in Bulk by Ships, and Liability for Bunker Oil Pollution Damage, reflecting the alignment of domestic law with the International Convention on Civil Liability for Oil Pollution Damage (CLC) and the International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunker Convention). It establishes a clear and comprehensive legal framework for efficiently resolving compensation disputes related to ship-induced oil pollution occurring in China's jurisdictional waters and other navigable waters connected to the sea.

1. Clarification of Liable Parties and Claimants

(1) The liable party for compensation for oil pollution damage is clearly defined as the owner of the ship from which the oil spilled/leaked (Article 226 of the new Maritime Code). Where two or more ships jointly cause pollution damage, they shall bear joint and several liability for the damage that cannot be reasonably separated (Article 228 of the new Maritime Code). If a collision between two ships results in an oil spill from one ship, the owner of the leaking ship, after paying compensation, has the right to seek recourse against the owner of the non-leaking ship in accordance with Article 230 of the new Maritime Code.

(2) The principle of strict liability applies to shipowners, meaning they are liable for compensation regardless of fault for the oil pollution incident, unless an exemption applies. The adoption of the strict liability principle embodies the "polluter-pays" principle in the field of environmental torts. This revision enhances protection for victims of pollution by relieving them of the burden of proving the shipowner's subjective fault, while compelling shipowners to improve their safety management standards, prevent pollution incidents at source, and reduce marine environmental pollution risks.

(3) Both oil pollution damage and bunker pollution damage exclude claims against specific individuals, such as employees or agents of the shipowner, thereby establishing the exclusive liability of the shipowner for ship-induced oil pollution damage (Articles 232 and 238 of the new Maritime Code). This prevents claimants from pursuing recourse against individuals, such as the crew members or agents, ensuring the stability of the liable party and the reliability of compensation. This approach not only protects individuals who lack the financial capacity to compensate but also simplifies and streamlines legal relationships and claims procedures, aligning with internationally accepted practices in oil pollution compensation systems.

(4) Article 229 of the new Maritime Code establishes a compulsory insurance system for oil pollution damage and explicitly grants claimants the direct right to claim compensation from the liability insurer or financial guarantor of the shipowner. The liability insurer or financial guarantor shall be liable for compensation within the statutory limitation of liability. The article further stipulates that even if the shipowner loses the right to limit liability for maritime

claims, this shall not affect the right of the liability insurer or financial guarantor to invoke the statutory limitation of liability as a defense.

The compulsory insurance system, combined with the direct right of claim, ensures that claimants can directly exercise their right to compensation against solvent insurers, thereby significantly enhancing the reliability and enforceability of compensation. On the other hand, allowing insurers and guarantors to independently enjoy the right to limit liability helps maintain the stable operation of the insurance market. This institutional design embodies a prudent balance between fully protecting claimants' rights and interests and promoting the sustainable development of the insurance industry.

(5) The new Maritime Code expressly stipulates that the state shall, in accordance with the law, improve and implement the oil pollution compensation fund system. This fund serves as a supplementary compensation source, to be activated where the compensation provided by the shipowner and its insurer is insufficient, thereby ensuring that victims obtain full and effective relief.

2. Scope of Compensation, Liability, and Exemptions for Oil Pollution Damage

(1) The chapter on "Liability for Ship-Induced Oil Pollution Damage" applies to claims for compensation for ship-induced oil pollution damage occurring within China's jurisdictional sea areas and other navigable waters adjacent thereto. The compensable scope of oil pollution damage specifically includes four categories: property loss, costs of preventive measures, loss of income, and expenses for ecological environment restoration (Article 225 of the new Maritime Code).

(2) Section 2 of Chapter XII governs liability for oil pollution damage caused by the carriage of oil in bulk by sea. Article 233 specifies the method for calculating the limitation amount for such liability. Article 236 provides that, prior to the distribution of the limitation fund, if the shipowner, its liability insurer, or financial guarantor has compensated the claimant for oil pollution damage, they shall be subrogated to the claimant's rights against the fund. Furthermore,

costs incurred by the shipowner in taking preventive measures are eligible to participate in the distribution of the fund.

The provisions regarding the right of subrogation and the eligibility of preventive measure costs for fund distribution create an incentive for shipowners to proactively and promptly take preventive actions, such as cleanup operations after an incident. This helps prevent the aggravation of damage and, beyond compensation, effectively guides all parties involved to work towards mitigating the actual consequences of pollution. Such a mechanism aligns with the public interest in environmental protection.

(3) Section 3 of Chapter XII regulates the liability for ship bunker oil pollution damage. Article 237 stipulates that liability for oil pollution damage caused by non-persistent bunker oil carried by ships and bunker oil carried by other ships, excluding those specified in Section 2, shall be governed by the provisions of Section 3 of Chapter XII. The limitation of liability for bunker oil pollution damage (including other damages for which liability may be limited as stipulated in Article 216 of the new Maritime Code) shall apply the general rules on the limitation of liability for maritime claims.

Applying the general limitation of liability for maritime claims to bunker oil pollution damage, while adopting a higher specific limit to persistent oil pollution damage reflects the scientific approach of categorized and differentiated treatment in legislation. This not only takes into account the differences in potential hazards between different types of oil pollution but also balances the equitable distribution of the burden among different types of shipowners.

(4) Although Paragraph 2 of Article 226 specifies three exemption grounds generally consistent with international conventions, it imposes a prerequisite: "damage could not have been avoided by the reasonable measures in a timely manner". The prerequisite of "reasonable measures in a timely manner" is intended to guide shipowners towards fulfilling a higher standard of care and proactive pollution prevention duties when in distress. This approach encourages active damage mitigation, emphasizes response during the incident itself, rather than focusing solely on liability allocation after the incident,

reflecting a stricter stance on marine environmental protection.

3. Other Relevant Provisions

The new Maritime Code explicitly stipulates that losses or expenses arising from pollutant leakage by the ship, cargo, or other property during the same maritime adventure shall not be allowed in general average (Article 202 of the new Maritime Code). This provision clearly delineates the boundary between general average and environmental pollution liability, specifying that pollution-related losses and expenses must be borne by the responsible party themselves and cannot be treated as an extraordinary sacrifice under a common danger to be shared among the beneficiaries. This prevents the shifting of environmental costs to innocent non-liable parties, such as cargo interests, ensures the implementation of the "polluter-pays" principle within the general average system, and upholds the fairness of the contribution mechanism.

IX. Revisions to the "Contract of Marine Insurance" Chapter

1. Time Limit for the Duty of Disclosure

The new Maritime Code imposes a clear time limit on the insurer's right of rescission, stating that if the insurer fails to exercise this right within thirty days from the date it knew or should have known of the grounds for rescission, the right shall be extinguished. Furthermore, it clarifies the rules for premium refund upon rescission by the insurer, distinguishing between the following scenarios:

- (1) If the insured intentionally fails to truthfully disclose material information that influences the insurer's assessment of the premium rate or decision on whether to agree to insure or not, the insurer has the right to rescind the contract without refunding the premium.
- (2) If the failure to truthfully disclose such material circumstances is not due to the insured's intentional act, the insurer has the right to rescind the contract. If rescission occurs before the commencement of insurance liability, the insurer

shall refund the entire premium but may charge a handling fee. If rescission occurs after the commencement of insurance liability, the premium shall be refunded on a pro-rata basis for the unexpired period, except for voyage insurance contracts, where the insurer may refrain from refunding the premium if rescission occurs after the commencement of insurance liability (Article 248 of the new Maritime Code).

The amended provisions effectively prevent instability in legal relations resulting from the insurer's delay in exercising its rights or abuse of the right of rescission. This not only urges the insurer to conduct underwriting in a prompt and prudent manner but also safeguards the reasonable expectations of the insured, reflecting a balanced protection of the rights and obligations of both contracting parties.

2. Obligation to Explain Standard Clauses

The new Maritime Code strengthens the insurer's obligation to explain and highlight standard clauses. If the insurer fails to fulfill this obligation, resulting in the insured's failure to notice or understand a term that significantly affects their interests, the insured is entitled to assert that such a term does not form part of the contract. However, this defense is not available if the insured knew or should have known the content of the term (for example, due to their long-term engagement in the shipping industry) (Article 249 of the new Maritime Code). This provision helps correct information asymmetry between the parties to an insurance contract, prevents pitfalls associated with standard clauses, while avoiding excessive protection for the insured.

3. Nature of Open Covers

The new Maritime Code specifies that an open cover must be concluded in writing, defining it as a contract under which "the insurer agrees to assume the insurance liability for the goods to be shipped by the insured in batches within a given period in the future" (Article 257 of the new Maritime Code).

Regarding the insured's duty of declaration, the revision distinguishes the legal consequences of intentional and non-intentional failure to declare or erroneous

declaration (Article 259 of the new Maritime Code):

- (1) Intentional Breach: The insurer shall not be liable for any loss occurring during the respective shipment, but retains the right to collect the premium.
- (2) Non-intentional Breach: The insured may supplement or correct the declaration. Such rectification does not affect the right to claim, but the insurer has the right to calculate the insured value based on the method specified in Paragraph 2 of Article 243.

This differentiated regulatory approach imposes strict liability for intentional breaches while providing a remedial channel for non-intentional declaration errors. Thereby, it upholds the principle of good faith while ensuring the efficiency and stability of open cover transactions.

4. Legal Consequences of Breaching Warranty Clauses

Article 261 of the new Maritime Code substantially expands upon and elaborates the provisions of the original Article 235:

- (1) It stipulates that the insurer must notify the insured in writing to rescind the contract, and the contract is terminated upon receipt of the notice.
- (2) The insurer remains liable for losses occurring before the breach of warranty. For losses occurring after the breach but before the receipt of the rescission notice, the insurer is generally not liable. However, two exceptions are established: the insurer shall still be liable if the insured can prove either that there was no causal link between the breach and the loss, or that the loss occurred after the breach had been remedied.

The significance of this revision lies in breaking through the harsh rule in marine insurance law of "breach of warranty leads to absolute discharge from liability" under traditional marine insurance law, and instead introducing causation as the core element in determining liability. It prevents the unfair outcome where an insured loses all coverage due to a minor breach unrelated to the loss, while also incentivizing the insured to take proactive remedial

actions through the rule that "liability is still covered after rectifying the breach", thereby maintaining the stability of the contract. Furthermore, by clarifying the rescission procedure and establishing distinct liability periods, the new rules help reduce unnecessary disputes and enhance judicial predictability.

X. Revisions to the "Time Limitation" Chapter

1. Commencement Point for the Limitation Period in Claims regarding Carriage of Goods by Sea

Article 284 of the new Maritime Code clarifies that the limitation period for claims regarding the carriage of goods by sea is one year. However, it introduces differentiated commencement points for cargo interests' claims and carriers' claims:

- (1) Cargo Interests' Claims: The limitation period commences from the date the goods were delivered or should have been delivered by the carrier (consistent with the original law).
- (2) Carrier's Claims: The limitation period commences from the date the carrier knew or should have known of the infringement of its rights. For example, if a carrier suffers a loss due to the shipper's wrongful declaration of goods, the limitation period starts from the date the carrier discovers the wrongful declaration.

Establishing distinct commencement points for the limitation period applicable to the carrier's claims and cargo interests' claims reflects a precise consideration of the nature of the rights involved and the varying degrees of difficulty in providing proof for each party. Maintaining the "date of delivery" as the commencement point for cargo interests provides clear and straightforward rules. Introducing the "date the right was known or should have been known of the infringement" for carriers' claims better aligns with the principle of fairness. This prevents the carrier's claim from being time-barred in situations where it could not reasonably discover the loss promptly.

2. Other Time Limitation Provisions

(1) Right of Claim and Right of Recourse with regard to the Collision of Ships

The limitation period for claims arising from ship collision remains two years, calculated from the date of the collision incident. The limitation period for recourse claims is one year, calculated from the date on which the party made the joint and several compensation payment. A new clause (Article 288 of the new Maritime Code) explicitly states that the aforementioned time limitation rules also apply to claims or rights of recourse arising under Article 179 of this Code, which covers situations where loss or damage is caused even without an actual collision. This revision extends the application of the time limitation, ensuring broader coverage for various scenarios and facilitating the timely resolution of collision-related disputes.

(2) Claims for General Average Contribution

The time limitation for claims for general average contribution remains one year, calculated from the date the general average adjustment is concluded. However, a maximum time limit has been introduced (Article 290 of the new Maritime Code), stipulating that it shall not exceed six years from the date of the termination of the common maritime adventure. This revision establishes a maximum protection period, preventing long-term uncertainty in rights and obligations due to prolonged adjustment processes and protecting the legitimate rights and interests of all parties involved.

(3) Claims under Marine Insurance Contracts

Article 291 of the new Maritime Code changes the commencement point for the time limitation concerning claims under marine insurance contracts. It is now calculated from the date the insured knew or should have known of the occurrence of the marine insurance incident, instead of the previous "date on which the peril insured against occurred." This adjustment better aligns with marine insurance practice by fully considering situations where the insured might not immediately discover the incident, such as inherent damage to goods during transit that is only found upon delivery. It effectively prevents the unfair loss of the right to claim due to delayed discovery for reasons beyond

the insured's control. While protecting the legitimate rights and interests of the insurer, this revision significantly enhances the protection of the insured's rights, reflecting the fundamental requirement of adhering to the principle of fairness when balancing the interests of both parties.

XI. Revisions to the "Application of Laws in Relation to Foreign-Related Matters" Chapter

1. New Mandatory Application Rules for International Contracts of Carriage of Goods

Article 295, Paragraph 2 of the new Maritime Code explicitly stipulates that international contracts of carriage of goods by sea where the port of loading or the port of discharge is located within the territory of the People's Republic of China shall be mandatorily governed by the provisions of Chapter IV of the new Maritime Code. This constitutes a significant exception and limitation to the principle of party autonomy, aiming to strengthen judicial sovereignty and protect the operation of Chinese ports and related trade activities. It ensures that contractual relationships involving Chinese shipping interests are governed by the stable and predictable Chinese legal system, preventing parties from evading mandatory provisions of Chinese law by choosing foreign law.

2. Refinement of Rules Governing the Applicable Law for Ship Property Rights

The new Maritime Code introduces a detailed framework for the applicable law governing ship property rights. For ships under construction, a distinction is made based on registration status: if the ownership of a ship has been registered, the law of the country of registration applies, and if the ship has not been registered, the law of the place of construction applies. A new rule specifies that the law of the place where the ship is detained shall apply to ship possessory liens. Furthermore, it is explicitly stated that the priority order among maritime liens, possessory liens, and mortgages shall be governed by the law of the place where the court is located (Articles 296, 299, and 300 of the new Maritime Code). By establishing a comprehensive set of

conflict-of-law rules for ship property rights, the new Maritime Code effectively resolves complex legal conflicts arising from the separation of shipbuilding, registration, and operation processes, thereby providing a stable and predictable legal framework for international ship financing, construction, and transactions.

3. Clarification of the Applicable Law for Ship Oil Pollution Damage Liability

Article 304 of the new Maritime Code stipulates that liability for ship oil pollution damage shall be governed by the law of the place where the oil pollution damage occurred.

This provision reflects the principle of prioritizing environmental protection and the rights and interests of claimants. Applying the law of the place where the damage occurred generally means applying the law of the polluted state, which is more conducive to the restoration of the local ecological environment and ensures that affected parties obtain full compensation.

4. Revisions to the Rules on the Application of Laws in other Foreign-Related Relations

The new Maritime Code introduces provisions allowing parties to choose the applicable law by agreement in the areas of ship collision (Article 301) and general average contribution (Article 302).

This revision appropriately expands the scope of party autonomy, respects the international nature of maritime commercial activities and the legitimate expectations of the parties.

XII. Revisions to the “Supplementary Provisions” Chapter

1. New Clause on Countering Discriminatory Measures

Paragraph 2 of Article 308 of the new Maritime Code authorizes the Chinese government to take corresponding countermeasures when any country or

region adopts discriminatory measures against China in the fields of maritime transport and shipbuilding. This clause serves as a legal instrument to safeguard national interests, granting the state the power to adopt flexible countermeasures within the legal framework.

2. New Clause on the Legal Status of Mutual Insurance Organizations

Article 309 of the new Maritime Code explicitly recognizes the legality and operational model of shipowners' Protection and Indemnity Clubs (P&I Clubs) as mutual insurance organizations, stipulating that they may compensate members for losses and liabilities in accordance with their Rules. This provision formally establishes the legal status of this internationally prevalent risk-sharing mechanism within China's legal system, providing a clear legal basis for P&I Clubs to handle claims and conduct relevant business.

The implementation of the new Maritime Code will have multifaceted impacts on the Club and its Members. As the Club's correspondent in China, we will continue to monitor the judicial practices, interpretative guidelines, and regulatory developments following the enactment of the new Maritime Code, and we remain committed to providing you with comprehensive support and services.

Should you have any inquiries, please feel free to contact Huatai Beijing (pni.bj@huatai-serv.com) or our local branch offices.

Best regards,



CUI Jiyu

Head of Marine Team

Attachment

Maritime Law of the People's Republic of China

(Comparison of New and Old Articles of the Maritime Law)

Order of the President of the People's Republic of China	Order of the President of the People's Republic of China
(No. 64) 1993	(No. 58) 2025
The Maritime Law of the People's Republic of China, adopted at the 28th Meeting of the Standing Committee of the Seventh National People's Congress on November 7, 1992 , is hereby promulgated, and effective as of July 1, 1993	The Maritime Law of the People's Republic of China, as revised and adopted at the 18th Session of the Standing Committee of the Fourteenth National People's Congress of the People's Republic of China on October 28, 2025 , is hereby issued with effect from May 1, 2026 .
President of the People's Republic of China, Yang Shangkun	Xi Jinping , President of the People's Republic of China
November 7, 1992	October 28, 2025
Maritime Law of the People's Republic of China	Maritime Law of the People's Republic of China
(Adopted at the 28th Meeting of the Standing Committee of the Seventh National People's Congress on November 7, 1992)	(Adopted at the 28th Session of the Standing Committee of the Seventh National People's Congress on November 7, 1992, and revised at the 18th Session of the Standing Committee of the Fourteenth National People's Congress on October 28, 2025)
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CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
Article 1 This Law is enacted with a view to regulating the relations arising from maritime transport and those pertaining to ships, to securing and protecting the legitimate rights and interests of the parties concerned, and to promoting the development of maritime transport, economy and trade.	Article 1 This Law is enacted for the purposes of regulating the relations arising from maritime transport and those pertaining to ships, protecting the lawful rights and interests of the parties, strengthening the protection of the marine ecology and environment , and promoting the high quality development of maritime transport, economy and trade.
Article 2 "Maritime transport" as referred to in this Law means the carriage of goods and passengers by sea, including the sea-river and river-sea direct transport.	Article 2 For the purposes of this Law, "maritime transport" means the carriage of goods and passengers by sea, including sea-river and river-sea direct transport.

<p>The provisions concerning contracts of carriage of goods by sea as contained in Chapter IV of this Law shall not be applicable to the maritime transport of goods between the ports of the People's Republic of China.</p>	<p>(Deleted)</p>
<p>Article 3 "Ship" as referred to in this Law means sea-going ships and other mobile units, but does not include ships or craft to be used for military or public service purposes, nor small ships of less than 20 tons gross tonnage.</p>	<p>Article 3 For the purposes of this Law, "ships" means sea-going ships and other mobile installations at sea, excluding ships used for military purposes or performing the official duties of governments and small ships and crafts of less than 20 gross tonnage. "Ship" includes ship's apparel.</p>
<p>The term "ship" as referred to in the preceding paragraph shall also include ship's apparel.</p>	
<p>Article 5 Ships are allowed to sail under the national flag of the People's Republic of China after being registered, as required by law, and granted the nationality of the People's Republic of China.</p>	<p>Article 4 Ships are allowed to sail under the national flag of the People's Republic of China after being legally registered and granted the nationality of the People's Republic of China.</p>
<p>Ships illegally flying the national flag of the People's Republic of China shall be prohibited and fined by the authorities concerned.</p>	<p>If a ship sails without flying the national flag of the People's Republic of China in accordance with the law or illegally flies the flag of any other country, region, or organization, the relevant authority shall order it to take corrective action and hold it legally liable in accordance with the law.</p>
<p>Article 4 Maritime transport and towage services between the ports of the People's Republic of China shall be undertaken by ships flying the national flag of the People's Republic of China, except as otherwise provided for by laws or administrative rules and regulations.</p>	<p>Article 5 Maritime transport and towage services between the ports of the People's Republic of China shall be undertaken by ships that are allowed to sail under the national flag of the People's Republic of China, except as otherwise prescribed by any law or administrative regulation.</p>
<p>No foreign ships may engage in the maritime transport or towage services between the ports of the People's Republic of China unless</p>	<p>No foreign ship may engage in maritime transport or towage services between the ports of the People's Republic of China, unless</p>

permitted by the competent authorities of transport and communications under the State Council.	approved by the transport department of the State Council in accordance with the law.
Article 6 All matters pertaining to maritime transport shall be administered by the competent authorities of transport and communications under the State Council. The specific measures governing such administration shall be worked out by such authorities and implemented after being submitted to and approved by the State Council.	Article 6 The transport department of the State Council, the relevant local people's governments and their transport departments shall be responsible for the supervision and administration of maritime transport activities in accordance with the law.
CHAPTER II SHIPS	CHAPTER II SHIPS
Section 1 Ownership of Ships	Section 1 Ownership of Ships
Article 7 The ownership of a ship means the shipowner's rights to lawfully possess, utilize, profit from and dispose of the ship in his ownership.	Article 7 The ownership of a ship means the shipowner's rights to lawfully possess, utilize, profit from, and dispose of the ship in its or his ownership.
Article 8 With respect to a State-owned ship operated by an enterprise owned by the whole people having a legal person status granted by the State, the provisions of this Law regarding the shipowner shall apply to that legal person.	(Deleted)
Article 9 The acquisition, transference or extinction of the ownership of a ship shall be registered at the ship registration authorities; no acquisition, transference or extinction of the ship's ownership shall act against a third party unless registered.	Article 8 The establishment, modification, transfer, or extinction of the ownership of a ship shall be registered at the ship registration authority; and no establishment, modification, transfer, or extinction of the ship's ownership shall act against a bona fide third party unless registered.
	The lessor's ownership of a ship under a financial leasing contract shall not act against a bona fide third party unless it is registered. The charterer shall pay the hire according to the ship financial leasing contract. If the lessee fails to pay the hire within a reasonable time limit after receiving the

	demand for payment, the lessor may require the payment of the full hire; or it may rescind the ship financial leasing contract and take back the leased ship.
The transference of the ownership of a ship shall be made by a contract in writing.	A written contract shall be signed for the transfer of the ownership of a ship.
Article 10 Where a ship is jointly owned by two or more legal persons or individuals, the joint ownership thereof shall be registered at the ship registration authorities. The joint ownership of the ship shall not act against a third party unless registered.	Article 9 Where a ship is jointly owned by two or more legal persons, unincorporated organizations, or natural persons , the joint ownership thereof shall be registered at the ship registration authority. The joint ownership of the ship shall not act against a bona fide third party unless registered.
	The right holders and interested parties of the ship, and relevant state organs may inquire about the registration status of the ship's ownership in accordance with the law.
	Article 10 Where the parties have agreed on the ownership of a ship under construction, such an agreement shall apply. If there is no agreement or the agreement is unclear, the ownership shall belong to the shipbuilder.
Section 2 Mortgage of Ships	Section 2 Mortgage of Ships
Article 11 The right of mortgage with respect to a ship is the right of preferred compensation enjoyed by the mortgagee of that ship from the proceeds of the auction sale made in accordance with law where and when the mortgagor fails to pay his debt to the mortgagee secured by the mortgage of that ship.	Article 11 The right of mortgage with respect to a ship means the right to which the mortgagee is entitled in accordance with the law to have priority to receive repayments with respect to the ship provided by the mortgagor as security for debt, when the debtor fails to pay the due debt or any circumstance for realizing the right of mortgage as agreed by the parties occurs .
Article 12 The owner of a ship or those authorized thereby may establish the mortgage of the ship.	Article 12 The owner of a ship or a person authorized thereby may establish the mortgage of the ship.

The mortgage of a ship shall be established by a contract in writing.	The mortgage of a ship shall be established by a contract in writing.
Article 13 The mortgage of a ship shall be established by registering the mortgage of the ship with the ship registration authorities jointly by the mortgagee and the mortgagor. No mortgage may act against a third party unless registered.	Article 13 The establishment, modification, transfer, or extinction of the mortgage of a ship shall be registered at the ship registration authority; and no establishment, modification, transfer, or extinction of the ship's ownership shall act against a bona fide third party unless registered.
	The registration of the mortgage of a ship shall be jointly handled by the mortgagee and the mortgagor at the ship registration authority.
The main items for the registration of the mortgage of a ship shall be:	The main items for the registration of the mortgage of a ship include:
(1) Name or designation and address of the mortgagee and the name of designation and address of the mortgagor of the ship;	(1) the business or personal name and address of the mortgagee and mortgagor of the ship;
(2) Name and nationality of the mortgaged ship and the authorities that issued the certificate of ownership and the certificate number thereof;	(2) the name and nationality of the mortgaged ship, the authority that issued and the number of the certificate of registration of the ship's ownership;
(3) Amount of debt secured, the interest rate and the period for the repayment of the debt.	(3) the amount of debt secured and the period for the repayment of debt; and
	(4) the time of registration of ship mortgage.
Information about the registration of mortgage of ships shall be accessible to the public for enquiry.	Information about the registration of mortgage of ships shall be accessible to the public for inquiry.
Article 14 Mortgage may be established on a ship under construction.	Article 14 Mortgage may be created on a ship under construction.

In registering the mortgage of a ship under construction, the building contract of the ship shall as well be submitted to the ship registration authorities.	In registering the mortgage of a ship under construction, the relevant documents shall be submitted to the ship registration authority in accordance with the relevant provisions .
Article 15 The mortgaged ship shall be insured by the mortgagor unless the contract provides otherwise. In case the ship is not insured, the mortgagee has the right to place the ship under insurance coverage and the mortgagor shall pay for the premium thereof.	Article 15 The mortgaged ship shall be insured by the mortgagor, except as otherwise agreed upon in the contract. If the ship is not insured, the mortgagee has the right to place the ship under insurance coverage and the insurance premium shall be borne by the mortgagor.
Article 16 The establishment of mortgage by the joint owners of a ship shall, unless otherwise agreed upon among the joint owners, be subject to the agreement of those joint owners who have more than two-thirds of the shares thereof.	Article 16 Except as otherwise agreed upon by the co-owners of a ship, mortgage established over a jointly owned ship shall be dealt with according to the following circumstances:
	(1) If a ship is co-owned by shares, the consent of the co-owners holding two-thirds or more of the shares shall be obtained.
	(2) If a ship is co-owned, the consent of all co-owners shall be obtained.
The mortgage established by the joint owners of a ship shall not be affected by virtue of the division of ownership thereof.	The mortgage established by the co-owners of a ship shall not be affected by the division of the joint ownership of the ship.
Article 17 Once a mortgage is established on a ship, the ownership of the mortgaged ship shall not be transferred without the consent of the mortgagee.	Article 17 After a mortgage is established on a ship, the mortgagor may transfer the mortgaged ship. If it is otherwise agreed upon by the parties, such an agreement shall prevail. Mortgage shall not be affected if the mortgaged ship is transferred.
Article 18 In case the mortgagee has transferred all or part of his right to debt secured by the mortgaged ship to another person, the mortgage shall be transferred	Article 18 Where the claim secured by ship mortgage is transferred, the mortgage to secure the claim shall be transferred along with it, except as otherwise prescribed by any law or

accordingly.	agreed upon by the parties.
Article 19 Two or more mortgages may be established on the same ship. The ranking of the mortgages shall be determined according to the dates of their respective registrations.	Article 19 Where two or more ship mortgages are established on the same ship, the repayment order shall be determined according to the following circumstances:
	(1) If the mortgage of a ship has been registered, repayment shall be made in the chronological order of registration.
	(2) The claim secured by a registered mortgage shall be satisfied prior to unregistered ones.
In case two or more mortgages are established, the mortgagees shall be paid out of the proceeds of the auction sale of the ship in the order of registration of their respective mortgages. The mortgages registered on the same date shall rank equally for payment.	(3) For unregistered mortgage, repayment shall be made in proportion to the amount of claims secured.
Article 20 The mortgages shall be extinguished when the mortgaged ship is lost. With respect to the compensation paid from the insurance coverage on account of the loss of the ship, the mortgagee shall be entitled to enjoy priority in compensation over other creditors.	Article 20 Where the mortgaged ship is damaged, lost, or expropriated, the mortgagee has the priority to receive repayment made with insurance money, compensatory damages, or indemnity, among others.
Section 3 Maritime Liens	Section 3 Maritime Liens
Article 21 A maritime lien is the right of the claimant, subject to the provisions of Article 22 of this Law, to take priority in compensation against shipowners, bareboat charterers or ship operators with respect to the ship which gave rise to the said claim.	Article 21 Maritime lien means the right of the claimant to, in accordance with the provisions of this Law, file a maritime claim against the shipowner, bareboat charterer, ship manager , or ship operator and have priority to receive repayment with respect to the ship which gave rise to the said claim.
Article 22 The following maritime claims shall be entitled to maritime liens:	Article 22 The following maritime claims shall be entitled to maritime liens:

(1) Payment claims for wages, other remuneration, crew repatriation and social insurance costs made by the Master, crew members and other members of the complement in accordance with the relevant labour laws, administrative rules and regulations or labour contracts;	(1) Claims for the payment of wages, other labor remuneration, crew repatriation expenses, and social insurance costs incurred by the master, crew members, and other personnel on board due to their work on board .
(2) Claims in respect of loss of life or personal injury occurred in the operation of the ship;	(2) Claims for compensation for personal injury or death that occurs in the operation of the ship.
(3) Payment claims for ship's tonnage dues, pilotage dues, harbour dues and other port charges;	(3) Claims for the payment of ship's tonnage dues, pilotage dues, and other port charges.
(4) Payment claims for salvage payment;	(4) Claims for the payment of expenses for salvage at sea.
(5) Compensation claims for loss of or damage to property resulting from tortious act in the course of the operation of the ship.	(5) Claims for property compensation arising from the infringement in the operation of the ship, excluding claims for compensation for the loss of or damage to the goods, containers, or passengers' luggage on board .
Compensation claims for oil pollution damage caused by a ship carrying more than 2,000 tons of oil in bulk as cargo that has a valid certificate attesting that the ship has oil pollution liability insurance coverage or other appropriate financial security are not within the scope of sub-paragraph (5) of the preceding paragraph.	If civil liability insurance or corresponding financial guarantee has been obtained in accordance with international treaties concluded or acceded to by the People's Republic of China, or the compulsory provisions of laws and administrative regulations, the maritime claim specified in subparagraphs (2) and (5) of the preceding paragraph shall not be entitled to a maritime lien within the scope of such insurance or financial guarantee.
Article 23 The maritime claims set out in paragraph 1 of Article 22 shall be satisfied in the order listed. However, any of the maritime claims set out in sub-paragraph (4) arising later than those under sub-paragraph (1) through (3) shall have priority over those under sub-paragraph (1) through (3).	Article 23 All maritime claims set out in paragraph 1 of Article 22 of this Law shall be satisfied in the order listed. However, any of the maritime claims set out in subparagraph (4) arising later than those under subparagraphs (1) through (3) shall have priority over those under subparagraphs (1) through (3).

<p>In case there are more than two maritime claims under sub-paragraphs (1), (2), (3) or (5) of paragraph 1 of Article 22, they shall be satisfied at the same time regardless of their respective occurrences; where they could not be paid in full, they shall be paid in proportion. Should there be more than two maritime claims under sub-paragraph (4), those arising later shall be satisfied first.</p>	<p>If there are two or more maritime claims under subparagraphs (1), (2), (3), or (5) of paragraph 1 of Article 22 of this Law, they shall be satisfied at the same time regardless of their respective occurrences; and if they could not be paid in full, they shall be satisfied in proportion. If there are two or more maritime claims under subparagraph (4), those arising later shall be satisfied first.</p>
<p>Article 24 The legal costs for enforcing the maritime liens, the expenses for preserving and selling the ship, the expenses for distribution of the proceeds of sale and other expenses incurred for the common interests of the claimants, shall be deducted and paid first from the proceeds of the auction sale of the ship.</p>	<p>Article 24 Litigation costs arising from the exercise of maritime liens, costs arising from the preservation, auction, or sale of the ship and the distribution of the proceeds of sale and other expenses paid for the common interests of the claimants, shall be first appropriated from the proceeds obtained from the auction or sale of the ship.</p>
<p>Article 25 A maritime lien shall have priority over a possessory lien, and a possessory lien shall have priority over ship mortgage.</p>	<p>(Move to Section 4 Possessory Lien of Ships)</p>
<p>The possessory lien referred to in the preceding paragraph means the right of the ship builder or repairer to secure the building or repairing cost of the ship by means of detaining the ship in his possession when the other party to the contract fails in the performance thereof. The possessory lien shall be extinguished when the ship builder or repairer no longer possesses the ship he has built or repaired.</p>	
<p>Article 26 Maritime liens shall not be extinguished by virtue of the transfer of the ownership of the ship, except those that have not been enforced within 60 days of a public notice on the transfer of the ownership of the ship made by a court at the request of the transferee when the transfer was effected.</p>	<p>Article 25 The maritime lien shall not be extinguished by virtue of the transfer of the ownership of the ship, except those that have not been enforced within 60 days of a public notice on the transfer of the ownership of the ship made by a court at the request of the transferee when the transfer is effected.</p>

Article 27 In case the maritime claims provided for in Article 22 of this Law are transferred, the maritime liens attached thereto shall be transferred accordingly.	Article 26 Where the maritime claim enjoying a maritime lien as prescribed in Article 22 of this Law is transferred or subrogated , the said maritime lien shall be transferred accordingly.
Article 28 A maritime lien shall be enforced by the court by arresting the ship that gave rise to the said maritime lien.	Article 27 A maritime lien shall be enforced by the court by arresting the ship that gave rise to the said maritime lien.
Article 29 A maritime lien shall, except as provided for in Article 26 of this Law, be extinguished under one of the following circumstances:	Article 28 A maritime lien shall, except as prescribed in Article 25 of this Law, be extinguished for any of the following reasons:
(1) The maritime claim attached by a maritime lien has not been enforced within one year of the existence of such maritime lien;	(1) The maritime lien has not been enforced within one year after the date of its creation.
(2) The ship in question has been the subject of a forced sale by the court;	(2) The ship is auctioned or sold by the court in accordance with the law.
(3) The ship has been lost.	(3) The ship has been lost.
The period of one year specified in sub-paragraph (1) of the preceding paragraph shall not be suspended or interrupted.	The period of one year specified in subparagraph (1) of the preceding paragraph shall not be suspended or interrupted.
	The period of one year for the maritime lien enjoyed by the maritime claim specified in subparagraph (1), paragraph 1 of Article 22 of this Law shall be calculated from the date when the claimant disembarks from the ship on which he or she is serving.
Article 30 The provisions of this Section shall not affect the implementation of the limitation of liability for maritime claims provided for in Chapter XI of this Law.	Article 29 The provisions of this Section shall not affect the implementation of the limit of liability for maritime claims prescribed in Chapter XI of this Law.
	Section 4 Possessory Lien of Ships

Article 25 A maritime lien shall have priority over a possessory lien, and a possessory lien shall have priority over ship mortgage.	
The possessory lien referred to in the preceding paragraph means the right of the ship builder or repairer to secure the building or repairing cost of the ship by means of detaining the ship in his possession when the other party to the contract fails in the performance thereof. The possessory lien shall be extinguished when the ship builder or repairer no longer possesses the ship he has built or repaired.	Article 30 The possessory lien means the right of the ship builder or repairer to take lien of the ship already in the lawful possession thereof and to have priority to receive repayment when the other party to the contract fails to pay the cost of the construction or repair of the ship as agreed.
	The possessory lien shall be extinguished when the ship builder or repairer no longer possesses the ship he or she has built or repaired.
	The possessory lien shall have priority over ship mortgage and a maritime lien shall have priority over a possessory lien.
	Article 31 Except as otherwise agreed upon, if the debtor still fails to perform its or his obligations 60 days after the ship has been retained by the ship builder or repairer, the lienor may agree with the debtor to have the ship under lien converted into money or may have priority to receive repayments made from proceeds obtained from the auction or sale of the ship under lien.
	Article 32 During the period of lien, the seizure, auction, or sale of a ship by the court shall not affect the right of the lienor of the ship to have priority to receive repayments.
CHAPTER III CREW	CHAPTER III CREW
Section 1 Basic Principles	Section 1 General Rules
Article 31 The term "crew" means the entire complement of the ship, including the Master.	Article 33 "Crew" means the entire complement of the ship, including the master.

Article 32 The Master, deck officers, chief engineer, engineers, electrical engineer and radio operator must be those in possession of appropriate certificates of competency.	Article 34 A crew member of Chinese nationality shall obtain a certificate of competency and a health certificate according to the provisions of laws and administrative regulations on the management of crews.
	A foreign crew member working on a ship of Chinese nationality shall be subject to the provisions of laws and administrative regulations on crew management.
Article 33 Chinese "crew" engaged in international voyages must possess Seaman's Book and other relevant certificates issued by the harbour superintendence authorities of the People's Republic of China.	Article 35 Crew of Chinese nationality engaged in international voyages shall hold the seafarers' passport and relevant certificates issued by the maritime safety administration of the People's Republic of China in accordance with the law.
Article 34 In the absence of specific stipulations in this Law as regards the employment of the crew as well as their labour-related rights and obligations, the provisions of the relevant laws and administrative rules and regulations shall apply.	Article 36 The crew's employer shall conclude labor contracts with the crew in accordance with relevant laws, administrative regulations, and international treaties on the labor and social security of the crew concluded or acceded to by the People's Republic of China.
	If the employment of the crew as well as their rights and obligations regarding labor and social security are not prescribed in this Law, the provisions of relevant laws and administrative regulations shall apply.
Section 2 The Master	Section 2 The Master
Article 35 The Master shall be responsible for the management and navigation of the ship.	Article 37 The master shall be responsible for the management and command of the ship.
Orders given by the Master within the scope of his functions and powers must be carried out by other members of the crew, the passengers and all persons on board.	Orders given by the master within the scope of his or her functions and powers shall be carried out by the crew, passengers, and other personnel on board.
The Master shall take necessary measures to protect the ship and all persons on board, the	The master shall take necessary measures to protect the ship and all personnel on board,

documents, postal matters, the goods as well as other property carried.	documents, postal matters, goods, and other property carried, and prevent ships from polluting the ecology and environment.
Article 36 To ensure the safety of the ship and all persons on board, the Master shall be entitled to confine or take other necessary measures against those who have committed crimes or violated laws or regulations on board, and to guard against their concealment, destruction or forging of evidence.	Article 38 To ensure the safety of personnel on board and a ship, the master shall have the authority to take confinement or other necessary measures against the persons suspected of committing illegal and criminal activities on board and prevent them from concealing, destroying, and falsifying evidence.
The Master, having taken actions as referred to in the preceding paragraph of this Article, shall make a written report of the case, which shall bear the signature of the Master himself and those of two or more others on board, and shall be handed over, together with the offender, to the authorities concerned for disposition.	To take the measures as mentioned in the preceding paragraph, the master shall prepare a written report on the case, which shall bear the signatures of the master and two or more persons on board and shall be handed over, together with the personnel who are suspected of committing illegal and criminal activities , to the relevant authority for handling.
Article 37 The Master shall make entries in the log book of any occurrence of birth or death on board and shall issue a certificate to that effect in the presence of two witnesses. The death certificate shall be attached with a list of personal belongings of the deceased, and attestation shall be given by the Master to the will, if any, of the deceased. Both the death certificate and the will shall be taken into safe keeping by the Master and handed over to the family members of the deceased or the organizations concerned.	Article 39 The master shall make entries in the log book of any occurrence of birth or death on board and shall issue a certificate to that effect in the presence of two witnesses. The death certificate shall be accompanied by a list of personal belongings of the deceased, and attestation shall be given by the master to the will, if any, of the deceased. Both the death certificate and the will shall be kept by the master and handed over to the family members of the deceased or relevant parties.
Article 38 Where a sea casualty has occurred to a ship and the life and property on board have thus been threatened, the Master shall, with crew members and other persons on board under his command, make best efforts to run to the rescue. Should the foundering and loss of the ship have become inevitable, the Master may decide to abandon the ship. However, such abandonment shall be reported to the	Article 40 Where a sea casualty has occurred to a ship and endangers the safety of personnel and property on board, the master shall arrange for crew members and other personnel on board to render rescue. If the sinking or destruction of the ship is inevitable, the master has the right to make a decision to abandon the ship.

shipowner for approval except in case of emergency.	
Upon abandoning the ship, the Master must take all measures first to evacuate the passengers safely from the ship in an orderly way, then make arrangements for crew members to evacuate, while the Master shall be the last to evacuate. Before leaving the ship, the Master shall direct the crew members to do their utmost to rescue the deck log book, the engine log book, the oil record book, the radio log book, the charts, documents and papers used in the current voyage, as well as valuables, postal matters and cash money.	When abandoning the ship, the master shall take all measures first to evacuate the passengers safely from the ship and then arrange for crew members to evacuate, while the master shall be the last to evacuate. Before leaving the ship, the master shall instruct crew members to try their best to rescue the deck log book, the engine log book, the oil record book, the radio log book, the charts, documents, and papers used for the current voyage, as well as valuables, postal matters, and cash, and instruct crew members to close oil tank valves and other equipment to prevent or minimize pollution.
Article 39 The duty of the Master in the management and navigation of the ship shall not be absolved even with the presence of a pilot piloting the ship.	Article 41 The duty of the master in the management and command of a ship shall not be relieved by the presence of a pilot piloting the ship.
Article 40 Should death occur to the Master or the Master be unable to perform his duties for whatever reason, the deck officer with the highest rank shall act as the Master; before the ship sails from its next port of call, the shipowner shall appoint a new Master to take command.	Article 42 Where a master dies during the voyage or is unable to perform duties for any reason, the deck officer with the highest position shall serve as the master; and before the ship sails from the next port, the owner, operator, or manager of the ship shall appoint a new master.
CHAPTER IV CONTRACT OF CARRIAGE OF GOODS BY SEA	CHAPTER IV CONTRACT OF CARRIAGE OF GOODS BY SEA
Section 1 Basic Principles	Section 1 General Rules
Article 41 A contract of carriage of goods by sea is a contract under which the carrier, against payment of freight, undertakes to carry by sea the goods contracted for shipment by the shipper from one port to another.	Article 43 A contract of carriage of goods by sea is a contract under which the carrier, against the payment of freight, undertakes to carry by sea the goods contracted for shipment by the shipper from one port to another, including the international contract of carriage of goods by sea and the contract of carriage of goods by sea

	between the ports of the People's Republic of China.
Article 42 For the purposes of this Chapter:	Article 44 The following terms in this Chapter shall have the following meanings:
(1) "Carrier" means the person by whom or in whose name a contract of carriage of goods by sea has been concluded with a shipper;	(1) "Carrier" means the person by whom or in whose name a contract of carriage of goods by sea has been entered into with the shipper.
(2) "Actual carrier" means the person to whom the performance of carriage of goods, or of part of the carriage, has been entrusted by the carrier, and includes any other person to whom such performance has been entrusted under a sub-contract;	(2) "Actual carrier" means the person who accepts the carrier's entrustment or sub-entrustment and actually performs all or part of the carrier's obligations specified in Article 49 of this Law.
(3) "Shipper" means:	(3) "Shipper" means:
a) The person by whom or in whose name or on whose behalf a contract of carriage of goods by sea has been concluded with a carrier;	(a) the person by whom or in whose name or on whose behalf a contract of carriage of goods by sea has been concluded with a carrier; or
b) The person by whom or in whose name or on whose behalf the goods have been delivered to the carrier involved in the contract of carriage of goods by sea;	(b) the person by whom or in whose name or on whose behalf the goods have been delivered to the carrier involved in the contract of carriage of goods by sea.
(4) "Consignee" means the person who is entitled to take delivery of the goods;	(4) "Consignee" means the person who is entitled to take delivery of the goods.
(5) "Goods" includes live animals and containers, pallets or similar Articles of transport supplied by the shipper for consolidating the goods.	(5) "Goods" includes live animals and containers, pallets, vehicles, or similar articles of transport provided by the shipper for consolidating the goods.
	(6) "Transport documents" means bills of lading, sea waybills, and other documents proving the contract of carriage of goods by sea and that the goods have been taken over by the carrier or loaded on board.

	(7) "Bill of lading" means a document proving the contract of carriage of goods by sea and that the goods have been taken over by the carrier or loaded on board, and based on which the carrier undertakes to deliver the goods against surrendering the same.
Article 43 The carrier or the shipper may demand confirmation of the contract of carriage of goods by sea in writing. However, voyage charter shall be done in writing. Telegrams, telexes and telefaxes have the effect of written documents.	(Partially combined into Article 127)
Article 44 Any stipulation in a contract of carriage of goods by sea or a bill of lading or other similar documents evidencing such contract that derogates from the provisions of this Chapter shall be null and void. However, such nullity and voidness shall not affect the validity of other provisions of the contract or the bill of lading or other similar documents. A clause assigning the benefit of insurance of the goods in favour of the carrier or any similar clause shall be null and void.	Article 45 Any terms of a contract of carriage of goods by sea or bill of lading or other transport documents as evidence of the contract, or any terms assigning the insurable interest of the goods to the carrier or any similar terms in violation of the provisions of this Chapter shall be null and void. However, the invalidity of such terms shall not affect the validity of other terms of the contract and the bill of lading or other transport documents.
Article 45 The provisions of Article 44 of this Law shall not prejudice the increase of duties and obligations by the carrier besides those set out in this Chapter.	Article 46 The provisions of Article 45 of this Law shall not affect the increase of the carrier's duties and obligations besides those set out in this Chapter.
Section 2 Carrier's Responsibilities	Section 2 Carrier's Responsibilities
Article 46 The responsibilities of the carrier with regard to the goods carried in containers covers the entire period during which the carrier is in charge of the goods, starting from the time the carrier has taken over the goods at the port of loading, until the goods have been delivered at the port of discharge. The responsibility of the carrier with respect to non-containerized goods covers the period	Article 47 The responsibilities of the carrier with respect to the goods carried in containers cover the entire period during which the carrier is in charge of the goods, starting from the time when the carrier has taken over the goods at the port of loading to the time when the goods are delivered at the port of discharge. The responsibilities of the carrier with respect to non-containerized goods cover the period during

<p>during which the carrier is in charge of the goods, starting from the time of loading of the goods onto the ship until the time the goods are discharged therefrom. During the period the carrier is in charge of the goods, the carrier shall be liable for the loss of or damage to the goods, except as otherwise provided for in this Section.</p>	<p>which the carrier is in charge of the goods, starting from the time when the goods are loaded on board to the time when the goods are discharged from the ship. During the period when the carrier is in charge of the goods, the carrier shall be liable for compensation for the loss of or damage to the goods, except as otherwise prescribed in this Section.</p>
<p>The provisions of the preceding paragraph shall not prevent the carrier from entering into any agreement concerning carrier's responsibilities with regard to non-containerized goods prior to loading onto and after discharging from the ship.</p>	<p>The provisions of the preceding paragraph shall not prevent the carrier from entering into any agreement concerning the carrier's responsibilities with respect to non-containerized goods before they are loaded on board and after they are discharged from the ship.</p>
<p>Article 47 The carrier shall, before and at the beginning of the voyage, exercise due diligence to make the ship seaworthy, properly man, equip and supply the ship and to make the holds, refrigerating and cool chambers and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation.</p>	<p>Article 48 The carrier shall, before and at the beginning of the voyage, exercise due diligence to make the ship seaworthy, properly man, equip, and supply the ship and to make the holds and all other parts of the ship in which the goods are carried, and any containers supplied by the carrier in or upon which the goods are carried fit and safe for their reception, carriage, and preservation.</p>
	<p>The carrier engaged in the domestic carriage of goods by sea shall also fulfill the obligations specified in the preceding paragraph in the voyage.</p>
<p>Article 48 The carrier shall properly and carefully load, handle, stow, carry, keep, care for and discharge the goods carried.</p>	<p>Article 49 The carrier shall properly and carefully receive, load, handle, stow, carry, keep, care for, discharge, and deliver the goods carried.</p>
<p>Article 49 The carrier shall carry the goods to the port of discharge on the agreed or customary or geographically direct route.</p>	<p>Article 50 The carrier shall carry the goods to the port of discharge on the agreed or customary or geographically direct route.</p>
<p>Any deviation in saving or attempting to save life or property at sea or any reasonable deviation shall not be deemed to be an act</p>	<p>Any deviation or other reasonable deviation made by a ship for the purpose of saving or attempting to save life or property at sea or in</p>

deviating from the provisions of the preceding paragraph.	navigable waters adjacent thereto shall not be deemed as a violation of the provisions of the preceding paragraph.
Article 50 Delay in delivery occurs when the goods have not been delivered at the designated port of discharge within the time expressly agreed upon.	Article 51 Delay in delivery occurs when the goods have not been delivered at the designated port of discharge within the time period expressly agreed upon. Delay in delivery also occurs when the goods are not delivered within a reasonable time period in the domestic carriage of goods by sea.
The carrier shall be liable for the loss of or damage to the goods caused by delay in delivery due to the fault of the carrier, except those arising or resulting from causes for which the carrier is not liable as provided for in the relevant Articles of this Chapter.	The carrier shall be liable for compensation for the loss of or damage to the goods or other economic losses caused by delay in delivery due to the fault of the carrier, except under the circumstance where the carrier is not liable for compensation as prescribed in this Chapter.
The carrier shall be liable for the economic losses caused by delay in delivery of the goods due to the fault of the carrier, even if no loss of or damage to the goods had actually occurred, unless such economic losses had occurred from causes for which the carrier is not liable as provided for in the relevant Articles of this Chapter.	
The person entitled to make a claim for the loss of goods may treat the goods as lost when the carrier has not delivered the goods within 60 days from the expiry of the time for delivery specified in paragraph 1 of this Article.	The person entitled to claim compensation for the loss of goods may treat the goods as lost if the carrier fails to deliver the goods within 60 days from the expiry of the period for delivery specified in paragraph 1 of this article.
Article 51 The carrier shall not be liable for the loss of or damage to the goods occurred during the period of carrier's responsibility arising or resulting from any of the following causes:	Article 52 The carrier shall not be liable for compensation for the loss of, damage to, or delay in the delivery of the goods that occurred during the period of the carrier's responsibilities arising from any of the following causes:
(1) Fault of the Master, crew members, pilot or servant of the carrier in the navigation or	(1) Fault of the master, crew member, pilot, or employee of the carrier in the navigation or

management of the ship;	management of the ship.
(2) Fire, unless caused by the actual fault of the carrier;	(2) Fire on board , unless caused by the fault of the carrier.
(3) Force majeure and perils, dangers and accidents of the sea or other navigable waters;	(3) Natural disasters, dangers, or accidents on the sea or in navigable waters adjacent thereto .
(4) War or armed conflict;	(4) War or armed conflict, piracy, or terrorist activities .
(5) Act of the government or competent authorities, quarantine restrictions or seizure under legal process;	(5) Acts of the government or appropriate authorities, quarantine restrictions, or judicial seizure not due to causes attributable to the carrier, the actual carrier, or the employee or agent thereof .
(6) Strikes, stoppages or restraint of labour;	(6) Strike, suspension of work or restraint of labor.
(7) Saving or attempting to save life or property at sea;	(7) Saving or attempting to save life or property on the sea or in navigable waters adjacent thereto .
(8) Act of the shipper, owner of the goods or their agents;	(8) Act of the shipper, the owner of goods, the consignee, or the employee or agent thereof .
(9) Nature or inherent vice of the goods;	(9) Natural characteristics or inherent defects of the goods.
(10) Inadequacy of packing or insufficiency of illegibility of marks;	(10) Inappropriate packing of the goods or insufficiency of illegibility of marks.
(11) Latent defect of the ship not discoverable by due diligence;	(11) Potential defects of the ship that cannot be detected by due diligence.
(12) Any other causes arising without the fault of the carrier or his servant or agent.	(12) Any other cause arising without the fault of the carrier, actual carrier, or the employee or agent thereof .

	<p>The aforesaid subparagraphs (1) and (2) of the preceding paragraph shall not apply to the domestic carriage of goods by sea.</p>
The carrier who is entitled to exoneration from the liability for compensation as provided for in the preceding paragraph shall, with the exception of the causes given in sub-paragraph (2), bear the burden of proof.	The carrier exempted from the liability for compensation as specified in paragraph 1 of this article shall bear the burden of proof, except for the cause specified in subparagraph (2).
Article 52 The carrier shall not be liable for the loss of or damage to the live animals arising or resulting from the special risks inherent in the carriage thereof. However, the carrier shall be bound to prove that he has fulfilled the special requirements of the shipper with regard to the carriage of the live animals and that under the circumstances of the sea carriage, the loss or damage has occurred due to the special risks inherent therein.	Article 53 The carrier shall not be liable for the loss of, damage to, or delay in the delivery of live animals due to special risks inherent in the carriage thereof. However, the carrier shall prove that it has fulfilled the special requirements of the shipper for the carriage of live animals and that according to the circumstances of sea carriage, the loss, damage, or delay in delivery has occurred due to the special risks inherent therein.
Article 53 In case the carrier intends to ship the goods on deck, he shall come into an agreement with the shipper or comply with the custom of the trade or the relevant laws or administrative rules and regulations.	Article 54 The carrier that intends to carry the goods on deck shall reach an agreement with the shipper or comply with the custom of the trade or the provisions of relevant laws or administrative regulations.
When the goods have been shipped on deck in accordance with the provisions of the preceding paragraph, the carrier shall not be liable for the loss of or damage to the goods caused by the special risks involved in such carriage.	When the goods have been loaded on deck in accordance with the provisions of the preceding paragraph, the shipper shall not be liable for the loss of, damage to, or delay in the delivery of the goods caused by special risks involved in such carriage.
If the carrier, in breach of the provisions of the first paragraph of this Article, has shipped the goods on deck and the goods have consequently suffered loss or damage, the carrier shall be liable therefor.	If the carrier and the shipper have reached an agreement to carry the goods on deck, it shall be indicated in the bill of lading. If an agreement is not so specified, the parties shall not act against any bona fide third party.

<p>Article 54 Where loss or damage or delay in delivery has occurred from causes from which the carrier or his servant or agent is not entitled to exoneration from liability, together with another cause, the carrier shall be liable only to the extent that the loss, damage or delay in delivery is attributable to the causes from which the carrier is not entitled to exoneration from liability; however, the carrier shall bear the burden of proof with respect to the loss, damage or delay in delivery resulting from the other cause.</p>	<p>Article 55 Where the loss of, damage to, or delay in the delivery of the goods is caused due to the reason for which the carrier or the employee or agent thereof shall not be exempt from liability, together with another cause, the carrier shall be liable for compensation only to the extent that the carrier shall not be exempt from liability; however, the carrier shall bear the burden of proof for the loss, damage, or delay in delivery resulting from the other cause.</p>
<p>Article 55 The amount of indemnity for the loss of the goods shall be calculated on the basis of the actual value of the goods so lost, while that for the damage to the goods shall be calculated on the basis of the difference between the values of the goods before and after the damage, or on the basis of the expenses for the repair.</p>	<p>Article 56 The amount of indemnity for the loss of the goods shall be calculated based on the actual value of the goods so lost, while that for the damage to the goods shall be calculated based on the difference between the actual values of the goods before and after the damage or based on the expenses for the repair of the goods.</p>
<p>The actual value shall be the value of the goods at the time of shipment plus insurance and freight.</p>	<p>The actual value of the goods shall be calculated according to the market price of the goods at the time of delivery at the place of delivery, or, if the market price at the place of delivery cannot be determined, it shall be calculated according to the value of the goods at the time of shipment plus insurance and freight.</p>
<p>From the actual value referred to in the preceding paragraph, deduction shall be made, at the time of compensation, of the expenses that had been reduced or avoided as a result of the loss or damage occurred.</p>	<p>The expenses underpaid or waived due to the loss of or damage to the goods shall be deducted from the actual value of the goods as mentioned in the preceding paragraph at the time of compensation.</p>
<p>Article 56 The carrier's liability for the loss of or damage to the goods shall be limited to an amount equivalent to 666.67 Units of Account per package or other shipping unit, or 2 Units of Account per kilogramme of the gross weight of the goods lost or damaged, whichever is the higher, except where the nature and value of</p>	<p>Article 57 The carrier's liability for the loss of or damage to the goods shall be limited to an amount equivalent to 666.67 units of account per package or other shipping unit, or two units of account per kilogram of the gross weight of the goods lost or damaged, whichever is higher, except where the nature and value of the goods</p>

<p>the goods had been declared by the shipper before shipment and inserted in the bill of lading, or where a higher amount than the amount of limitation of liability set out in this Article had been agreed upon between the carrier and the shipper.</p>	<p>had been declared by the shipper before shipment and indicated in the bill of lading, or where an amount higher than the amount of limit of liability set out in this article had been agreed upon between the carrier and the shipper.</p>
<p>Where a container, pallet or similar Article of transport is used to consolidate goods, the number of packages or other shipping units enumerated in the bill of lading as packed in such Article of transport shall be deemed to be the number of packages or shipping units. If not so enumerated, the goods in such Article of transport shall be deemed to be one package or one shipping unit.</p>	<p>If the goods are consolidated in containers, pallets, vehicles, or similar article of transport, the number of packages or other shipping units indicated in the bill of lading as packed in such article of transport shall be deemed to be the number of packages or other shipping units prescribed in the preceding paragraph. If not so indicated, the goods in such article of transport shall be deemed to be one package or one shipping unit.</p>
<p>Where the Article of transport is not owned or furnished by the carrier, such Article of transport shall be deemed to be one package or one shipping unit.</p>	<p>If the article of transport is not owned or provided by the carrier, such article of transport shall be deemed to be one package or one shipping unit.</p>
<p>Article 57 The liability of the carrier for the economic losses resulting from delay in delivery of the goods shall be limited to an amount equivalent to the freight payable for the goods so delayed. Where the loss of or damage to the goods has occurred concurrently with the delay in delivery thereof, the limitation of liability of the carrier shall be that as provided for in paragraph 1 of Article 56 of this Law.</p>	<p>Article 58 The liability of the carrier for economic losses caused by the delay in the delivery of goods shall be limited to an amount equivalent to the freight payable for the goods so delayed. If the loss of or damage to the goods has occurred concurrently with the delay in the delivery thereof, the limit of liability of the carrier shall be that set out in paragraph 1 of Article 57 of this Law.</p>
<p>Article 58 The defence and limitation of liability provided for in this Chapter shall apply to any legal action brought against the carrier with regard to the loss of or damage to or delay in delivery of the goods covered by the contract of carriage of goods by sea, whether the claimant is a party to the contract or whether the action is founded in contract or in tort.</p>	<p>Article 59 The defense and limit of liability prescribed in this Chapter shall apply to any claim for compensation filed against the carrier through litigation, arbitration, or other methods with respect to the loss of, damage to, or delay in the delivery of goods covered by the contract of carriage of goods by sea, no matter whether the claimant is a party to the contract or whether the claim is filed in accordance with the contract or against the tort.</p>

The provisions of the preceding paragraph shall apply if the action referred to in the preceding paragraph is brought against the carrier's servant or agent, and the carrier's servant or agent proves that his action was within the scope of his employment or agency.	The provisions of the preceding paragraph shall apply if the claim for compensation as mentioned in the preceding paragraph is filed against the carrier's employee or agent, and the carrier's employee or agent proves that his or her act is within the scope of his or her employment or agency.
Article 59 The carrier shall not be entitled to the benefit of the limitation of liability provided for in Article 56 or 57 of this Law if it is proved that the loss, damage or delay in delivery of the goods resulted from an act or omission of the carrier done with the intent to cause such loss, damage or delay or recklessly and with knowledge that such loss, damage or delay would probably result.	Article 60 The carrier shall not invoke the provisions of Article 57 or 58 of this Law on the limit of liability if it is proved that the loss of, damage to, or delay in the delivery of the goods results from an act or omission of the carrier done with the intent to cause such loss, damage, or delay or recklessly and with knowledge that such loss, damage, or delay would probably be caused.
The servant or agent of the carrier shall not be entitled to the benefit of limitation of liability provided for in Article 56 or 57 of this Law, if it is proved that the loss, damage or delay in delivery resulted from an act or omission of the servant or agent of the carrier done with the intent to cause such loss, damage or delay or recklessly and with knowledge that such loss, damage or delay would probably result.	The employee or agent of the carrier shall not invoke the provisions of Article 57 or 58 of this Law on the limit of liability, if it is proved that the loss of, damage to, or delay in the delivery of goods results from an act or omission of the employee or agent of the carrier done with the intent to cause such loss, damage, or delay or recklessly and with knowledge that such loss, damage, or delay would probably be caused.
Article 60 Where the performance of the carriage or part thereof has been entrusted to an actual carrier, the carrier shall nevertheless remain responsible for the entire carriage according to the provisions of this Chapter. The carrier shall be responsible, in relation to the carriage performed by the actual carrier, for the act or omission of the actual carrier and of his servant or agent acting within the scope of his employment or agency.	Article 61 Where the carrier entrusts the performance of the carriage or part thereof to the actual carrier, the carrier shall nevertheless remain responsible for the entire carriage according to the provisions of this Chapter. For the carriage undertaken by the actual carrier, the carrier shall be responsible for the acts of the actual carrier or the employee or agent thereof within the scope of his or her employment or agency.
Notwithstanding the provisions of the preceding paragraph, where a contract of carriage by sea provides explicitly that a specified part of the	Notwithstanding the provisions of the preceding paragraph, if a contract of carriage by sea explicitly provides that a specified part of the

<p>carriage covered by the said contract is to be performed by a named actual carrier other than the carrier, the contract may nevertheless provide that the carrier shall not be liable for the loss, damage or delay in delivery arising from an occurrence which takes place while the goods are in the charge of the actual carrier during such part of the carriage.</p>	<p>carriage covered by the said contract is to be performed by a designated actual carrier other than the carrier, the contract may nevertheless provide that the carrier shall not be liable for compensation for the loss, damage, or delay in delivery which takes place while the goods are in the charge of the actual carrier during such part of the carriage. However, such an agreement shall be indicated in the bill of lading; otherwise, such an agreement shall not act against any bona fide third party.</p>
<p>Article 61 The provisions with respect to the responsibility of the carrier contained in this Chapter shall be applicable to the actual carrier. Where an action is brought against the servant or agent of the actual carrier, the provisions contained in paragraph 2 of Article 58 and paragraph 2 of Article 59 of this Law shall apply.</p>	<p>Article 62 The provisions of this Chapter on the responsibility of the carrier shall apply to the actual carrier. If a claim for compensation is filed against the employee or agent of the actual carrier, the provisions of paragraph 2 of Article 59 and paragraph 2 of Article 60 of this Law shall apply.</p>
<p>Article 62 Any special agreement under which the carrier assumes obligations not provided for in this Chapter or waives rights conferred by this Chapter shall be binding upon the actual carrier when the actual carrier has agreed in writing to the contents thereof. The provisions of such special agreement shall be binding upon the carrier whether the actual carrier has agreed to the contents or not.</p>	<p>Article 63 Any special agreement under which the carrier assumes obligations not prescribed in this Chapter or waives the rights conferred by this Chapter shall be binding upon the actual carrier when the actual carrier expressly agrees in writing to the content thereof. The provisions of such a special agreement shall be binding upon the carrier whether the actual carrier has agreed to its content or not.</p>
<p>Article 63 Where both the carrier and the actual carrier are liable for compensation, they shall jointly be liable within the scope of such liability.</p>	<p>Article 64 Where both the carrier and the actual carrier are liable for compensation, they shall be jointly and severally liable within the scope of such liability.</p>
<p>Article 64 If claims for compensation have been separately made against the carrier, the actual carrier and their servants or agents with regard to the loss of or damage to the goods, the aggregate amount of compensation shall not be in excess of the limitation provided for in Article 56 of this Law.</p>	<p>Article 65 Where the claims for compensation have been separately filed against the carrier, the actual carrier, and the employee or agent thereof with respect to the loss of, damage to, or delay in the delivery of the goods, the aggregate amount of compensation shall not exceed the limitation prescribed in Article 57 or 58 of this Law.</p>

Article 65 The provisions of Article 60 through 64 of this Law shall not affect the recourse between the carrier and the actual carrier.	Article 66 The provisions of Articles 61 through 65 of this Law shall not affect the recourse between the carrier and the actual carrier.
Section 3 Shipper's Responsibilities	Section 3 Shipper's Responsibilities
	Article 67 The shipper shall deliver goods to the carrier for carriage in accordance with the agreements of the contract of carriage of goods by sea and shall ensure that the goods delivered for carriage are suitable for the agreed carriage.
Article 66 The shipper shall have the goods properly packed and shall guarantee the accuracy of the description, mark, number of packages or pieces, weight or quantity of the goods at the time of shipment and shall indemnify the carrier against any loss resulting from inadequacy of packing or inaccuracies in the above-mentioned information.	Article 68 The shipper shall have the goods properly packed and shall guarantee the accuracy of the description, mark, number of packages or pieces, and weight or volume of the goods provided at the time of shipment and shall be liable for compensation for any loss caused to the carrier due to inappropriate packing or inaccuracies in the aforesaid information.
The carrier's right to indemnification as provided for in the preceding paragraph shall not affect the obligation of the carrier under the contract of carriage of goods towards those other than the shipper.	The carrier's right to indemnification in accordance with the preceding paragraph shall not affect its responsibility under the contract of carriage of goods by sea to persons other than the shipper.
Article 67 The shipper shall perform all necessary procedures at the port, customs, quarantine, inspection or other competent authorities with respect to the shipment of the goods and shall furnish to the carrier all relevant documents concerning the procedures the shipper has gone through. The shipper shall be liable for any damage to the interest of the carrier resulting from the inadequacy or inaccuracy or delay in delivery of such documents .	Article 69 The shipper shall promptly complete all procedures necessary for the transport of goods at the port, customs, or other appropriate authorities and shall deliver to the carrier all documents concerning the procedures the shipper has undergone. The shipper shall be liable for compensation for any damage caused to the interest of the carrier due to the untimely, incomplete, or incorrect handling of all procedures .
Article 68 At the time of shipment of dangerous goods, the shipper shall, in compliance with the regulations governing the	Article 70 At the time of shipment of dangerous goods, the shipper shall, in accordance with the provisions on the transport

<p>carriage of such goods, have them properly packed, distinctly marked and labelled and notify the carrier in writing of their proper description, nature and the precautions to be taken. In case the shipper fails to notify the carrier or notified him inaccurately, the carrier may have such goods landed, destroyed or rendered innocuous when and where circumstances so require, without compensation. The shipper shall be liable to the carrier for any loss, damage or expense resulting from such shipment.</p>	<p>of dangerous goods by sea, have them properly packed, distinctly marked and labeled, and notify the carrier in writing of their proper description, nature, and the precautions and emergency measures to be taken. If the shipper fails to notify the carrier or notifies the carrier inaccurately, the carrier may discharge, destroy, or eliminate the danger of the goods at any time and at any place as the circumstances so require. The shipper shall be liable for compensation for any damage suffered by the carrier for the transport of such type of goods.</p>
<p>Notwithstanding the carrier's knowledge of the nature of the dangerous goods and his consent to carry, he may still have such goods landed, destroyed or rendered innocuous, without compensation, when they become an actual danger to the ship, the crew and other persons on board or to other goods. However, the provisions of this paragraph shall not prejudice the contribution in general average, if any.</p>	<p>If the carrier is aware of the nature of the dangerous goods and has consented to the carriage, it may still discharge, destroy, or eliminate the danger of the goods and shall not be liable for compensation, when they constitute an actual danger to the ship, the crew, and other persons on board or to other goods. However, the provisions of this paragraph shall not affect the contribution to general average.</p>
<p>Article 69 The shipper shall pay the freight to the carrier as agreed.</p>	<p>Article 71 The shipper shall pay the freight to the carrier as agreed.</p>
<p>The shipper and the carrier may reach an agreement that the freight shall be paid by the consignee. However, such an agreement shall be noted in the transport documents.</p>	<p>The shipper and the carrier may reach an agreement that the freight shall be paid by the consignee. However, the agreement shall be indicated in the transport documents.</p>
<p>Article 70 The shipper shall not be liable for the loss sustained by the carrier or the actual carrier, or for the damage sustained by the ship, unless such loss or damage was caused by the fault of the shipper, his servant or agent.</p>	<p>Article 72 The shipper shall not be liable for compensation for any loss suffered by the carrier or the actual carrier or for any damage suffered by the ship, unless such loss or damage is caused by the fault of the shipper or the employee or agent thereof.</p>
<p>The servant or agent of the shipper shall not be liable for the loss sustained by the carrier or the actual carrier, or for the damage sustained by</p>	<p>The employee or agent of the shipper shall not be liable for compensation for any loss suffered by the carrier or the actual carrier, or for any</p>

the ship, unless the loss or damage was caused by the fault of the servant or agent of the shipper.	damage suffered by the ship, unless the loss or damage is caused by the fault of the employee or agent of the shipper.
Section 4 Transport Documents	Section 4 Transport Documents
Article 71 A bill of lading is a document which serves as an evidence of the contract of carriage of goods by sea and the taking over or loading of the goods by the carrier, and based on which the carrier undertakes to deliver the goods against surrendering the same. A provision in the document stating that the goods are to be delivered to the order of a named person, or to order, or to bearer, constitutes such an undertaking.	(Absorbed by Article 44 and Article 87)
Article 72 When the goods have been taken over by the carrier or have been loaded on board, the carrier shall, on demand of the shipper, issue to the shipper a bill of lading. The bill of lading may be signed by a person authorized by the carrier.	Article 73 When the goods are taken over by the carrier or loaded on board, the carrier shall issue the bill of lading as required by the shipper. The bill of lading may be issued by a person authorized by the carrier. The bill of lading issued by the master of the ship carrying the goods shall be deemed to be issued on behalf of the carrier.
A bill of lading signed by the Master of the ship carrying the goods is deemed to have been signed on behalf of the carrier.	
Article 73 A bill of lading shall contain the following particulars:	Article 74 The content of the bill of lading shall include:
(1) Description of the goods, mark, number of packages or pieces, weight or quantity, and a statement, if applicable, as to the dangerous nature of the goods;	(1) description of the goods, mark, the number of packages or pieces, the weight or volume of the goods, and a description of the dangerous nature when transporting dangerous goods;
(2) Name and principal place of business of the carrier;	(2) the name and principal place of business of the carrier;
(3) Name of the ship;	(3) the name of the ship;

(4) Name of the shipper;	(4) the name of the shipper;
(5) Name of the consignee;	(5) the name of the consignee or instructions relating to the consignee;
(6) Port of loading and the date on which the goods were taken over by the carrier at the port of loading;	(6) the port of loading;
(7) Port of discharge;	(7) the port of discharge;
(8) Place where the goods were taken over and the place where the goods are to be delivered in case of a multimodal transport bill of lading;	(8) the place where the goods are taken over and the place where the goods are to be delivered in case of multimodal transport bill of lading;
(9) Date and place of issue of the bill of lading and the number of originals issued;	(9) the date and place of issue of the bill of lading and the number of copies of the bill of lading issued;
(10) Payment of freight;	(10) the payment of freight; and
(11) Signature of the carrier or of a person acting on his behalf.	(11) the signature of the carrier or a person acting on behalf thereof.
In a bill of lading, the lack of one or more particulars referred to in the preceding paragraph does not affect the function of the bill of lading as such, provided that it nevertheless meets the requirements set forth in Article 71 of this Law.	In a bill of lading, the lack of one or more items specified in the preceding paragraph does not affect the nature of the bill of lading, provided that the bill of lading shall satisfy the requirements specified in subparagraph (7) of Article 44 of this Law.
Article 74 If the carrier has issued, on demand of the shipper, a received-for-shipment bill of lading or other similar documents before the goods are loaded on board, the shipper may surrender the same to the carrier as against a shipped bill of lading when the goods have been loaded on board. The carrier may also note on the received-for-shipment bill of lading or other	Article 75 Where the carrier has issued the received-for-shipment bill of lading or other documents at the request of the shipper before the goods are loaded on board, the shipper may return the received-for-shipment bill of lading or other documents to the carrier and obtain the shipped bill of lading when the goods have been loaded on board. The carrier may also note on

<p>similar documents with the name of the carrying ship and the date of loading, and, when so noted, the received-for- shipment bill of lading or other similar documents shall be deemed to constitute a shipped bill of lading.</p>	<p>the received-for-shipment bill of lading with the name of the ship carrying the goods and the date of loading, and, when so noted, the received-for-shipment bill of lading shall be deemed as the shipped bill of lading.</p>
<p>Article 75 If the bill of lading contains particulars concerning the description, mark, number of packages or pieces, weight or quantity of the goods with respect to which the carrier or the other person issuing the bill of lading on his behalf has the knowledge or reasonable grounds to suspect that such particulars do not accurately represent the goods actually received, or, where a shipped bill of lading is issued, loaded, or if he has had no reasonable means of checking, the carrier or such other person may make a note in the bill of lading specifying those inaccuracies, the grounds for suspicion or the lack of reasonable means of checking.</p>	<p>Article 76 Where the bill of lading contains particulars concerning the description, mark, number of packages or pieces, weight or volume of the goods with respect to which the carrier or the other person issuing the bill of lading on his or her behalf knows or has reasonable grounds to suspect that such particulars do not accurately represent the goods actually received, or, if the shipped bill of lading is issued, the loaded goods, or if he or she has had no reasonable means of checking, the carrier or such other person may make notes in the bill of lading specifying those inaccuracies, the grounds for suspicion, or the lack of reasonable means of checking.</p>
<p>Article 76 If the carrier or the other person issuing the bill of lading on his behalf made no note in the bill of lading regarding the apparent order and condition of the goods, the goods shall be deemed to be in apparent goods order and condition.</p>	<p>Article 77 Where the carrier or the other person issuing the bill of lading on behalf thereof does not make notes in the bill of lading regarding the apparent conditions of the goods, the goods shall be deemed to be in good apparent conditions.</p>
<p>Article 77 Except for the note made in accordance with the provisions of Article 75 of this Law, the bill of lading issued by the carrier or the other person acting on his behalf is <i>prima facie</i> evidence of the taking over or loading by the carrier of the goods as described therein. Proof to the contrary by the carrier shall not be admissible if the bill of lading has been transferred to a third party, including a consignee, who has acted in good faith in reliance on the description of the goods contained therein.</p>	<p>Article 78 Except for the notes made in accordance with the provisions of Article 76 of this Law, the bill of lading issued by the carrier or the other person acting on behalf thereof is <i>prima facie</i> evidence that the carrier has received the goods indicated in the bill of lading or the goods have been loaded on board. Evidence presented by the carrier to a bona fide third party, including the consignee, that the condition of the goods differs from that stated in the bill of lading shall not be admitted.</p>
<p>Article 78 The relationship between the</p>	<p>Article 79 The relationship of rights and</p>

carrier and the holder of the bill of lading with respect to their rights and obligations shall be defined by the clauses of the bill of lading.	obligations of the carrier and the consignee and the holder of the bill of lading shall be determined according to the bill of lading. If no bill of lading has been issued, the relationship of rights and obligations between the carrier and the consignee shall be governed by the relevant provisions of this Chapter.
Neither the consignee nor the holder of the bill of lading shall be liable for the demurrage, dead freight and all other expenses in respect of loading occurred at the loading port unless the bill of lading clearly states that the aforesaid demurrage, dead freight and all other expenses shall be borne by the consignee and the holder of the bill of lading.	Neither the consignee nor the holder of the bill of lading shall be liable for the demurrage, dead freight, and other expenses in respect of loading that occurred at the port of loading, unless it is specified in the bill of lading that the aforesaid expenses shall be borne by the consignee and the holder of the bill of lading.
Article 79 <u>The negotiability of a bill of lading shall be governed by the following provisions:</u>	
(1) A straight bill of lading is not negotiable;	Article 80 A straight bill of lading is not negotiable.
(2) An order bill of lading may be negotiated with endorsement to order or endorsement in blank;	An order bill of lading is negotiable with endorsement to order or endorsement in blank.
(3) A bearer bill of lading is negotiable without endorsement.	A bearer bill of lading is negotiable without endorsement.
Article 80 Where a carrier has issued a document other than a bill of lading as an evidence of the receipt of the goods to be carried, such a document is <i>prima facie</i> evidence of the conclusion of the contract of carriage of goods by sea and the taking over by the carrier of the goods as described therein.	Article 81 Where a carrier has issued a document other than a bill of lading as an evidence of the receipt of the goods to be carried, such a document is <i>prima facie</i> evidence of the conclusion of the contract of carriage of goods by sea and the taking over by the carrier of the goods as described therein.
Such documents that are issued by the carrier shall not be negotiable.	Such type of documents issued by the carrier shall not be negotiable.

Section 5 Electronic Transport Records	
	Article 82 Electronic transport records means the information issued by the carrier in the form of electronic communication under a contract of carriage of goods by sea, proving that the contract of carriage of goods by sea and the goods have been received by the carrier or loaded on board, including negotiable electronic transport records and non-negotiable electronic transport records.
	Electronic transport records that satisfy the criteria prescribed by laws and administrative regulations shall have equal effect as transport documents. The legal effect of electronic transport records shall not be denied merely on the ground that they are in electronic form.
	The provisions of this Law on transport documents shall apply to electronic transport records.
	Article 83 Electronic transport records may be issued or used if the carrier and the shipper reach a consensus upon negotiation.
	Article 84 Electronic transport records shall comply with the following requirements:
	(1) The information recorded shall include the relevant content specified in Article 74 of this Law and shall be available for retrieval and reference.
	(2) The recorded information is complete and accurate.
	(3) The issuer can be identified.
	(4) The holder is able to prove the identity thereof.
	Article 85 In addition to conforming to the provisions of Article 84 of this Law, negotiable electronic transport records shall also include negotiable information and transfer procedures.
	Negotiable electronic transport records shall be

	implemented by reliable methods or through a reliable transaction system to ensure their singularity and integrity and to safeguard the exclusive control of their holder over them.
	Methods for the transfer and exclusive control of negotiable electronic transport records, methods for converting the form of records, and standards for determining reliable methods or trading systems, among others, shall be separately developed by the national cyberspace administration in conjunction with the transport department of the State Council.
	Article 86 Electronic transport records and transport documents may be converted from one to another subject to the agreement of the carrier, the shipper, and the holder of transport documents.
	If electronic transport records and transport documents are converted from one to another, the explanatory information for such conversion shall be specified to ensure that the content recorded is consistent with each other after such conversion. The conversion of the form of a document shall not change the rights and obligations of the parties.
	Upon the completion of the conversion of electronic transport records and transport documents, the original transport documents or electronic transport records shall immediately become null and void.
Section 5 Delivery of Goods	Section 6 Delivery of Goods
	Article 87 A carrier's delivery of the goods shall be governed by the following provisions:
	(1) If a straight bill of lading is issued, the carrier shall deliver goods to the straight consignee against the bill of lading.
	(2) If an order bill of lading is issued, the carrier

	shall deliver goods to the transferee of the endorsed bill of lading.
	(3) A bearer bill of lading or an order bill of lading, endorsed in blank, shall be delivered based on the bill of lading to the bearer.
	(4) If negotiable electronic transport records are issued, they shall be delivered to the holder of electronic transport records.
	(5) In other circumstances, they shall be delivered to the consignee based on the identification of the consignee.
Article 81 Unless notice of loss or damage is given in writing by the consignee the the carrier at the time of delivery of the goods by the carrier to the consignee, such delivery shall be deemed to be <i>prima facie</i> evidence of the delivery of the goods by the carrier as described in the transport documents and of the apparent goods order and condition of such goods.	Article 88 When the carrier delivers goods to the consignee, the consignee shall notify the carrier in writing of the loss of or damage to the goods. The failure to notify shall be deemed as <i>prima facie</i> evidence that the carrier has delivered the goods according to the records in the transport documents and the goods are in good condition.
Where the loss of or damage to the goods is not apparent, the provisions of the preceding paragraph shall apply if the consignee has not given the notice in writing within seven consecutive days from the next day of the delivery of the goods, or, in the case of containerized goods, within 15 days from the next day of the delivery thereof.	If the loss of or damage to the goods is not apparent, the consignee shall notify the carrier in writing within seven consecutive days from the date immediately after the date of delivery of non-containerized goods or within 15 consecutive days from the date immediately after the date of delivery of containerized goods; otherwise, the provisions of the preceding paragraph shall apply.
The notice in writing regarding the loss or damage need not be given if the state of the goods has, at the time of delivery, been the subject of a joint survey or inspection by the carrier and the consignee.	The written notice on the loss or damage need not be given if the state of the goods has, at the time of delivery, been the subject of a joint survey or inspection by the carrier and the consignee.
Article 82 The carrier shall not be liable for compensation if no notice on the economic losses resulting from delay in delivery of the	Article 89 The carrier shall not be liable for compensation if it does not receive a written notice on economic losses caused by the delay in

<p>goods has been received from the consignee within 60 consecutive days from the next day on which the goods had been delivered by the carrier to the consignee.</p>	<p>the delivery of goods from the consignee within 60 consecutive days from the date immediately after the date of delivery of goods by the carrier to the consignee.</p>
<p>Article 83 The consignee may, before taking delivery of the goods at the port of destination, and the carrier may, before delivering the goods at the port of destination, request the cargo inspection agency to have the goods inspected. The party requesting such inspection shall bear the cost thereof but is entitled to recover the same from the party causing the damage.</p>	<p>Article 90 The consignee may, before taking delivery of goods at the port of destination, or the carrier may, before delivering goods at the port of destination, request an inspection institution to inspect the condition of the goods. The party requesting the inspection shall pay the inspection fee but shall have the right to recover the damages from the liable party causing the damage.</p>
<p>Article 84 The carrier and the consignee shall mutually provide reasonable facilities for the survey and inspection stipulated in Article 81 and 83 of this Law.</p>	<p>Article 91 The carrier and the consignee shall provide each other with reasonable facilities for the survey and inspection specified in Articles 88 and 90 of this Law.</p>
<p>Article 85 Where the goods have been delivered by the actual carrier, the notice in writing given by the consignee to the actual carrier under Article 81 of this Law shall have the same effect as that given to the carrier, and that given to the carrier shall have the same effect as that given to the actual carrier.</p>	<p>Article 92 Where the goods are delivered by the actual carrier, the written notice given by the consignee to the actual carrier in accordance with Article 88 of this Law shall have the same effect as the written notice given to the carrier, and the written notice given to the carrier shall have the same effect as that given to the actual carrier.</p>
<p>Article 86 If the goods were not taken delivery of at the port of discharge or if the consignee has delayed or refused to take delivery of the goods, the Master may discharge the goods into warehouses or other appropriate places, and any expenses or risks arising therefrom shall be borne by the consignee.</p>	<p>Article 93 Where no one takes delivery of the goods at the port of discharge, the master may unload the goods in a warehouse or any other appropriate place, and any expenses or risks arising therefrom shall be borne by the shipper, but the shipper shall be notified a timely manner.</p>
	<p>If the consignee has exercised the rights thereof under the contract of carriage of goods by sea but delays or refuses to take delivery of the goods, the master may dispose of the goods in accordance with the provisions of the preceding paragraph, and the expenses and risks arising therefrom shall</p>

	be borne by the consignee.
Article 87 If the freight, contribution in general average, demurrage to be paid to the carrier and other necessary charges paid by the carrier on behalf of the owner of the goods as well as other charges to be paid to the carrier have not been paid in full, nor has appropriate security been given, the carrier may have a lien, to a reasonable extent, on the goods.	Article 94 Where the freight, contribution to general average, and demurrage to be paid to the carrier and other necessary charges paid by the carrier on behalf of the owner of the goods as well as other charges to be paid to the carrier have not been paid in full, and no appropriate security has been provided, the carrier may take a lien on the corresponding goods.
	If the transport documents indicate the freight prepaid or a statement of a similar nature, the carrier may not take a lien on the goods on the ground of non-payment of the freight, unless the consignee is the shipper.
Article 88 If the goods under lien in accordance with the provisions of Article 87 of this Law have not been taken delivery of within 60 days from the next day of the ship's arrival at the port of discharge, the carrier may apply to the court for an order on the selling the goods by auction; where the goods are perishable or the expenses for keeping such goods would exceed their value, the carrier may apply for an earlier sale by auction.	Article 95 Where the goods under lien in accordance with the provisions of Article 94 of this Law have not been taken delivery of within 60 days from the date immediately after the ship arrives at the port of discharge, the carrier may apply to the court for selling the goods by auction. If the goods are perishable or the sum of storage charges and charges payable to the carrier may exceed the value of the goods, the carrier may apply for an earlier auction.
The proceeds from the auction sale shall be used to pay off the expenses for the storage and auction sale of the goods, the freight and other related charges to be paid to the carrier. If the proceeds fall short of such expenses, the carrier is entitled to claim the difference from the shipper, whereas any amount in surplus shall be refunded to the shipper. If there is no way to make the refund and such surplus amount has not been claimed at the end of one full year after the auction sale, it shall go to the State Treasury.	The proceeds from the auction shall be used to pay off the expenses for the storage and auction of the goods, the freight, and other related charges to be paid to the carrier. If the proceeds fall short of such expenses, the carrier is entitled to claim the difference from the shipper, whereas any amount in surplus shall be refunded to the shipper. If it cannot be returned and no one claims it after one year from the date of auction, it shall belong to the state .
Section 6 Cancellation of Contract	Section 7 Modification and Rescission of Contracts

	Article 96 During the period in which the carrier is in charge of the goods, the shipper may notify the carrier in writing to suspend the carriage, return the goods, change the port of discharge, or deliver the goods to another consignee, but it shall compensate the carrier for any loss suffered by it.
	The carrier may refuse the request of the shipper but shall immediately notify the shipper under any of the following circumstances:
	(1) The carrier is unable to satisfy the requirements of the shipper due to objective conditions or satisfaction of such requirements will affect the normal operation of the carrier.
	(2) The carrier anticipates that additional expenses will be incurred or it will suffer economic losses to satisfy the shipper's requirements, and the shipper does not provide corresponding security upon the request thereof.
	(3) The shipper fails to produce the issued transport documents as required by the carrier.
Article 89 The shipper may request the cancellation of the contract of carriage of goods by sea before the ship sails from the port of loading. However, except as otherwise provided for in the contract, the shipper shall in this case pay half of the agreed amount of freight; if the goods have already been loaded on board, the shipper shall bear the expenses for the loading and discharge and other related charges.	Article 97 The shipper may request the rescission of the contract of carriage of goods by sea before the ship sails from the port of loading. However, except as otherwise agreed upon in the contract, the shipper shall pay half of the agreed amount of freight to the carrier; and if the goods have been loaded on board, the shipper shall bear the expenses for the loading and discharge and other related charges.
Article 90 Either the carrier or the shipper may request the cancellation of the contract and neither shall be liable to the other if, due to force majeure or other causes not attributable to the fault of the carrier or the shipper, the contract could not be performed prior to the ship's sailing from its port of loading. If the freight has already been paid, it shall be	Article 98 Either the carrier or the shipper may request the rescission of the contract and neither shall be liable to compensation to each other if, due to force majeure or any other cause not attributable to the carrier or the shipper, the contract could not be performed before the ship sails from its port of loading. Except as otherwise agreed upon in the contract, if the freight has

refunded to the shipper, and, if the goods have already been loaded on board, the loading/discharge expenses shall be borne by the shipper. If a bill of loading has already been issued, it shall be returned by the shipper to the carrier.	been paid, it shall be refunded by the carrier to the shipper, and if the goods have been loaded on board, the loading or discharge expenses shall be borne by the shipper. If transport documents have been issued, they shall be returned by the shipper to the carrier.
Article 91 If, due to force majeure or any other causes not attributable to the fault of the carrier or the shipper, the ship could not discharge its goods at the port of destination as provided for in the contract of carriage, unless the contract provides otherwise, the Master shall be entitled to discharge the goods at a safe port or place near the port of destination and the contract of carriage shall be deemed to have been fulfilled.	Article 99 Where a ship is unable to discharge its goods at the port of destination as agreed upon in the contract of carriage due to force majeure or any other cause not attributable to the carrier or the shipper, the master shall be entitled to discharge the goods at a safe port or place near the port of destination and the contract of carriage shall be deemed to have been fulfilled, except as otherwise agreed upon in the contract.
In deciding the discharge of the goods, the Master shall inform the shipper or the consignee and shall take the interests of the shipper or the consignee into consideration.	If the master decides to discharge the goods, the master shall notify the shipper or the consignee in a timely manner and shall take into account the interests of the shipper or the consignee.
Section 7 Special Provisions Regarding Voyage Charter Party	(This Section has been moved to Chapter VI Charter Parties - Section 2 Voyage Charter Party)
Section 8 Special Provisions Regarding Multimodal Transport Contract	Section 8 Special Provisions on Multimodal Transport Contracts
Article 102 A multimodal transport contract as referred to in this Law means a contract under which the multimodal transport operator undertakes to transport the goods, against the payment of freight for the entire transport, from the place where the goods were received in his charge to the destination and to deliver them to the consignee by two or more different modes of transport, one of which being sea carriage.	Article 100 A multimodal transport contract as mentioned in this Law means a contract under which the multimodal transport operator undertakes to transport the goods, against the payment of freight for the entire transport, from the place where the goods are received to the destination and to deliver them to the consignee by two or more different modes of transport, including sea carriage.
The multimodal transport operator as referred	The multimodal transport operator as

<p>to in the preceding paragraph means the person who has entered into a multimodal transport contract with the shipper either by himself or by another person acting on his behalf.</p>	<p>mentioned in the preceding paragraph means a person who enters into a multimodal transport contract with the shipper either by himself or herself or by another person acting on his or her behalf.</p>
<p>Article 103 The responsibility of the multimodal transport operator with respect to the goods under multimodal transport contract covers the period from the time he takes the goods in his charge to the time of their delivery.</p>	<p>Article 101 The responsibilities of a multimodal transport operator with respect to the goods under the multimodal transport contract cover the period from the time it takes delivery of the goods to the time of their delivery.</p>
<p>Article 104 The multimodal transport operator shall be responsible for the performance of the multimodal transport contract or the procurement of the performance therefor, and shall be responsible for the entire transport.</p>	<p>Article 102 A multimodal transport operator shall be responsible for performing or arranging for the performance of the multimodal transportation contract and shall be responsible for the entire carriage.</p>
<p>The multimodal transport operator may enter into separate contracts with the carriers of the different modes defining their responsibilities with regard to the different sections of the transport under the multimodal transport contracts. However, such separate contracts shall not affect the responsibility of the multimodal transport operator with respect to the entire transport.</p>	<p>The multimodal transport operator and the section carriers participating in the multimodal transport may enter into agreements on their respective duties concerning each section, provided that the liability of the multimodal transport operator for the entire carriage shall not be affected by such a contract.</p>
<p>Article 105 If loss of or damage to the goods has occurred in a certain section of the transport, the provisions of the relevant laws and regulations governing that specific section of the multimodal transport shall be applicable to matters concerning the liability of the multimodal transport operator and the limitation thereof.</p>	<p>Article 103 Where the loss of, damage to, or delay in the delivery of goods occurs in a certain section of the multimodal transport, the provisions of relevant laws on that specific section of the multimodal transport shall apply to the matters concerning the liability of the multimodal transport operator for compensation, the limit of liability, and the time limitation.</p>
<p>Article 106 If the section of transport in which the loss of or damage to the goods occurred could not be ascertained, the multimodal transport operator shall be liable for</p>	<p>Article 104 Where the section of transport in which the loss of, damage to, or delay in the delivery of the goods occurred could not be determined, the multimodal transport operator</p>

compensation in accordance with the stipulations regarding the carrier's liability and the limitation thereof as set out in this Chapter.	shall be liable for compensation in accordance with the provisions of this Chapter on the carrier's liability for compensation and the limit of liability and the provisions of this Law on the time limitation.
CHAPTER V CONTRACT OF CARRIAGE OF PASSENGERS BY SEA	CHAPTER V CONTRACT OF CARRIAGE OF PASSENGERS BY SEA
Article 107 A contract of carriage of passengers by sea is a contract whereby the carrier undertakes to carry passengers and their luggage by sea from one port to another by ships suitable for that purpose against payment of fare by the passengers.	Article 105 A contract of carriage of passengers by sea means a contract whereby the carrier undertakes to carry passengers and their luggage by sea by ships suitable for that purpose such as passenger ships and cruise ships against the payment of fare by the passengers.
Article 108 For the purposes of this Chapter:	Article 106 The meanings of the following terms in this Chapter are:
(1) "Carrier" means the person by whom or in whose name a contract of carriage of passengers by sea has been entered into with the passengers;	(1) "Carrier" means a person by whom or in whose name a contract of carriage of passengers by sea has been entered into with the passengers.
(2) "Actual carrier" means the person by whom the whole or part of the carriage of passengers has been performed as entrusted by the carrier, including those engaged in such carriage under a sub-contract.	(2) "Actual carrier" means the person who, as entrusted or sub-entrusted by a carrier, engages in the whole or part of the transport of passengers and their luggage.
(3) "Passenger" means a person carried under a contract of carriage of passengers by sea. With the consent of the carrier, a person supervising the carriage of goods aboard a ship covered by a contract of carriage of goods is regarded as a passenger;	(3) "Passenger" means a person carried under a contract of carriage of passengers by sea. With the consent of the carrier, a person supervising the carriage of goods on board a ship according to a contract of carriage of goods by sea is regarded as a passenger.
(4) "Luggage" means any Article or vehicle shipped by the carrier under the contract of carriage of passengers by sea, with the exception of live animals.	(4) "Luggage" means any article or vehicle shipped by the carrier under the contract of carriage of passengers by sea, excluding live animals.

(5) "Cabin luggage" means the luggage which the passenger has in his cabin or is otherwise in his possession, custody or control.	(5) "Cabin luggage" means the luggage carried, kept, or placed in the cabin by the passenger.
Article 109 The provisions regarding the responsibilities of the carrier as contained in this Chapter shall be applicable to the actual carrier, and the provisions regarding the responsibilities of the servant or agent of the carrier as contained in this Chapter shall be applicable to the servant or agent of the actual carrier.	(Moved to Article 120)
Article 110 The passage ticket serves as an evidence that a contract of carriage of passengers by sea has been entered into.	Article 107 A passenger ticket serves as proof for the formation of a contract of carriage of passengers by sea.
Article 126 Any of the following clauses contained in a contract of carriage of passengers by sea shall be null and void:	Article 108 Any of the following terms in a contract of carriage of passengers by sea shall be null and void:
(1) Any clause that exonerates the statutory responsibility of the carrier in respect of the passenger;	(1) Any terms that exempt the carrier from its legal liability to the passenger.
(2) Any clause that reduces the limitation of liability of the carrier as contained in this Chapter;	(2) Any terms that reduce the limitation of the carrier's liability specified in this Chapter.
(3) Any clause that contains provisions contrary to those of this Chapter concerning burden of proof;	(3) Any agreement contrary to the burden of proof specified in this Chapter.
(4) Any clause that restricts the right of claim of the passenger.	(4) Any terms that restrict the right of passengers to file claims for compensation.
The nullity and voidness of the clauses set out in the preceding paragraph shall not prejudice the validity of the other clauses of the contract.	The invalidity of terms set out in the preceding paragraph shall not affect the validity of other terms of the contract.
Article 111 The period of carriage for the carriage of passengers by sea commences from the time of embarkation of the passengers and	Article 109 The period of carriage of passengers by sea commences from the time of embarkation of the passengers and terminates at

<p>terminates at the time of their disembarkation, including the period during which the passengers are transported by water from land to the ship or vice versa, if such cost of transport is included in the fare. However, the period of carriage does not include the time when the passengers are at a marine terminal or station or on a quay or in or on any other port installations.</p>	<p>the time of their disembarkation, including the period during which the passengers are transported by water from land to the ship or vice versa, if such cost of transport is included in the fare. However, the period of carriage does not include the time when the passengers are at a marine terminal or station, on a quay, or in or on any other port installations.</p>
<p>The period of carriage for the cabin luggage of the passengers shall be the same as that stipulated in the preceding paragraph. The period of carriage for luggage other than the cabin luggage commences from the time when the carrier or his servant or agent receives it into his charge and terminates at the time when the carrier or his servant or agent redelivers it to the passengers.</p>	<p>The provisions of the preceding paragraph shall apply to the period of carriage of the passengers' cabin luggage. If the cabin luggage of the passenger has been taken over by the carrier or the employee or agent thereof and has not been returned to the passenger, the period of carriage shall include the time spent by the passenger in a marine terminal or station, on a quay, or in or on any other port installations.</p>
<p>Article 112 A passenger travelling without a ticket or taking a higher class berth than booked or going beyond the distance paid for shall pay for the fare or the excess fare as required by relevant regulations, and the carrier may, according to the relevant regulations, charge additional fare. Should any passenger refuse to pay, the Master is entitled to order him to disembark at a suitable place and the carrier has the right of recourse against him.</p>	<p>Article 110 Where a passenger boards without a ticket, takes a higher class or higher berth than booked, boards exceeding the distance paid for, or boards with a concessional ticket which does not meet the conditions for concession, the passenger shall pay the fare as required, and the carrier may charge an additional fare according to the relevant provisions. If any passenger refuses to pay the fare, the master is entitled to order him or her to disembark at an appropriate place and the carrier has the right to claim the payment thereof.</p>
<p>Article 113 No passenger may take on board or pack in their luggage contraband goods or any Article of an inflammable, explosive,</p>	<p>Article 111 No passenger may take on board or pack in his or her luggage contraband articles or any article of an inflammable, explosive,</p>

poisonous, corrosive or radioactive nature or other dangerous goods that would endanger the safety of life and property on board.	poisonous, corrosive, or radioactive nature or other dangerous goods that may endanger the safety of life and property on board.
The carrier may have the contraband or dangerous goods brought on board by the passenger or packed in his luggage in breach of the provisions of the preceding paragraph discharged, destroyed or rendered innocuous <i>at any time and at any place</i> or sent over to the appropriate authorities, without being liable for compensation.	The carrier shall have the right to discharge, destroy, or eliminate the danger of the contraband and dangerous goods carried on or in the luggage of the passenger, or deliver them to the relevant authorities, and shall not be liable for compensation.
The passenger shall be liable for compensation if any loss or damage occurs as a result of his breach of the provisions of paragraph 1 of this Article.	A passenger who violates the provisions of paragraph 1 of this article and causes damage shall be liable for compensation.
Article 114 During the period of carriage of the passengers and their luggage as provided for in Article 111 of this Law, the carrier shall be liable for the death of or personal injury to passengers or the loss of or damage to their luggage resulting from accidents caused by the fault of the carrier or his servant or agent committed within the scope of his employment or agency.	Article 112 Where, during the transport of a passenger and his or her luggage as prescribed in Article 109 of this Law, an accident is caused by the fault of the carrier or the employee or agent thereof within the scope of his or her employment or agency, resulting in the personal injury or death of the passenger or the loss of or damage to his or her luggage, the carrier shall be liable for compensation.
The claimant shall bear the burden of proof regarding the fault of the carrier or his servant or agent, with the exception, however, of the circumstances specified in paragraphs 3 and 4 of this Article.	The claimant shall bear the burden of proof for the fault of the carrier or the employee or agent thereof, excluding the circumstances specified in paragraphs 3 and 4 of this article.
If the death of or personal injury to the passengers or loss of or damage to the passengers' cabin luggage occurred as a result of shipwreck, collision, stranding, explosion, fire or the defect of the ship, it shall be presumed that the carrier or his servant or agent has committed a fault, unless proof to the contrary has been given by the carrier or his servant or	If the personal injury or death of a passenger or the loss of or damage to his or her cabin luggage and the luggage carried by the passenger's vehicle is caused by the sinking, collision, stranding, explosion, fire, or the defect of the ship, the carrier or the employee or agent thereof shall be deemed to be at fault, unless the carrier or the employee or agent thereof

agent.	provides evidence to the contrary.
As to any loss of or damage to the luggage other than the passenger's cabin luggage, unless the carrier or his servant or agent proves to the contrary, it shall be presumed that the carrier or his servant or agent has committed a fault, no matter how the loss or damage was caused.	As to any loss of or damage to the luggage other than the passenger's cabin luggage and the luggage carried by the passenger's vehicle , unless the carrier or the employee or agent thereof provides evidence to the contrary, the carrier or the employee or agent thereof shall be deemed to be at fault, no matter which type of accident causes the loss or damage.
Article 115 If it is proved by the carrier that the death of or personal injury to the passenger or the loss of or damage to his luggage was caused by the fault of the passenger himself or the faults of the carrier and the passenger combined, the carrier's liability may be exonerated or appropriately mitigated.	Article 113 Where it is proved by the carrier that the personal injury or death of a passenger or the loss of or damage to his or her luggage is caused by the fault of the passenger himself or herself or the joint fault of the carrier and the passenger, the carrier's liability for compensation may be exempted or appropriately mitigated.
If it is proved by the carrier that the death of or personal injury to the passenger or the loss of or damage to the passenger's luggage was intentionally caused by the passenger himself, or the death or personal injury was due to the health condition of his, the carrier shall not be liable therefor.	If it is proved by the carrier that the personal injury or death of a passenger or the loss of or damage to his or her luggage was intentionally caused by the passenger himself or herself, or the personal injury or death of the passenger was caused due to his or her health conditions, the carrier shall not be liable for compensation.
Article 116 The carrier shall not be liable for any loss of or damage to the monies, gold, silver, jewellery, negotiable securities or other valuables of the passengers.	Article 114 The carrier shall not be liable for compensation for any loss of or damage to a passenger's money, gold, silver, jewelry, negotiable securities, or other valuables.
If the passenger has entrusted the above-mentioned valuables to the safe-keeping of the carrier under an agreement for that purpose, the carrier shall be liable for compensation in accordance with the provisions of Article 117 of this Law. Where the limitation of liability agreed upon between the carrier and the passenger in writing is higher than that set out in Article 117 of this Law, the carrier shall make the compensation in accordance with that	If the passenger and the carrier agree to leave the articles specified in the preceding paragraph in the custody of the carrier, the carrier shall be liable for compensation in accordance with the provisions of Article 115 of this Law. If the amount of compensation agreed upon by both parties in writing is higher than the limit of liability specified in Article 115 of this Law, the carrier shall be liable for compensation according to the agreed amount.

higher amount.	
Article 117 Except the circumstances specified in paragraph 4 of this Article, the limitation of liability of the carrier under each carriage of passengers by sea shall be governed by the following:	Article 115 The limit of liability of the carrier under each carriage of passengers by sea shall be governed by the following provisions:
(1) For death of or personal injury to the passenger: not exceeding 46,666 Units of Account per passenger;	(1) For the personal injury or death of a passenger: not exceeding 175,000 units of account per passenger.
(2) For loss of or damage to the passengers' cabin luggage: not exceeding 833 Units of Account per passenger;	(2) For the loss of or damage to passengers' cabin luggage: not exceeding 1,800 units of account per passenger.
(3) For loss of or damage to the passengers' vehicles including the luggage carried therein: not exceeding 3,333 Units of Account per vehicle;	(3) For the loss of or damage to passengers' vehicles including the luggage carried therein: not exceeding 10,000 units of account per vehicle.
(4) For loss of or damage to luggage other than those described in sub-paragraphs (2) and (3) above: not exceeding 1,200 Units of Account per passenger.	(4) For the loss of or damage to luggage other than those specified in subparagraphs (2) and (3) of this paragraph: not exceeding 2,700 units of account per passenger.
An agreement may be reached between the carrier and the passengers with respect to the deductibles applicable to the compensation for loss of or damage to the passengers' vehicles and luggage other than their vehicles. However, the deductible with respect to the loss of or damage to the passengers' vehicles shall not exceed 117 Units of Account per vehicle, whereas the deductible for the loss of or damage to the luggage other than the vehicle shall not exceed 13 Units of Account per piece of luggage per passenger. In calculating the amount of compensation for the loss of or damage to the passenger's vehicle or the luggage other than the vehicle, deduction shall be made of the agreed deductibles the carrier is	An agreement may be reached between the carrier and the passenger with respect to the carrier's deductible for the loss of or damage to the passenger's vehicle and luggage other than the passenger's vehicle. However, the deductible for the loss of or damage to each vehicle shall not exceed 300 units of account, whereas the deductible for the loss of or damage to the luggage other than the vehicle of each passenger shall not exceed 135 units of account. In calculating the amount of compensation for the loss of or damage to the passenger's vehicle or luggage other than the vehicle, the agreed deductibles the carrier is entitled to shall be deducted.

entitled to.	
A higher limitation of liability than that set out in sub-paragraph (1) above may be agreed upon between the carrier and the passenger in writing.	The carrier and the passenger may agree in writing to a limit of liability higher than that provided for in paragraph 1 of this article.
The limitation of liability of the carrier with respect to the carriage of passengers by sea between the ports of the People's Republic of China shall be fixed by the competent authorities of transport and communications under the State Council and implemented after its being submitted to and approved by the State Council.	(Deleted)
Article 118 If it is proved that the death of or personal injury to the passenger or the loss of or damage to the passenger's luggage resulted from an act or omission of the carrier done with the intent to cause such loss or damage or recklessly and with knowledge that such death or personal injury or such loss or damage would probably result, the carrier shall not invoke the provisions regarding the limitation of liability contained in Articles 116 and 117 of this Law.	Article 116 Where it is proved that the personal injury or death of a passenger or the loss of or damage to a passenger's luggage results from an act or omission of the carrier done with the intent to cause such loss or damage or recklessly and with knowledge that such personal injury or death or such loss or damage would probably be caused, the carrier shall not invoke the provisions of Articles 114 and 115 of this Law on the limit of liability.
If it is proved that the death of or personal injury to the passenger or the loss of or damage to the passenger's luggage resulted from an act or omission of the servant or agent of the carrier done with the intent to cause such loss or damage or recklessly and with knowledge that such death or personal injury or such loss or damage would probably result, the servant or agent of the carrier shall not invoke the provisions regarding the limitation of liability contained in Article 116 and 117 of this Law.	If it is proved that the personal injury or death of the passenger or the loss of or damage to the passenger's luggage results from an act or omission of the employee or agent of the carrier done with the intent to cause such loss or damage or recklessly and with knowledge that such personal injury or death or such loss or damage would probably be caused, the employee or agent of the carrier shall not invoke the provisions of Articles 114 and 115 of this Law on the limit of liability.
Article 119 In case of apparent damage to the luggage, the passenger shall notify the carrier or	Article 117 In case of apparent damage to the luggage, the passenger shall submit a written

his servant or agent in writing according to the following:	notice to the carrier or the employee or agent thereof according to the following provisions:
(1) Notice with respect to cabin luggage shall be made before or at the time of his embarkation;	(1) The notice on cabin luggage or luggage carried by the passenger's vehicle shall be submitted before or at the time of the passenger's disembarkation.
(2) Notice regarding luggage other than cabin luggage shall be made before or at the time of redelivery thereof.	(2) The notice on other luggage shall be submitted before or at the time of redelivery thereof.
If the damage to the luggage is not apparent and it is difficult for the passenger to discover such damage at the time of his disembarkation or of the redelivery of the luggage, or if the luggage has been lost, the passenger shall notify the carrier or his servant or agent in writing within 15 days from the next day of disembarkation of the passenger or of the redelivery of the luggage.	If the damage to the luggage is not apparent and it is difficult for the passenger to discover such damage at the time of his or her disembarkation or the redelivery of the luggage, or if the luggage has been lost, the passenger shall submit a written notice to the carrier or the employee or agent thereof within 15 days from the date of disembarkation of the passenger or the date when the luggage is redelivered or should be redelivered.
If the passenger fails to send in the notice in writing in time in accordance with the provisions of sub-paragraphs (1) and (2) of this Article, it shall be presumed that the luggage has been received undamaged, unless proof to the contrary is made.	If the passenger fails to submit a written notice in a timely manner in accordance with the provisions of paragraphs 1 and 2 of this article, the luggage shall be deemed to have been received intact, unless evidence to the contrary is provided.
Where the luggage has been jointly surveyed or inspected by the passenger and the carrier at the time of redelivery thereof, the above-mentioned notice need not be given.	If the luggage has been jointly surveyed or inspected by the passenger and the carrier at the time of redelivery thereof, the written notice is not required to be given.
Article 120 With regard to the claims made to the carrier's servant or agent, such servant or agent shall be entitled to invoke the provisions regarding defence and limitation of liability contained in Article 115, 116 and 117 of this Law if such servant or agent proves that his act or omission was within the scope of his	Article 118 The provisions of this Chapter on the carrier's defense and limit of liability shall apply to any claim for compensation filed against the carrier through litigation, arbitration, or other methods with respect to the personal injury or death of the passengers or the loss of or damage to their luggage, whether the claimant is

employment or agency.	a party to the contract or whether the claim is filed in accordance with the contract or against the tort.
	The provisions of the preceding paragraph shall apply if the claim for compensation specified in the preceding paragraph is filed against the carrier's employee or agent, and the carrier's employee or agent proves that his or her act is within the scope of his or her employment or agency.
Article 121 Where the performance of the carriage of passengers or part thereof has been entrusted by the carrier to an actual carrier, the carrier shall, as stipulated in this Chapter, remain liable for the entire carriage. Where the carriage is performed by the actual carrier, the carrier shall be liable for the act or omission of the actual carrier or the act or omission of his servant or agent within the scope of his employment or agency.	Article 119 Where the carrier entrusts all or part of the carriage of passengers and their luggage to the actual carrier, the carrier shall still be responsible for the entire carriage according to the provisions of this Chapter. If the carriage is performed by the actual carrier, the carrier shall be responsible for the acts of the actual carrier or the acts of the employee or agent thereof within the scope of his or her employment or agency.
Article 109 The provisions regarding the responsibilities of the carrier as contained in this Chapter shall be applicable to the actual carrier, and the provisions regarding the responsibilities of the servant or agent of the carrier as contained in this Chapter shall be applicable to the servant or agent of the actual carrier.	Article 120 The provisions of this Chapter on the responsibilities of the carrier shall apply to the actual carrier. The provisions of this Chapter on the responsibilities of the employee or agent of the carrier shall apply to the employee or agent of the actual carrier.
Article 122 Any special agreement under which the carrier assumes obligations not provided for in this Chapter or waives the rights conferred by this Chapter shall be binding upon the actual carrier where the actual carrier has expressly agreed in writing to the contents thereof. Such a special agreement shall be binding upon the carrier whether the actual carrier has agreed to its contents or not.	Article 121 Any special agreement under which the carrier assumes obligations not prescribed in this Chapter or waives the rights conferred by this Chapter shall be binding upon the actual carrier if the actual carrier has expressly agreed in writing to the content thereof. Such a special agreement shall be binding upon the carrier whether the actual carrier has agreed to its content or not.
Article 123 Where both the carrier and the actual carrier are liable for compensation, they	Article 122 Where both the carrier and the actual carrier are liable for compensation, they

shall be liable jointly and severally within the scope of such liability.	shall be jointly and severally liable within the scope of such liability.
Article 124 Where separate claims have been brought against the carrier, the actual carrier and their servants or agents with respect to the death of or personal injury to the passengers or the loss of or damage to their luggage, the aggregate amount of compensation shall not be in excess of the limitation prescribed in Article 117 of this Law.	Article 123 Where separate claims for compensation are filed against the carrier, the actual carrier and their employees or agents with respect to the personal injury or death of the passengers or the loss of or damage to their luggage, the aggregate amount of compensation shall not exceed the limitation prescribed in Article 115 of this Law.
Article 125 The provisions of Articles 121 through 124 of this Law shall not affect the right of recourse between the carrier and the actual carrier.	Article 124 The provisions of Articles 119 through 123 of this Law shall not affect the right of recourse between the carrier and the actual carrier.
	Article 125 The carrier or actual carrier shall effect liability insurance or obtain corresponding financial guarantee for the liability for the personal injury or death of passengers.
Article 126 Any of the following clauses contained in a contract of carriage of passengers by sea shall be null and void:	(Moved to Article 108)
(1) Any clause that exonerates the statutory responsibility of the carrier in respect of the passenger;	
(2) Any clause that reduces the limitation of liability of the carrier as contained in this Chapter;	
(3) Any clause that contains provisions contrary to those of this Chapter concerning burden of proof;	
(4) Any clause that restricts the right of claim of the passenger.	

The nullity and voidness of the clauses set out in the preceding paragraph shall not prejudice the validity of the other clauses of the contract.	
	Article 126 Claims for damages for the personal injury or death of passengers may be submitted directly to the insurer of liability or the financial guarantor. The forfeiture by the carrier or actual carrier of the right to limit liability prescribed in this Chapter shall not affect the liability of the insurer or financial guarantor to invoke the provisions of this Chapter to limit liability.
	The insurer of liability or financial guarantor shall be entitled to raise a defense that the damage was intentionally caused by the carrier or the actual carrier, and to invoke any ground other than the carrier's or the actual carrier's bankruptcy or liquidation in that defense.
CHAPTER VI CHARTER PARTIES	CHAPTER VI CHARTER PARTIES
Section 1 Basic Principles	Section 1 General Rules
Article 128 Charter parties including time charter parties and bareboat charter parties shall be concluded in writing.	Article 127 For the purposes of this Law, "charter parties" include voyage charter parties , time charter parties, and bareboat charter parties. Charter parties shall be concluded in writing.
Article 127 The provisions concerning the rights and obligations of the shipowner and the charterer in this Chapter shall apply only when there are no stipulations or no different stipulations in this regard in the charter party.	Article 128 The provisions of this Chapter on the rights and obligations of the shipowner and the charterer shall apply only in the absence of agreements or in the absence of different agreements in the charter party.
Section 7 Special Provisions Regarding Voyage Charter Party	Section 2 Voyage Charter Party
Article 92 A voyage charter party is a charter party under which the shipowner charters out	Article 129 A voyage charter party means a charter party under which the shipowner

and the charterer charters in the whole or part of the ship's space for the carriage by sea of the intended goods from one port to another and the charterer pays the agreed amount of freight.	charters out and the charterer charters in the whole or part of the ship's space for the carriage by sea of the agreed goods from one port to another and the charterer pays the agreed freight.
Article 94 The provisions in Article 47 and Article 49 of this Law shall apply to the shipowner under voyage charter party.	If a voyage charter party has not agreed on the rights and obligations of the shipowner and the charterer or the agreement is not clear, the provisions of Chapter IV of this Law regarding the rights and obligations of the parties shall apply in addition to the provisions of this Section.
The other provisions in this Chapter regarding the rights and obligations of the parties to the contract shall apply to the shipowner and the charterer under voyage charter only in the absence of relevant provisions or in the absence of provisions differing therefrom in the voyage charter.	Any provision of the voyage charter party in violation of the provisions of Article 48 or 50 of this Law shall be null and void.
Article 93 A voyage charter party shall mainly contain, interalia, name of the shipowner, name of the charterer, name and nationality of the ship, its bale or grain capacity, description of the goods to be loaded, port of loading, port of destination, laydays, time for loading and discharge, payment of freight, demurrage, dispatch and other relevant matters.	Article 130 A voyage charter party shall mainly include the name of the shipowner, name of the charterer, name and nationality of the ship, its bale or grain capacity, description of the goods to be loaded, port of loading, port of destination, laydays, time for loading and discharge, payment of freight, demurrage, dispatch, and other relevant matters.
Article 94 The provisions in Article 47 and Article 49 of this Law shall apply to the shipowner under voyage charter party.	(absorbed by Article 129)
The other provisions in this Chapter regarding the rights and obligations of the parties to the contract shall apply to the shipowner and the charterer under voyage charter only in the absence of relevant provisions or in the absence of provisions differing therefrom in the voyage charter.	
Article 95 Where the holder of the bill of	Article 131 Where the holder of the bill of

<p>lading is not the charterer in the case of a bill of lading issued under a voyage charter, the rights and obligations of the carrier and the holder of the bill of lading shall be governed by the clauses of the bill of lading. However, if the clauses of the voyage charter party are incorporated into the bill of lading, the relevant clauses of the voyage charter party shall apply.</p>	<p>lading is not the charterer in the case of the bill of lading issued under a voyage charter party, the provisions on the bill of lading shall apply to the rights and obligations of the carrier and the holder of the bill of lading. However, if the terms of the voyage charter party are indicated in the bill of lading, the terms of the voyage charter party shall apply.</p>
<p>Article 96 The shipowner shall provide the intended ship. The intended ship may be substituted with the consent of the charterer. However, if the ship substituted does not meet the requirements of the charter party, the charterer may reject the ship or cancel the charter.</p>	<p>Article 132 The shipowner shall provide the agreed ship. The agreed ship may be replaced with the consent of the charterer. However, if the ship provided or replaced by the shipowner does not meet the requirements of the charter party, the charterer may reject the ship or cancel the charter.</p>
<p>Should any damage or loss occur to the charterer as a result of the shipowner's failure in providing the intended ship due to his fault, the shipowner shall be liable for compensation.</p>	<p>The shipowner shall be liable for the charterer's loss resulting from the shipowner's failure in providing the agreed ship due to the fault thereof.</p>
<p>Article 97 If the shipowner has failed to provide the ship within the laydays fixed in the charter, the charterer is entitled to cancel the charter party. However, if the shipowner had notified the charterer of the delay of the ship and the expected date of its arrival at the port of loading, the charterer shall notify the shipowner whether to cancel the charter within 48 hours of the receipt of the shipowner's notification.</p>	<p>Article 133 Where the shipowner has failed to provide the ship within the laydays agreed upon in the charter, the charterer is entitled to cancel the charter. However, if the shipowner notifies the charterer of the delay of the ship and the expected date of its arrival at the port of loading, the charterer shall notify the shipowner whether to cancel the charter within 48 hours of receipt of the shipowner's notice.</p>
<p>Where the charterer has suffered losses as a result of the delay in providing the ship due to the fault of the shipowner, the shipowner shall be liable for compensation.</p>	<p>The shipowner shall be liable for the charterer's loss resulting from delay in providing the agreed ship due to the fault thereof.</p>
<p>Article 98 Under a voyage charter, the time for loading and discharge and the way of calculation thereof, as well as the rate of demurrage that would incur after the expiration</p>	<p>Article 134 Under a voyage charter party, the time for loading and discharge and the methods for the calculation thereof, demurrage that would incur after the expiration of the time limit</p>

<p>of the laytime and the rate of dispatch money to be paid as a result of the completion of loading or discharge ahead of schedule, shall be fixed by the shipowner and the charterer upon mutual agreement.</p>	<p>for loading or discharge, and dispatch fee to be paid as a result of the completion of loading or discharge ahead of schedule shall be agreed upon by the shipowner and the charterer.</p>
<p>Article 99 The charterer may sublet the ship he chartered, but the rights and obligations under the head charter shall not be affected.</p>	<p>Article 135 The charterer may subcharter the ship chartered thereby, and after the subcharter, the rights and obligations under the head charter shall not be affected.</p>
<p>Article 100 The charterer shall provide the intended goods, but he may replace the goods with the consent of the shipowner. However, if the goods replaced are detrimental to the interests of the shipowner, the shipowner shall be entitled to reject such goods and cancel the charter.</p>	<p>Article 136 The charterer shall provide the agreed goods, but the charterer may replace the goods with the consent of the shipowner. However, if the goods replaced are detrimental to the interests of the shipowner, the shipowner shall be entitled to reject such goods or cancel the charter.</p>
<p>Where the shipowner has suffered losses as a result of the failure of the charterer in providing the intended goods, the charterer shall be liable for compensation.</p>	<p>If the shipowner suffers losses as a result of the failure of the charterer in providing the agreed goods, the charterer shall be liable for compensation.</p>
<p>Article 101 The shipowner shall discharge the goods at the port of discharge specified in the charter party. Where the charter party contains a clause allowing the choice of the port of discharge by the charterer, the Master may choose one from among the agreed picked ports to discharge the goods, in case the charterer did not, as agreed in the charter, instruct in time as to the port chosen for discharging the goods. Where the charterer did not instruct in time as to the chosen port of discharge, as agreed in the charter, and the shipowner suffered losses thereby, the charterer shall be liable for compensation; where the charterer has suffered losses as a result of the shipowner's arbitrary choice of a port to discharge the goods, in disregard of the provisions in the relevant charter, the shipowner shall be liable for compensation.</p>	<p>Article 137 The shipowner shall discharge the goods at the port of discharge agreed upon in the charter party. If the charter party includes the terms allowing the charterer to choose the port of discharge, the master may choose one from among the agreed ports to discharge the goods, if the charterer fails to promptly notify the designated port of discharge as agreed upon in the charter. If the charterer fails to promptly notify the designated port of discharge as agreed upon in the charter and the shipowner suffers losses thereby, the charterer shall be liable for compensation. If the charterer has suffered losses as a result of the shipowner's arbitrary choice of a port to discharge the goods in disregard of the provisions in the relevant charter, the shipowner shall be liable for compensation.</p>

Section 2 Time Charter Party	Section 3 Time Charter Party
Article 129 A time charter party is a contract under which the shipowner provides a designated manned ship to the charterer, and the charterer employs the ship during the contractual period for the agreed service against payment of hire.	Article 138 A time charter party means a contract under which the shipowner provides an agreed crewed ship to the charterer, and the charterer uses the ship for the agreed purposes within the agreed period of time and pays the hire.
Article 130 A time charter party mainly contains the name of the shipowner, the name of the charter; the name, nationality, class, tonnage, capacity, speed and fuel consumption of the ship; the trading area; the agreed service, the contractual period, the time, place and conditions of delivery and redelivery of the ship; the hire and the way of its payment and other relevant matters.	Article 139 A time charter party mainly includes the name of the shipowner and the charter, the ship's name, nationality, class, tonnage, capacity, speed, fuel consumption, navigation area, use, contractual period, the time, place, and conditions of the delivery and redelivery of the ship, the hire and its payment, and other relevant matters.
Article 131 The shipowner shall deliver the ship within the time agreed upon in the charter party.	Article 140 The shipowner shall deliver the ship at the time agreed upon in the charter party.
Where the shipowner acts against the provisions of the preceding paragraph, the charterer is entitled to cancel the charter. However, if the shipowner has notified the charterer of the anticipated delay in delivery and has given an estimated time of arrival of the ship at the port of delivery, the charterer shall notify the shipowner, within 48 hours of the receipt of such notice from the shipowner, of his decision whether to cancel the charter or not.	If the shipowner violates the provisions of the preceding paragraph, the charterer shall have the right to cancel the charter. However, if the shipowner notifies the charterer of the anticipated delay in delivery and has given an estimated time of arrival of the ship at the port of delivery, the charterer shall notify the shipowner of its or his decision whether to cancel the charter or continue to charter the ship within 48 hours of the receipt of such notice from the shipowner.
The shipowner shall be liable for the charterer's loss resulting from the delay in delivery of the ship due to the shipowner's fault.	If the charterer suffers losses due to the delay in providing the ship due to the fault of the shipowner, the shipowner shall be liable for compensation.
Article 132 At the time of delivery, the	Article 141 At the time of delivery of the ship,

shipowner shall exercise due diligence to make the ship seaworthy. The ship delivered shall be fit for the intended service.	the shipowner shall exercise due diligence and make the ship seaworthy. The ship delivered shall be fit for the agreed purpose.
Where the shipowner acts against the provisions in the preceding paragraph, the charterer shall be entitled to cancel the charter and claim any losses resulting therefrom.	If the shipowner violates the provisions of the preceding paragraph, the charterer shall be entitled to cancel the charter and claim compensation for the losses suffered thereby.
Article 133 During the charter period, if the ship is found at variance with the seaworthiness or the other conditions agreed upon in the charter, the shipowner shall take all reasonable measures to have them restored as soon as possible.	Article 142 During the charter period, if the ship fails to maintain the seaworthiness or other conditions as agreed upon in the charter, the shipowner shall take reasonable measures to restore the ship's condition as soon as possible.
Where the ship has not been operated normally for 24 consecutive hours due to its failure to maintain the seaworthiness or the other conditions as agreed upon, the charterer shall not pay the hire for the operating time so lost, unless such failure was caused by the charterer.	If the ship has not been operated normally for 24 consecutive hours due to its failure to maintain the seaworthiness or other conditions as agreed upon, the charterer shall not pay the hire for the operating time so lost, unless such failure is caused by the charterer.
Article 134 The charterer shall guarantee that the ship shall be employed in the agreed maritime transport between the safe ports or places within the trading area agreed upon.	Article 143 The charterer shall guarantee that the ship engages in the agreed maritime transport between safe ports or places within the agreed navigation area.
If the charterer acts against the provisions of the preceding paragraph, the shipowner is entitled to cancel the charter and claim any losses resulting therefrom.	If the charterer violates the provisions of the preceding paragraph, the shipowner is entitled to cancel the charter and claim any losses suffered thereby.
Article 135 The charterer shall guarantee that the ship shall be employed to carry the lawful merchandise agreed.	Article 144 The charterer shall guarantee that the ship is used for the carriage of the agreed lawful goods.
Where the ship is to be employed by the charterer to carry live animals or dangerous goods, a prior consent of the shipowner is	If the ship is to be used by the charterer to carry live animals or dangerous goods, the prior consent of the shipowner shall be obtained.

required.	
The charterer shall be liable for any loss of the shipowner resulting from the charterer's violation of the provisions of paragraph 1 or paragraph 2 of this Article.	The charterer shall be liable for any loss of the shipowner resulting from the charterer's violation of the provisions of this article.
Article 136 The charterer shall be entitled to give the Master instructions with respect to the operation of the ship. However, such instructions shall not be inconsistent with the stipulations of the time charter.	Article 145 The charterer shall be entitled to give the master instructions with respect to the operation of the ship, provided that the provisions of the time charter party are not violated.
Article 137 The charterer may sublet the ship under charter, but he shall notify the shipowner of the sublet in time. The rights and obligations agreed upon in the head charter shall not be affected by the sub-charter.	Article 146 The charterer may subcharter the ship under charter, but the charterer shall notify the shipowner of the subcharter in a timely manner. The rights and obligations agreed upon in the head charter shall not be affected by the sub-charter.
Article 138 Where the ownership of the ship under charter has been transferred by the shipowner, the rights and obligations agreed upon under the original charter shall not be affected. However, the shipowner shall inform the charterer thereof in time. After such transfer, the transferee and the charterer shall continue to perform the original charter.	Article 147 Where a shipowner transfers the ownership of the ship that has been chartered, the rights and obligations agreed upon under the time charter party shall not be affected, but the charterer shall be notified in a timely manner. After the transfer of ownership of the ship, the transferee and the charterer shall continue to perform the original charter party.
Article 139 Should the ship be engaged in salvage operations during the charter period, the charterer shall be entitled to half of the amount of the payment for salvage operations after deducting therefrom the salvage expenses, compensation for damage, the portion due to crew members and other relevant costs.	Article 148 Where the ship engages in salvage operations during the charter period, the charterer shall be entitled to 50% of the amount of the payments for salvage operations after deducting therefrom the salvage expenses, compensation for damage, the portion due to crew members, and other relevant costs.
Article 140 The charterer shall pay the hire as agreed upon in the charter. Where the charterer fails to pay the hire as agreed upon, the shipowner shall be entitled to cancel the charter party and claim any losses resulting	Article 149 The charterer shall pay the hire as agreed upon in the charter; and if the charterer fails to pay the hire as agreed upon, the shipowner shall be entitled to cancel the charter and claim any losses suffered thereby.

therefrom.	
Article 141 In case the charterer fails to pay the hire or other sums of money as agreed upon in the charter, the shipowner shall have a lien on the charterer's goods, other property on board and earnings from the sub-charter.	Article 150 Where the charterer fails to pay the hire or other charges to the shipowner as agreed upon in the charter party, the shipowner shall take a lien on the charterer's goods and other property on board and earnings from the sub-charter of the ship.
Article 142 When the charter redelivers the ship to the shipowner, the ship shall be in the same good order and condition as it was at the time of delivery, fair wear and tear excepted.	Article 151 When the charterer redelivers the ship to the shipowner, the ship shall be in the same good condition as it was at the time of delivery, excluding fair wear and tear.
Where, upon redelivery, the ship fails to remain in the same good order and condition as it was at the time of delivery, the charter shall be responsible for rehabilitation or for compensation.	If, upon redelivery, the ship fails to remain in the same good condition as it was at the time of delivery, the charterer shall be responsible for rehabilitation or compensation.
Article 143 If, on the basis of a reasonable calculation, a ship may be able to complete its last voyage at around the time of redelivery specified in the charter and probably thereafter, the charterer is entitled to continue to use the ship in order to complete that voyage even if its time of redelivery will be overdue. During the extended period, the charterer shall pay the hire at the rate fixed by the charter, and, if the current market rate of hire is higher than that specified in the charter, the charterer shall pay the hire at the current market rate.	Article 152 Where, upon reasonable calculation, a ship may be able to complete its last voyage at around the time of redelivery specified in the charter but probably thereafter, the charterer is entitled to continue to use the ship in order to complete that voyage even if its time of redelivery will be overdue. During the extended period, the charterer shall pay the hire at the rate fixed in the charter, and if the current market rate of hire is higher than that specified in the charter, the charterer shall pay the hire at the current market rate.
Section 3 Bareboat Charter Party	Section 4 Bareboat Charter Party
Article 144 A bareboat charter party is a charter party under which the shipowner provides the charterer with an unmanned ship which the charterer shall possess, employ and operate within an agreed period and for which the charterer shall pay the shipowner the hire.	Article 153 A bareboat charter party means a charter party under which the shipowner provides the charterer with an unmanned ship that the charterer shall possess, employ, and operate within an agreed period and for which the charterer shall pay the hire to the shipowner.

<p>Article 145 A bareboat charter party mainly contains the name of the shipowner and the name of the charter; the name, nationality, class, tonnage and capacity of the ship; the trading area, the employment of the ship and the charter period; the time, place and condition of delivery and redelivery; the survey, maintenance and repair of the ship; the hire and its payment; the insurance of the ship; the time and condition for the termination of the charter and other relevant matters.</p>	<p>Article 154 A bareboat charter party mainly includes the name of the shipowner and the name of the charterer, the ship's name, nationality, class, tonnage, capacity, navigation area, use, and the charter period, the time, place, and condition of delivery and redelivery, the survey, maintenance, and repair of the ship, the hire and its payment, the insurance of the ship, the time and conditions for the rescission of the charter, and other relevant matters.</p>
<p>Article 146 The shipowner shall deliver the ship and its certificates to the charterer at the port or place and time as stipulated in the charter party. At the time of delivery, the shipowner shall exercise due diligence to make the ship seaworthy. The ship delivered shall be fit for the agreed service.</p>	<p>Article 155 The shipowner shall deliver the ship and its certificate to the charterer at the port or place and time as agreed upon in the charter party. At the time of delivery, the shipowner shall exercise due diligence to make the ship seaworthy. The ship delivered shall be fit for the agreed purpose.</p>
<p>Where the shipowner acts against the provisions of the preceding paragraph, the charterer shall be entitled to cancel the charter and claim any losses resulting therefrom.</p>	<p>If the shipowner violates the provisions of the preceding paragraph, the charterer shall be entitled to cancel the charter and claim compensation for any losses suffered thereby.</p>
<p>Article 147 The charterer shall be responsible for the maintenance and repair of the ship during the bareboat charter period.</p>	<p>Article 156 The charterer shall be responsible for the maintenance and repair of the ship during the bareboat charter period.</p>
<p>Article 148 During the bareboat charter period, the ship shall be insured, at the value agreed upon in the charter and in the way consented to by the shipowner, by the charterer at his expense.</p>	<p>Article 157 During the bareboat charter period, the ship shall be insured at the value agreed upon in the charter and in the way consented to by the shipowner by the charterer at the expense thereof.</p>
<p>Article 149 During the bareboat charter period, if the charterer's possession, employment or operation of the ship has affected the interests of the shipowner or caused any losses thereto, the charterer shall be liable for eliminating the harmful effect or compensating for the losses.</p>	<p>Article 158 During the bareboat charter period, if the charterer's possession, employment, or operation of the ship has affected the interests of the shipowner or caused any losses thereto, the charterer shall be liable for eliminating the harmful effect or compensating for the losses.</p>

Should the ship be arrested due to any disputes over its ownership or debts owned by the shipowner, the shipowner shall guarantee that the interest of the charterer is not affected. The shipowner shall be liable for compensation for any losses suffered by the charterer thereby.	If the ship is arrested due to any disputes over its ownership or debts owned by the shipowner, the shipowner shall guarantee that the interest of the charterer is not affected. The shipowner shall be liable for compensation for any losses suffered by the charterer thereby.
Article 150 During the bareboat charter period, the charterer shall not assign the rights and obligations stipulated in the charter or sublet the ship under bareboat charter without the shipowner's consent in writing.	Article 159 During the bareboat charter period, the charterer shall not assign the rights and obligations stipulated in the charter or subcharter the ship under bareboat charter without the shipowner's written consent.
Article 151 The shipowner shall not establish any mortgage of the ship during the bareboat charter period without the prior consent in writing by the charterer.	Article 160 The shipowner shall not establish any mortgage of the ship during the bareboat charter period without the prior written consent of the charterer.
Where the shipowner acts against the provisions of the preceding paragraph and thereby causes losses to the charterer, the shipowner shall be liable for compensation.	If the shipowner violates the provisions of the preceding paragraph and thereby causes losses to the charterer, the shipowner shall be liable for compensation.
Article 152 The charterer shall pay the hire as stipulated in the charter. In default of payment by the charterer for seven consecutive days or more after the time as agreed in the charter for such payment, the shipowner is entitled to cancel the charter without prejudice to any claim for the loss arising from the charterer's default.	Article 161 The charterer shall pay the hire as agreed upon in the charter. If the charterer fails to pay the hire for seven consecutive days or more after the time as agreed upon in the charter for such payment, the shipowner is entitled to cancel the charter and claim any losses suffered thereby.
Should the ship be lost or missing, payment of hire shall cease from the day when the ship was lost or last heard of. Any hire paid in advance shall be refunded in proportion.	If the ship is lost or missing, the payment of hire shall cease from the date when the ship was lost or last heard of. Any hire paid in advance shall be refunded in proportion.
Article 153 The provisions of Article 134, paragraph 1 of Article 135, Article 142 and Article 143 of this Law shall be applicable to bareboat charter parties.	Article 162 The provisions of Article 143, paragraph 1 of Article 144, Article 151 and Article 152 of this Law shall apply to bareboat charter parties.

Article 154 The ownership of a ship under bareboat charter containing a lease-purchase clause shall be transferred to the charterer when the charterer has paid off the lease-purchase price to the shipowner as stipulated in the charter.	Article 163 The ownership of a ship under bareboat charter containing a lease-purchase clause shall be transferred to the charterer when the charterer has paid off the lease-purchase price to the shipowner as agreed upon in the charter.
CHAPTER VII CONTRACT OF SEA TOWAGE	CHAPTER VII CONTRACT OF SEA TOWAGE
Article 155 A contract of sea towage is a contract whereby the tugowner undertakes to tow an object by sea with a tug from one place to another and the tow party pays the towage.	Article 164 A contract of sea towage means a contract whereby the tugowner undertakes to tow an object by sea with a tug from one place to another and the towed party pays the towage service charge.
The provisions of this Chapter shall not be applicable to the towage service rendered to ships within the port area.	The provisions of this Chapter shall not apply to towage services rendered to ships within the port area.
Article 156 A contract of sea towage shall be made in writing. Its contents shall mainly include name and address of the tugowner, name and address of the tow party, name and main particulars of the tug and name and main particulars of the object to be towed, horse power of the tug, place of commencement of the towage and the destination, the date of commencement of the towage, towage price and the way of payment thereof, as well as other relevant matters.	Article 165 A contract of sea towage shall be concluded in writing. The content of a sea towage contract shall mainly include the names and addresses of the tugowner and the towed party, the names and main dimensions of the tug and the object to be towed, the horse power of the tug, the place of commencement of the towage and the destination, the date of commencement of the towage, towage fee and the methods for the payment thereof, and other relevant matters.
Article 157 The tugowner shall, before and at the beginning of the towage, exercise due diligence to make the tug seaworthy and tow-worthy and to properly man the tug and equip it with gears and tow lines and to provide all other necessary supplies and appliances for the intended voyage.	Article 166 The tugowner shall, before and at the time of commencement of the towage, exercise due diligence to make the tug seaworthy and tow-worthy and properly man the tug and equip it with gears and tow lines and provide all other necessary supplies and appliances for the intended voyage.
The two parties shall, before and at the beginning of the towage, make all necessary preparations	The towed party shall, before and at the time of commencement of the towage, make good

<p>therefor and shall exercise due diligence to make the object to be towed tow-worthy and shall give a true account of the object to be towed and provide the certificate of tow-worthiness and other documents issued by the relevant survey and inspection organizations.</p>	<p>preparations for the towage of the object to be towed and shall exercise due diligence to make the object to be towed tow-worthy and shall give a true explanation of the condition of the object to be towed, and according to the applicable provisions, provide the certificate of tow-worthiness and relevant documents issued by the relevant inspection institution.</p>
<p>Article 158 If before the commencement of the towage service, due to force majeure or other causes not attributable to the fault of either party, the towage contract could not be performed, either party may cancel the contract and neither shall be liable to the other. In such event, the towage price that had already been paid shall be returned to the tow party by the tugowner, unless otherwise agreed upon in the towage contract.</p>	<p>Article 167 Where, before the commencement of the towage, the towage contract cannot be performed due to force majeure or any other cause not attributable to either party, either party may rescind the contract and neither shall be liable for compensation to each other. If the towage price has been paid, it shall be returned to the towed party by the tugowner, except as otherwise agreed upon in the towage contract.</p>
<p>Article 159 If after the commencement of the towage service, due to force majeure or other causes not attributable to the fault of either party, the towage contract could not be performed, either party may cancel the towage contract and neither shall be liable to the other.</p>	<p>Article 168 Where, after the commencement of the towage, the towage contract cannot be performed due to force majeure or any other cause not attributable to either party, either party may rescind the towage contract and neither shall be liable for compensation to each other. Except as otherwise agreed upon in the contract, towage price shall be determined according to the towage part actually completed.</p>
<p>Article 160 Where the object towed could not reach its destination due to force majeure or other causes not attributable to the fault of either party, unless the towage contract provides otherwise, the tugowner may deliver the object towed to the two party or its agent at a place near the destination or at a safe port or an anchorage chosen by the Master of the tug, and the contract of towage shall be deemed to have been fulfilled.</p>	<p>Article 169 Where the object towed could not reach its destination due to force majeure or any other cause not attributable to either party, except as otherwise agreed upon in the towage contract, the tugowner may deliver the object towed to the towed party or its agent at a place adjacent to the destination or at a safe port or an anchorage chosen by the master of the tug, and the towage contract shall be deemed to have been fulfilled.</p>
<p>Article 161 Where the tow party fails to pay the towage price or other reasonable expenses</p>	<p>Article 170 Where the towed party fails to pay the towage price or other reasonable expenses</p>

as agreed, the tugowner shall have a lien on the object towed.	as agreed, the tugowner shall have a lien on the object towed.
Article 162 In the course of the sea towage, if the damage suffered by the tugowner or the tow party was caused by the fault of one of the parties, the party in fault shall be liable for compensation. If the damage was caused by the faults of both parties, both parties shall be liable for compensation in proportion to the extent of their respective faults.	Article 171 In the course of sea towage, if the loss suffered by the tugowner or the towed party is caused by the fault of one party, the faulty party shall be liable for compensation. If the loss is caused by the faults of both parties, both parties shall be liable for compensation in proportion to the degree of their respective faults.
Notwithstanding the provisions of the preceding paragraph, the tugowner shall not be liable if the proves that the damage suffered by the tow party is due to one of the following causes:	Notwithstanding the provisions of the preceding paragraph, the tugowner shall not be liable for compensation if the tugowner proves that the damage suffered by the towed party is caused by any of the following reasons:
(1) Fault of the Master or other crew members of the tug or the pilot or other servants or agents of the tugowner in the navigation and management of the tug:	(1) Fault of the master or crew members of the tug or the pilot or other employees or agents of the tugowner in the navigation or management of the tug.
(2) Fault of the tug in saving or attempting to save life or property at sea.	(2) Fault of the tug in saving or attempting to save life or property at sea.
The provisions of this Article shall only apply if and when there are no provisions or no different provisions in this regard in the sea towage contract.	The provisions of this article shall only apply in the absence of agreements or in the absence of different agreements in this regard in the sea towage contract.
Article 163 If death of or personal injury to a third party or damage to property thereof has occurred during the sea towage due to the fault of the tugowner or the tow party, the tugowner and the tow party shall be liable jointly and severally to that third party. Except as otherwise provided for in the towage contract, the party that has jointly and severally paid a compensation in an amount exceeding the proportion for which it is liable shall have the right of recourse against the other party.	Article 172 In the course of sea towage, if the personal injury or death of a third party or loss of or damage to the property thereof is caused due to the fault of the tugowner or the towed party, the tugowner and the towed party shall be jointly and severally liable to the third party. Except as otherwise agreed upon in the towage contract, the party that has paid a compensation in an amount exceeding the proportion for which it is liable shall have the right of recourse against the other party.

Article 164 Where a tugowner towing a barge owned or operated by him to transport goods by sea from one port to another, it shall be deemed as an act of carriage of goods by sea.	Article 173 Where a tugowner tows a barge owned or operated by him or her to carry goods by sea from one port to another, it shall be deemed as carriage of goods by sea.
CHAPTER VIII COLLISION OF SHIPS	CHAPTER VIII COLLISION OF SHIPS
Article 165 Collision of ships means an accident arising from the touching of ships at sea or in other navigable waters adjacent thereto.	Article 174 Collision of ships means an accident arising from the touching of ships at sea or in other navigable waters adjacent thereto.
Ships referred to in the preceding paragraph shall include those non- military or public service ships or craft that collide with the ships mentioned in Article 3 of this Law.	The provisions of this Chapter shall apply to the collision which has arisen between a ship and any other ship or craft not for military purposes or performing the official duties of the government.
Article 166 After a collision, the Master of each of the ships in collision is bound , so far as he can do so without serious danger to his ship and persons on board to render assistance to the other ship and persons on board.	Article 175 After a collision, the master of each of the ships in collision shall try his or her best to render rescue to the ship and persons on board without serious danger to the ship and persons on board.
The Master of each of the ships in collision is likewise bound so far as possible to make known to the other ship the name of his ship, its port of registry, port of departure and port of destination.	The master of each of the ships in collision shall try his or her best to make known to the other ship the name of the ship, the port of registry, the port of departure, and the port of destination.
Article 167 Neither of the parties shall be liable to the other if the collision is caused by force majeure or other causes not attributable to the fault of either party or if the cause thereof is left in doubt.	Article 176 Neither of the parties to the collision shall be liable for compensation to each other if the collision is caused by force majeure or any other cause that is not attributable to either party or that cannot be ascertained.
Article 168 If the collision is caused by the fault of one of the ships, the one in fault shall be liable therefor.	Article 177 Where a collision of ships is caused by the fault of one of the ships, the one at fault shall be liable for compensation.

Article 169 If the colliding ships are all in fault, each ship shall be liable in proportion to the extent of its fault; if the respective faults are equal in proportion or it is impossible to determine the extent of the proportion of the respective faults, the liability of the colliding ships shall be apportioned equally.	Article 178 Where the colliding ships are all at fault, each ship shall be liable for compensation in proportion to the degree of its fault; and if the respective faults are equal in proportion or it is impossible to determine the extent of the proportion of the respective faults, the liability of the colliding ships shall be apportioned equally.
The ships in fault shall be liable for the damage to the ship, the goods and other property on board pursuant to the proportions prescribed in the preceding paragraph. Where damage is caused to the property of a third party, the liability for compensation of any of the colliding ships shall not exceed the proportion it shall bear.	The ships at fault shall be liable for compensation for the loss or damage to the ship, the goods and other property on board according to the proportion prescribed in the preceding paragraph. If damage is caused to the property of a third party, the liability for compensation of any of the colliding ships shall not exceed the proportion it shall bear.
If the ships in fault have caused loss of life or personal injury to a third party, they shall be jointly and severally liable therefor. If a ship has paid an amount of compensation in excess of the proportion prescribed in paragraph 1 of this Article, it shall have the right of recourse against the other ship(s) in fault.	If the ships at fault have caused the personal injury or death of a third party, they shall be jointly and severally liable therefor. If a ship has paid an amount of compensation in excess of the proportion prescribed in paragraph 1 of this article, it shall have the right of recourse against the other ship(s) at fault.
Article 170 Where a ship has caused damage to another ship and persons, goods or other property on board that ship, either by the execution or non-execution of a manoeuvre or by the non-observance of navigation regulations, even if no collision has actually occurred, the provisions of this Chapter shall apply.	Article 179 Where a ship has caused damage to another ship and persons, goods, or other property on board, either by improper manoeuvre or non-compliance with navigation regulations, even if no collision with other ships has actually occurred, the provisions of this Chapter shall apply.
CHAPTER IX SALVAGE AT SEA	CHAPTER IX SALVAGE AT SEA
Article 171 The provisions of this Chapter shall apply to salvage operations rendered at sea or any other navigable waters adjacent thereto to ships and other property in distress.	Article 180 The provisions of this Chapter shall apply to salvage operations rendered at sea or any other navigable waters adjacent thereto to ships or other property in distress.
The provisions of this Chapter shall apply to the	

	salvage relations which has arisen between a ship and any other ship or craft not for military purposes or performing the official duties of the government.
	Except for the revocation or modification of the salvage contract specified in Article 185 of this Law and the prevention or mitigation of damage to the ecology and environment specified in Articles 186 and 187 of this Law, other provisions of this Chapter shall apply only in the absence of agreements or different agreements in this regard in the contract on salvage operations.
Article 172 For the purposes of this Chapter:	Article 181 The following terms in this Chapter shall have the following meanings:
(1) "Ship" means any ship referred to in Article 3 of this Law and any other non-military, public service ship or craft that has been involved in a salvage operation therewith;	(Moved to Article 180)
(2) "Property" means any property not permanently and intentionally attached to the shoreline and includes freight at risk.	(1) "Property" means any property not permanently and unintentionally attached to the shoreline, including freight at risk.
(3) "Payment" means any reward, remuneration or compensation for salvage operations to be paid by the salved party to the salvor pursuant to the provisions of this Chapter.	(2) "Payments for salvage operations" means any reward, remuneration, or compensation for salvage operations to be paid by the salved party to the salvor according to the provisions of this Chapter.
Article 173 The provisions of this Chapter shall not apply to fixed or floating platforms or mobile offshore drilling units when such platforms or units are on location engaged in the exploration, exploitation or production of sea-bed mineral resources.	Article 182 The provisions of this Chapter shall not apply to fixed or floating platforms or mobile offshore drilling units when such platforms or units are on location engaged in the exploration, exploitation, or production of seabed mineral resources.
Article 174 Every Master is bound, so far as he can do so without serious danger to his ship and persons on board, to render assistance to any	Article 183 The master shall try his or her best to save life at sea, provided that the safety of the ship and personnel on board is not seriously

person in danger of being lost at sea.	affected.
Article 175 A contract for salvage operations at sea is concluded when an agreement has been reached between the salvor and the salved party regarding the salvage operations to be undertaken. The Master of the ship in distress shall have the authority to conclude a contract for salvage operations on behalf of the shipowner.	Article 184 A contract on salvage operations at sea is entered into when an agreement on salvage at sea has been reached between the salvor and the salved party.
The Master of the ship in distress or its owner shall have the authority to conclude a contract for salvage operations on behalf of the owner of the property on board.	The master of a ship in distress shall have the authority to enter into a contract on salvage operations on behalf of the shipowner. The master of the ship in distress or the shipowner shall have the authority to enter into a contract on salvage operations on behalf of the owner of the property on board.
Article 176 The salvage contract may be modified by a judgment of the court which has entertained the suit brought by either party, or modified by an award of the arbitration organization to which the dispute has been submitted for arbitration upon the agreement of the parties, under any of the following circumstances:	Article 185 Where one party institutes an action or both parties agree to arbitration, the contract on salvage operations may be revoked or modified by the court or arbitral institution accepting the dispute, under any of the following circumstances:
(1) The contract has been entered into under undue influence or the influence of danger and its terms are obviously inequitable;	(1) The contract is entered into under the influence of coercion or dangerous circumstances and the terms of the contract are evidently unfair.
(2) The payment under the contract is in an excessive degree too large or too small for the services actually rendered.	(2) The payments for salvage operations under the contract are evidently too high or too low for the salvage services actually provided.
Article 177 During the salvage operation, the salvor shall owe a duty to the salved party to:	Article 186 During salvage operations, the salvor shall have the following obligations to the salved party:

(1) Carry out the salvage operation with due care;	(1) Conducting salvage operations with due care.
(2) Exercise due care to prevent or minimize the pollution damage to the environment;	(2) Exercising due care to prevent or minimize the damage to the ecology and environment.
(3) Seek the assistance of other salvors where reasonably necessary;	(3) Seeking assistance from other salvors where reasonably necessary.
(4) Accept the reasonable request of the salved party to seek the participation in the salvage operation of other salvors. However, if the request is not well-founded, the amount of payment due to the original salvor shall not be affected.	(4) Accepting the reasonable request of the salved party to participate in the salvage operations of other salvors, however, if the request is unreasonable, the amount of payment due to the original salvor shall not be affected.
Article 178 During the salvage operation, the party salved is under an obligation to the salvor to:	Article 187 During the salvage operations, the salved party shall have the following obligations to the salvor:
(1) Cooperate fully with the salvor;	(1) Cooperating fully with the salvor.
(2) Exercise due care to prevent or minimize the pollution damage to the environment;	(2) Exercising due care to prevent or minimize the damage to the ecology and environment.
(3) Promptly accept the request of the salvor to take delivery of the ship or property salved when such ship or property has been brought to a place of safety.	(3) Promptly accepting the reasonable request of the salvor to take delivery of the ship or other property in distress when such ship or property is brought to a place of safety.
Article 179 Where the salvage operations rendered to the distressed ship and other property have had a useful result, the salvor shall be entitled to a reward. Except as otherwise provided for by Article 182 of this Law or by other laws <u>or the salvage contract</u> , the salvor shall not be entitled to the payment if the salvage operations have had no useful result.	Article 188 Where the salvage operations rendered to the ship and other property in distress have had a useful result, the salvor shall be entitled to a reward. Except as otherwise prescribed by Article 191 of this Law or any other law, the salvor shall not be entitled to the payment if the salvage operations have had no useful result.

Article 180 The reward shall be fixed with a view to encouraging salvage operations, taking into full account the following criteria:	Article 189 The reward for salvage shall be determined with a view to encouraging salvage operations and taking into full account the following factors:
(1) Value of the ship and other property salved;	(1) Value of the ship and other property salved.
(2) Skill and efforts of the salvors in preventing or minimizing the pollution damage to the environment;	(2) The salvor's skills and efforts in preventing or minimizing the damage to the ecology and environment.
(3) Measure of success obtained by the salvors;	(3) The effectiveness of the salvor's salvage.
(4) Nature and extent of the danger;	(4) The nature and extent of the danger.
(5) Skill and efforts of the salvors in salvaging the ship, other property and life;	(5) The salvor's skills and efforts in salvaging the ship, other property and life.
(6) Time used and expenses and losses incurred by the salvors;	(6) The time spent, expenses incurred, and losses suffered by the salvor.
(7) Risk of liability and other risks run by the salvors or their equipment;	(7) Risk of liability and other risks that the salvor or their equipment may face .
(8) Promptness of the salvage services rendered by the salvors;	(8) The timeliness of the salvage services rendered by the salvor.
(9) Availability and use of ships or other equipment intended for salvage operations;	(9) The availability and use of ships or other equipment used in salvage operations.
(10) State of readiness and efficiency of the salvors' equipment and the value thereof.	(10) The state of readiness, efficiency, and value of the salvage equipment.
The reward shall not exceed the value of the ship and other property salved.	The reward for salvage shall not exceed the value of the ship and other property salved.
Article 181 The salved value of the ship and other property means the assessed value of the	Article 190 The salved value of the ship and other property means the assessed value of the

ship and other property salved or the proceeds of the sale thereof, after deduction of the relevant taxes and customs dues, quarantine expenses, inspection charges as well as expenses incurred in connection with the discharge, storage, assessment of the value and the sale thereof.	ship and other property salved or the proceeds of the sale thereof, after the deduction of the relevant taxes and customs dues, quarantine and inspection fees, as well as expenses incurred in connection with the discharge, storage, assessment of the value and the sale thereof.
The value prescribed in the preceding paragraph does not include the value of the salved personal belongings of the crew and that of the cabin luggage of the passengers.	The salved value prescribed in the preceding paragraph does not include the value of the salved personal belongings of the crew and that of the cabin luggage of the passengers.
Article 182 If the salvor has carried out the salvage operations in respect of a ship which by itself or its goods threatened pollution damage to the environment and has failed to earn a reward under Article 180 of this Law at least equivalent to the special compensation assessable in accordance with this Article, he shall be entitled to special compensation from the owner of that ship equivalent to his expenses as herein defined.	Article 191 Where the salvor has carried out salvage operations in respect of a ship which by itself or its goods threatened damage to the ecology and environment and has failed to earn a reward under Article 189 of this Law at least equivalent to the special compensation assessable in accordance with this article, the salvor shall be entitled to special compensation from the owner of that ship equivalent to his or her expenses as herein defined.
If the salvor has carried out the salvage operations prescribed in the preceding paragraph and has prevented or minimized pollution damage to the environment, the special compensation payable by the owner to the salvor under paragraph 1 of this Article may be increased by an amount up to a maximum of 30% of the expenses incurred by the salvor. The court which has entertained the suit or the arbitration organization may, if it deems fair and just and taking into consideration the provisions of paragraph 1 of Article 180 of this Law, render a judgment or an award further increasing the amount of such special compensation, but in no event shall the total increase be more than 100% of the expenses incurred by the salvor.	If the salvor has carried out the salvage operations prescribed in the preceding paragraph and has prevented or minimized damage to the ecology and environment, the special compensation payable by the shipowner to the salvor in accordance with the preceding paragraph of this article may be increased by an amount up to a maximum of 30% of the expenses incurred by the salvor. The court which has accepted the lawsuit on disputes or the arbitral institution may, if it deems fair and just and taking into consideration the provisions of paragraph 1 of Article 189 of this Law, render a judgment or an award to further increase the amount of such special compensation, but in no event shall the total increase exceed 100% of the expenses incurred by the salvor.
The salvor's expenses referred to in this Article	The salvage expenses as mentioned in this article

<p>means the salvor's out-of-pocket expenses reasonably incurred in the salvage operation and the reasonable expenses for the equipment and personnel actually used in the salvage operation. In determining the salvor's expenses, the provisions of sub-paragraphs (8), (9) and (10) of paragraph 1 of Article 180 of this Law shall be taken into consideration.</p>	<p>means the salvor's out-of-pocket expenses reasonably incurred in the salvage operation and the reasonable expenses for the equipment and personnel actually used in the salvage operation. In determining the salvage expenses, the provisions of subparagraphs (8) through (10) of paragraph 1 of Article 189 of this Law shall be taken into consideration.</p>
<p>Under all circumstances, the total special compensation provided for in this Article shall be paid only if such compensation is greater than the reward recoverable by the salvor under Article 180 of this Law, and the amount to be paid shall be the difference between the special compensation and the reward.</p>	<p>Under any circumstance, the total special compensation prescribed in this article shall be paid only if such compensation exceeds the reward recoverable by the salvor under Article 189 of this Law, and the amount to be paid shall be the difference between the special compensation and the reward.</p>
<p>If the salvor has been negligent and has thereby failed to prevent or minimize the pollution damage to the environment, the salvor may be totally or partly deprived of the right to the special compensation.</p>	<p>If the damage to the ecology and environment is not prevented or minimized due to the fault of the salvor, the salvor may be totally or partly deprived of the right to the special compensation.</p>
<p>Nothing in this Article shall affect the right of recourse on the part of the shipowner against any other parties salved.</p>	<p>The provisions of this article shall not affect the right of recourse on the part of the shipowner against other parties salved.</p>
<p>Article 183 The salvage reward shall be paid by the owners of the salved ship and other property in accordance with the respective proportions which the salved values of the ship and other property bear to the total salved value.</p>	<p>Article 192 The salvage reward shall be paid by the owners of the salved ship and other property in accordance with the respective proportions which the salved values of the ship and other property bear to the total salved value.</p>
<p>Article 184 The distribution of salvage reward among the salvors taking part in the same salvage operation shall be made by agreement among such salvors on the basis of the criteria set out in Article 180 of this Law; failing such agreement, the matter may be brought before the court hearing the case for judgment, or, upon the agreement of the parties, submitted</p>	<p>Article 193 The salvage reward of each salvor participating in the same salvage operation shall be determined through consultation by all parties according to the criteria set out in Article 189 of this Law; and if no agreement is reached through consultation, an action may be instituted with the court or an application for arbitration may be filed upon the agreement of</p>

to the arbitration organization for an award.	all parties.
Article 185 The salvors of human life may not demand any remuneration from those whose lives are saved. However, salvors of human life are entitled to a fair share of the payment awarded to the salvors for salvaging the ship or other property or for preventing or minimizing the pollution damage to the environment.	Article 194 A salvor who saves human life in salvage operations may not demand any remuneration from the person saved. However, salvors of human life are entitled to a reasonable share of the payment awarded to the salvors for salvaging the ship or other property or for preventing or minimizing the damage to the ecology and environment.
Article 186 The following salvage operations shall not be entitled to remuneration:	Article 195 The payments for salvage operations shall not be granted for the following salvage operations:
(1) The salvage operation is carried out as a duty to normally perform a towage contract or other service contract, with the exception, however, of providing special services beyond the performance of the above said duty.	(1) The salvage operation is carried out as a duty to normally perform a towage contract or other service contract, excluding the provision of special services beyond the performance of the aforesaid duty.
(2) The salvage operation is carried out in spite of the express and reasonable prohibition on the part of the Master of the ship in distress, the owner of the ship in question and the owner of the other property.	(2) The salvage operation is carried out despite the express and reasonable prohibition on the part of the master of the ship in distress, the shipowner, or the owner of other property.
Article 187 Where the salvage operations have become necessary or more difficult due to the fault of the salvor or where the salvor has committed fraud or other dishonest conduct, the salvor shall be deprived of the whole or part of the payment payable to him.	Article 196 Where the salvage operation becomes necessary or more difficult due to the fault of the salvor or if the salvor has committed fraud or any other dishonest conduct, the salvor shall be deprived of the whole or part of the payment payable to him or her.
Article 188 After the completion of the salvage operation, the party salved shall, at the request of the salvor, provide satisfactory security for salvage reward and other charges.	Article 197 After the completion of the salvage operation, the salved party shall, at the request of the salvor, provide satisfactory security for payments for salvage operations.
Without prejudice to the provisions of the preceding paragraph, the owner of the ship	Without prejudice to the provisions of the preceding paragraph, the owner of the ship

salved shall, before the release of the goods, make best endeavours to cause the owners of the property salved to provide satisfactory security for the share of the payment that they ought to bear.	salved shall, before the release of the salved goods, endeavor to enable the owners of the property salved to provide satisfactory security for the share of the payment that they ought to bear.
Without the consent of the salvor, the ship or other property salved shall not be removed from the port or place at which they first arrived after the completion of the salvage operation, until satisfactory security has been provided with respect to the ship or other property salved, as demanded by the salvor.	Without the consent of the salvor, the ship or other property salved shall not be removed from the port or place at which they first arrived after the completion of the salvage operation, until satisfactory security has been provided with respect to the ship or other property salved, as demanded by the salvor.
Article 189 The court or the arbitration organization handling the salvor's claim for payment may, in light of the specific circumstances and under fair and just terms, decide or make an award ordering the party salved to pay on account an appropriate amount to the salvor.	Article 198 The court or the arbitral institution handling the salvor's claim for payment may, in light of the specific circumstances and under fair and just terms, decide or make an award ordering the salved party to pay an appropriate amount in advance to the salvor.
On the basis of the payment on account made by the party salved in accordance with the provisions of the preceding paragraph, the security provided under Article 188 of this Law shall be reduced accordingly.	On the basis of the payment made by the salved party in accordance with the provisions of the preceding paragraph, the security provided under Article 197 of this Law shall be reduced accordingly.
Article 190 If the party salved has neither made the payment nor provided satisfactory security for the ship and other property salved after 90 days of the salvage, the salvor may apply to the court for an order on forced sale by auction. With respect to the ship or the property salved that cannot be kept or cannot be properly kept, or the storage charge to be incurred may exceed its value, the salvor may apply for an earlier forced sale by auction.	Article 199 Where the salved party fails to pay the salved amount or provides satisfactory security for the ship or other property salved after 90 days of the salvage, the salvor may apply to the court for a ruling on forced sale by auction. For the ship or the property salved that cannot be kept or cannot be properly kept, or the storage charge to be incurred may exceed its value, the salvor may apply for an earlier sale by auction.
The proceeds of the sale shall, after deduction of the expenses incurred for the storage and sale , be used for the payment in accordance	The proceeds from the auction shall, after the deduction of all expenses incurred for the storage and auction , be used for the payments

<p>with the provisions of this Law. The remainder, if any, shall be returned to the party salved, and, if there is no way to return the remainder or if the remainder has not been claimed after one year of the forced sale, it shall go to the State Treasury. In case of any deficiency, the salvor has the right of recourse against the party salved.</p>	<p>for salvage operations in accordance with the provisions of this Law. The remainder, if any, shall be returned to the salved party, and, if the remainder cannot be returned or if the remainder has not been claimed for one year after the date of auction, it shall belong to the state. In case of any deficiency, the salvor has the right of recourse against the salved party.</p>
<p>Article 191 The provisions of this Chapter shall apply to the salvor's right to the payment for the salvage operations carried out between the ships of the same owner.</p>	<p>Article 200 The provisions of this Chapter shall apply to the salvor's right to the payment for salvage operations carried out between the ships of the same owner.</p>
<p>Article 192 With respect to the salvage operations performed or controlled by the relevant competent authorities of the State, the salvors shall be entitled to avail themselves of the rights and remedies provided for in this Chapter in respect of salvage operations.</p>	<p>Article 201 Where salvage operations are performed or controlled by the appropriate authority of the state, the salvor shall be entitled to enjoy the rights and receive remedies in respect of salvage operations prescribed in this Chapter.</p>
<p>CHAPTER X GENERAL AVERAGE</p>	<p>CHAPTER X GENERAL AVERAGE</p>
<p>Article 193 General average means the extraordinary sacrifice or expenditure intentionally and reasonably made or incurred for the common safety for the purpose of preserving from peril the ship, goods or other property involved in a common maritime adventure.</p>	<p>Article 202 General average means the extraordinary sacrifice or expenditure intentionally and reasonably made or incurred for the common safety for the purpose of preserving from peril the ship, goods, or other property involved in a common maritime voyage.</p>
<p>Loss or damage sustained by the ship or goods through delay, whether on the voyage or subsequently, such as demurrage and loss of market as well as other indirect losses, shall not be admitted as general average.</p>	<p>Loss or damage suffered by the ship or goods due to delay occurring during or after the voyage such as demurrage and loss of market and other indirect losses, shall not be allowed as general average.</p>
	<p>Loss or damage caused or expenses incurred by the leakage of pollutants from any ship, goods, or other property on the same maritime voyage shall not be allowed as general average.</p>

<p>Article 194 When a ship, after having been damaged in consequence of accident, sacrifice or other extraordinary circumstances, shall have entered a port or place of refuge or returned to its port or place of loading to effect repairs which are necessary for the safe prosecution of the voyage, then the port charges paid, the wages and maintenance of the crew incurred and the fuel and stores consumed during the extra period of detention in such port or place, as well as the loss or damage and charges arising from the discharge, storage, reloading and handling of the goods, fuel, stores and other property on board in order to have the repairs done shall be allowed as general average.</p>	<p>Article 203 When a ship, after having been damaged in consequence of accident, sacrifice, or other extraordinary circumstances, shall have entered a port or place of refuge or returned to its port or place of loading to effect repairs which are necessary for the safe prosecution of the voyage, then the port charges paid, the wages and maintenance of the crew incurred, and the fuel and stores consumed during the extra period of detention in such port or place, as well as the loss or damage and charges arising from the discharge, storage, reloading and handling of the goods, fuel, stores, and other property on board in order to have the repairs done shall be allowed as general average.</p>
<p>Article 195 Any extra expense incurred in place of another expense which would have been allowed as general average shall be deemed to be general average and so allowed, but the amount of such expense incurred shall not be in excess of the general average expense avoided.</p>	<p>Article 204 Any extra expense incurred in place of special expenses which would have been allowed as general average shall be deemed to be general average and so allowed, but the amount of such expenses incurred shall not exceed the special expenses of the general average replaced.</p>
<p>Article 196 The onus of proof shall be upon the party claiming in general average to show that the loss or expense claimed is properly allowable as general average.</p>	<p>Article 205 The party making the claim for contribution to general average shall assume the burden of proof to prove that the loss or expense claimed is properly allowable as general average.</p>
<p>Article 197 Rights to contribution in general average shall not be affected, though the event which gave rise to the sacrifice or expenditure may have been due to the fault of one of the parties to the adventure. However, this shall not prejudice any remedies or defences which may be open against or to that party in respect of such fault.</p>	<p>Article 206 Rights to contribution to general average shall not be affected, though the event which gave rise to the sacrifice or expenditure may have been due to the fault of one of the parties to the voyage. However, the non-faulty party or the faulty party may make a claim for compensation or a defense in respect of such fault.</p>
<p>Article 198 The amounts of sacrifice of the ship, the goods and the freight shall be respectively determined as follows:</p>	<p>Article 207 The amounts of sacrifice of the ship, the goods, and the freight shall be respectively determined according to the following provisions:</p>

<p>(1) The amount of sacrifice of the ship shall be calculated on the basis of the repair cost of the ship actually paid, from which any reasonable deduction in respect of "new for old" being made. Where the ship has not been repaired after the sacrifice, the amount of sacrifice thereof shall be calculated on the basis of the reasonable reduced value of ship after the general average sacrifice. Such amount shall not exceed the estimated cost of repair.</p>	<p>(1) The amount of sacrifice of the ship shall be calculated based on the reasonable repair cost of the ship actually paid less any reasonable deduction in respect of "new for old". If the ship has not been repaired after the sacrifice, the amount of sacrifice thereof shall be calculated based on the reasonable reduced value of ship after the general average sacrifice. Such amount shall not exceed the estimated cost of repair.</p>
<p>Where the ship is an actual total loss or where the cost of repair would exceed the value of the ship after the repair, the amount of sacrifice of the ship shall be calculated on the basis of the estimated sound value of the ship, less the estimated cost of repair not allowable as general average, as well as the value of the ship after the damage.</p>	<p>If the ship has an actual total loss or if the cost of repair would exceed the value of the ship after the repair, the amount of sacrifice of the ship shall be calculated based on the estimated value of the ship in good condition less the estimated cost of repair not allowable as general average, as well as the value of the ship after the damage.</p>
<p>(2) The amount of sacrifice of the goods already lost shall be calculated on the basis of the value of the goods at the time of shipment plus insurance and freight, from which the freight that need not be paid due to the sacrifice made being deducted. For the damaged goods that had already been sold before an agreement was reached on the extent of the damage sustained, the amount of sacrifice thereof shall be calculated on the basis of the difference between the value of the goods at the time of shipment plus insurance and freight, and the net proceeds of the goods so sold.</p>	<p>(2) The amount of sacrifice of the goods already lost shall be calculated based on the value of the goods at the time of shipment plus insurance and freight and less the freight not payable due to the sacrifice made. For the damaged goods that have been sold before an agreement is reached on the extent of the damage suffered, the amount of sacrifice thereof shall be calculated based on the difference between the value of the goods at the time of shipment plus insurance and freight, and the net proceeds of the goods so sold.</p>
<p>(3) The amount of sacrifice of the freight shall be calculated on the basis of the amount of loss of freight on account of the sacrifice of the goods, from which the operating expenses that ought to be paid in order to earn such freight but need not be paid because of the sacrifice shall be deducted.</p>	<p>(3) The amount of sacrifice of the freight shall be calculated based on the amount of loss of freight on account of the sacrifice of the goods less the operating expenses that should have been paid in order to obtain such freight but need not be paid because of the sacrifice.</p>

Article 199 The contribution in general average shall be made in proportion to the contributory values of the respective beneficiaries.	Article 208 The contribution to general average shall be made in proportion to the contributory values of the respective beneficiaries.
The contributory value in general average by the ship, goods and freight shall be determined as follows:	The contributory value to general average by the ship, goods, and freight shall be determined according to the following provisions respectively:
(1) The contributory value of the ship shall be calculated on the basis of the sound value of the ship at the place where the voyage ends, from which any damage that does not come under general average sacrifice being deducted; alternately, the actual value of the ship at the place where the voyage ends, plus the amount of general average sacrifice.	(1) The contributory value of the ship shall be calculated based on the sound value of the ship at the place where the voyage ends less the amount of loss or damage that does not fall under general average sacrifice, or based on the actual value of the ship at the place where the voyage ends, plus the amount of general average sacrifice.
(2) The contributory value of the goods shall be calculated on the basis of the value of the goods at the time of shipment plus insurance and freight, from which the damage that does not come under the general average sacrifice and the carrier's freight at risk being deducted. Where the goods had been sold before its arrival at the port of destination, its value for contribution shall be the net proceeds plus the amount of general average sacrifice.	(2) The contributory value of the goods shall be calculated based on the value of the goods at the time of shipment plus insurance and freight, less the amount of loss or damage that does not fall under the general average sacrifice and the carrier's freight at risk. If the goods have been sold before their arrival at the port of destination, the contributory value shall be the net proceeds from the sale plus the amount of general average sacrifice.
Passenger's luggage and personal belongings shall not be included in the value for contribution.	Passenger's luggage and personal belongings shall not be included in the contributory value.
(3) The contributory value of freight shall be calculated on the basis of the amount of freight at the risk of the carrier and which the carrier is entitled to collect at the end of the voyage, less any expense incurred for the prosecution of the voyage after the general average, in order to earn the freight, plus the amount of general average sacrifice.	(3) The contributory value of freight shall be calculated based on the amount of freight at the risk of the carrier and which the carrier is entitled to collect at the end of the voyage, less any expense incurred for the completion of the voyage after the general average, in order to earn the freight, plus the amount of general average sacrifice.

Article 200 Goods undeclared or wrongfully declared shall be liable for the contribution to general average, but the special sacrifice sustained by such goods shall not be allowed as general average.	Article 209 Goods undeclared or falsely declared shall be liable for the contribution to general average, but the special sacrifice suffered by such goods shall not be allowed as general average.
Where the value of the goods has been improperly declared at a value below its actual value, the contribution to general average shall be made on the basis of their actual value and, where a general average sacrifice has occurred, the amount of sacrifice shall be calculated on the basis of the declared value.	If the value of the goods has been improperly declared at a value below its actual value, the contribution to general average shall be made based on their actual value and, if general average sacrifice has occurred, the amount of sacrifice shall be calculated based on the declared value.
Article 201 Interest shall be allowed on general average sacrifice and general average expenses paid on account. A commission shall be allowed for the general average expenses paid on account, except those, for the wages and maintenance of the crew and fuel and stores consumed.	Article 210 Interest shall be calculated on special general average sacrifices and general average expenses paid in advance.
Article 202 The contributing parties shall provide security for general average contribution at the request of the parties that have an interest therein.	Article 211 Each contributing party shall provide security for general average contribution at the request of a party of interest.
Where the security has been provided in the form of cash deposits, such deposits shall be put in a bank by an average adjuster in the name of a trustee.	If the security has been provided in the form of cash deposits, such deposits shall be put in a bank by an average adjustment institution in the name of a trustee.
The provision, use and refund of the deposits shall be without prejudice to the ultimate liability of the contributing parties.	The provision, use, or refund of the security deposit shall not affect the ultimate liability of the contributing parties.
Article 203 The adjustment of general average shall be governed by the average adjustment rules agreed upon in the relevant contract. In the absence of such an agreement in the	Article 212 The adjustment of general average shall be governed by the average adjustment rules agreed upon in the relevant contract. In the absence of such agreements in the contract, the

contract, the relevant provisions contained in this Chapter shall apply.	relevant provisions of this Chapter shall apply.
CHAPTER XI LIMITATION OF LIABILITY FOR MARITIME CLAIMS	CHAPTER XI LIMITATION OF LIABILITY FOR MARITIME CLAIMS
Article 204 Shipowners and salvors may limit their liability in accordance with the provisions of this Chapter for claims set out in Article 207 of this Law.	Article 213 Shipowners and salvors may limit their liability in accordance with the provisions of this Chapter for maritime claims set out in Article 216 of this Law.
The shipowners referred to in the preceding paragraph shall include the charterer and the operator of a ship.	The provisions of this Chapter on shipowners shall apply to the charterers, operators, and managers of ships.
Article 205 If the claims set out in Article 207 of this Law are not made against shipowners or salvors themselves but against persons for whose act, neglect or default the shipowners or salvors are responsible , such persons may limit their liability in accordance with the provisions of this Chapter.	Article 214 Where a claim for maritime compensation set out in Article 216 of this Law is filed against a person other than the shipowner or salvor, and the shipowner or salvor is liable for the conduct or fault of such a person , such a person may limit his or her liability in accordance with the provisions of this Chapter.
Article 206 Where the assured may limit his liability in accordance with the provisions of this Chapter, the insurer liable for the maritime claims shall be entitled to the limitation of liability under this Chapter to the same extent as the assured.	Article 215 Where the insured may limit the liability thereof in accordance with the provisions of this Chapter, the insurer liable for the maritime claim shall be entitled to the limit of liability under this Chapter to the same extent as the insured.
Article 207 Except as provided otherwise in Article 208 and 209 of this Law, with respect to the following maritime claims, the person liable may limit his liability in accordance with the provisions of this Chapter, whatever the basis of liability may be:	Article 216 Except as otherwise prescribed in Articles 217 and 218 of this Law, with respect to the following maritime claims, the liable person may limit his or her liability in accordance with the provisions of this Chapter, whatever the basis of liability may be:
(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	(1) Claims for compensation for the personal injury or death or loss of or damage to property, including damage to harbor works, basins, waterways, and aids to navigation occurring on

board or in direct connection with the operation of the ship or with salvage operations, as well as consequential damages resulting therefrom;	board or in direct connection with the operation of the ship or with salvage operations, as well as consequential damages resulting therefrom.
(2) Claims in respect of loss resulting from delay in delivery in the carriage of goods by sea or from delay in the arrival of passengers or their luggage;	(2) Claims for compensation for losses caused by delay in delivery in the carriage of goods by sea or delay in the arrival of 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;	(3) Claims for compensation for other losses resulting from the infringement upon rights other than contractual rights occurring in direct connection with the operation of the ship or salvage operations.
(4) Claims of a person other than the person liable in respect of measures taken to avert or minimize loss for which the person liable may limit his liability in accordance with the provisions of this Chapter, and further loss caused by such measures.	(4) Claims for compensation by a person other than the liable person in respect of measures taken to prevent or minimize losses for which the liable person may limit his or her liability in accordance with the provisions of this Chapter, and claims for compensation for further losses caused by such measures.
All the claims set out in the preceding paragraph, whatever the way they are lodged, may be entitled to limitation of liability. However, with respect to the remuneration set out in sub-paragraph (4) for which the person liable pays as agreed upon in the contract, <i>in relation to the obligation for payment</i> , the person liable may not invoke the provisions on limitation of liability of this Article.	All the claims set out in the preceding paragraph, whatever the way they are filed, may be entitled to the limit of liability. However, with respect to the reward set out in subparagraph (4) for which the liable person pays as agreed upon in the contract, the liable person may not invoke the provisions on the limit of liability of this article.
Article 208 The provisions of this Chapter shall not be applicable to the following claims:	Article 217 The provisions of this Chapter shall not apply to the following claims:
(1) Claims for salvage payment or contribution in general average;	(1) Claims for payments for salvage operations or contribution to general average.
(2) Claims for oil pollution damage under the International Convention on Civil Liability for Oil Pollution Damage	(2) Claims for compensation for liability for ship-induced oil pollution damage as prescribed

Pollution Damage to which the People's Republic of China is a party;	in Section 2 of Chapter XII of this Law.
(3) Claims for nuclear damage under the International Convention on Limitation of Liability for Nuclear Damage to which the People's Republic of China is a party;	(3) Claims for expenses for the salvage, removal, dismantling, or harmless disposal of sunken, wrecked, stranded, or abandoned ships and articles and goods on board.
	(4) Claims for nuclear damage under the International Convention on Limit of Liability for Nuclear Damage concluded or acceded to by the People's Republic of China.
(4) Claims against the shipowner of a nuclear ship for nuclear damage;	(5) Claims for compensation for nuclear damage caused by nuclear-powered ships.
(5) Claims by the servants of the shipowner or salvor, if under the law governing the contract of employment, the shipowner or salvor is not entitled to limit his liability or if he is by such law only permitted to limit his liability to an amount greater than that provided for in this Chapter.	(6) Claims filed by the employees of the shipowner or salvor, if in accordance with relevant laws, the shipowner or the salvor is not entitled to limit its or his liability or if it or he is by such law only permitted to limit its or his liability to an amount greater than that prescribed in this Chapter.
Article 209 A person liable shall not be entitled to limit his liability in accordance with the provisions of this Chapter, if it is proved that the loss resulted from his act or omission done with the intent to cause such loss or recklessly and with knowledge that such loss would probably result.	Article 218 A liable person shall not be entitled to limit his or her liability in accordance with the provisions of this Chapter, if it is proved that the loss resulted from his or her act or omission done with the intent to cause such loss or recklessly and with knowledge that such loss would probably be caused.
Article 210 The limitation of liability for maritime claims, except as otherwise provided for in Article 211 of this Law, shall be calculated as follows:	Article 219 Except as otherwise prescribed in Article 220 of this Law, the limit of liability for maritime claims shall be calculated according to the following provisions:
(1) In respect of claims for loss of life or personal injury:	(1) Claims for compensation for personal injury or death:
a) 333,000 Units of Account for a ship with a gross tonnage ranging from 300 to 500 tons;	(a) 500,000 units of account for a ship with 300 to 500 gross tonnage.

b) For a ship with a gross tonnage in excess of 500 tons , the limitation under a) above shall be applicable to the first 500 tons and the following amounts in addition to that set out under a) shall be applicable to the gross tonnage in excess of 500 tons :	(b) For a ship with more than 500 gross tonnage , the limitation under (a) of this subparagraph shall apply to the part below 500 gross tonnage and the following amounts in addition to that set out (a) of this subparagraph shall apply to the part in excess of 500 gross tonnage :
For each ton from 501 to 3,000 tons: 500 Units of Account;	For each ton from 501 to 2,000 gross tonnage : 1000 units of account.
For each ton from 3,001 to 30,000 tons : 333 Units of Account;	For each ton from 2,001 to 30,000 gross tonnage : 800 units of account.
For each ton from 30,001 to 70,000 tons : 250 Units of Account;	For each ton from 30,001 to 70,000 gross tonnage : 600 units of account.
For each ton in excess of 70,000 tons : 167 Units of Account.	For each ton in excess of 70,000 gross tonnage : 400 units of account.
(2) In respect of claims other than that for loss of life or personal injury:	(2) Claims other than that for personal injury or death:
a) 167,000 Units of Account for a ship with a gross tonnage ranging from 300 to 500 tons ;	(a) 250,000 units of account for a ship with 300 to 500 gross tonnage .
b) For a ship with a gross tonnage in excess of 500 tons , the limitation under a) above shall be applicable to the first 500 tons , and the following amounts in addition to that under a) shall be applicable to the part in excess of 500 tons :	(b) For a ship with more than 500 gross tonnage , the limitation under (a) of this subparagraph shall apply to the part below 500 gross tonnage and the following amounts in addition to that set out under (a) shall apply to the part in excess of 500 gross tonnage :
For each ton from 501 to 30,000 tons: 167 Units of Account;	For each ton from 501 to 2,000 gross tonnage : 500 units of account.
	For each ton from 2,001 to 30,000 gross tonnage : 400 units of account.
For each ton from 30,001 to 70,000 tons : 125	For each ton from 30,001 to 70,000 gross

Units of Account;	tonnage: 300 units of account.
For each ton in excess of 70,000 tons : 83 Units of Account.	For each ton in excess of 70,000 gross tonnage : 200 units of account.
(3) Where the amount calculated in accordance with sub-paragraph (1) above is insufficient for payment of claims for loss of life or personal injury set out therein in full, the amount calculated in accordance with sub-paragraph (2) shall be available for payment of the unpaid balance of claims under sub-paragraph (1), and such unpaid balance shall rank prorata with claims set out under sub-paragraph (2).	(3) If the limit prescribed in subparagraph (1) is insufficient for the payment of claims for personal injury or death set out therein in full, the amount calculated in accordance with subparagraph (2) shall be available for the payment of the unpaid balance of claims under subparagraph (1), and such unpaid balance shall rank prorata with claims set out under subparagraph (2).
(4) However, without prejudice to the right of claims for loss of life or personal injury under sub-paragraph (3), claims in respect of damage to harbour works, basins and waterways and aids to navigation shall have priority over other claims under sub-paragraph (2).	(4) However, without prejudice to the right of claims for personal injury or death under subparagraph (3), claims for compensation for damage to harbor works, basins, waterways, and aids to navigation shall have priority over other claims under subparagraph (2).
(5) The limitation of liability for any salvor not operating from any ship or for any salvor operating solely on the ship to, or in respect of which, he is rendering salvage services, shall be calculated according to a gross tonnage of 1,500 tons .	(5) The limit of liability of a salvor that does not carry out salvage operations on a ship or carries out salvage operations on a ship salved shall be calculated on the basis of a ship with 1,500 gross tonnage .
The limitation of liability for ships with a gross tonnage not exceeding 300 tons and those engaging in transport services between the ports of the People's Republic of China as well as those for other coastal works shall be worked out by the competent authorities of transport and communications under the State Council and implemented after its being submitted to and approved by the State Council.	The limit of liability for ships with not more than 300 gross tonnage as well as those engaged in coastal operations shall be determined by the transport department of the State Council and implemented after it is submitted to and approved by the State Council.
	The same limit of liability shall apply to any other ship or craft not for military purposes or

	performing the official duties of the government that is in collision with a ship.
Article 211 In respect of claims for loss of life or personal injury to passengers carried by sea, the limitation of liability of the shipowner thereof shall be an amount of 46,666 Units of Account multiplied by the number of passengers which the ship is authorized to carry according to the ship's relevant certificate, but the maximum amount of compensation shall not exceed 25,000,000 Units of Account.	Article 220 In respect of claims for the personal injury or death of passengers carried by sea, the limit of liability of the shipowner thereof shall be an amount of 175,000 units of account multiplied by the number of passengers which the ship is authorized to carry according to the ship's certificate.
The limitation of liability for claims for loss of life or personal injury to passengers carried by sea between the ports of the People's Republic of China shall be worked out by the competent authorities of transport and communications under the State Council and implemented after its being submitted to and approved by the State Council.	
Article 212 The limitation of liability under Article 210 and 211 of this Law shall apply to the aggregate of all claims that may arise on any given occasion against shipowners and salvors themselves, and any person for whose act, neglect or fault the shipowners and the salvors are responsible.	Article 221 The limit of liability under Articles 219 and 220 of this Law shall apply to the aggregate of all claims that may arise from the same specific accident against shipowners and salvors themselves, and any person for whose act or fault the shipowners and the salvors are responsible.
Article 213 Any person liable claiming the limitation of liability under this Law may constitute a limitation fund with a court having jurisdiction. The fund shall be constituted in the sum of such an amount set out respectively in Articles 210 and 211, together with the interest thereon from the date of the occurrence giving rise to the liability until the date of the constitution of the fund.	Article 222 Any liable person claiming the limit of liability under this Law may establish a liability limitation fund with a court having jurisdiction. The fund shall be established in the sum of such an amount set out respectively in Articles 219 and 220 of this Law, plus the interest thereon from the date of the occurrence of the accident giving rise to the liability to the date when the fund is established.
	Any fund established by any liable person specified in this Chapter shall be deemed to be established

	by all liable persons.
Article 214 Where a limitation fund has been constituted by a person liable, any person having made a claim against the person liable may not exercise any right against any assets of the person liable. Where any ship or other property belonging to the person constituting the fund has been arrested or attached, or, where a security has been provided by such person, the court shall order without delay the release of the ship arrested or the property attached or the return of the security provided.	Article 223 After the establishment of a liability limitation fund by a liable person, any person entitled to make a claim in accordance with Article 216 of this Law is prohibited from exercising any right against any property of such a liable person. If preservation measures have been taken against the ship or other property of the liable person establishing the fund, or security has been provided by such a person, the court shall remove the preservation measures or return the security in a timely manner.
Article 215 Where a person entitled to limitation of liability under the provisions of this Chapter has a counter-claim against the claimant arising out of the same occurrence, their respective claims shall be set off against each other and the provisions of this Chapter shall only apply to the balance, if any.	Article 224 Where a person entitled to the limit of liability under the provisions of this Chapter files a counterclaim against the claimant for the same accident, their respective claims shall be set off against each other and the limit of liability specified in this Chapter shall only apply to the balance, if any.
	CHAPTER XII LIABILITY FOR SHIP-INDUCED OIL POLLUTION DAMAGE
	Section 1 General Rules
	Article 225 The provisions of this Chapter shall apply to compensation for ship-induced oil pollution damage in sea areas under the jurisdiction of the People's Republic of China and in navigable waters adjacent thereto.
	The scope of compensation for ship-induced oil pollution damage shall include:
	(1) property damage other than that of the ship caused by ship-induced oil pollution and the loss of income arising therefrom;
	(2) the expenses incurred for taking preventive measures in order to prevent or mitigate the ship-induced oil pollution damage and losses caused by preventive measures;

	(3) loss of income arising from ecological and environmental damage caused by oil pollution; and
	(4) expenses for the reasonable measures taken or to be taken for the rehabilitation of the polluted ecology and environment.
	Article 226 The shipowner that leaks oil shall be liable for compensation for ship-induced oil pollution damage.
	If the shipowner proves that the oil pollution damage is entirely caused by any of the following circumstances, the shipowner shall not be liable for compensation if such oil pollution damage to the ecology and environment is unavoidable after reasonable measures have been taken in a timely manner:
	(1) War, armed conflict, terrorist activities, or irresistible natural calamities.
	(2) A third party has done it intentionally.
	(3) Negligence or other wrongful acts committed by the department responsible for the administration of the beacons or other navigation aids in the performance of its duties.
	If the shipowner proves that the oil pollution damage is caused in whole or in part by the fault of the victim, the shipowner may be wholly or partly exempted from the liability for compensation to the victim.
	Article 227 The shipowner may limit its or his liability for compensation in accordance with the provisions of this Chapter. Nevertheless, the shipowner shall not limit its or his liability for compensation in accordance with the provisions of this Chapter if the ship-induced oil pollution damage has resulted from an act or omission of the shipowner done with the intent to cause such

	damage or recklessly and with knowledge that such damage would probably be caused.
	Article 228 Where oil pollution damage is caused by two or more ships, all shipowners shall be jointly and severally liable for damage that is not reasonably separable.
	The provisions of the preceding paragraph shall not affect the right of the shipowner against which the claim is filed to limit its or his liability for compensation in accordance with the provisions of this Chapter.
	Article 229 The state establishes a liability insurance system for ship-induced oil pollution damage. A shipowner shall, in accordance with the relevant rules issued by the state, purchase civil liability insurance for ship-induced oil pollution damage or obtain corresponding financial guarantee.
	The claim for compensation for ship-induced oil pollution damage may be filed directly with the shipowner's insurer of liability or financial guarantor, provided that the liability for compensation borne by the insurer or financial guarantor shall not exceed the limit of liability specified in Articles 233 and 239 of this Law. The loss of the right of limit of liability prescribed in this Chapter shall not affect the right of the insurer of liability or financial guarantor to invoke the provisions of this Chapter to limit liability.
	With regard to any claim for compensation for ship-induced oil pollution damage as prescribed in the preceding paragraph, the insurer of liability or financial guarantor is entitled to raise a defense that the damage was intentionally caused by the shipowner, and to invoke any ground other than that of the shipowner's bankruptcy or liquidation in its or his defense.
	The state improves and implements the system of compensation funds for ship-induced oil pollution damage in accordance with the law.

	Article 230 The provisions of this Chapter shall not affect the shipowner's right of recourse against the third party.
	Section 2 Liability for Ship-Induced Oil Pollution Damage
	Article 231 The provisions of this Section shall apply to liability for oil pollution damage caused by ships carrying oil in bulk.
	The provisions of this Section shall apply to ships built or converted for the transportation of oil in bulk and ships capable of carrying oil in bulk and other goods during the actual carriage of oil in bulk and during any subsequent voyage, unless it is proved that there is no residue of such oil in bulk on board.
	“Oils” as mentioned in this Section means any persistent hydrocarbon mineral oil that is used in the transport of goods or as fuel for ships, including lubricating oil.
	Article 232 Any of the following persons shall not be liable for compensation for ship-induced oil pollution damage, unless the damage is caused by his or her act or omission with the intent to cause such damage or recklessly and with knowledge that such damage would probably be caused.
	(1) Employees or agents of the shipowner.
	(2) Pilot or any other person other than crew members providing services for a ship.
	(3) Charterer, operator, or manager of a ship.
	(4) Any person performing salvage operations with the consent of the shipowner or in accordance with the instructions of the government authority.
	(5) Any person, other than the shipowner, that takes preventive measures.

	(6) Employees or agents of persons specified in subparagraphs (3) through (5) of this article.
	Article 233 Where oil pollution damage is caused by oil transported by a ship, the shipowner shall calculate the limit of liability for compensation for each incident according to the following provisions:
	(1) 4,510,000 units of account for a ship with less than 5,000 gross tonnage.
	(2) For a ship of 5,001 gross tonnage or more, the provisions of the preceding subparagraph shall apply to the part under 5,000 gross tonnage and 631 units of account shall be increased for each gross tonnage in excess of 5,001 gross tonnage. However, the limit of liability shall not in any case exceed 89,770,000 units of account.
	Article 234 Any shipowner or the insurer of liability or financial guarantor that invokes the provisions of this Section regarding the limit of liability shall establish a liability limitation fund with a court having jurisdiction.
	A fund established by any liable person prescribed in the preceding paragraph shall be deemed to be established by all the liable persons.
	Article 235 Where a liability limitation fund has been established and the shipowner is entitled to limit its liability for compensation, the claimant for oil pollution damage may not apply to the court for exercising preservation measures against the shipowner's property. The property preservation measures already taken shall be removed and the deposit or other guaranty provided by the shipowner for avoiding or removing the preservation measures shall be returned.
	Article 236 The claimants to compensation for oil pollution damage shall allocate the liability limitation fund in proportion to the amount of

	compensation for damage.
	If, before the liability limitation fund is allocated, the shipowner or the insurer of liability or financial guarantor responsible for the shipowner has made compensation to the claimant for oil pollution damage, or a third party has made compensation, the claimant may be entitled to the rights of the claimant by subrogation to the extent of the amount of compensation.
	The costs of and losses caused by preventive measures taken by the shipowner shall rank equally in the limit of liability fund allocation with other oil pollution damage claimants.
	Section 3 Liability for Ship's Bunker Oil Pollution Damage
	Article 237 The provisions of this Section shall apply to the liability for oil pollution damage caused by non-persistent bunker oil loaded by ships specified in Section 2 of this Chapter and by bunker oil loaded by ships other than those specified in Section 2 of this Chapter.
	“Bunker oil” as mentioned in this Section means the hydrocarbon mineral oil as ship fuel, including lubricating oil.
	The provisions of this Section on shipowners shall apply to bareboat charterers, ship operators, and ship managers.
	Article 238 Any of the following persons shall not be liable for compensation for bunker oil pollution damage specified in this Section, except when such damage results from his or her act or omission done with the intent to cause such damage or recklessly and with knowledge that such damage would probably be caused:
	(1) Employees or agents of a shipowner.
	(2) Pilot or other persons, other than crew

	members, who provide services for a ship.
	(3) Voyage charterer or time charterer of a ship.
	(4) Any person carrying out salvage operations with the consent of the shipowner or in accordance with the instructions of the government authority.
	(5) Any person, other than a shipowner, that takes preventive measures.
	(6) Employees or agents of persons specified in subparagraphs (3) through (5) of this article.
	Article 239 The provisions of Chapter XI of this Law shall apply to the limit of liability for bunker oil pollution damage specified in this Section.
	If the same accident results in bunker oil pollution damage and other damages for which the liability for compensation may be limited according to the provisions of Article 216 of this Law, the liable person is entitled to limit his or her liability for compensation within the same limit of liability in accordance with the provisions of Article 219 of this Law.
CHAPTER XII CONTRACT OF MARINE INSURANCE	CHAPTER XIII CONTRACT OF MARINE INSURANCE
Section 1 Basic principles	Section 1 General Rules
Article 216 A contract of marine insurance is a contract whereby the insurer undertakes, as agreed, to indemnify the loss to the subject matter insured and the liability of the insured caused by perils covered by the insurance against the payment of an insurance premium by the insured.	Article 240 A contract of marine insurance means a contract whereby the insurer is liable to compensate the insured for the loss of and the liability arising from the subject matter of insurance caused by the marine insurance incident against the payment of insurance premium by the insured.
The covered perils referred to in the preceding paragraph mean any maritime perils agreed	Marine insurance incidents means any maritime incidents agreed upon between the insurer and

upon between the insurer and the insured, including perils occurring in inland rivers or on land which is related to a maritime adventure.	the insured, including insured incidents occurring in inland rivers or on land in connection with a maritime voyage.
Article 217 A contract of marine insurance mainly includes:	Article 241 A contract of marine insurance mainly includes:
(1) Name of the insurer;	(1) the name of the insurer;
(2) Name of the insured;	(2) the name of the insured;
(3) Subject matter insured;	(3) the subject matter insured;
(4) Insured value;	(4) the insured value;
(5) Insured amount;	(5) the insured amount;
(6) Perils insured against and perils excepted;	(6) insurance liability and exclusions;
(7) Duration of insurance coverage;	(7) insurance period; and
(8) Insurance premium.	(8) insurance premium.
Article 218 The following items may come under the subject matter of marine insurance;	Article 242 The following items may be taken as the subject matter of insurance:
(1) Ship;	(1) Ship.
(2) Cargo;	(2) Goods.
(3) Income from the operation of the ship including freight, charter hire and passenger's fare;	(3) Operating income of the ship, including freight, charter hire, and passengers' fares.
(4) Expected profit on cargo;	(4) Expected profit of the goods.

(5) Crew's wages and other remuneration;	(5) Crew's wages and other remuneration.
(6) Liabilities to a third person;	(6) Liability to third parties.
(7) Other property which may sustain loss from a maritime peril and the liability and expenses arising therefrom.	(7) Other property that may suffer loss from a marine insurance incident and the liability and expenses arising therefrom.
The insurer may reinsure the insurance of the subject matter enumerated in the preceding paragraph. Unless otherwise agreed in the contract, the original insured shall not be entitled to the benefit of the reinsurance.	The insurer may reinsure the insurance of the subject matter specified in the preceding paragraph. Unless otherwise agreed upon in the contract, the original insured shall not be entitled to the benefit of reinsurance.
Article 219 The insurable value of the subject matter insured shall be agreed upon between the insurer and the insured.	Article 243 The insurable value of the subject matter insured shall be agreed upon by the insurer and the insured in writing . When the subject matter insured suffers any loss, the agreed insurable value shall be the standard for the calculation of indemnity.
Where no insurable value has been agreed upon between the insurer and the insured, the insurable value shall be calculated as follows:	If no insurable value has been agreed upon between the insurer and the insured, the insurable value shall be calculated according to the following provisions:
(1) The insurable value of the ship shall be the value of the ship at the time when the insurance liability commences, being the total value of the ship's hull, machinery, equipment, fuel, stores, gear, provisions and fresh water on board as well as the insurance premium;	(1) The insurable value of the ship shall be the value of the ship at the time of commencement of the insurance liability, including the total value of the ship's hull, machinery, equipment, fuel, stores, gear, provisions, and fresh water on board as well as the insurance premium.
(2) The insurable value of the cargo shall be the aggregate of the invoice value of the cargo or the actual value of the non-trade commodity at the place of shipment, plus freight and insurance premium when the insurance liability commences;	(2) The insurable value of the goods shall be the aggregate of the invoice value of the goods or the actual value of the non-trade goods at the place of departure, plus freight and insurance premium when the insurance liability commences.
(3) The insurable value of the freight shall be	(3) The insurable value of the freight shall be the

the aggregate of the total amount of freight payable to the carrier and the insurance premium when the insurance liability commences;	aggregate of the total freight payable to the carrier and the insurance premium when the insurance liability commences.
(4) The insurable value of other subject matter insured shall be the aggregate of the actual value of the subject matter insured and the insurance premium when the insurance liability commences.	(4) The insurable value of other subject matter insured shall be the aggregate of the actual value of the subject matter insured and the insurance premium when the insurance liability commences.
Article 220 The insured amount shall be agreed upon between the insurer and the insured. The insured amount shall not exceed the insured value. Where the insured amount exceeds the insured value, the portion in excess shall be null and void.	Article 244 The insurable value shall be agreed upon between the insurer and the insured. The insured amount shall not exceed the insured value. If the insured amount exceeds the insured value, the excess shall be null and void.
	Article 245 The relevant provisions of this Chapter shall apply to the insurance contract for the ship under construction.
	An insurance contract on a ship under construction means a contract whereby the insurer is liable to indemnify the insured for losses caused by and liabilities arising from a marine insurance incident suffered by the insured ship during construction, trial voyage, or delivery of the ship and the insured pays the insurance premium.
	A ship under construction shall include the materials, machinery, and equipment for building the ship as agreed in the shipbuilding contract.
Section 2 Conclusion, Termination and Assignment of Contract	Section 2 Conclusion, Rescission and Assignment of a Contract
Article 221 A contract of marine insurance comes into being after the insured puts forth a proposal for insurance and the insurer agrees to accept the proposal and the insurer and the insured agrees on the terms and conditions of the insurance. The insurer shall issue to the	Article 246 A contract of marine insurance is concluded after the insured files the insurance claim and the insurer agrees to accept the proposal and the insurer and the insured agree on the terms and conditions of the insurance contract on the carriage of goods by sea. The

insured an insurance policy or other certificate of insurance in time, and the contents of the contract shall be contained therein.	insurer shall issue to the insured an insurance policy or other insurance documents in a timely manner, and the content of the contract agreed upon by both parties shall be contained therein.
Article 222 Before the contract is concluded, the insured shall truthfully inform the insurer of the materials circumstances which the insured has knowledge of or ought to have knowledge of in his ordinary business practice and which may have a bearing on the insurer in deciding the premium or whether he agrees to insure or not.	Article 247 Before the conclusion of a contract, the insured shall truthfully inform the insurer of the material information that the insured knows or should have known in his or her ordinary business practice and which may influence the insurer in deciding the premium rate or whether he or she agrees to insure or not.
The insured need not inform the insurer of the facts which the insurer has known of or the insurer ought to have knowledge of in his ordinary business practice if about which the insurer made no inquiry.	The insured need not inform the insurer of the relevant information that the insurer knows or should have known in his or her ordinary business practice if the insurer makes no inquiry about it.
Article 223 Upon failure of the insured to truthfully inform the insurer of the material circumstances set forth in paragraph 1 of Article 222 of this Law due to his intentional act, the insurer has the right to terminate the contract without refunding the premium. The insurer shall not be liable for any loss arising from the perils insured against before the contract is terminated.	Article 248 Where the insurer is not truthfully informed of the material information specified in paragraph 1 of Article 247 of this Law due to the intentional act of the insured, the insurer has the right to rescind the contract without refunding the premium. The insurer shall not be liable for any loss caused by the marine insurance incident before the contract is rescinded.
If, not due to the insured's intentional act, the insured did not truthfully inform the insurer of the material circumstances set out in paragraph 1 of Article 222 of this Law, the insurer has the right to terminate the contract or to demand a corresponding increase in the premium. In case the contract is terminated by the insurer, the insurer shall be liable for the loss arising from the perils insured against which occurred prior to the termination of the contract, except where the material circumstances uninformed or wrongly informed of have an impact on the occurrence of such perils.	If the insured fails to truthfully inform the insurer of the material information specified in paragraph 1 of Article 247 of this Law not due to its intentional act, the insurer has the right to rescind the contract or demand a corresponding increase in the premium. If the insurer rescinds the contract before the commencement of the insurance liability, the insurer shall refund all the insurance premium, but shall have the right to charge handling fees. If the insurer rescinds the contract after the commencement of insurance liability, the unexpired premium from the date of rescission of the contract to the date of

	expiration of the insurance period shall be refunded to the insured. The insurer is not required to refund the unexpired premium if the voyage insurance contract is rescinded. The insurer shall be liable for compensation for the loss caused by a marine insurance incident that occurred before the rescission of the contract, except that the material information uninformed or wrongly informed of has an impact on the occurrence of such marine insurance incident.
	The right to rescind an insurance contract as prescribed in this article shall be annulled 30 days after the insurer knows or should have known the cause of rescission.
	Article 249 Where a marine insurance contract adopts the standard clauses provided by the insurer, the insurer shall, when entering into the contract, sufficiently warn the insured of the clauses exempting the insurer from liability or alleviating the insurer's liability and other clauses with significant interest relations with the insurer. If the insured requires an explanation, the insurer shall give a specific explanation on such terms.
	If the insurer fails to perform the obligation of giving a warning or making an explanation in accordance with the provisions of the preceding paragraph, resulting in the insured's failure to notice or understand the clauses with significant interest relations with him or her, the insured may claim that such terms do not form a part of the contract, unless the insured knows or should have known the content of the clause.
Article 224 Where the insured was aware or ought to be aware that the subject matter insured had suffered a loss due to the incidence of a peril insured against when the contract was concluded, the insurer shall not be liable for indemnification but shall have the right to the premium. Where the insurer was aware or ought to be aware that the occurrence of a loss to the subject matter insured due to a peril	Article 250 Where the insured has known or should have known that the subject matter insured had suffered a loss due to the occurrence of a maritime insurance incident when the contract was entered into, the insurer shall not be liable for compensation but shall have the right to collect the insurance premium. If the insurer has known or should have known that the subject matter insured is unlikely to

<p>insured against was impossible, the insured shall have the right to recover the premium paid.</p>	<p>suffer loss due to a maritime insurance incident, the insured shall have the right to recover the insurance premium paid.</p>
<p>Article 225 Where the insured concludes with several insurers for the same subject matter insured and against the same risk, and the insured amount of the said subject matter insured thereby exceeds the insured value, then, unless otherwise agreed in the contract, the insured may demand indemnification from any of the insurers and the aggregate amount to be indemnified shall not exceed the loss value of the subject matter insured. The liability of each insurer shall be in proportion to that which the amount he insured bears to the total of the amounts insured by all insurers. Any insurer who has paid an indemnification in an amount greater than that for which he is liable, shall have the right of recourse against those who have not paid their indemnification in the amounts for which they are liable.</p>	<p>Article 251 Where the insured concludes with two or more insurers for the same subject matter insured and for the same insurance benefits on the same maritime insurance incident, and the total insured amount of the said subject matter insured exceeds the insured value, except as otherwise agreed upon in the contract, the insured may claim compensation from any of the insurers and the aggregate amount to be indemnified shall not exceed the loss value of the subject matter insured.</p>
	<p>The liability of each insurer shall be in proportion to that which the amount the insured bears to the total of the amounts insured by all insurers. Any insurer who has paid an indemnification in an amount greater than that for which he or she is liable shall have the right to recover from the insurer who fails to pay the insured amount for which it is liable.</p>
	<p>For the purposes of paragraph 1 of this article, "insurable value" means the highest insurable value of each insurance contract; and the "loss value" means the loss amount calculated based on the highest insurable value of each insurance contract.</p>
<p>Article 226 Prior to the commencement of the insurance liability, the insured may demand the termination of the insurance contract but shall pay the handling fees to the insurer, and the insurer shall refund the premium.</p>	<p>Article 252 Prior to the commencement of the insurance liability, the insured may require the rescission of the contract but shall pay handling fees to the insurer, and the insurer shall refund the insurance premium.</p>

<p>Article 227 Unless otherwise agreed in the contract, neither the insurer nor the insured may terminate the contract after the commencement of the insurance liability.</p>	<p>Article 253 Except as otherwise prescribed by any law or agreed upon in the contract, neither the insured nor the insurer may rescind the contract after the commencement of the insurance liability.</p>
<p>Where the insurance contract provides that the contract may be terminated after the commencement of the liability, and the insured demands the termination of the contract, the insurer shall have the right to the premium payable from the day of the commencement of the insurance liability to the day of termination of the contract and refund the remaining portion. If it is the insurer who demands the termination of the contract, the unexpired premium from the day of the termination of the contract to the day of the expiration of the period of insurance shall be refunded to the insured.</p>	<p>If the insurance contract provides that the contract may be rescinded after the commencement of insurance liability, and the insured requests the rescission of the contract, the insurer shall have the right to collect the insurance premium payable from the date of commencement of the insurance liability to the date of rescission of the contract and refund the remaining portion. If the insurer requests the rescission of the contract, the unexpired premium from the date of rescission of the contract to the date of expiration of the insurance period shall be refunded to the insured.</p>
<p>Article 228 <i>Notwithstanding the stipulations in Article 227 of this Law</i>, the insured may not demand termination of the contract for cargo insurance and voyage insurance on ship after the commencement of the insurance liability.</p>	<p>Article 254 The insured may not require the rescission of the contract for the carriage of goods by sea and voyage insurance on the ship after the commencement of the insurance liability.</p>
<p>Article 229 A contract of marine insurance for the carriage of goods by sea may be assigned by the insured by endorsement or otherwise, and the rights and obligations under the contract are assigned accordingly. The insured and the assignee shall be jointly and severally liable for the payment of the premium if such premium remains unpaid up to the time of the assignment of the contract.</p>	<p>Article 255 A contract of insurance for the carriage of goods by sea may be assigned by the insured by endorsement or other methods, and the rights and obligations under the contract shall be assigned accordingly. The insured and the assignee shall be jointly and severally liable for the payment of the premium if such premium remains unpaid up to the time of the assignment of the contract.</p>
<p>Article 230 The consent of the insurer shall be obtained where the insurance contract is assigned in consequence of the transfer of the ownership of the ship insured. In the absence of such consent, the contract shall be terminated</p>	<p>Article 256 The consent of the insurer shall be obtained if the insurance contract is assigned due to the transfer of the ownership of the ship insured. Without the consent of the insurer, the ship insurance contract shall be rescinded from</p>

from the time of the transfer of the ownership of the ship. Where the transfer takes place during the voyage, the contract shall be terminated when the voyage ends.	the time of transfer of the ownership of the ship. If the transfer takes place during the voyage, the contract shall be rescinded when the voyage ends.
Upon termination of the contract, the insurer shall refund the unexpired premium to the insured calculated from the day of the termination of the contract to the day of its expiration.	Upon the rescission of the contract, the insurer shall refund the unexpired premium to the insured calculated from the date of rescission of the contract to the date of its expiration.
Article 231 The insured may conclude an open cover with the insurer for the goods to be shipped or received in batches within a given period. The open cover shall be evidenced by an open policy to be issued by the insurer.	Article 257 An open cover means a contract whereby the insurer assumes the insurance liability for the goods to be transported by the insured in batches within a specified period of time in the future and the insured pays the insurance premium.
	An open cover shall be concluded in writing.
Article 232 The insurer shall, at the request of the insured, issue insurance certificates separately for the cargo shipped in batches according to the open cover.	Article 258 The insurer shall, at the request of the insured, issue insurance documents separately for the goods shipped in batches according to the open cover.
Where the contents of the insurance certificates issued by the insurer separately differ from those of the open policy, the insurance certificates issued separately shall prevail.	If any content of the insurance documents issued by the insurer is inconsistent with that of the open cover, the insurance documents issued separately shall prevail.
Article 233 The insured shall notify the insurer immediately on learning that the cargo insured under the open cover has been shipped or has arrived. The items to be notified of shall include the name of the carrying ship, the voyage, the value of the cargo and the insured amount.	Article 259 The insured shall truthfully declare to the insurer specific items such as the description and quantity of the goods to be transported in batches under the open cover, the name of the ship carrying the goods and its shipping route, the insured value, and the insured amount prior to each shipment.
	If the goods are not declared or wrongly declared due to the intentional act of the insured, the insurer shall not be liable for compensation for the loss caused by the maritime insurance incident

	that occurs during the transport of such goods but shall have the right to collect the insurance premium.
	If the goods are not declared or wrongly declared not due to the intentional act of the insured, the insured shall have the right to make a supplementary declaration or correction. The supplementary declaration or correction shall not affect the right of the insured to claim for indemnity from the insurer, provided that the insurer shall have the right to calculate the indemnity based on the insured value specified in paragraph 2 of Article 243 of this Law.
	The provisions of this article shall only apply in the absence of agreements or in the absence of different agreements in this regard in the open cover.
Section 3 Obligation of the Insured	Section 3 Obligation of the Insured
Article 234 Unless otherwise agreed in the insurance contract, the insured shall pay the premium immediately upon conclusion of the contract. The insurer may refuse to issue the insurance policy or other insurance certificate before the premium is paid by the insured.	Article 260 Except as otherwise agreed upon in the insurance contract, the insured shall pay the premium immediately upon conclusion of the contract. The insurer may refuse to issue the insurance policy or other insurance certificate before the premium is paid by the insured.
Article 235 The insured shall notify the insurer in writing immediately where the insured has not complied with the warranties under the contract. The insurer may, upon receipt of the notice, terminate the contract or demand an amendment to the terms and conditions of the insurance coverage or an increase in the premium.	Article 261 Where the insured violates the warranty clause under the contract, the insurer shall have the right to rescind the contract or demand an amendment to the terms and conditions of the insurance coverage or an increase in the premium. If the insurer rescinds the contract, the insurer shall notify the insured in writing. The contract shall be rescinded when the notice is served upon the insured.
	The insurer shall be liable for any loss caused by a maritime peril insured against which occurred prior to the breach of the warranty clause by the insured.

	<p>The insurer shall not be liable for any loss caused by a maritime peril insured against which occurs from the time of the insured's breach of the warranty clause and before the receipt of the notice of rescission of the contract, unless the insured can prove that it falls under any of the following circumstances:</p>
	<p>(1) The insured's breach of the warranty clause has no effect on the occurrence of the maritime peril insured against.</p>
	<p>(2) The maritime peril insured against occurs after the insured has corrected the breach of the warranty clause.</p>
Article 236 Upon the occurrence of the peril insured against, the insured shall notify the insurer immediately and shall take necessary and reasonable measures to avoid or minimize the loss. Where special instructions for the adoption of reasonable measures to avoid or minimize the loss are received from the insurer, the insured shall act according to such instructions.	Article 262 Upon the occurrence of a maritime peril insured against, the insured shall immediately notify the insurer and take necessary and reasonable measures to prevent or minimize the loss. If the insured receives special instructions from the insurer for the adoption of reasonable measures to prevent or minimize the loss, the insured shall act according to the requirements of such instructions.
The insurer shall not be liable for the extended loss caused by the insured's breach of the provisions of the preceding paragraph.	The insurer shall not be liable for the extended loss caused by the insured's breach of the provisions of the preceding paragraph.
Section 4 Liability of the Insurer	Section 4 Liability of the Insurer
Article 237 The insurer shall indemnify the insured promptly after the loss from a peril insured against has occurred.	Article 263 The insurer shall indemnify the insured promptly after the loss from a maritime peril insured against has occurred.
Article 238 The insurer's indemnification for the loss from the peril insured against shall be limited to the insured amount. Where the insured amount is lower than the insured value, the insurer shall indemnify in the proportion that the insured amount bears to the insured value.	Article 264 The insurer's indemnification for the loss from the maritime peril insured against shall be limited to the insured amount. If the insured amount is lower than the insured value, the insurer shall be liable to pay indemnity in the proportion that the insured amount bears to the insured value in the case of partial loss of the

	subject matter insured.
Article 239 The insurer shall be liable for the loss to the subject matter insured arising from several perils insured against during the period of the insurance even though the aggregate of the amounts of loss exceeds the insured amount. However, the insurer shall only be liable for the total loss where the total loss occurs after the partial loss which has not been repaired.	Article 265 The insurer shall be liable for the loss to the subject matter insured arising from several maritime perils insured against during the insurance period, even though the aggregate of the amounts of loss exceeds the insured amount. However, the insurer shall only be liable for the total loss if the total loss occurs after the partial loss which has not been repaired.
Article 240 The insurer shall pay, in addition to the indemnification to be paid with regard to the subject matter insured, the necessary and reasonable expenses incurred by the insured for avoiding or minimizing the loss recoverable under the contract, the reasonable expenses for survey and assessment of the value for the purpose of ascertaining the nature and extent of the peril insured against and the expenses incurred for acting on the special instructions of the insurer.	Article 266 The insurer shall pay, in addition to the indemnification for the loss of or damage to the subject matter insured, the necessary and reasonable expenses incurred by the insured to prevent or minimize the loss recoverable under the contract, reasonable expenses for survey and assessment, among others, of the value for the purpose of ascertaining the nature and extent of the maritime peril insured against and the expenses incurred for acting on the special instructions of the insurer.
The payment by the insurer of the expenses referred to in the preceding paragraph shall be limited to that equivalent to the insured amount.	The insurer's payment of the expenses specified in the preceding paragraph shall be limited to an amount equivalent to the insured amount.
Where the insured amount is lower than the insured value, the insurer shall be liable for the expenses referred to in this Article in the proportion that the insured amount bears to the insured value, unless the contract provides otherwise.	If the insured amount is lower than the insured value, the insurer shall be liable for the expenses specified in this Article in the proportion that the insured amount bears to the insured value, except as otherwise agreed upon in the contract.
Article 241 Where the insured amount is lower than the value for contribution under the general average, the insurer shall be liable for the general average contribution in the proportion that the insured amount bears to the value for contribution.	Article 267 Where the insured amount is lower than the value for contribution to general average, the insurer shall be liable for the general average contribution in the proportion that the insured amount bears to the value for contribution.

Article 242 The insurer shall not be liable for the loss caused by the intentional act of the insured.	Article 268 The insurer shall not be liable for any loss caused by the intentional act of the insured.
Article 243 Unless otherwise agreed in the insurance contract, the insurer shall not be liable for the loss of or damage to the insured cargo arising from any of the following causes:	Article 269 Except as otherwise agreed upon in the insurance contract, the insurer shall not be liable for the loss of or damage to the insured goods arising from any of the following causes:
(1) Delay in the voyage or in the delivery of cargo or change of market price;	(1) Delay in the voyage or in the delivery of goods or change in market prices.
(2) Fair wear and tear, inherent vice or nature of the cargo;	(2) Fair wear and tear, inherent defects or nature of the goods.
(3) Improper packing.	(3) Improper packing.
Article 244 Unless otherwise agreed in the insurance contract, the insurer shall not be liable for the loss of or damage to the insured ship arising from any of the following causes:	Article 270 Except as otherwise agreed upon in the insurance contract, the insurer shall not be liable for the loss of or damage to the insured ship arising from any of the following causes:
(1) Unseaworthiness of the ship at the time of the commencement of the voyage, unless where under a time policy the insured has no knowledge thereof ;	(1) Unseaworthiness of the ship at the time of commencement of the voyage, unless where under a time policy the insured does not know or should not have known .
(2) Wear and tear or corrosion of the ship.	(2) Fair wear and tear or corrosion of the ship.
The provisions of this Article shall apply mutatis-mutandis to the insurance of freight.	The provisions of the preceding paragraph shall apply to freight insurance.
Section 5 Loss of or Damage to the Subject Matter Insured and Abandonment	Section 5 Loss of or Damage to the Subject Matter Insured and Abandonment
Article 245 Where after the occurrence of a peril insured against the subject matter insured	Article 271 Where, after the occurrence of a maritime peril insured against, the subject

<p>is lost or is so seriously damaged that it is completely deprived of its original structure and usage or the insured is deprived of the possession thereof, it shall constitute an actual total loss.</p>	<p>matter insured is lost or is so seriously damaged that it is completely deprived of its original structure and usage or the insured is deprived of the possession thereof, it shall constitute an actual total loss.</p>
<p>Article 246 Where a ship's total loss is considered to be unavoidable after the occurrence of a peril insured against or the expenses necessary for avoiding the occurrence of an actual total loss would exceed the insured value, it shall constitute a constructive total loss.</p>	<p>Article 272 Where a ship's actual total loss is considered to be unavoidable after the occurrence of a maritime peril insured against or the expenses necessary for avoiding the occurrence of an actual total loss would exceed the insured value, it shall constitute a constructive total loss.</p>
<p>Where an actual total loss is considered to be unavoidable after the cargo has suffered a peril insured against, or the expenses to be incurred for avoiding the total actual loss plus that for forwarding the cargo to its destination would exceed its insured value, it shall constitute a constructive total loss.</p>	<p>If an actual total loss is considered to be unavoidable after the goods have suffered a maritime peril insured against, or the expenses to be incurred for avoiding the actual total loss plus that for forwarding the goods to their destination would exceed their insured value, it shall constitute a constructive total loss.</p>
<p>Article 247 Any loss other than an actual total loss or a constructive total loss is a partial loss.</p>	<p>Article 273 Any loss other than an actual total loss or a constructive total loss is a partial loss.</p>
<p>Article 248 Where a ship fails to arrive at its destination within a reasonable time from the place where it was last heard of, unless the contract provides otherwise, if it remains unheard of upon the expiry of two months, it shall constitute missing. Such missing shall be deemed to be an actual total loss.</p>	<p>Article 274 Where a ship fails to arrive at its destination within a reasonable time from the place where it was last heard of, unless the contract provides otherwise, if it remains unheard of upon the expiry of 60 days, it shall constitute missing. Such missing shall be deemed to be an actual total loss.</p>
<p>Article 249 Where the subject matter insured has become a constructive total loss and the insured demands indemnification from the insurer on the basis of a total loss, the subject matter insured shall be abandoned to the insurer. The insurer may accept the abandonment or choose not to, but shall inform the insured of his decision whether to accept the abandonment within a reasonable time. The</p>	<p>Article 275 Where the subject matter insured has become a constructive total loss and the insured demands indemnification from the insurer on the basis of a total loss, the subject matter insured shall be abandoned to the insurer within a reasonable time. The insurer may accept the abandonment or choose not to, but shall inform the insured of his decision whether to accept the abandonment within a reasonable</p>

abandonment shall not be attached with any conditions.	time. If the insurer does not inform the insured of his decision whether to accept the abandonment within a reasonable time, the abandonment shall be deemed to have been refused.
The abandonment shall not be attached with any conditions. Once the abandonment is accepted by the insurer, it shall not be withdrawn.	The abandonment shall not be attached with any conditions. Once the abandonment is accepted by the insurer, it shall not be withdrawn.
Article 250 Where the insurer has accepted the abandonment, all rights and obligations relating to the property abandoned are transferred to the insurer.	Article 276 Where the insurer has accepted the abandonment, all rights and obligations relating to the property abandoned are transferred to the insurer.
Section 6 Payment of Indemnity	Section 6 Payment of Indemnity
Article 251 After the occurrence of a peril insured against and before the payment of indemnity, the insurer may demand that the insured submit evidence and materials related to the ascertainment of the nature of the peril and the extent of the loss.	Article 277 After the occurrence of a maritime peril insured against and before the payment of insurance indemnity to the insured, the insurer may demand that the insured submit certificates and materials related to the ascertainment of the nature of the maritime peril and the extent of the loss.
Article 252 Where the loss of or damage to the subject matter insured within the insurance coverage is caused by a third person, the right of the insured to demand compensation from the third person shall be subrogated to the insurer from the time the indemnity is paid.	Article 278 Where the loss of or damage to the subject matter insured within the insurance coverage is caused by a third party, the right of the insured to claim compensation from the third party shall be subrogated to the insurer from the time when the indemnity is paid.
The insured shall furnish the insurer with necessary documents and information that should come to his knowledge and shall endeavour to assist the insurer in pursuing recovery from the third person.	The insured shall provide the insurer with necessary documents and information that should come to his knowledge and shall endeavor to assist the insurer in pursuing recovery from the third party.
Article 253 Where the insured waives his right of claim against the third person without the	Article 279 Where the insured waives his right of claim against the third party without the

consent of the insurer or the insurer is unable to exercise the right of recourse due to the fault of the insured, the insurer may make a corresponding reduction from the amount of indemnity.	consent of the insurer or the insurer is unable to exercise the right of recourse due to the fault of the insured, the insurer may make a corresponding deduction from the amount of insurance indemnity.
Article 254 In effecting payment of indemnity to the insured, the insurer may make a corresponding reduction therefrom of the amount already paid by a third person to the insured.	Article 280 In effecting payment of insurance indemnity, the insurer may make a corresponding deduction therefrom of the amount of compensation already paid by the third party to the insured.
Where the compensation obtained by the insurer from the third person exceeds the amount of indemnity paid by the insurer, the part in excess shall be returned to the insured.	If the compensation obtained by the insurer from the third party exceeds the amount of indemnity paid by the insurer, the part in excess shall be returned to the insured.
Article 255 After the occurrence of a peril insured against, the insurer is entitled to waive his right to the subject matter insured any pay the insured the amount in full to relieve himself of the obligations under the contract.	Article 281 After the occurrence of a maritime peril insured against, the insurer is entitled to waive his rights to the subject matter insured and pay the insured the insurance indemnity under the contract in full to relieve himself of the obligations to the subject matter insured.
In exercising the right prescribed in the preceding paragraph, the insurer shall notify the insured thereof within seven days from the day of the receipt of the notice from the insured regarding the indemnity. The insurer shall remain liable for the necessary and reasonable expenses paid by the insured for avoiding or minimizing the loss prior to his receipt of the said notice.	In exercising the rights prescribed in the preceding paragraph, the insurer shall notify the insured thereof within seven days from the date of receipt of the notice from the insured regarding the indemnity. The insurer shall remain liable for the necessary and reasonable expenses paid by the insured for avoiding or minimizing the loss prior to the receipt of the said notice.
Article 256 Except as stipulated in Article 255 of this Law, where a total loss occurs to the subject matter insured and the full insured amount is paid, the insurer shall acquire the full right to the subject matter insured. In the case of under-insurance, the insurer shall acquire the right to the subject matter insured in the proportion that the insured amount bears to	Article 282 Except as prescribed in Article 281 of this Law, if a total loss occurs to the subject matter insured and the insurer has paid the insured amount in full, the insurer shall acquire the full right to the subject matter insured. In the case of under-insurance, the insurer shall acquire part of the right to the subject matter insured in the proportion that the insured amount bears to

the insured value.	the insured value.
CHAPTER XIII LIMITATION OF TIME	CHAPTER XIV TIME LIMITATION
	Article 283 Where a maritime dispute occurs, the parties may institute an action or apply for arbitration in accordance with the law.
Article 257 The Limitation period for claims against the carrier with regard to the carriage of goods by sea is one year, counting from the day on which the goods were delivered or should have been delivered by the carrier. Within the limitation period or after the expiration thereof, if the person allegedly liable has brought up a claim of recourse against a third person, that claim is time-barred at the expiration of 90 days, counting from the day on which the person claiming for the recourse settled the claim, or was served with a copy of the process by the court handling the claim against him.	Article 284 The time limitation for claims regarding the carriage of goods by sea is one year. The time limitation for claims against the carrier and the actual carrier shall be calculated from the date when the goods were delivered or should have been delivered. The time limitation for claims against the shipper, the consignee, or the holder of transport documents shall be calculated from the date when the right holder knew or should have known that his rights had been infringed upon.
The limitation period for claims against the carrier with regard to voyage charter party is two years, counting from the day on which the claimant knew or should have known that his right had been infringed.	If the time limitation specified in the preceding paragraph has expired or it is less than 90 days up to the expiration date, the person allegedly liable shall have the right of recourse against the third party with a time limitation of 90 days from the date when the claimant for the recourse settled the original claim for compensation.
Article 258 The limitation period for claims against the carrier with regard to the carriage of passengers by sea is two years, counting respectively as follows:	Article 285 The time limitation for claims with regard to the carriage of passengers by sea is two years, which shall be calculated according to the following provisions respectively:
(1) Claims for personal injury: Counting from the day on which the passenger disembarked or should have disembarked;	(Absorbed by (2))
(2) Claims for death of passengers that occurred during the period of carriage: Counting from the day on which the passenger should have	(1) With respect to a claim regarding the death of a passenger that occurred during the period of carriage, the period shall be calculated from the

<p>disembarked; whereas those for the death of passengers that occurred after the disembarkation but resulted from an injury during the period of carriage by sea, counting from the day of the death of the passenger concerned, provided that this period does not exceed three years from the time of disembarkation.</p>	<p>date when the passenger should have disembarked. In the case of the death of a passenger that occurred after the disembarkation but resulted from an injury during the period of carriage by sea, the period shall be calculated from the date of death of the passenger, provided that the period does not exceed three years from the date of disembarkation of the passenger.</p>
<p>(3) Claims for loss of or damage to the luggage: Counting from the day of disembarkation or the day on which the passenger should have disembarked.</p>	<p>(2) With respect to a claim with regard to the personal injury to a passenger or the loss of or damage to the passenger's luggage, the period shall be calculated from the date when the passenger disembarked or should have disembarked.</p>
<p>Article 259 The limitation period for claims with regard to charter parties is two years, counting from the day on which the claimant knew or should have known that his right had been infringed.</p>	<p>Article 286 The time limitation for claims with regard to charter parties is two years, counting from the date when the claimant knew or should have known that his right had been infringed upon.</p>
<p>Article 260 The limitation period for claims with regard to sea towage is one year, counting from the day on which the claimant knew or should have known that his right had been infringed.</p>	<p>Article 287 The time limitation for claims with regard to a contract of sea towage is one year, counting from the date when the claimant knew or should have known that his right had been infringed upon.</p>
<p>Article 261 The limitation period for claims with regard to collision of ships is two years, counting from the day on which the collision occurred. The limitation period for claims with regard to the right of recourse as provided for in paragraph 3 of Article 169 of this Law is one year, counting from the day on which the parties concerned jointly and severally paid the amount of compensation for the damage occurred.</p>	<p>Article 288 The time limitation for claims with regard to the collision of ships is two years, counting from the date when the collision occurred.</p>
	<p>The time limitation for claims with regard to the right of recourse specified in paragraph 3 of Article 178 of this Law is one year, counting from the date</p>

	when the parties jointly and severally paid the amount of compensation for the damage occurred.
	The provisions of this Article shall apply to the time limitation for the right of claim or the right of recourse under Article 179 of this Law.
Article 262 The limitation period for claims with regard to salvage at sea is two years, counting from the day on which the salvage operation was completed.	Article 289 The time limitation for claims for salvage at sea is two years, counting from the date of completion of salvage operations.
Article 263 The limitation period for claims with regard to contribution in general average is one year, counting from the day on which the adjustment was finished.	Article 290 The time limitation for claims for contribution in general average is one year, counting from the date when the adjustment of general average is completed, but in no case shall such a period exceed six years from the date when the common voyage ends.
Article 264 The limitation period for claims with regard to contracts of marine insurance is two years, counting from the day on which the peril insured against occurred.	Article 291 The time limitation for claims for insurance indemnity against the insurer according to contracts of marine insurance is two years, counting from the date when the occurrence of the maritime peril insured against is known or should have been known.
Article 265 The limitation period for claims with regard to compensation for oil pollution damage from ships is three years, counting from the day on which the pollution damage occurred. However, in no case shall the limitation period exceed six years, counting from the day on which the accident causing the pollution occurred.	Article 292 The time limitation for claims with regard to compensation for oil pollution damage from ships is three years, counting from the date when the pollution damage occurred. However, in no case shall the time limitation exceed six years from the date when the accident causing the pollution occurred.
Article 266 Within the last six months of the limitation period if, on account of force majeure or other causes preventing the claims from being made, the limitation period shall be suspended. The counting of the limitation period shall be resumed when the cause of suspension no longer exists.	Article 293 Within the last six months of the time limitation, if on account of force majeure or other causes preventing the claims from being made, the time limitation shall be suspended. The time limitation shall expire six months after the date when the cause of suspension no longer exists.

<p>Article 267 The limitation of time shall be discontinued as a result of bringing an action or submitting the case for arbitration by the claimant or the admission to fulfill obligations by the person against whom the claim was brought up. However, the limitation of time shall not be discontinued if the claimant withdraws his action or his submission for arbitration, or his action has been rejected by a decision of the court.</p>	<p>Article 294 The time limitation shall be discontinued when the claimant files a request for performance, files a lawsuit, or applies for arbitration, or the respondent agrees to fulfill obligations.</p>
<p>Where the claimant makes a claim for the arrest of a ship, the limitation of time shall be discontinued from the day on which the claim is made.</p>	<p>If the claimant makes a claim for the arrest of a ship, the time limitation shall be discontinued from the date when the claim is made.</p>
<p>The limitation period shall be counted anew from the time of discontinuance.</p>	<p>The time limitation shall be counted anew from the time of discontinuance or termination of the relevant procedure.</p>
<p>CHAPTER XIV APPLICATION OF LAW IN RELATION TO FOREIGN-RELATED MATTERS</p>	<p>CHAPTER XV APPLICATION OF LAWS IN RELATION TO FOREIGN-RELATED MATTERS</p>
<p>Article 268 If any international treaty concluded or acceded to by the People's Republic of China contains provisions differing from those contained in this Law, the provisions of the relevant international treaty shall apply, unless the provisions are those on which the People's Republic of China has announced reservations.</p>	<p>(Moved to Article 307)</p>
<p>International practice may be applied to matters for which neither the relevant laws of the People's Republic of China nor any international treaty concluded or acceded to by the People's Republic of China contain any relevant provisions.</p>	
<p>Article 269 The parties to a contract may choose the law applicable to such contract,</p>	<p>Article 295 The parties to a contract may choose the law applicable to such contract,</p>

unless the law provides otherwise. Where the parties to a contract have not made a choice, the law of the country having the closest connection with the contract shall apply.	except as otherwise provided by any law. If the parties to a contract have not made a choice, the law of the country having the closest connection with the contract shall apply.
	The provisions of Chapter IV of this Law shall apply to a contract of international carriage of goods by sea if the port of loading or the port of discharge is located within the territory of the People's Republic of China.
Article 270 The law of the flag State of the ship shall apply to <u>the acquisition, transfer and extinction of</u> the ownership of the ship.	Article 296 The law of the flag state of the ship shall apply to the ownership of the ship.
	If the flag of a ship is changed, the law of the new flag state shall apply to the ownership of the ship after the change, except the change of flag caused by bareboat charter.
	If the ownership of a ship under construction has been registered, the law of the state of registration shall apply; and if the ship has not been registered, the law of the place where the ship is built shall apply.
Article 271 The law of the flag State of the ship shall apply to the mortgage of the ship.	Article 297 The law of the flag state of the ship shall apply to the mortgage of the ship.
The law of the original country of registry of a ship shall apply to the mortgage of the ship if its mortgage is established before or during its bareboat charter period.	The law of the country where a ship was registered shall apply to the mortgage of the ship if its mortgage is established before or during its bareboat charter period.
	In respect of the mortgage of a ship under construction, if the ship has been registered, the law of the state of registration shall apply; and if the ship is not registered, the law of the place where the ship is built shall apply.
Article 272 The law of the place where the court <u>hearing the case</u> is located shall apply to matters pertaining to maritime liens.	Article 298 The law of the place where the court is located shall apply to matters pertaining to maritime liens.

	Article 299 The law of the place where a possessory lien is placed shall apply to possessory liens.
	Article 300 The law of the place where the court is located shall apply to the order of payment among maritime liens, possessory liens, and ship mortgages.
Article 273 The law of the place where the infringing act is committed shall apply to claims for damages arising from collision of ships.	Article 301 The law of the place where the infringement is committed shall apply to claims for liability arising from the collision of ships. If ship collision occurs on the high sea, the law of the place where the court is located shall apply. If the colliding ships belong to the same country, the law of the flag state shall apply to claims against one another for liability arising from such collision.
The law of the place where the court hearing the case is located shall apply to claims for damages arising from collision of ships on the high sea.	If the parties choose the applicable law by agreement after the ship collision occurs, the agreement shall apply.
If the colliding ships belong to the same country, no matter where the collision occurs , the law of the flag State shall apply to claims against one another for damages arising from such collision.	
Article 274 The law where the adjustment of general average is made shall apply to the adjustment of general average.	Article 302 The law where the adjustment of general average is made shall apply to the adjustment of general average.
	The parties may choose by agreement the law applicable to the claim for contribution in general average; and if the parties do not so choose, the law of the place where the voyage ends shall apply.
Article 275 The law of the place where the	Article 303 The law of the place where the

court hearing the case is located shall apply to the limitation of liability for maritime claims.	court is located shall apply to the limit of liability for maritime claims.
	Article 304 The law of the place where the consequence of the oil pollution damage takes place shall apply to the liability for oil pollution damage from ships.
Article 276 The application of foreign laws or international practices pursuant to the provisions of this Chapter shall not jeopardize the public interests of the People's Republic of China.	Article 305 The application of foreign laws in accordance with provisions of this Chapter shall not damage the public interest of the People's Republic of China.
CHAPTER XV SUPPLEMENTARY PROVISIONS	CHAPTER XVI SUPPLEMENTARY PROVISIONS
Article 277 The Unit of Account referred to in this Law is the Special Drawing Right as defined by the International Monetary Fund; the amount of the Chinese currency (RMB) in terms of the Special Drawing Right shall be that computed on the basis of the method of conversion established by the authorities in-charge of foreign exchange control of this country on the date of the judgment by the court or the date of the award by the arbitration organization or the date mutually agreed upon by the parties.	Article 306 For the purposes of this Law, "units of account" means the special drawing rights (SDRs) as defined by the International Monetary Fund. The amount of the Chinese currency (RMB) in terms of the Special Drawing Right shall be that computed on the basis of the exchange rate between SDR and CNY published by the International Monetary Fund on the date of the judgment by the court or the date of the award by the arbitration organization or the date mutually agreed upon by the parties.
Article 268 If any international treaty concluded or acceded to by the People's Republic of China contains provisions differing from those contained in this Law, the provisions of the relevant international treaty shall apply, unless the provisions are those on which the People's Republic of China has announced reservations.	Article 307 In the case of any discrepancy between any international treaty concluded or acceded to by the People's Republic of China and this Law, the provisions of the relevant international treaty shall prevail, except for those on which the People's Republic of China has made reservations.
	International practice may apply to matters for which neither the laws of the People's Republic of China nor any international treaty concluded or acceded to by the People's Republic of China contain any relevant provisions. The application of international practices shall not damage the public

	interest of the People's Republic of China.
	Article 308 The state supports cooperation in international maritime affairs to promote the sound development of the maritime industry.
	If any country or region takes prohibitive, restrictive, or other similar measures on a discriminatory basis against the People's Republic of China in the fields related to maritime transport and shipbuilding, the People's Republic of China may take corresponding measures against the relevant country or region in light of the actual circumstances.
	Article 309 The mutual insurance organizations, which are formed by ship owners, ship operators, ship managers, or charterers of a ship of their own free will shall charge membership fees according to their bylaws, and undertake the liability for compensation for the losses, liabilities, or expenses incurred by their members in the operation of ships.
Article 278 this Law shall come into force as of July 1, 1993.	Article 310 This Law takes effect on May 1, 2026.