

THE SHIPPING LAW  
REVIEW

EIGHTH EDITION

**Editors**

Andrew Chamberlain, Holly Colaço and Richard Neylon

THE LAWREVIEWS

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# PREFACE

The aim of the eighth edition of this book is to provide those involved in handling shipping disputes with an overview of the key issues relevant to multiple jurisdictions. We have again invited contributions on the law of leading maritime nations, including both major flag states and the countries in which most shipping companies are located. We also include chapters on the law of the major shipbuilding centres and a range of other jurisdictions.

As with previous editions of *The Shipping Law Review*, we begin with cross-jurisdictional chapters looking at the latest developments in important areas for the shipping industry: competition and regulatory law, sanctions, ocean logistics, piracy, shipbuilding, ports and terminals, offshore shipping, marine insurance, environmental issues, decommissioning and ship finance.

Each jurisdictional chapter gives an overview of the procedures for handling shipping disputes, including arbitration, court litigation and any alternative dispute resolution mechanisms. Jurisdiction, enforcement and limitation periods are all covered. Contributors have summarised the key provisions of local law in relation to shipbuilding contracts, contracts of carriage and cargo claims. We have also asked the authors to address limitation of liability, including which parties can limit, which claims are subject to limitation and the circumstances in which the limits can be broken. Ship arrest procedure, which ships may be arrested, security and counter-security requirements, and the potential for wrongful arrest claims are also included.

The authors review the vessel safety regimes in force in their respective countries, along with port state control and the operation of both registration and classification locally. The applicable environmental legislation in each jurisdiction is explained, as are the local rules in respect of collisions, wreck removal, salvage and recycling. Passenger and seafarer rights are examined, and contributors set out the current position in their jurisdiction. The authors have then looked ahead and commented on what they believe are likely to be the most important developments in their jurisdiction during the coming year. This year, we welcome Costa, Albino & Lasalvia Sociedade de Advogados as the new contributors of the chapter focusing on maritime law within Brazil. There are also two new jurisdictions in this edition – Israel (Harris & Co) and Mexico (Adame Gonzalez De Castilla Besil) – and Portugal makes a return, with Andrade Dias & Associados as the new contributors.

The shipping industry continues to be one of the most significant sectors worldwide, with the United Nations Conference on Trade and Development (UNCTAD) estimating that the operation of merchant ships contributes about US\$380 billion in freight rates within the global economy, amounting to about 5 per cent of global trade overall. Between 80 per cent and 90 per cent of the world's trade is still transported by sea (the percentage is even higher for most developing countries) and, as of 2019, the total value of annual world shipping

trade had reached more than US\$14 trillion. Although the covid-19 pandemic has had a significant effect on the shipping industry and global maritime trade (which plunged by an estimated 4.1 per cent in 2020), swift recovery is anticipated. The pandemic truly brought to the fore the importance of the maritime industry and our dependence on ships to transport supplies. The law of shipping remains as interesting as the sector itself and the contributions to this book continue to reflect that.

Finally, mention should be made of the environmental regulation of the shipping industry, which has been gathering pace this year. At the International Maritime Organization's (IMO) Marine Environment Protection Committee, 72nd session (MEPC 72) in April 2018, it was agreed that international shipping carbon emissions should be cut by 50 per cent (compared with 2008 levels) by 2050. This agreement will now lead to some of the most significant regulatory changes in the industry in recent years, as well as much greater investment in the development of low-carbon and zero-carbon dioxide fuels. The IMO's agreed target is intended to pave the way for phasing out carbon emissions from the sector entirely. The IMO Initial Strategy, and the stricter sulphur limit of 0.5 per cent mass/mass introduced in 2020, has generated significant increased interest in alternative fuels, alternative propulsion and green vessel technologies. Decarbonisation of the shipping industry is, and will remain, the most important and significant environmental challenge facing the industry in the coming years. Unprecedented investment and international cooperation will be required if the industry is to meet the IMO's targets on carbon emissions. The 'Shipping and the Environment' chapter delves further into these developments.

We would like to thank all the contributors for their assistance in producing this edition of *The Shipping Law Review*. We hope this volume will continue to provide a useful source of information for those in the industry handling cross-jurisdictional shipping disputes.

**Andrew Chamberlain, Holly Colaço and Richard Neylon**

HFW

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# GREECE

*Paris Karamitsios, Dimitri Vassos and Stella-Efi Gougoulaki*<sup>1</sup>

## I COMMERCIAL OVERVIEW OF THE SHIPPING INDUSTRY

For at least the past four decades, Greece has been at the top of the global list of shipowning countries. Greek interests control approximately 20 per cent of the world's total merchant fleet. Greece ranks in the top four for all kinds of ships, being first for bulk carriers and tankers, second for liquefied natural gas carriers, third for container ships and fourth for liquefied petroleum gas carriers. At the beginning of 2021, the Greek-owned merchant fleet measured a total deadweight tonnage of approximately 350,466 trillion gross tonnage (GT) and 4,038 ships of more than 1,000 GT, representing almost half of the EU fleet. Although a dramatic drop in the freight market has affected the number of newbuilds, there is still a significant number of new vessels on order for Greek interests, mostly from shipyards in the Far East.

As a result, there are well over 1,000 offices established in Greece that are active in ship management, ship brokerage (sale and purchase and chartering), legal, accounting and other shipping activities, making the shipping sector one of the country's major industries, perhaps second only to tourism.

The import and export of cargoes at Greek ports are not substantial, but the port of Piraeus is rapidly climbing the ranks of busy container terminal ports, mainly because it is used by COSCO Shipping and Mediterranean Shipping Company SA as a hub; COSCO owns the majority share of the Port of Piraeus. The other two significant ports are Thessaloniki (which is becoming increasingly more active) and Patras (mainly as a ferry port and the main eastern gateway for the trans-Adriatic liner trade).

## II GENERAL OVERVIEW OF THE LEGISLATIVE FRAMEWORK

The Code of Private Maritime Law (CPML) regulates private shipping law matters in Greece (such as crew claims, collisions, salvage and time bars). In parallel, the Code of Public Maritime Law regulates public shipping law matters (such as ship registries, the obligations of vessel masters and the duties of pilots). Numerous presidential decrees and ministerial decisions regulate specific maritime issues, such as Greek ports.

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<sup>1</sup> Paris Karamitsios is a partner at PPT Legal. Dimitri Vassos is a partner and Stella-Efi Gougoulaki is an associate at HFW.

Greece has also ratified a number of international maritime conventions, which supersede the CPML to the extent that they contravene its provisions. The most important maritime conventions that apply in Greece are as follows:

- a* the Convention for the Unification of Certain Rules of Law with respect to Collisions between Vessels 1910 (the Collision Convention 1910);
- b* the Protocol to amend the International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading 1968 (the Hague-Visby Rules);
- c* the International Convention on Salvage 1989 (the 1989 Salvage Convention);
- d* the International Convention Relating to the Arrest of Sea-Going Ships 1952 (the 1952 Arrest Convention);
- e* the Athens Convention on the Carriage of Passengers and their Luggage by Sea 1974 (the Athens Convention); and
- f* the Convention on Limitation of Liability for Maritime Claims 1976 (the LLMC Convention 1976) (including the 1996 Protocol to amend the LLMC Convention (the 1996 LLMC Protocol)). Greece has also adopted the amendments to the 1996 LLMC Protocol, setting higher limits of liability.

### III FORUM AND JURISDICTION

#### i Courts

Shipping cases relating to the region encompassing Athens and Piraeus (i.e., the Prefecture of Attiki) are litigated before the Shipping Division of the Piraeus Court of First Instance or the Court of Appeal of Piraeus. The vast majority of shipping-related cases in Greece are litigated in Piraeus. Even if a shipping case does not have any link to Athens or Piraeus, the plaintiff has the option to litigate it before the maritime division of the Piraeus Court, instead of the local competent civil court.

The following claims have a limitation period of one year, starting at the end of the year during which the claim arises:

- a* claims relating to crew wages;
- b* owners' claims against the master and the crew arising from tortious actions committed by them;
- c* claims arising from the provision of supplies to (and works carried out) on ships relating to repair or to shipbuilding contracts;
- d* claims arising from charter parties or contracts for the carriage of passengers or the transportation of goods;
- e* general average; and
- f* collision claims (if the preconditions for the application of the Collision Convention 1910, which provides for a two-year limitation period, are not fulfilled).

The limitation period for the following claims is two years, starting at the end of the year during which the claim arises:

- a* claims between co-owners of a ship or against the ship's manager arising from the exploitation or the management of the ship;
- b* insurance claims;
- c* salvage claims; and
- d* claims against a shipbuilder in respect of its work on a ship.

To the extent that international conventions apply, the provisions of the conventions supersede the provisions of the CPML (e.g., in salvage or collision claims).

## **ii Arbitration and ADR**

Arbitration is not widely used in Greece. The two main tribunals that resolve maritime disputes are the Piraeus Association for Maritime Arbitration and the arbitration body of the Hellenic Chamber of Shipping. Both associations operate from Piraeus and each has its own rules. The vast majority of maritime cases are litigated in the Piraeus courts and not in arbitration. No special limitation periods apply to arbitration proceedings.

Mediation centres operate in the major lawyers' bar associations, such as the Piraeus Bar Association. As of 1 July 2020, mediation is obligatory for all claims over €30,000 before the claim is litigated. In such cases, the hearing of the lawsuit is inadmissible if the parties do not submit to the court the minutes of the initial obligatory mediation session.

## **iii Enforcement of foreign judgments and arbitral awards**

To enforce a foreign judgment in Greece, the following conditions need to be fulfilled:

- a* the judgment must be enforceable in the country in which it was rendered;
- b* it must not be contrary to Greek public policy or to good morals;
- c* the defendant must have had the opportunity to participate in the proceedings;
- d* the court that rendered the judgment must have seized jurisdiction over the dispute; and
- e* there must be no contradictory Greek judgment in the matter.

Greece has adopted the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the New York Convention). The Piraeus Court of First Instance declares a number of foreign judgments and awards as enforceable in Greece each year.

# **IV SHIPPING CONTRACTS**

## **i Shipbuilding**

Greece does not have a significant shipbuilding industry and only a very few small vessels are built in Greece each year (usually special-purpose vessels for local use, such as ferries and patrol boats). There are no notable local laws regulating shipbuilding contracts. That said, a ship may be registered while under construction.

## **ii Contracts of carriage**

The Hague-Visby Rules apply compulsorily to bills of lading or other documents of title and carriage by sea between Greek ports, regardless of whether a bill of lading is issued. Greece has not ratified the UN Convention on the Carriage of Goods by Sea 1978 (the Hamburg Rules) or the UN Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea 2009 (the Rotterdam Rules).

Vessels that do not sail under an EU flag are still not allowed to transport passengers, vehicles or cargo between Greek ports in liner services; only Greece-flagged tugs are allowed to offer port towage services, and salvage and wreck removal services, in Greek territorial waters.

Under Greek law, maritime claims do not 'attach' to the vessel in the same way as maritime liens in other jurisdictions and the vessel cannot be sued *in rem* by a creditor. If the previous owner of a ship owes a debt to a creditor, however, the creditor can sue the new

owner of the ship *in personam* provided that the circumstances of the sale of the ship have a sufficient link to Greece (e.g., the ship was sold from one Greek interest to another or the ship is managed by Greek offices before and after the sale). This principle applies even if the ship was transferred under a memorandum of agreement subject to English law and jurisdiction. If the creditor is entitled to claim against the new owner under Greek law, the new owner's liability towards the creditor is limited to the price at which it purchased the ship.

There is no automatic right to lien under a bill of lading contract. The carrier cannot exercise a lien on cargo for non-payment of freight (nor demurrage, deadfreight, etc.). However, the carrier can apply to the court for:

- a* cargo to be held by a trustee until freight is paid; and
- b* the sale of cargo (in the case of perishable cargoes).

The shipper is obliged to pay freight and all other charges of the voyage (such as demurrage) provided that it has a contractual obligation towards the carrier. It is also deemed to have guaranteed to the carrier the accuracy, marks, number, quantity and weight of the cargo at the time of shipment. The shipper must indemnify the carrier against all loss, damage and expenses resulting from inaccuracies in these particulars.

There is no legislation in Greece specifically regulating multimodal bills of lading. The Greek courts accept the validity of multimodal bills of lading and consider that they have the same functions as 'port-to-port' bills of lading. A multimodal bill of lading is therefore evidence of loading or receipt of the cargo, the contract of affreightment and a document of title.

### iii Cargo claims

As a matter of principle under Greek law, if cargo is lost or damaged during sea carriage, the party entitled to claim in its own name is the shipper who entered into the contract with the carrier.

However, if the original bill of lading was issued to the order of a consignee (or has been endorsed by the shipper to the consignee) and the latter has the original bill of lading, the consignee will be entitled to claim in its own name. The same applies to other legal holders of the bill of lading (e.g., other parties who bought the goods from the consignee) provided that they can establish their rights as legal holders of the bill of lading with an unbroken chain of lawful endorsements (or assignments – see below).

If the insurer compensates the legal holder of the bill of lading for losses sustained as a result of lost or damaged cargo, the insurer is subrogated to the rights of the assured and is entitled to claim in its own name against the carrier.

The cargo's pledgee or the assignee of the consignee's rights are entitled to sue the carrier provided they are legal holders of the bill of lading. The shipper or charterer is also entitled to sue the carrier for damage or losses to the cargo if:

- a* it is the legal holder of the bill of lading;
- b* when it endorsed the bill of lading to the consignee or another third party, it bore the risk of the transportation (e.g., in a cost, insurance and freight sale); and
- c* it has compensated the consignee or legal holder of the bill of lading for the relevant loss or damage and subrogated to the rights of the legal holder of the bill of lading.

References in the bill of lading to the terms of a charter party are binding on the receiver provided that:

- a* the terms are appropriate as between the carrier and the receiver; and
- b* the bill of lading incorporates specified terms of the charter party and does not purport to incorporate all the charter party terms in general.

However, Congenbill<sup>2</sup> bills of lading are deemed to automatically incorporate all terms of the charter party.

The party that has agreed to carry the goods is deemed the carrier. If the shipowner has not entered into an agreement with the shipper to carry the goods but an agreement was made between the shipper and the charterer, only the charterer (and not the shipowner) is deemed the carrier.

The demise charterer is deemed to be the carrier if it agreed to carry the goods. In the event that it is not clear from the bill of lading whether it has been issued on behalf of the shipowner or the charterer, the shipowner is deemed the carrier provided that:

- a* it has full control over the vessel and has not assigned the vessel to the charterer (e.g., by authorising the charterer to employ the master and the crew); or
- b* there is an agreement between the shipowner and the demise charterer that the latter has full control over the vessel but the shipper or the legal holder of the bill of lading, acting in good faith, is not aware of such an agreement.

A demise clause is invalid because it is contrary to Article 3(8) of the Hague-Visby Rules.

#### **iv Limitation of liability**

In accordance with the Hague-Visby Rules, the carrier is entitled to limit its liability either by unit (666.67 special drawing rights (SDRs) per unit) or by weight (2 SDRs per kilogram), whichever is higher. The limitation limits set out by the LLMC Protocol 1996 following the LLMC Convention 1976 and the International Convention on Oil Pollution Preparedness, Response and Co-operation 1990 (the OPRC Convention) also apply.

## **V REMEDIES**

### **i Ship arrest**

Under Greek law, the arrest of a vessel is carried out in two stages: first by the issuance of a provisional order and second by the issuance of a judgment following a security measures hearing.

To obtain an arrest order, the applicant must file a security measures application demonstrating to the court that it has a *prima facie* claim against the defendant debtor and that, unless security measures (i.e., an arrest) are ordered, it runs the risk of not being able to satisfy its claim in the event that it obtains a favourable court decision or award.

Filing a security measures application does not interrupt any time bars under Greek law. Separate substantive proceedings must be pursued before the competent court or tribunal in Greece or abroad.

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<sup>2</sup> Congenbill 2007 is the latest version of standard charter party bill of lading issued and approved by the Documentary Committee of the Baltic and International Maritime Council (BIMCO).



Upon filing the application, the court gives the defendant at least 24 hours' notice of an informal hearing to consider the application. At the informal hearing, the parties' arguments are presented orally and the court will decide on the spot, or within a short time thereafter, whether to issue a provisional order. The provisional order will remain in force until the application is heard by the court and, in most cases, until judgment is rendered on the application.

In exceptional cases (e.g., if there is an imminent danger that by summoning the defendant to attend the hearing, the vessel will sail from the court's jurisdiction), the applicant may request a provisional arrest order without summoning the defendant (*ex parte*). In such a case the court may grant a provisional order (without first hearing the defendant's arguments), which will remain in force for a few hours or a working day for the purpose of preventing the vessel from leaving the jurisdiction. Thereafter, the defendant is summoned to present its defence and the court decides whether to uphold the provisional order or revoke it.

Following the issuance of the provisional order, the court schedules the hearing date for the security measures application. In Piraeus (which issues the largest number of arrest orders in Greece), the hearing date is usually three to four weeks later and the applicant must formally summon the defendant to attend the hearing.

During the hearing, the parties examine their witnesses (usually one witness is allowed for each party). Within one to three working days, the parties usually submit their written pleadings and all evidence in support of their position (documents, affidavits, etc.). Within approximately one to two months, the court issues its judgment on the arrest application. The judgment is final and unappealable and can be revoked only if new facts arise thereafter that are material to the case.

Any arrest order can be lifted by the defendant depositing with the court a bank guarantee letter issued by a bank operating in Greece, securing the applicant's claim up to the amount ordered by the court. Usually the Greek courts do not order the arrestor to provide counter security, although this is a matter for the courts' discretion.

The court ordering the conservatory attachment of the vessel may, at its discretion, order the arrestor to commence substantive proceedings against the owner of the vessel before a competent court or tribunal in Greece or abroad (as the case may be) within a period of at least 30 days, otherwise the arrest will be revoked.

An arrest is deemed wrongful and set aside if the arrestor has obtained the arrest order by submitting fraudulent evidence.

Under Greek law, it is extremely difficult to obtain an associated arrest as this involves piercing the corporate veils of the shipowning companies involved – this is a very difficult exercise under Greek law.

The arrest of a vessel's bunkers is possible provided that the arrestor has a claim against the owner of the bunkers. Arrest orders are enforced by the port authority while the vessel is in a berth or anchored at roads provided that the port authority has a boat available to enforce the arrest at the anchorage. Arrest by helicopter is not practicable.

## **ii Court orders for sale of a vessel**

Judicial sales of vessels are carried out by way of public auctions. The enforcement procedure commences as soon as the creditor of the vessel's owner obtains an enforceable title against the owner (usually a final and unappealable judgment or a provisionally enforceable judgment in exceptional cases, such as in crew claims).

The claimant must first serve the enforceable title on the owner of the vessel. If the owner does not pay the awarded amount within 24 hours, the court bailiff attaches the vessel and schedules its auction at a date at least 40 days from the date of attachment.

The court bailiff sets the first bidding price, which is equal to at least two-thirds of the vessel's market value at the time of its attachment. Auctions take place online (electronically) under the supervision of a notary public.

The attachment process (and the auction) may be delayed by the vessel's owner or by any creditor who is entitled to file an objection against the sale. They are also entitled to request an increase in the vessel's appraised value.

To bid at the auction, a party must file with the notary public an offer (equal to the lowest bid) and security (in the form of cash, bank guarantee letter or banker's draft) equal to 30 per cent of the amount of the starting bid at the auction.

The vessel is awarded to the highest bidder, who should pay the purchase price (in excess of the amount of the security retained by the notary) within three business days of the auction. Each party having a claim against the vessel's owner is entitled to file a claim with the notary public, at the latest 15 days after the auction. Thereafter, the notary public drafts the adjudication list (at the latest within two months of the auction), to which the other creditors have a right to object.

On distributing the sale proceeds, the following claims will be deemed to be privileged and will have priority above all others:

- a* legal costs incurred for the common benefit of the creditors, dues and charges incurred by the vessel, taxes relating to navigation, dues payable to the Seamen's Pension Fund and fines imposed or to be imposed by the Bureau for the Provision of Marine Employment in favour of the Seamen's Fund for Sick and Unemployed Seamen;
- b* claims by the master and crew arising out of their employment contracts and the costs of guarding and maintaining the vessel from her arrival at the port where the auction takes place until the auction;
- c* costs payable in respect of marine salvage and the raising of wrecks; and
- d* damages due to vessels, passengers and cargoes as a result of collisions.

Privileged claims have priority over registered mortgages. For a claim to have privileged or priority status, it must have that status both under the law of the vessel's flag and under Greek law. The ranking of the various privileged claims will be determined in accordance with Greek law.

## **VI REGULATION**

### **i Safety**

Greece applies all European Union and International Maritime Organization regulations and international conventions relating to safety at sea. The most important of these are:

- a* the Convention on the International Regulations for Preventing Collisions at Sea 1972 (COLREGs);
- b* the International Convention for the Safety of Life at Sea 1974 (SOLAS) and all its protocols and amendments;
- c* the International Safety Management Code 1998 (the ISM Code); and
- d* EU Regulation No. 1406/2002 establishing a European Maritime Safety Agency as amended by EU Regulation No. 1625/2016.

## **ii Port state control**

Greece is a member of the Paris Memorandum of Understanding (the Paris MOU) and has implemented the port state control regime. The guidelines of the Paris MOU apply to all ships calling at Greek ports and anchorages, irrespective of their flags.

During 2019, 987 inspections were carried out, 546 deficiencies were recorded and 50 detentions were ordered.

## **iii Registration and classification**

All major Greek ports have their own ship registries, kept by the local port authorities. The vast majority of ships under the Greek flag are registered in the port of Piraeus.

The following interests may be registered:

- a* title or transfer of ownership (or both);
- b* ownership of a ship under construction;
- c* the right of exploitation of the ship by a non-owner (usually the bareboat charterer);
- d* mortgages;
- e* arrest orders;
- f* prohibitions against any change in the ship's factual and legal condition (e.g., the right to carry out repairs, sell or encumber the vessel); and
- g* enforcement or auction proceedings against a ship.

To be registered in a Greek ship registry (i.e., under the Greek flag), a ship must be more than 50 per cent beneficially owned by Greek or other EU nationals. Various documents are required for the registration of a ship in a Greek registry, such as:

- a* documents evidencing title of ownership (such as a bill of sale);
- b* documents evidencing that the ship is beneficially owned by Greek or EU interests;
- c* a tonnage certificate; and
- d* a certificate of deletion from the vessel's previous registry (from certain registries) or a letter of undertaking by the new owner that a certificate will be submitted within one month of its registration.

The following classification societies are approved to issue certificates in respect of Greece-flagged vessels:

- a* American Bureau of Shipping;
- b* Bureau Veritas;
- c* China Classification Society;
- d* DNV;
- e* International Naval Survey Bureau;
- f* Lloyd's Register;
- g* Korean Register of Shipping;
- h* Class NK (Nippon Kaiji Kyokai);
- i* Phoenix Register of Shipping.
- j* Polish Register of Shipping
- k* Registro Italiano Navale; and
- l* Russian Register of Shipping.

Classification societies can be held liable to the owners of the ships they monitor if they have breached their contractual obligations to them. They can also be held liable in tort to third

parties if they have acted negligently in the performance of their duties and that negligence caused loss or damage to the third party (e.g., seafarers who suffer injuries because of the ship's defects).

The classification society that monitored a vessel before its sale can be held liable to the buyers of the vessel under Greek consumer protection laws if it has erroneously described the vessel's condition in her class records.

#### **iv Environmental regulation**

Greece has ratified the International Convention for the Prevention of Pollution from Ships 1973 (as modified by the Protocol of 1978) (MARPOL (73/78)) and the Annexes thereto: Annex I (Prevention of Pollution by Oil), Annex II (Control of Pollution by Noxious Liquid Substances), Annex III (Prevention of Pollution by Harmful Substances in Packaged Form), Annex IV (Prevention of Pollution by Sewage from Ships), Annex V (Prevention of Pollution by Garbage from Ships) and Annex VI (Prevention of Air Pollution from Ships).

The following conventions have also been ratified by Greece:

- a* the International Convention on Civil Liability for Oil Pollution Damage 1969, replaced by the 1992 Protocol (the CLC Convention);
- b* the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter 1972 (the London Convention);
- c* the Convention for the Protection of the Mediterranean Sea Against Pollution 1976 (the Barcelona Convention);
- d* the OPRC Convention; and
- e* the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter 1972 (the Bunker Convention).

According to data published by the Hellenic Coast Guard, in 2020 there were 16 pollution incidents arising from ships, 26 pollution incidents arising from inland installations and four pollution incidents arising from other sources.

#### **v Collisions, salvage and wrecks**

Greece has ratified the Collision Convention 1910 and the 1989 Salvage Convention. Issues relating to wreck removal are governed by Greek law, as Greece has not yet ratified the Nairobi International Convention on the Removal of Wrecks 2007 (Nairobi WRC 2007). The owner of a wreck that endangers other vessels (in ports, canals or channels) is obliged to remove the wreck at its own expense, otherwise the authorities are entitled to remove it at the owner's expense. There is no specific regulation on the recycling of shipwrecks.

To the extent that no Lloyd's Open Forum or other agreement with a foreign jurisdiction clause is signed between the salvor and the owner of a salvaged vessel, salvage cases relating to incidents that take place in Greece are litigated before the Greek courts. The amounts awarded to salvors by the Greek courts are generally considered to be less generous than those awarded in London arbitration.

The conditions for a salvage claim under Greek law are as follows:

- a* assistance is offered to a vessel;
- b* the vessel receiving assistance faces the danger of loss or of sustaining damage. This danger must be real, even if not imminent, but predictable, possible and existing at

the time of the offering of salvage services. The existence and extent of the danger are examined by reference to all the facts and circumstances surrounding the particular incident; and

*c* the salvors' actions must have a beneficial result.

#### **vi Passengers' rights**

Greece has ratified the Athens Convention and the subsequent 2002 Protocol. The Athens Convention applies to international carriage when the place of departure and the place of destination are located in two different states, or in a single state if, according to the contract of carriage or the scheduled itinerary, there is an intermediate port of call in another state. Following the introduction of Regulation (EC) No. 392/2009 of the European Parliament and of the Council of 23 April 2009 on the liability of carriers of passengers by sea in the event of accidents, the Athens Convention also applies to domestic carriage in Greece for class A vessels as of 31 December 2016 and for class B vessels as of 31 December 2018.

On domestic journeys, the liability of the carrier is regulated by Greek law. In respect of the carriage of passenger vehicles, the Hague-Visby Rules apply instead of the CPML. If a passenger has suffered injury during the carriage that is attributable to the carrier's negligence, he or she is entitled to receive damages (including damages for loss of income and emotional distress). The passenger is also entitled to recover all directly resulting losses if the accident occurred as a result of a fault in the ship's command or navigation by the vessel's master.

#### **vii Seafarers' rights**

Greece has ratified the Maritime Labour Convention 2006 and the Prevention of Accidents Convention 1970 (No. 134) of the International Labour Organization.

A sick or injured seafarer is entitled to receive sickness wages for up to four months and may be compensated if he or she suffers a 'labour accident', which is defined as:

- a* an injury that occurs during his or her employment on a ship and by reason of his or her employment; or
- b* an illness that occurs during his or her employment on a ship and by reason of his or her employment while working under extraordinarily harsh conditions that are not appropriate for a seafarer, or if the seafarer continued working under normal conditions after showing symptoms and (as a result of continuing to work) his or her medical condition worsened.

If a seafarer is not fit to work as a result of a labour accident for more than four months, he or she is entitled to compensation in addition to sick pay if he or she has been (at least partly and temporarily) disabled because of the labour accident. This compensation is paid regardless of whether the employer is at fault in respect of the labour accident. The compensation is calculated according to a specific formula based on the seafarer's monthly wage (strict liability compensation). If, however, the employer is at fault in respect of the labour accident, it is also obliged to pay compensation for the 'moral suffering' caused by the accident.

If the labour accident was the result of a breach of safety regulations by the owner, the seafarer is entitled to claim for loss of income for the period during which he or she was not fit for work as a result of the accident (in addition to compensation for moral suffering). However, he or she would not be entitled to claim strict liability compensation in these circumstances.

In the event that the employer's principal place of business is in Greece, the law of the seafarer's employment contract does not apply to the extent that it conflicts with the minimum privileges afforded by Greek law. Greek courts tend to calculate damages on the basis of the minimum salaries prescribed by Greek law as opposed to the actual salary that the seafarer is entitled to receive according to his or her contract of employment.

## VII OUTLOOK

During the past couple of years, the majority of the Piraeus court judgments (both in the first and second instance), in a number of cases brought before them concerning OW Bunker, dismissed the claims of physical suppliers against owners or charterers of vessels, by ruling that the chief engineers of the vessels who signed the physical suppliers' bunker delivery receipts (BDRs) did not have the authority to accept on behalf of the vessels' owners or charterers the application of the physical suppliers' general terms and conditions that were printed on the BDRs. In particular, the rulings were based on the view that the vessels' chief engineers, when signing the BDRs of the physical suppliers, were only authorised to measure the quantities of the bunkers delivered on board the vessel and verify those quantities in the BDRs and not to undertake any contractual obligations on behalf of the owners or charterers towards the physical suppliers. Therefore, according to the prevailing view, the owners or charterers do not have any contractual obligation to pay the physical suppliers' invoices (whether on the basis of the signing of the BDRs or otherwise), since this obligation rests only with the party that purchased the bunkers from the physical suppliers (i.e., OW Bunker). However, there are two appeal judgments that have followed the opposite view and this legal matter will be resolved ultimately by the Greek Supreme Court, given that the opposing sides (i.e., the physical suppliers and the owners or charterers) have already lodged further appeals respectively against the decisions of the Piraeus Court of Appeal.

Greece has introduced and maintains favourable taxation laws in relation to income deriving from shipping activities. As a result, the income from dividends of shipowning companies deriving from the exploitation or the sale of their own ships (whether the ships are flagged in Greece or abroad) that are managed from Greece by branch offices of companies established under Law 27/75 (known as the Law 89 regime) is free from any income tax, save that Greek tax residents are taxed at 10 per cent on any such dividends that they import in Greece (those kept abroad are not taxed). Foreign ships managed from Greece pay (in addition to their usual flag annual tonnage tax) a special additional annual tonnage tax to the Greek state, calculated on the basis of each vessel's age and gross registered tonnage.

Dividends received by Greek tax residents from shipping offices (except ship managers, namely shipbroking, chartering, etc.) established in Greece under the special regime of Law 89 are taxed at a flat rate of 10 per cent, whereas these offices are taxed with a low (decreasing) minor percentage on the funds that they import to meet their expenses locally.

Other than the foregoing, there is no corporate income tax imposed on shipowning, ship management or other special regime shipping companies.

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