Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

MARITIME (AMENDMENT) ACT 2016

Sponsored by:

HON. MINISTER MIKE HALFERTY

Approved:

HON. SPEAKER KENNETH A KEDI

NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS
37TH CONSTITUTIONAL REGULAR SESSION, 2016

Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

MARITIME (AMENDMENT) ACT 2016

Index

Section **Page**

MARITIME (AMENDMENT) ACT 2016 **1**

§201. Short Title 5
§202. Amendments....5
§203. Effective Date 9

NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS
37TH CONSTITUTIONAL REGULAR SESSION, 2016

Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

MARITIME (AMENDMENT) ACT 2016

AN ACT to amend sections 225, 232, 302A, and 864 in Title 47, Chapter 1 of the MIRC, the Maritime Act.

BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS

§201. Short Title

This Bill may be cited as the Maritime (Amendment) Act 2016.

§202. Amendments

(1) Section 225 of the Republic of the Marshall Islands Maritime Act is hereby amended to read as follows:

§225. New document.

(1) Whenever a documented vessel is sold or transferred wholly or partly without change of flag, or is altered in form or burden, by being lengthened or built upon, or from one denomination to another, by the mode or method of rigging or fitting, she shall be documented anew. Every such sale or transfer shall be evidenced by a written instrument in the nature of a bill of sale to which is attached a true copy of the vessel's latest Certificate of Registry. Otherwise the vessel shall not be documented anew. In cases of a combination vessel that can be used either for the carriage of liquid cargo in bulk or dry cargo in bulk, if the Certificate of Registry shows the vessel in the condition or use providing the greater net and gross tonnage and has attached thereto an appendix showing the

vessel in the other or use with the lesser gross and net tonnage, then a change of a vessel from one condition or use to the other would not require the vessel to be documented a new.

(2) When the Maritime Administrator determines that any vessel has been sold or transferred by process of law, and that her document is retained by the former owner, he may grant a new document under such sale upon the owner complying with the requirements of this Part, excepting only the delivering up of the former document. This Subsection shall not remove the liability of any person to any penalty for not surrendering the papers belonging to any vessel on a transfer or sale of the same.

(3) Any vessel required by this Part to be documented anew, which is not so documented, shall not be deemed a vessel of the Republic. If a former document has not been delivered up, except where it has been lost or destroyed and the oath thereto has been taken, the owner of such vessel shall be subject to a penalty of not more than five thousand US dollars (US$5,000) and, until paid, such penalty shall constitute a maritime lien on the vessel.

(2) Section 232 of the Republic of the Marshall Islands Maritime Act is hereby amended to read as follows:

§232. Change in name of vessel.

(1) The Maritime Administrator may change the name of a vessel of the Republic on application of the owner.

(2) The Maritime Administrator may establish necessary Rules and Regulations and procure necessary evidence as to age, condition, where built, and pecuniary liability of the vessel so as to prevent injury to public or private interests.

(3) The owners of the vessel shall pay the fee prescribed by the Maritime Administrator for securing such changes in name.

(4) Whenever the name of a vessel of the Republic is changed, or any device, advertisement, or contrivance is used with intent to deceive as to its true name or character, such vessel shall forfeit its registration in the Republic.

(3) Section 302A of the Republic of the Marshall Islands Maritime Act is hereby amended to read as follows:

§302A. Registration, Recordation, and Discharge of Financing Charters.

(1) Without adversely affecting the documentation or the eligibility for documentation or the renewal of documentation of a vessel, a documented owner and a charterer may execute a contract in the form of a demise or bareboat charter and either the documented owner or the charterer may register for recordation a true copy thereof with the Commissioner or Deputy Commissioner with respect to a vessel documented in the name of such documented owner. Such contract shall be signed and acknowledged by the documented owner and the charterer and shall include the name and official number of the vessel, the date of such contract, the names and addresses of the documented owner and the charterer, and shall state, as the total amount secured thereby, the maximum aggregate of the nominal amount of all charter hire payments, termination payments and purchase or put option amounts, which could under any circumstances be due and payable under such financing charter, exclusive of any interest, indemnities, expenses, or fees. A security interest in a vessel in favor of a documented owner evidenced by any such contract which is a financing charter, which is registered for recordation in compliance with this section 302A, shall be deemed to be a Preferred Mortgage on the vessel in favor of the documented owner for all purposes, effective for all purposes as of the date and time of filing. All the provisions of this Chapter 3 shall apply to any contract filed in accordance with this section 302A that is a financing charter.

(2) A documented owner may also register for recordation, any renewals, amendments, supplements, assignments, or other instruments related to any contract filed pursuant to paragraph (1) of this section 302A.

(3) A documented owner shall have the power to grant one or more Preferred Mortgages encumbering the whole of a vessel, and any supplements, amendments, assignments, or other instruments related thereto, notwithstanding that such documented owner or predecessor in interest shall have entered into any contract which is deemed to be

a Preferred Mortgage on the vessel pursuant to paragraph (1) of this section 302A.

(4) The mere registration or recording of a contract as a financing charter hereunder shall not constitute evidence that such contract is, in fact, a financing charter or that it creates a security interest.

(5) With respect to any financing charter, the documented owner party thereto shall be deemed a mortgagee under a Preferred Mortgage and the finance charterer shall be deemed the mortgagor, for all purposes under the laws of the Republic.

(6) Without affecting the validity of the financing charter as a Preferred Mortgage, the parties to a financing charter may redact or omit any exhibit thereto including, without limitation, any schedule with respect to the due date and amount of individual installments of charter hire and the timing and amounts of individual purchase options, termination payments or puts.

(7) An existing demise or bareboat charter which does not itself meet the requirements set forth in this section 302A may be eligible for filing as a financing charter upon execution and acknowledgment of an amendment or supplement which specifically attaches and incorporates the existing demise or bareboat charter and which amendment or supplement then meets the recording requirements of this section 302A.

(8) The Maritime Administrator may accept for filing a discharge of a Preferred Mortgage maritime lien which is evidenced by a recorded financing charter under this section 302A; provided, however, that such filing will itself not affect the registration of the vessel or otherwise affect any rights or obligations of the parties under the financing charter.

(4) Section 864 of the Republic of the Marshall Islands Maritime Act is hereby amended to read as follows:

§864. Maritime Administrator to make rules and regulations.

The Maritime Administrator may make Rules and Regulations not contrary to the provisions of this Chapter relating to conditions and terms of employment, wages, vacations and leave, hours of work and rest, repatriation, minimum age, and

compensation for sickness, injury, abandonment, or death of masters, seafarers, and seagoing laborers employed on vessels engaged in foreign trade and documented under the laws of the Republic.

§203. Effective Date

This Bill, and all Acts contained herein, shall take effect in accordance with the Constitution and the Rules of Procedures of the Nitijela.

CERTIFICATE

I hereby certify:

1. That Nitijela Bill No: 34 was passed by the Nitijela of the Republic of the Marshall Islands on the 7th day of September 2016; and

2. That I am satisfied that Nitijela Bill No: 34 was passed in accordance with the relevant provisions of the Constitution of the Republic of the Marshall Islands and the Rules of Procedures of the Nitijela.

I hereby place my signature before the Clerk this 20th day of September 2016.

Attest:

Hon. Kenneth A. Kedi
Speaker
Nitijela of the Marshall Islands

Morean S. Watak
Clerk
Nitijela of the Marshall Islands