

HFW & ULGENER LAW OFFICE COVER KEY ISSUES IN SHIPPING AND TRADE, AT SEMINAR



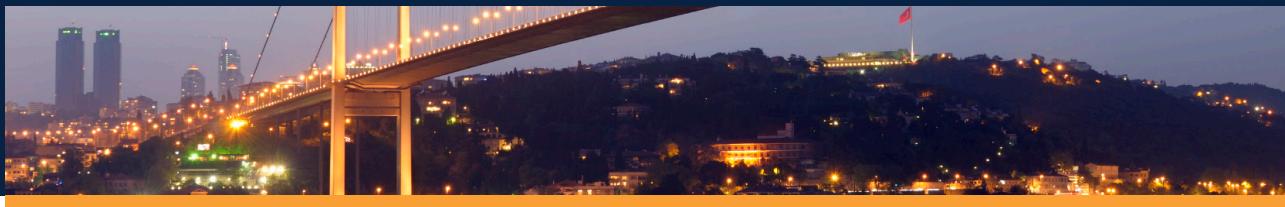
Holman Fenwick Willan (HFW) and Ulgener Law Office hosted a seminar on 23 November at the Büyük Kulüp (Cercle d'Orient) in Istanbul. What follows is a summary of the key issues discussed.

Dimitri Vassos and **Sally Buckley** from HFW started the seminar with a presentation on Somali piracy from the perspective of a maritime lawyer. Dimitri set out the involvement of HFW in a typical hijacking case and the assistance we can provide during and after the capture of a vessel, her crew and cargo. He also covered the latest legal developments in relation to the legality of ransom payments and payment of hire. Sally then gave an overview of the developments in piracy attacks, and highlighted the main legal issues and practical difficulties that are often encountered in hijacking cases. She also gave a brief introduction to the issues arising from the deployment of armed guards onboard commercial vessels, summarising some of the main legal hurdles ship owners and operators must overcome, as well as outlining the due

diligence that must be carried out on private security companies before employing them.

Following this session on piracy, **Daniel Martin** from HFW presented a paper on international trade sanctions and how they impact Turkish shipowners, charterers and operators. He gave an overview of the key international sanctions which are currently in place, followed by an analysis of the circumstances in which the operations of Turkish shipping companies could be restricted (either directly or indirectly) by non-domestic trade sanctions.

Daniel also offered some practical guidance for Turkish shipping companies in relation to sanctions, including enquiries and investigations which should be carried out to understand the scope and impact of the relevant sanctions; the information to be collected to assess the risks involved in each transaction involving a sanctioned country; and practical steps to minimise the risks of breaching international trade sanctions, including appropriate contractual wording.



Then, after a brief coffee break, **Costas Frangeskides**, a partner in HFW's insurance and reinsurance group, presented a paper on trade credit risk and contract frustration insurance. He highlighted that these are important insurances, which protect businesses against the risk of default by customers who do not pay their debts on time or at all and/or other contracting parties to a commercial deal who default on their obligations. Costas explained the types of cover available and the strict terms which must be met before cover will be provided. Costas also gave a number of real life examples of the problems which may arise, derived from cases HFW are acting upon, including where a guarantor does not refund a shipowner his deposit, other staged payments and/or his costs where a ship yard defaults on a ship building contract.

This session from Costas was followed by a paper from **David Brookes**, a partner in HFW's Corporate, Projects and Finance group. David presented a paper on the ongoing Eurozone financial crisis and the implications for lenders and borrowers. He gave an overview of the financial crisis and explained

"David gave an overview of the financial crisis and explained some of the main aspects of it, whilst looking at some of the key issues arising out of the crisis and how the current situation impacts on the loan market and its participants, as well as some of the legal and documentary implications for lenders and borrowers."

some of the main aspects of it, whilst looking at some of the key issues arising out of the crisis and how the current situation impacts on the loan market and its participants, as well as some of the legal and documentary implications for lenders and borrowers. David concluded by reflecting on some of the challenges stemming from issues arising, such as the impending regulatory changes and the ongoing shortage of funds.

Finally, **Fehmi Ulgener**, principal of Ulgener Law Office, presented a thought provoking paper on the legislative changes in Turkey as a result of the new Commercial Code. The Code was approved by the

Grand Assembly in January 2011, but will be effective as of July 2012. Part of the new commercial code regulates shipping law.

Fehmi highlighted one of the major changes within the new code, which is the rules for enforcement of mortgages - obviously very important for the international credibility of the Turkish flag. He stated very clearly that the new regime stems directly from the 1993 Liens and Mortgages Convention, and the 1999 Arrest Convention, and results in the rights of lenders being protected better than ever by the Turkish flag.

Fehmi then went on to highlight another significant change - that of the liability of the carrier. The code establishes a system very much in line with the Hague-Visby Rules, but also bears the hallmarks of the Hamburg Rules. In summary, although the new Turkish system has almost the same exceptions of liability as Hague-Visby and the Hamburg Rules, it also extends liability to cover the issue of delay.





The seminar was then followed by some lively discussion over drinks.

Many thanks to all those that attended. HFW and Ulgener Law Office hope everyone found the seminar informative and useful. Certainly, the feedback from attendees has been very positive, showing the importance placed upon keeping abreast of key issues, by the Turkish shipping community.

If you would like copies of the presentation slides, please contact one of the speakers.

For further information, please contact **Dimitri Vassos** (pictured below), Partner, on +30 210 429 3978 or dimitri.vassos@hfw.com, or **Jean Koh**, Partner, on +44 (0)20 7264 8227 or jean.koh@hfw.com, or your usual HFW contact.



“Fehmi highlighted one of the major changes within the new code which is the rules for enforcement of mortgages - obviously very important for the international credibility of the Turkish flag.”

**For more information,
please also contact:**

Dimitri Vassos
Piraeus Partner
T: +30 210 429 3978
dimitri.vassos@hfw.com

Jean Koh
London Partner
T: +44 (0)20 7264 8227
jean.koh@hfw.com

Costas Frangeskides
London Partner
T: +44 (0)20 7264 8244
costas.frangeskides@hfw.com

David Brookes
London Partner
T: +44 (0)20 7264 8368
david.brookes@hfw.com

Fehmi Ülgener
Partner, Ulgener Legal Consultants/
Law Office
T: +90 216 474 15 55
fehmi@ulgener.com

Daniel Martin
London Associate
T: +44 (0)20 7264 8189
daniel.martin@hfw.com

Sally Buckley
London Associate
T: +44 (0)20 7264 8558
sally.buckley@hfw.com

Lawyers for international commerce

HOLMAN FENWICK WILLAN LLP
Friary Court, 65 Crutched Friars
London EC3N 2AE
T: +44 (0)20 7264 8000
F: +44 (0)20 7264 8888

© 2011 Holman Fenwick Willan LLP. All rights reserved

Whilst every care has been taken to ensure the accuracy of this information at the time of publication, the information is intended as guidance only. It should not be considered as legal advice.

Holman Fenwick Willan LLP is the Data Controller for any data that it holds about you. To correct your personal details or change your mailing preferences please contact Craig Martin on +44 (0)20 7264 8109 or email craig.martin@hfw.com

hfw.com