

P&I NEWSLETTER APRIL 2025

## IMO Legal Committee addresses key maritime issues at the 112<sup>th</sup> session

The Legal Committee (LEG) of the International Maritime Organization (IMO) convened for its 112th session from 24 to 28 March 2025 at the IMO Headquarters in London.

The recent session of the IMO Legal Committee saw significant discussions and developments across a range of maritime issues impacting shipping and particularly seafarers. Key topics included the adoption of guidelines for the fair treatment of detained seafarers, rising concerns over seafarer abandonment, and progress on the 2010 HNS Protocol. Additionally, the committee addressed ongoing security threats in the Black Sea, fraudulent ship registrations, and the regulatory challenges posed by maritime autonomous surface ships (MASS). These initiatives reflect the committee's continued commitment to enhancing maritime safety, security, and fairness in the industry.

#### Guidelines for Fair Treatment of Detained Seafarers Adopted

A key outcome of the IMO Legal Committee's recent session was the adoption of guidelines to ensure fair treatment of seafarers detained on suspicion of crimes.

For more details, see the article Guidelines for Fair Treatment of Detained Seafarers Adopted by IMO's Legal Committee.

https://www.imo.org/en/MediaCentre/MeetingSummaries/Pages/LEG-112th-session.aspx

#### Financial Security in Case of Abandonment of Seafarers

The IMO Legal Committee expressed significant concerns over the alarming rise in seafarer abandonment cases, with 310 new incidents recorded in 2024 alone, surpassing previous years. Of these, 144 lacked mandatory financial guarantees for repatriation, leaving 3,133 seafarers stranded across 282 vessels. This surge in cases highlighted the urgent need for stricter enforcement of the Maritime Labour Convention (MLC), particularly its financial security provisions. The Committee acknowledged the efforts of the ILO, IMO, and ITF but stressed the importance of improving compliance with the MLC and the accuracy of reporting in the IMO/ILO joint database, which is an essential tool for resolving abandonment cases. Delegates emphasised the emotional and psychological toll on abandoned seafarers and called for more rigorous monitoring and timely responses. They also recommended enhanced coordination among stakeholders, the establishment of national contact points to aid repatriation and the need for concentrated inspections on financial security. Member states were urged to ratify and implement

international instruments, with additional campaigns to raise seafarers' awareness of their financial security in case of abandonment. The Committee also highlighted the importance of updating the IMO/ILO joint database to improve coordination and the timeliness of responses.

#### Advancing the Entry into Force of the 2010 HNS Protocol

The IMO Legal Committee reviewed progress on the 2010 HNS Protocol, highlighting efforts to increase ratifications and facilitate its entry into force. The protocol, which addresses compensation for damage caused by hazardous and noxious substances (HNS) transported by ships, is nearing its required ratification threshold. Currently, eight contracting states have signed the Protocol, with just four more needed to meet the entry-into-force requirements. Delegations from Belgium, Germany, the Netherlands, Sweden and Finland shared updates on their coordinated progress toward ratification. The committee acknowledged the importance of the HNS Convention in completing the IMO liability and compensation framework, which will also cover alternative fuels such as ammonia, ethanol, biodiesel and other new components that comprised alternative fuels, transferred as cargo. In conclusion, the Committee urged member states to ratify the 2010 HNS Protocol as soon as possible to ensure its smooth implementation.

# Impact on Shipping and Seafarers of the Situation in the Black Sea and the Sea of Azov

The Committee discussed the impact of the ongoing conflict on shipping in the Black Sea and Sea of Azov, highlighting severe disruptions to marine safety, the environment, and the well-being of seafarers. Member states expressed concerns about the threat to navigation, marine infrastructure, and global supply chains. The Secretary General reported progress on a resolution supporting technical assistance for safety and environmental protection in the region. States reaffirmed their commitment to maritime safety while some raised concerns about the political nature of the discussions. The Committee aims to continue addressing the challenges faced by the maritime sector.

#### **Combatting Fraudulent Ship Registrations**

The Committee discussed measures to prevent fraudulent ship registrations and registries, building on prior reports and the work of a Correspondence Group. The UK coordinated efforts on developing guidelines for ship registration that focus on safety, security and environmental protection. The Committee aims to adopt a holistic approach to address fraudulent practices and enhance data sharing. It was agreed to add a new output to the 2026-2027 biennial agenda, focusing on developing guidelines or best practices for ship registration, with a target completion year of 2027. Further work on the topic will include contributions from other committees and the IMO Secretariat. The importance of international consistency and transparency in registration processes was also highlighted to mitigate fraud and improve maritime safety.

#### A New Working Group Established to Conduct a Regulatory Scoping Exercise

The Legal Committee has proposed a regulatory scoping exercise to address the issue of illegal operations in the maritime sector by the "dark fleet" or "shadow fleet." The proposal aims to review IMO conventions and identify potential loopholes, while developing actions to prevent fraudulent registrations and unlawful operations including substandard vessels. In response, discussions highlighted the need for a comprehensive approach, calling for a new output and a working group to assess the situation.

The Committee also considered updates on fraudulent ship registrations, including a review of the GISIS data system to ensure accuracy and facilitate corrections by ship registration authorities. The working group will develop a new output for the regulatory scoping exercise and submit its findings by March 2026. This initiative aims to improve the enforcement of maritime regulations and address substandard shipping practices effectively.

#### Work Concluded on Liability and Compensation Guidance

The IMO Legal Committee reviewed the work of the Correspondence Group on guidance for accepting insurance certificates and financial security providers under the Athens Convention Relating to the Carriage of Passengers and Their Luggage by Sea, 2002. Noting the convention's unique complexities and the limited availability of war risk insurers, the Committee agreed that additional guidance was not needed at this point. Instead, it was stated that the states may refer to existing guidelines in LEG.1/Circ.16 for non-war risks. With this decision, the Committee concluded its work on the "Guidance for the Proper Implementation and Application of IMO Liability and Compensation Conventions" and marked the output as completed.

#### Considerations on Maritime Autonomous Surface Ships (MASS)

The IMO Legal Committee continued to discuss key legal considerations for Maritime Autonomous Surface Ships (MASS) at this session. The Joint MSC-LEG-FAL Working Group on MASS (MASS-JWG 3) concluded its work, recommending that further meetings be held only if requested. Delegates examined legal issues such as UNCLOS compliance, search and rescue obligations, jurisdiction over remote operations centres, workforce impacts, regulatory standardisation and liability frameworks. The Committee approved the MASS-JWG 3 report, aligned its roadmap with MSC 109's timeline for the MASS Code, and extended the target completion year to 2027, deferring guidelines development for now.

#### Legal Committee Explores Liability for Alternative Fuels

The Legal Committee has reviewed a proposal from a member state to explore the suitability of IMO liability and compensation regimes for alternative fuels such as ammonia, hydrogen, and methanol. As the adoption of these fuels grows, there is an increasing need to assess whether existing legal frameworks can effectively

address the risks posed by these fuels. Delegates highlighted that such an assessment is crucial to build confidence in alternative fuels, which are vital for IMO's decarbonisation goals. The proposal received strong support, with members agreeing to include it in the 2026-2027 agenda. The committee will conduct a gap analysis to determine whether new legal instruments are necessary or if amendments to existing frameworks are sufficient, with a target completion year of 2027.

BIMCO strongly supports this proposal, recognising the need for a clear legal framework to support the safe adoption of alternative fuels. This work will also complement ongoing safety and environmental efforts at MSC and MEPC, ensuring liability and compensation remain integral to the decarbonisation journey.

#### Discussions on Expanding the Scope of Maritime Security Threats

A member state's proposal to address a wider spectrum of maritime security threats, including terrorism, cyberattacks, and transnational crimes, was considered by the Legal Committee. While piracy remains a core issue, the evolving security landscape calls for a broader, more holistic approach to maritime threats from a legal perspective. Supporters of the proposal emphasised the need for IMO to prioritise these issues, with consideration of the economic implications for member states. Some discussions focused on clarifying the scope and the role of other IMO bodies such as the MSC. The committee has agreed to include the proposal in its post-biennial agenda, aiming for completion by 2027, and will invite additional proposals for further consideration.

Full text of the Circular is available via the link.

https://www.imo.org/en/MediaCentre/MeetingSummaries/Pages/LEG-112th-session.aspx

### Relevant Court Proceedings changes in Spain to reduce court cases to those strictly necessary

Ingosstrakh' s P&I Correspondent in Spain Messrs. MEDPANDI, keeps us in loop of update concerning innovations in dispute resolution approach reflected in Spain's regulatory framework.

Barcelona, March 2025

Organic Law 1/2025, of 2 January, will enter into force in Spain on April 3 with the aim to reduce court cases in Spain to those strictly necessary.

This law represents a relevant change in the judicial system in our country, especially with regard to the ADR procedural requirement and should not be seen as a mere procedure to access jurisdiction.

The need to apply Adequate Dispute Resolution Methods (ADR) as a prerequisite in civil and commercial jurisdiction is now consolidated. This new regulation reinforces the role of alternative mechanisms to the judicial route and introduces new instruments that become mandatory in most procedures, with few exceptions. Otherwise, the lawsuit will be rejected by the Court, with the risk of action prescription. If the people involved in mediation cannot reach an agreement, they still have the option of going to Court.

Therefore, as from April 3, before initiating legal proceedings, the parties must provide documentary evidence, in their lawsuit, that they have attempted a prior negotiation and that it has ended without an agreement.

This requirement can be met through direct negotiation between the parties or, where appropriate, with the intervention of their lawyers, as well as through collaborative law, private conciliation, the opinion of an independent expert (Notary, Architect, Property Registrar, etc), restorative justice and mediation in civil and mercantile matters.

Organic Law 1/2025 represents a paradigm shift in the judicial system in Spain, especially with regard to the procedural requirement and should not be seen as a mere procedure to access the jurisdiction.

In order to give due force to the procedural requirement of providing evidence of the existence of a prior ADR, the Spanish legislator carries out important modifications in relation to the imposition of litigation costs, as well as with respect to the approval and challenge of the assessment of costs. The party that has rejected to participate in the ADR can be ordered to pay costs, despite they obtain a favourable judgment

Important is the novelty of being able to request the exoneration of the payment of the costs or the modification of their amount, when they have made a proposal to the opposing party in any of the appropriate means of dispute resolution to which they have resorted, it has not been accepted by the opposing party and the judicial decision that ends the procedure is substantially the same as the content of said proposal.

And, finally, and as set out in the preamble to Organic Law 1/2025, the notion of abuse of the public service of Justice arises, which stands as an exception to the general principle of the principle of objective payment of costs and informs of the criteria for their imposition, by sanctioning those parties who have unjustifiably refused to resort to the appropriate means of dispute resolution, when it is mandatory.