



شعبة الترجمة الرسمية
Official Translation Department

Commercial Maritime Law

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Translation of Saudi Laws



NOTE:

The translation of Saudi laws takes the following into consideration:

- Words used in the singular form include the plural and vice versa.
- Words used in the masculine form include the feminine.
- Words used in the present tense include the present as well as the future.
- The word “person” or “persons” and their related pronouns (he, his, him, they, their, them) refer to a natural and legal person.



Commercial Maritime Law

Definitions

Article 1

In this Law, the following terms shall have the meanings assigned thereto, unless the context requires otherwise:

1. **Law:** Commercial Maritime Law.
2. **Chairman:** Chairman of the Board of Directors of the Public Transport Authority.
3. **Authority:** Public Transport Authority.
4. **Regulations:** Implementing Regulations of this Law.
5. **Vessel:** Any floating craft normally designed to operate in maritime navigation, even if it is not for profit, including vessel appurtenances which are necessary for its operation.
6. **Marine Platform:** A maritime facility used for the extraction of oil, gas, or other resources, and is considered a vessel under this Law.
7. **Kingdom's Maritime Areas:** The internal waters, territorial sea, contiguous zone, exclusive economic zone, and continental shelf, as defined by law.

8. **Person:** A natural or legal person.
9. **Vessel Owner:** A person who is listed as the owner of a vessel in a ship registry in the Kingdom.
10. **Operator:** A person who operates a vessel for his own account in his capacity as owner, charterer, or co-ownership manager; an owner shall be deemed an operator unless established otherwise.
11. **Shipping Agent:** A person who, in his capacity as the agent of the operator, carries out the activities related to supplying the vessel's needs.
12. **Cargo Agent:** A person who receives goods upon arrival on behalf of their owners and pays the freight if due, in whole or in part.
13. **Carrier:** A person who performs the carriage by agreement, by himself or through his deputy, with a consignor under a contract of carriage against payment, whether the carrier is the vessel owner, operator, or charterer.

14. **Consignor:** A person who has in his possession the goods intended for transport and who, by himself or through another person acting on his behalf, enters into a contract with a carrier or a transport operator for the carriage of goods from one place to another against payment.
15. **Transport Operator:** A person who is engaged in the carriage of goods by



sea under a single contract and a single transport document, and who acts as principal.

16. **Multimodal Transport Operator:** A person who, by himself or through a person acting on his behalf, concludes a multimodal transport contract and acts as principal for the sender or carriers engaged in multimodal transport operations.
17. **Master:** A person who is qualified to command a vessel and assume responsibility for its management.
18. **Crew Member:** A person who is bound by a maritime contract of employment; the master shall be considered a crew member with respect to the work contract concluded between him and the operator.
19. **Passenger:** A person, other than the master, crew members, and other personnel on board, who is transported by a vessel.
20. **Maritime Contract of Employment:** A contract concluded between a vessel's owner, operator, or a representative of either of them and any person to work on board in return for a wage.
21. **Contract of Carriage by Sea:** A contract under which a carrier undertakes to transport goods or persons by sea in return for a wage.
22. **Multimodal Transport Contract:** A contract concluded between a consignor and a multimodal transport operator for the carriage of goods by two or more modes of transport between two places located in one or more countries whereby the multimodal transport operator receives and keeps the goods in his custody until they reach the designated place of delivery, and he shall carry out this job by himself or through another person in return for a fee.
23. **Bill of Lading:** A document issued by a carrier at the request of a consignor upon his receipt of the goods, indicating transport data and conditions.
24. **Multimodal Transport Document:** A document establishing a multimodal transport contract, receipt of goods by a multimodal transport operator, and the operator's obligation to deliver the same on specific terms.
25. **Charterparty for an Equipped Vessel:** A contract whereby a lessor undertakes to place a vessel that is seaworthy and fully equipped with supplies, crew members, and fuel at the disposal of the charterer for a specified period or for making one or several voyages.
26. **Bareboat Charterparty:** A contract whereby a lessor undertakes to place a vessel at the disposal of the charterer for a specified period without equipping it with supplies, crew members, or fuel.
27. **Marine Insurance Contract:** A contract whereby the insurer undertakes to compensate the insured for damage arising from a maritime risk in return for a premium.
28. **Maritime Risks:** Unexpected accidents that may occur during a voyage.



29. **Unit of Account:** A special drawing unit defined by the International Monetary Fund, denominated in riyal or its equivalent, as determined by the Ministry of Finance at the time of the payment of the claim.
30. **Maritime Collision:** A collision between two or more vessels or between a vessel and any maritime facility.
31. **Maritime Rescue:** Assistance provided upon request to a vessel in distress, to persons on board, or to objects transported thereby.
32. **General Average:** Any sacrifice or extraordinary expenditure, as determined by the master, which is intentionally and reasonably made or incurred for general safety to avert a serious risk that threatens the vessel or its cargo.
33. **Particular Average:** Any loss that is not subject to the provisions of general average.
34. **Maritime Wreck:** Any vessel, or part thereof, sunken or stranded within the Kingdom's maritime areas; or any items missing therefrom in the sea and were washed away by the current to such areas; or any vessel on the verge of sinking or is reasonably expected to sink or run aground in such areas, and there are no effective measures for assistance.
35. **Oil:** Crude oil, fuel oil (diesel), heavy diesel oil, lubricating oil, and other petroleum products.
36. **Flag State:** A state whose flag the vessel is entitled to carry.
37. **State of Registration:** A state where a vessel is registered with its ship registry.
38. **Ship Registry:** An official register where the information of ships and their owners are recorded.
39. **Gross Tonnage:** The dimensions of the total volume of a vessel, as measured in accordance with the provisions of the International Convention on Tonnage Measurement of Ships of (1969) and its amendments.

Part 1

Chapter 1: Vessel

General Provisions

Article 2

The provisions of this Law shall apply to Saudi vessels and foreign vessels that anchor at the Kingdom's ports or maritime areas, with the exception of



warships, public service vessels for non-commercial purposes, and vessels subject to a special provision, except for cases relating to collision, rescue, and general average.

Article 3

Subject to the provisions stipulated in this Law, the provisions of movable property shall apply to the vessel, except for ownership by possession and cases subject to a special provision.

Chapter 2: Nationality of Vessel

Article 4

A vessel shall acquire Saudi nationality if it is registered in one of the Kingdom's ports and is wholly owned by a Saudi national. In case of co-ownership, the majority of shares must be owned by a Saudi national. The Chairman may amend the percentage of ownership in accordance with the Kingdom's economic interests.

Article 5

A Saudi vessel shall fly the flag of the Kingdom, and shall not fly the flag of any other state except in cases permitted by maritime custom or for avoiding serious risk or capture.

Article 6

Non-Saudi vessels shall not practice towage, pilotage, or supply services in the Kingdom's maritime areas, nor engage in coastal navigation between the Kingdom's ports. The Chairman may, by way of exception, license such vessels to engage in one or more of such activities for a specific period.



Chapter 3: Ship Registration

Article 7

1. No self-propelled vessel may sail under the flag of the Kingdom unless it is registered in accordance with the provisions of this Law. The regulations shall specify the registration requirements and procedures as well as the issuance of the certificate.
2. The following marine units shall be exempted from registration:
 - a) Vessels of less than 24 meters in length.
 - b) Fishing vessels of a tonnage not exceeding 30 tons, and a length not exceeding 20 meters.
 - c) Pleasure and diving vessels of a tonnage not exceeding 10 tons, and a length not exceeding 11 meters which are not permitted to sail outside the Kingdom's territorial sea.
 - d) Vessels of primitive construction, sailing vessels, non-self-propelled units, lighters and barges, and other floating crafts usually operating within the port.

Article 8

1. Vessels shall be registered with the registration offices authorized pursuant to a decision by the Chairman at any of the Kingdom's ports.
2. Each registration office shall have a special record called "Ship Registry" whose pages shall be numbered and sealed with the Authority's stamp, and each page shall be assigned to a separate vessel where its registration number and other relevant particulars are recorded.
3. A record summarizing the vessel's particulars shall be made at the registration office and shall be published in two local daily newspapers at the expense of the vessel owner and posted on the noticeboard at the registration office and on the Authority's website.
4. Vessel registration fees shall be determined in accordance with the Law of Vessels and Floating Units Registration Fees.

Article 9

1. A vessel shall not sail under the flag of more than one state.
2. A vessel shall not be registered in a ship registry if it has already been registered in a ship registry in another state unless it has been stricken therefrom.
3. A vessel shall not change its flag during a voyage or while in a port of call, except in cases of transfer of ownership or change of registration.



Article 10

Registration of a vessel requires the survey, inspection, and measurement of the vessel, as well as the assessment of its tonnage by the Authority or a local or international classification society authorized thereby upon submission of its ownership document.

Article 11

- A. All Saudi vessels shall have a name which shall be displayed on each side of the bow and on the stern, with visible Arabic and Latin letters in a color different from the vessel's color. The vessel's port of registration shall also be displayed on the stern using the same letters, along with all information and distinctive markings specified by the regulations.
- B. The same name shall not be used for more than one vessel at any registration office in the Kingdom.

Article 12

The registration office shall issue the vessel a temporary registration certificate valid for one or more voyages, or for a period of six months renewable for up to a maximum period of two years.

Article 13

If a vessel's ownership is transferred to a Saudi national outside the Kingdom and it meets the registration requirements, its owner may obtain a temporary registration certificate from a registration office in the Kingdom or from the Kingdom's diplomatic mission in the country where the ownership of the vessel is transferred. If the Kingdom has no diplomatic mission in such country, the certificate may be obtained from the nearest country where the Kingdom has a diplomatic mission. Said certificate shall be valid for a period not exceeding six months and shall expire upon reaching the first port in the Kingdom which has a registration office.

Article 14

1. Any interested party may object to the registration of a vessel within 90 days following the date of publication of the registration record.
2. A reasoned objection shall be submitted to the vessel registration office for



entry into the register, followed by filing an objection claim with the competent judicial authority within 15 days from the date of submission of the objection; otherwise, the objection shall be deemed null and void.

Article 15

If an objection is not submitted within the specified period or a final judgment rejecting the objection is issued, the vessel registration office shall issue a permanent registration certificate for the vessel upon satisfying the conditions and submitting the necessary documents as specified by the regulations.

Article 16

A registration certificate shall serve as proof of the vessel's ownership and of its Saudi nationality. It shall be kept in the vessel, and a copy shall be displayed on the vessel's noticeboard. It shall only be used for the lawful navigation of the vessel and shall not be relinquished or seized for satisfying a debt or for any other reason.

Article 17

1. If a vessel's registration certificate is lost or damaged, a replacement shall be issued by the office where the vessel was registered upon submission of an application by its owner or his representative, stating reasons and circumstances of loss or damage.
2. If a registration certificate is lost outside the Kingdom, the office where the vessel was registered or the Kingdom's diplomatic mission in the country where the vessel is located shall issue a temporary registration certificate that shall be valid for a period not exceeding six months and shall expire upon the vessel's arrival to the first port in the Kingdom.
3. A vessel owner may transfer the vessel's registration from the office where it is registered to any other authorized registration office in the Kingdom, in accordance with the procedures prescribed by the regulations.

Article 18

A vessel's registration shall be stricken off if:

1. it is wrecked;
2. its ownership is transferred to a foreign person;
3. it is captured by an enemy;



4. a judicial ruling is issued to this effect; or
5. the owner so requests.

Article 19

In rem claims relating to the vessel shall be filed with the competent court within whose jurisdiction the vessel registration office is located.

Chapter 4: Registration of a Bareboat Chartered Vessel

Article 20

1. A foreign bareboat chartered vessel, used for a single voyage or multiple voyages or for a specified period, which is chartered to a person satisfying the registration conditions, shall be registered with any authorized vessel registration office in the Kingdom. For vessels outside the Kingdom, the vessel registration office or the Kingdom's diplomatic mission shall issue a temporary registration certificate.
2. Each vessel registration office shall establish a special register for the temporary registration of foreign bareboat chartered vessels.

Article 21

A foreign bareboat chartered vessel registered in the Kingdom shall be subject to the laws in force in the Kingdom. During the term of the charterparty, the charterer shall be deemed as the vessel owner with respect to the obligations and penalties stipulated in this Law.

Article 22

The charterer shall submit an application to strike off the registration of a chartered bareboat vessel and return its temporary registration certificate within 15 days from the date of termination of the charterparty.

Article 23

If a bareboat Saudi vessel is chartered to a foreign person, the owner shall notify the registration office where the vessel is registered at least 15 days prior to the effective date of the charterparty. The registration office shall suspend or



temporarily strike off the vessel's registration for the term of the charterparty, and the vessel shall not fly the Kingdom's flag during such term.

Chapter 5: Recording Marine Units Exempted from Registration

Article 24

Marine units exempted from the registration provided for in Article 7(2) shall be recorded. The regulations shall specify the recording conditions and procedures.

Article 25

The relevant registration office shall issue an entry document for a marine unit upon submission of its ownership document. Said entry document shall indicate the unit's name, specifications, entry number, name of owner(s) and their shares, as well as service assigned thereto.

Article 26

The owner of a marine unit may transfer its entry document from the registration office where it is recorded to any other authorized registration office in the Kingdom, in accordance with the procedures specified by the regulations.

Article 27

A non-Saudi national may not own any marine units exempted from registration, except for pleasure vessels, which may be owned by foreign persons in accordance with the conditions specified by the regulations.

Article 28

The entry of a marine unit shall be stricken off if:

1. it is wrecked;
2. its ownership is transferred to a foreign person; or
3. a judicial ruling is issued to this effect.



Chapter 6: Marine Platforms

Article 29

1. The Authority shall issue a license for marine platforms to operate in the Kingdom's maritime areas, in accordance with the conditions and instructions specified by the regulations.
2. The licensed body shall comply with the security and safety requirements and environmental assessment procedures for the protection of marine environment, in accordance with the Environmental Law and the international conventions issued by the International Maritime Organization.
3. A marine platform shall be subject to periodic inspection every five years, in accordance with the procedures specified by the regulations.

Chapter 7: Vessel Classification Societies

Article 30

The Chairman shall issue a decision designating local or international classification societies which may be authorized, pursuant to an agreement concluded with the Authority, to inspect, survey, and issue certificates for the vessels flying the Kingdom's flag, provided that such societies are members of the International Association of Classification Societies (IACS), and meet the conditions specified by the regulations.

Part 2: Rights In Rem against the Vessel

Chapter 1: Shipbuilding and Ownership

Article 31

A shipbuilding contract and any amendment thereto shall be made in writing, and shall not be valid, unless signed by the concerned parties.



Article 32

Ownership of the vessel shall remain with the shipbuilder and may not be transferred to the applicant for construction until the applicant conducts necessary trials and accepts delivery thereof, unless agreed otherwise.

Article 33

The shipbuilder shall guarantee that the vessel is free of latent defects, even after its trial and delivery to the applicant.

Article 34

A claim relating to a latent defect guarantee shall not be heard upon the lapse of one year from the date of knowledge of the defect.

Article 35

The provisions of Articles 33 and 34 shall apply to vessel repair contracts.

Article 36

1. Any transaction, the subject matter of which is the establishment, transfer, or termination of an ownership right, or any other right in rem against the vessel, shall be established by an official document; otherwise, it shall be invalid. If such transaction is carried out in a foreign country, it shall be authenticated by the Kingdom's diplomatic mission in such country.
2. The transaction referred to in paragraph (1) of this Article shall not be effective vis-a-vis third parties, unless it is entered in the vessel register.

Article 37

1. In cases of co-ownership of a vessel, the majority vote shall be adopted in all decisions relating to its use, unless this Law stipulates or the owners agree otherwise.
2. A majority shall be reached by the agreement of owners of more than one-half of the vessel shares, unless the owners agree otherwise.
3. An owner from the minority objecting to the decision of the majority may, within 15 days from the date of its issuance, file a claim to cancel the decision with the competent court within whose jurisdiction the vessel registration



office is located. The court may affirm or cancel the decision. The filing of such claim shall not result in a stay of execution of the decision unless the court so orders.

Article 38

1. Management of the co-ownership may, pursuant to a decision by the co-owners, be entrusted to one or more managers from among the vessel owners or otherwise.
2. A co-ownership manager may perform all necessary transactions and activities except for the sale, pledge, charterparty of the vessel, or establishment of any other right in rem against it, which require the consent of the majority of owners.
3. Any agreement to restrict the powers of the manager other than those stated in paragraph (2) of this Article shall not be invoked against third parties.

Article 39

Each co-owner shall bear a percentage of the expenses and losses of the co-ownership in proportion to his share in the vessel ownership unless agreed otherwise, and shall have the same percentage in the net profit resulting from the use thereof.

Article 40

1. If the manager is a co-owner, he shall be liable in all his assets for debts arising from the co-ownership. In case of multiple managers, they shall be jointly liable in all their assets. Any agreement to the contrary shall not be invoked against third parties.
2. Non-managing owners shall be jointly liable in all their assets for debts arising from the co-ownership, unless agreed otherwise. Such agreement shall not be invoked against third parties before it is entered into the ship registry.

Article 41

1. Any co-owner may dispose of his share without the consent of other owners, unless such disposal causes the vessel to lose its Saudi nationality; in which case, the consent of all owners shall be required.
2. An owner may not pledge his share in the vessel except with the consent of owners holding at least three-quarters of the shares.



3. An owner who has disposed of his share shall be liable for debts related to co-ownership until the date such disposal is entered in the ship registry.

Article 42

1. If a co-owner sells his share in the vessel to a person who is not a co-owner, he shall notify the co-owners in writing of such sale and the price agreed upon.
2. A co-owner may redeem the sold share provided that he notifies both the seller and buyer, and pays the price and costs within 15 days from the date of notification provided for in paragraph (1) of this Article.
3. If more than one co-owner requests redemption of the sold share, such share shall be divided among them in proportion to their shares, unless agreed otherwise.

Article 43

1. A co-owned vessel may not be sold except pursuant to a consensual decision issued by the co-owners holding at least three-quarters of the shares. The decision shall specify sale conditions.
2. A co-owner may, if a dispute arises between the co-owners that would render the co-ownership unproductive, request the competent court to terminate such co-ownership by selling the vessel. The judgment shall specify sale conditions.

Article 44

If more than half of the vessel's shares are seized, the judicial sale shall include the entire vessel. However, if a justifiable request is made by a co-owner whose shares are not seized, the court may limit such sale to seized shares.

Article 45

A co-ownership shall not terminate upon the death, interdiction, declaration of bankruptcy, or insolvency of a co-owner, unless agreed otherwise.



Chapter 2: Liens against the Vessel

Article 46

Liens against the vessel shall include the following:

1. Court expenses incurred in the maintenance and sale of the vessel, and the distribution of the sale proceeds.
2. Debts arising from work contracts for the master, crew members, and other persons bound by a maritime contract of employment on board the vessel, including social insurance contributions.
3. State fees and taxes, port charges, pilotage and towage fees, and costs of pursuit, guarding, maintenance, and other maritime services.
4. Salvage-related rewards and share of the vessel in general average losses.
5. Compensations for collisions, pollution, and other navigation incidents; damage sustained by port installations, docks, and navigation lines; death and bodily injuries to passengers, master, and crew members; and loss or damage sustained by goods and baggage.
6. Debts arising from contracts concluded by the master and operations he carries out outside the vessel's port of registration, within his statutory powers, for the necessary maintenance of the vessel or the continuance of its voyage, whether or not the master is the owner of the vessel, and whether the debt is due to him or due to suppliers, lenders, persons who have repaired the vessel, or other contractors, as well as the debts incurred by the operator by reason of tasks performed by the shipping agent.

Article 47

Liens shall not be subject to any formal procedure or any specific condition related to proof.

Article 48

1. The liens stipulated in Article 46 shall attach to the vessel, the freight for the voyage during which the debt arises, and the appurtenances of both the vessel and the freight earned since the commencement of the voyage.
2. The liens stipulated in Article 46(3) shall attach to the freight of all voyages made under a single contract.



Article 49

1. Vessel appurtenances and freight provided for in Article 48(1) shall include:
 - a) compensations due to the owner for material damage sustained by the vessel, if not repaired, and for loss of freight;
 - b) compensations due to the owner for general average losses arising from material damage sustained by the vessel, if not repaired, or for loss of freight; and
 - c) rewards due to the owner for acts of salvage performed during the voyage, after deducting sums due to the master, crew members, and other persons bound by a maritime work contract on the vessel.
2. Passenger fares shall be deemed as freight.
3. Compensations due to the owner under insurance contracts, subsidies, or assistance granted by the State or by any public legal person shall not be deemed as vessel appurtenances or freight.

Article 50

A lien shall remain valid against the freight if the freight is due or held by the master or owner's representative. The same shall apply to a lien against the appurtenances of the vessel and the freight.

Article 51

1. Liens relating to a single voyage shall be arranged in accordance with Article 46 of this Law.
2. Liens stipulated in each paragraph of Article 46 shall be of equal rank, and their share in distribution shall be proportionate to their respective value.
3. The liens stipulated in Article 46(4) and (6) shall be, with each individual paragraph taken separately, ranked in reverse order of the date on which each lien arose.
4. Liens relating to a single incident shall be deemed to have arisen on the same date.

Article 52

1. Liens arising from a voyage shall have preference over liens arising from a previous voyage.
2. Liens arising from a single work contract for multiple voyages shall be of equal rank.



Article 53

Liens shall remain attached to the vessel regardless of the person in possession thereof.

Article 54

Liens on a vessel shall expire in the following cases:

1. Judicial sale of the vessel by public auction.
2. Voluntary sale of the vessel by public auction. In such case, the expiration of the lien shall require the following:
 - a) Entering the bill of sale in the designated register.
 - b) Publishing the sale on the noticeboard of the vessel registration office and on the Authority's website. Such announcement shall include a statement of the sale, price, and buyer's name and domicile.
 - c) Publishing the contract summary in a daily newspaper or other publication, and on the Authority's website, stating the price and buyer's name and domicile. Such summary shall be published twice with an interval of seven days, in accordance with the regulations.
 - d) The lien holder shall not, within 30 days from the date of the last publication, file an objection to the sale with the competent court.
3. The lapse of one year, except for liens pertaining to supply-related debts stipulated in Article 46(6) which shall expire upon the lapse of six months. Said periods shall commence in accordance with the following:
 - a) For liens securing rewards for rescue operations, from the date of completion of such operations.
 - b) For liens securing compensations arising from collisions and other accidents or bodily injuries, from the date of injury or death.
 - c) For liens securing compensations arising from loss of or damage to goods or baggage, from the date of actual or set delivery of such goods or baggage.
 - d) For liens securing debts relating to repairs and supplies and all cases stipulated in Article 46(6), from the maturity date of such debts.
 - e) For all other cases, the periods for the expiration of liens shall commence from the maturity date of the debt.

Article 55

The periods stipulated in Article 54(3) shall be extended for three years if it is not possible to arrest the vessel subject of the lien in the Kingdom's maritime



areas. This extension shall apply only to persons holding Saudi nationality, having domicile in the Kingdom, or holding the nationality of a state which treats Saudi nationals on the basis of reciprocity.

Article 56

Making a payment in advance or on account to the master, crew members, and others bound by a work contract on the vessel shall not render their debts, as stipulated in Article 46(2), payable before the maturity date thereof.

Article 57

1. The Authority may seize the wreck of the vessel as security for the cost of removing the same. It may conduct an administrative sale of the wreck by auction and recover its debt from the proceeds, having priority over other creditors.
2. A shipbuilder or repair contractor of the vessel who is in possession thereof may invoke his right to arrest said vessel as security for any claim pertaining to vessel-related work until such claim is paid or a court order is issued releasing said vessel.

Article 58

The provisions of this Chapter shall apply to vessels used by the operator, whether or not he is the owner, or the principal charterer. The stipulated provisions shall not apply if the owner loses possession of the vessel due to an unlawful act and the creditor acts in bad faith.

Chapter 3: Maritime Mortgage

Article 59

A vessel mortgage shall be concluded only pursuant to an official contract.

Article 60

If a vessel is co-owned, it may be mortgaged upon the consent of owners holding at least three-quarters of the shares. If there is no such majority, the



matter may be referred to the competent court to issue a decision consistent with the co-owners' interests.

Article 61

1. A mortgage effected on a vessel or on a share therein shall remain valid against its wreck.
2. A mortgage effected on a vessel shall not apply to freight, subsidies, remunerations, assistance granted by the State, compensations due to the owner for material damage sustained by the vessel, nor insurance compensations. A mortgage contract may expressly stipulate a creditor's right to recover his debt from the insurance compensations, provided that the insurers consent to this in writing.

Article 62

A vessel under construction may be mortgaged provided that, prior to recording the mortgage, a declaration is filed with the registration office indicating the vessel's place of construction, length and other dimensions, and approximate tonnage.

Article 63

A mortgage shall be recorded in the ship registry at the vessel registration office. If the mortgage is effected on a vessel while under construction, it must be recorded at the registration office. The regulations shall specify the procedures for mortgage recording and proof thereof.

Article 64

If the indorsement of a debt secured by mortgage results in the transfer of the creditor's rights arising from the mortgage to a new creditor, the name of such creditor shall be entered into the mortgage record.

Article 65

The mortgage record shall be retained until the expiry of the mortgage term or for a period of 10 years from the date of its execution, whichever occurs first. Such record shall be deemed null and void if it is not renewed prior to the end



of such period.

Article 66

A mortgage shall be ranked directly after the liens, and debts secured by a mortgage shall be ranked according to their entry dates. If multiple mortgages are entered in a single day, their ranking shall be determined according to the mortgage date, from the oldest to the latest.

Article 67

Mortgage creditors of a vessel, or part thereof, shall retain their rights regardless of possession, and they may file a request for provisional arrest thereof. A mortgaged vessel may not be disposed of after a notice of arrest has been entered into the ship registry.

Article 68

1. If a mortgage is effected against a share not exceeding half of the vessel, the creditor may only seize and sell such share. If the mortgage is effected against more than half of the vessel, the court may, at the request of the creditor and after executing the arrest, order the sale of the entire vessel.
2. In case of a co-owned vessel, the creditor shall officially notify all co-owners 15 days prior to commencement of the sale procedures to pay the due debt; otherwise, the enforcement procedures shall continue.

Article 69

The execution of a judicial order of sale shall clear the vessel from all mortgages, and the rights of the creditors shall transfer to the sale proceeds.

Article 70

1. If the ownership of a mortgaged vessel, or part thereof, is transferred prior to making an entry of the arrest notice, the mortgage creditor who has initiated the enforcement proceedings against the vessel shall notify the person in possession of said vessel of the arrest notice, and officially demand that he



- pay the price.
2. If the person in possession of the vessel wishes to avoid the arrest and sale proceedings, he shall, prior to commencement of proceedings or within 15 days following the notification, inform the creditors entered into the ship registry of the contract's summary, providing its date; the vessel's name, type, tonnage, and value; costs; a list of the entered debts along with their dates and amounts; and the names of the creditors, and that such person is willing to immediately pay the debts secured by the mortgage within the value of such vessel.

Article 71

1. Each creditor may, in the case referred to in Article 70, petition the sale of a vessel or part thereof pursuant to a judgment by the competent court, provided that he submits a guarantee of the price and costs. The person in possession of the vessel shall be required to appear before the court having jurisdiction over the area in which the vessel is located or the court having jurisdiction over the port where the vessel is registered, if the vessel is not at one of the Kingdom's ports, to hear the sale ruling.
2. Such petition shall be signed by the creditor and served to the person in possession of the vessel within 10 days from the date of notification provided for in Article 70 of this Law.

Article 72

If no mortgage creditor makes the petition referred to in Article 71, the person in possession of the vessel may clear the vessel from the mortgage by depositing its amount in the court treasury. In such case, he may request that the mortgage registration be canceled without taking any further procedure.

Article 73

Subject to the provisions of Article 72, a mortgage registration shall be canceled pursuant to a judgment or an agreement between the creditor and the debtor. In the latter case, the debtor shall provide a declaration from the creditor with an authenticated signature indicating the creditor's approval to cancel the mortgage registration.



Part 3: Vessel Arrest

Chapter 1: Provisional Arrest

Article 74

Provisional arrest of a vessel shall be executed by a judicial order from the competent court and a report to that effect shall be made; such arrest shall not be made except for the satisfaction of a maritime debt.

Article 75

A debt shall be deemed a maritime debt if it arises from any of the following causes:

1. Damage caused by the vessel by reason of a collision, pollution, or other similar maritime accidents.
2. Loss of life or bodily injury caused by the vessel or arising from the operation thereof.
3. Contracts relating to the operation or charter of the vessel.
4. Contracts relating to carriage of goods under a charterparty or a bill of lading.
5. Loss of or damage to goods and baggage carried by the vessel.
6. Rescue operations.
7. General average losses.
8. Towage of the vessel.
9. Pilotage.
10. Supply of materials or equipment necessary for the operation or maintenance of the vessel.
11. Construction, repair, or fitting of the vessel, and its docking costs.
12. Wages of the master, officers, crew members, and maritime agents.
13. Amounts expended by the master, consignors, charterers, or maritime agents on account of the vessel or its owner.
14. A dispute over the ownership of a vessel.
15. A dispute in connection with the co-ownership, possession, or utilization of a vessel, or with the co-owners' rights to the amounts resulting from utilization thereof.
16. A maritime mortgage.
17. Fees and charges of ports and waterways.
18. Insurance of a vessel.
19. Costs of raising and removing wreckage or goods.



Article 76

Any person who seeks to recover a debt arising from the causes referred to in Article 75 may file for the arrest of the vessel to which the debt relates or any other vessel the debtor owns at the time the arrest petition is filed. It shall not be permissible to arrest any vessel other than that to which the debt relates if the debt is one of those specified in Article 75(14, 15, and 16) of this Law.

Article 77

1. If a vessel charterer is in charge of its navigational management, and is solely responsible for any maritime debt relating thereto, the creditor may arrest such vessel or any other vessel owned by the charterer, and he may not, pursuant to that debt, arrest any other vessel of the disponent owner.
2. The provisions of paragraph (1) of this Article shall apply to all cases in which a person other than the owner of the vessel is liable for a maritime debt.

Article 78

A copy of the arrest notice shall be delivered to the master or any person acting on his behalf; to the competent authority at the port where the arrest was made so as to prevent the vessel from sailing; and to the registration office at said port, provided that such office notifies the vessel registration office of the arrest for entry into the register.

Article 79

A creditor shall file a claim of debt and validity of arrest with the competent court under whose jurisdiction the arrest is made within eight days following the date the arrest notice is delivered to the master or the person acting on his behalf; otherwise, the arrest shall be deemed null and void, and the operator or any person acting on his behalf may petition the court to revoke such arrest.

Article 80

A debtor may appeal the judgment of arrest, regardless of the amount of the debt claimed, within 15 days from the date of notification of the judgment.



Article 81

1. The competent court shall issue a judicial order to lift the arrest upon provision of a guarantee or other security sufficient to satisfy the debt.
2. The court may not order the lifting of an arrest if it was effected by reason of the maritime debts provided in Article 75(14) and (15). In such case, the court may permit the person in possession of the vessel to use it, if he provides sufficient security, or to manage the vessel during the arrest period in the manner specified in the permission.

Chapter 2: Executory Arrest and Forced Sale

Article 82

1. An executory arrest of a vessel shall not be effected before the debtor is officially notified to pay the debt. The notification and the execution of the arrest may be made by one notice.
2. The notice shall be delivered to the vessel owner. If the debt is against the vessel, it may be delivered to the master or to any person acting on his behalf.

Article 83

The arrest notice must include a summons to appear before the enforcement judge at the court within whose jurisdiction the arrest was effected so as to hear the sale order in accordance with applicable procedures.

Article 84

A copy of the arrest notice shall be delivered to the master or any person acting on his behalf; to the competent authority at the port where the arrest was made so as to prevent the vessel from sailing; to the registration office at said port, provided that such office notifies the vessel registration office of the arrest for entry into the register; and to the consul of the state whose flag the vessel is flying.

Article 85

If a judge orders the vessel to be sold, he shall determine the starting price, sale terms, and the days on which the forced sale auction shall take place.



Article 86

The sale shall be effected after two sessions with an interval of seven days. The highest bid made at the first session shall be initially accepted and shall be the starting price for the auction at the second session at which the forced sale shall be awarded to the highest bidder in the two sessions.

Article 87

If no bid is made on the sale day, the competent court shall set a starting price lower than the first, and set a date for auction, in accordance with the announcement procedures prescribed by the regulations.

Article 88

The winning bidder shall pay 20% of the price upon award of the bid and deposit the remaining amount and expenses in the court treasury within a maximum of seven days from the date of awarding the bid; otherwise, the vessel shall be resold at his liability.

Article 89

A decision to award the bid shall not be subject to appeal except on the grounds of a defect in formalities or bidding procedures. The appeal shall be filed within 15 days from the date of issuing the decision.

Article 90

Claims of entitlement and annulment of arrest must be filed with the court conducting the sale at least 48 hours before the auction. Filing such claims shall not entail the stay of sale procedures, unless the court orders otherwise. The judgment rendered on such claims may be appealed within 15 days from the date of its issuance.

Article 91

In case of a forced sale of a vessel as a result of the arrest thereof, the winning bidder shall not be bound by the work contracts of the vessel's master or crew members.



Part 4: Maritime Navigation Persons

Chapter 1: Owner and Operator

Article 92

A vessel owner or operator shall be liable for the actions the master, crew members, pilot, and any other person in service of the vessel commit during the performance of their duties or as a result thereof. The owner or operator shall also be liable for the master's obligations arising from the contracts he concludes within the powers vested in him.

Article 93

The limitation of liability of a vessel owner relating to maritime claims shall be in accordance with the relevant international conventions to which the Kingdom is party.

Article 94

A vessel owner may limit the extent of his liability in claims arising from any of the following causes:

1. Death or injury of passengers, and loss or damage to property on board the vessel.
2. Death or injury of any other person, whether on land or at sea, and loss or damage to any other property if it arises from an act, negligence, or fault attributable to any person on board the vessel for whom the owner is responsible.
3. Damage caused by the vessel to installations of ports, docks, waterways, or navigational aids.
4. Losses resulting from delays in the carriage of goods, or passengers or their baggage by sea.
5. Breach of non-contractual rights arising directly from operating the vessel or rescue operations.
6. Damage caused from raising or removing the wreckage of sunken, stranded, or abandoned vessels; destroying the vessel; or eliminating its threat, including cargo and the like.



Article 95

A vessel owner shall not limit the extent of his liability as stipulated in Article 94 if the claim arises from any of the following causes:

1. Damage caused by an act or omission by the vessel owner or his representative with the intent to cause damage, or by negligence with the knowledge that damage may occur.
2. Obligations arising from assistance, rescue, or contribution to general average losses.
3. Rights of the master, crew members, or any other servant of the vessel owner who is on board the vessel or whose work is related thereto, and the rights of their heirs and successors.
4. Damage resulting from pollution caused by oil or other substances.

Article 96

1. If a debt in favor of a debtor vessel owner arises from a single incident against a creditor, liability shall be limited only to the balance after set-off of both debts.
2. A creditor may not take any action against the property of the vessel owner if the amount designated for compensation is actually placed at the creditor's disposal or if the owner provides a guarantee acceptable to the court.

Article 97

1. If a vessel owner satisfies the debts of one of the creditors prior to distribution of the amounts designated for compensation, he may replace said creditor in the distribution to the extent of the amount he paid.
2. The court may, at the request of the vessel owner, retain for a period specified thereby a portion of the amounts designated for compensation to satisfy a debt that the owner establishes that he might be obliged to pay.

Article 98

Without prejudice to the rights arising from death or bodily injury, no liability claim shall be heard against the owner of a vessel after the lapse of two years from the date of the act giving rise to the liability.



Article 99

1. The provisions governing the limitation of liability of a vessel owner shall apply to the non-owner operator, charterer, maritime co-ownership manager, insurer, and persons rendering services directly related to the vessel's salvage operations. They shall also apply to the master, crew members, and other servants of the owner in connection with their work duties, provided that their liability per incident does not exceed the limits stipulated in the regulations.
2. If a claim is filed against the master, crew members, or other servants of the owner, they may limit their liability, even if the incident leading to the damage is due to a personal fault committed in their stated capacity.
3. Limitation of liability shall not be deemed an acknowledgment of liability.

Chapter 2: The Master

Article 100

The vessel operator shall have the power to appoint and dismiss the master. If dismissed, the master shall have the right to compensation, in accordance with the general rules.

Article 101

1. Only the master shall be in command of the vessel and the voyage, and the officer who is directly below the master in rank shall assume the master's position upon his death, absence, or inability due to any other reason.
2. In commanding the vessel, the master shall observe technical standards of maritime navigation, international conventions in force in the Kingdom, maritime custom, and the provisions applicable in the ports of the state where the vessel is located.
3. The master shall maintain the vessel's seaworthiness and ensure that supplies are sufficient for the voyage.

Article 102

1. The master shall not relinquish command of the vessel until arrival at the port.
2. The master shall not abandon the vessel or order the abandonment thereof save by reason of imminent danger and upon consultation with its officers. In such event, he shall salvage the money, vessel papers, and the most



valuable goods, if possible.

Article 103

The master shall personally take over command of the vessel upon arriving or departing ports, or upon navigating through waterways, and in cases where navigation is difficult, even when he is required to use the assistance of a pilot.

Article 104

The master shall have the notary power on board the vessel and he shall have, with regards to persons on board, the authority necessary for maintaining order and security of the vessel, the passengers, the goods, and the safety of the voyage. He may impose disciplinary penalties in accordance with applicable laws.

Article 105

1. The master shall register in the vessel's official logbook any births or deaths which occur on board the vessel during a voyage, and shall follow the procedures provided for in civil status laws.
2. In the event of the death of any person on board the vessel, the master shall, in conjunction with a vessel officer, make an inventory of the deceased's property, and shall preserve and deliver the same to the competent authority at the first port of call in the Kingdom.
3. If any person on board the vessel contracts an infectious disease, the master may disembark him at the nearest possible port where he can receive medical treatment.

Article 106

1. If a crime is committed on board the vessel, the master shall, pending the arrival of the competent authorities, collect evidence and conduct investigations that cannot be delayed. If necessary, he may order the detention of the suspect and take the necessary measures to protect the objects that may be used in establishing a crime.
2. The master shall make a report of the actions taken and deliver it, along with the evidence collection report and the objects seized, to the competent authority at the first port of call in the Kingdom.



Article 107

1. The master shall act as the operator's agent and shall represent him before the court; such agency shall include acts necessary for the vessel and the voyage. A limitation of liability in connection with such agency shall not be invoked against *bona fide* third parties. The master shall exercise the powers vested in him by this Law against persons having interest in the vessel or its cargo.
2. The master may represent the operator only in places where neither the operator nor his agent is present. The presence of the operator or his agent may not be invoked against a third party unless such party is aware of their presence.

Article 108

The master shall follow the operator's instructions with respect to his commercial duties and shall inform him, according to custom, of any order relating to the vessel and its cargo.

Article 109

The master shall, during the voyage, keep in the vessel the documents, certificates, and records relating to the vessel, crew members, passengers, and cargo, as required by this Law and the international conventions to which the Kingdom is party.

Article 110

1. The master shall keep the vessel's official logbook, indorsed by the vessel registration office, to record the information required by the regulations. The pages of the logbook shall be numbered.
2. The master shall, within 24 hours from the vessel's arrival at the port of destination or at any other place where it has anchored willingly or forcibly, submit the vessel's official logbook to the vessel registration office for indorsement. Indorsement outside the Kingdom shall be performed by the Kingdom's diplomatic mission.

Article 111

1. Upon the occurrence of unusual incidents during the voyage which relate to the vessel, passengers, or cargo, the master shall prepare a report thereon



- for submission to the Authority within 24 hours of the vessel's arrival at the port.
2. The Authority shall, if necessary, verify the report's accuracy by hearing the statements of the crew members and passengers, and by collecting information helpful in establishing the truth. A report to this effect shall be drafted and a copy thereof shall be delivered to the master.
 3. If the incident relates to the cargo, the master shall not discharge the vessel prior to submission of the report referred to in paragraph (1) of this Article except in exigent circumstances.

Article 112

1. If exigent circumstances arise during the voyage, the master may pledge the vessel and its freight to secure a loan, and if such security is insufficient, he may pledge the cargo as well. In all cases, the master shall not take a loan except upon obtaining permission from the competent court having jurisdiction over the vessel if the vessel is in the Kingdom. If the vessel is outside the Kingdom, such permission may be obtained from the Kingdom's diplomatic mission, or from a local judicial authority in the absence of such mission.
2. If the master is unable to obtain a loan, he may, upon the competent court's approval, sell part of the cargo to the extent of the amount required. The master or the operator shall compensate the owners of goods which are sold based on the current price of goods of the same class and type in the port of discharge at the expected date of arrival.
3. Consignors or their agents may object to the pledging or the sale of the goods, and may require that such goods be discharged provided that the full freight is paid.

Article 113

The master shall not sell the vessel without the authorization of its owner.

Article 114

Neither the master nor any crew member may ship goods on the vessel for his own benefit without the operator's permission. A violator of this condition shall pay the operator double the freight amount for the goods carried on the vessel. The master may order the jettison of such goods if they pose a threat to the safety of the vessel, or the persons or cargo on board, or if they lead to the payment of fines or expenses, after being notified by a crew member of the



necessity to jettison the same.

Article 115

1. If the master has to repair the vessel during a voyage, the charterer or consignee may either wait until repair is completed or discharge the goods upon full payment of the freight.
2. The charterer or the consignee shall not bear any increase in freight for the period of repair. If the vessel cannot be repaired within a reasonable period, the master shall hire one or more vessels to carry the goods to the agreed destination without any increase in freight. If the master finds it infeasible to do so, the freight shall be paid for part of the voyage completed and each consignee shall undertake the carriage of his own goods.

Article 116

1. The master shall take the necessary measures to protect the interests of the vessel owner, operator, crew members, passengers, and persons having rights to the cargo.
2. In exigent circumstances, the master shall carry out any immediate action necessary for the safety of lives and the integrity of the vessel and its cargo, provided he notifies the operator prior to taking any extraordinary measure, if possible.

Chapter 3: Shipping Agent and Transport Operator

Article 117

Contracts and works performed by a shipping agent and a transport operator shall be subject to the laws of the state where such contracts or works are executed.

Article 118

A claim by a shipping agent or a transport operator against a principal or an employer shall be made in accordance with the Law of Civil Procedure, and may be filed with the court within whose jurisdiction the domicile of the agent or transport operator falls.



Article 119

A claim made by a principal or an employer against a shipping agent or a transport operator shall not be heard after the lapse of two years from the debt's maturity date.

Article 120

A shipping agent shall remain liable to the operator in his capacity as a paid agent.

Article 121

A shipping agent shall not be liable to consignors or consignees for the loss or damage sustained by the goods received for shipment on board the vessel or discharged for delivery to their owners, unless due to a fault attributable to him or his servants.

Article 122

A shipping agent shall take the measures necessary for the protection of the parties' rights to the goods against the carrier or transport operator; otherwise, it shall be presumed that the agent has received the goods in the condition and quantity stated in the bill of lading. Such presumption may be refuted by inspecting the goods, establishing their condition, and recording the same in an official report.

Article 123

1. A transport operator shall carry out the shipping or discharge for the benefit of the person who assigns him to do so, and the operator shall be liable solely to said person who shall exclusively have the right to file a claim against the operator.
2. The transport operator's liability, referred to in paragraph (1) of this Article, shall be limited to faults attributable to him or his servants.

Article 124

A transport operator shall be subject to the provisions governing limitation of liability that relate to the carrier as stipulated in this Law.



Chapter 4: Maritime Contract of Employment

Article 125

1. The provisions of maritime contract of employment stipulated in this Law shall apply to persons working on the vessels engaged in international voyages.
2. Saudi nationals shall not engage in any work on the vessels sailing outside the Kingdom's maritime areas, except upon obtaining a seaman's service book from the Authority.

Article 126

An employer shall pay the wages of the crew members at the time and place specified in the contract or determined by maritime custom.

Article 127

If the wage is determined per voyage, it shall not be reduced if the period of the voyage is shortened by an act of the operator or the master, but if the voyage is lengthened or postponed through such act, the wage shall be increased in proportion to the extended period. The latter provision shall not apply to the master if the lengthening or postponement of the voyage is due to his fault.

Article 128

1. If a crew member's wage is paid on a monthly basis and he dies during the voyage, his heirs shall be entitled to his wage up to the day of his death.
2. If a crew member's wage is paid per voyage and he dies during the voyage, his heirs shall be entitled to his wage for the entire voyage.
3. If a crew member's wage is a share of the profits, his heirs shall be entitled to his entire share.

Article 129

A crew member's wage shall not be withheld or assigned, except to the extent set out in the Labor Law.



Article 130

An employer shall provide medical treatment for a crew member at no cost if he is injured or falls ill while in the service of the vessel. If the injury or illness arises out of insubordination or other forms of misconduct, the employer shall pay the costs of treatment, but he may deduct such costs from the wages due to the crew member. The employer's obligation to provide treatment shall cease if it turns out that the injury or disease is incurable.

Article 131

1. A crew member who is injured or who falls ill while in the service of the vessel shall be entitled to his full wage during the voyage.
2. Entitlement to wages or remuneration after the end of the voyage shall be subject to the provisions of the Labor Law.
3. A crew member shall not be entitled to any wages or remuneration if the injury or illness arises out of insubordination or other forms of misconduct.

Article 132

1. If a crew member dies while in the service of the vessel, the employer shall pay the expenses of his burial in his country, regardless of the cause of death.
2. The employer shall deposit with the competent authority the wages and other due amounts within 15 days from the date of death, loss, or infeasibility to deliver the remains of the deceased crew member.

Article 133

If a maritime contract of employment is concluded for a fixed period of time and such period expires during a voyage, the contract shall be extended until the vessel arrives at the first port in the Kingdom. If the vessel, before entering one of the ports of the Kingdom, arrives at a port of call to which the crew member is to be returned, the contract shall be extended up to the vessel's arrival at such port.

Article 134

If a crew member dies as a result of defending the vessel, cargo, or passengers, his heirs shall be entitled to a remuneration equal to the wages of three months,



or the wage of a voyage in case of payment per voyage, in addition to compensations prescribed by the law.

Article 135

If a crew member is dismissed while the vessel is at a foreign port, the master may not compel him to disembark, except with a written permission from the Saudi mission. The dismissal decision, its date and grounds therefor shall be entered in the vessel's daily logbook; otherwise, such dismissal shall be deemed unlawful.

Article 136

If force majeure prevents the commencement or continuation of a voyage, a crew member hired for the voyage shall be entitled to a wage for the days he actually spent in the service of the vessel, and may not claim any other remunerations or compensations.

Article 137

If a vessel sinks, becomes unseaworthy, or is confiscated, or lost, the court may discharge the employer from paying all or part of the wages of the crew members if it is established that the damage sustained by the vessel is caused by their acts or negligence to rescue the vessel, cargo, or passengers. In such case, the employer may terminate the maritime contract of employment without prior notification or compensation, unless the contract stipulates otherwise.

Article 138

A claim arising from a maritime contract of employment may not be heard after the lapse of 12 months from the date of termination of the employment relationship.

Article 139

Vessels holding Saudi nationality shall not be permitted to travel to areas likely to be affected by war risks, acts of piracy, or armed robbery, unless the owner, operator, or charterer of a bareboat vessel provides insurance covering the



crew against such risks.

Article 140

The regulations shall determine the qualifications and requirements that must be met by the master, officers, marine engineers, and crew members, as well as their numbers on the vessel.

Article 141

Where this Law is silent, the provisions of the Labor Law in force in the Kingdom shall apply to a maritime contract of employment.

Part 5: Use of the Vessel

Chapter 1: Charterparty

Article 142

1. A charterparty shall only be established in writing, and shall include the vessel's name, tonnage, class, state it belongs to, lessor, and charterer, as well as the place and time agreed upon for loading and discharge, amount of freight, and the amount of compensation in case of delay in loading or discharge. The contract shall also provide for whether the charterparty is for the whole or part of the vessel, and whether it is for a specified period or for one or more specified voyages.
2. The sale of a vessel shall not result in the termination of the charterparty.

Article 143

If the term of the charterparty exceeds one year, it shall not be invoked vis-a-vis third parties, unless it is entered in the ship registry.

Article 144

The charterer may use the vessel in the transportation of persons and the



carriage of goods, even if owned by third parties, unless the charterparty stipulates otherwise.

Article 145

1. A charterer may sub-charterparty the vessel, unless the charterparty stipulates otherwise.
2. The original charterer shall, in case of a sub-charterparty, remain liable vis-a-vis the lessor for obligations arising out of the charterparty.
3. A sub-charterparty shall not establish a direct relationship between the original lessor and the sub-charterer. However, the original lessor may have recourse against the sub-charterer in an amount not exceeding sums due to the original charterer, without prejudice to the rules of tort liability.

Article 146

1. The lessor of a vessel may request to distrain the goods owned by the charterer which are on board the vessel to collect the hire and related expenses due to him at the port of destination specified in the charterparty, unless he is provided with a security for payment as determined by the competent court.
2. Subject to the provisions of the GCC Unified Customs Law and its Implementing Regulations, the court shall, in case the lessor invokes his right to distrain the goods, order the goods to be discharged from the vessel and deposited with a receiver appointed thereby; it may also order the sale of the goods or part thereof to pay out the hire and hire-related expenses and set a date for the sale and determine its method of execution.

Article 147

The lessor shall have a lien over the goods referred to in Article 146 of this Law as security for the hire and hire-related expenses.

Article 148

1. A charterparty shall terminate upon the expiry of its term, unless stipulated otherwise.
2. If the charterparty terminates during a voyage, it shall extend until the end of the voyage, and the lessor shall be entitled to the hire provided for in the contract for additional days.
3. The hire shall not be reduced if the vessel is returned before the charterparty



terminates, unless agreed otherwise.

Chapter 2: Bareboat Charterparty

Article 149

1. The lessor shall place a seaworthy vessel at the disposal of the charterer at the agreed-upon time and place for the agreed-upon use.
2. The lessor shall repair any damage sustained by the vessel or replace any damaged parts if such damage is caused by force majeure, defect in the vessel, or ordinary wear and tear. If such damage renders the vessel unusable for more than 24 hours, no hire shall be payable for any additional period the vessel remains out of commission.

Article 150

The charterer shall maintain and use the vessel for the agreed purpose in accordance with its technical specifications as set out in its certificates.

Article 151

The charterer shall appoint the crew members, conclude contracts therewith, pay their wages, and carry out any other obligations undertaken by the employer, and shall bear the costs of use of the vessel and the insurance thereof.

Article 152

1. The charterer shall return the vessel at the end of the charterparty term in the same condition it was received, with allowance for normal wear and tear. The vessel shall be returned to the port in which it was delivered, unless agreed otherwise.
2. The charterer shall return the supplies that were on board the vessel in the same condition they were in at the time the vessel was received. If the supplies are consumable, they shall be replenished.
3. In the event of delay in returning the vessel by reason attributable to the charterer, the charterer shall pay an amount equal to the hire for the first 15 days, and shall pay an amount double the hire for the extra days of delay, unless the lessor proves the damage exceeds such amount.



Article 153

The charterer shall guarantee the right of third parties against the lessor which arises from his use of the vessel.

Article 154

A claim arising from a bareboat charterparty shall not be heard upon the lapse of two years from the date of the vessel's return to the lessor or from the date it was stricken off the ship registry if such vessel is wrecked.

Chapter 3: Chartering an Equipped Vessel

Article 155

The lessor shall be liable for any damage sustained by the goods the charterer carries on the vessel, unless he proves that he fulfilled his obligations or that such damage is not due to his negligence nor that of his servants.

Article 156

The charterer shall be liable for any damage sustained by the vessel or goods carried thereon if such damage is attributable to his misuse of the vessel or to a defect in the goods he has placed on board.

Article 157

1. A claim arising from a charterparty of an equipped vessel shall not be heard upon the lapse of two years. In a time charterparty, the two-year period shall commence from the date of expiry of the contract term, from the date of the end of the last voyage if such voyage has been extended in accordance with Article 164(2), or from the date of knowing of an accident which renders executing the contract impossible.
2. In a voyage charterparty, the two-year period shall commence from the date of the end of each voyage or from the date of knowing of an accident which renders the commencement or continuation of a voyage impossible. The voyage shall end with the arrival of the vessel to the agreed port and the discharge of the goods shipped by the charterer.
3. In case a vessel is wrecked, the two-year period shall commence from the



date the vessel is stricken off the ship registry.

Article 158

A time charterparty of an equipped vessel shall include:

1. name and address of the lessor and charterer;
2. vessel's name, nationality, tonnage, class, and other specifications required for its identification;
3. freight cost or method of its calculation; and
4. hire period.

Article 159

The lessor shall place a seaworthy vessel that is properly equipped to carry out the operations provided for in the charterparty at the disposal of the charterer at the agreed-upon time and place, and shall maintain the vessel in such condition for the duration of the contract.

Article 160

1. The lessor shall retain the navigational management of the vessel.
2. The commercial management of the vessel shall be transferred to the charterer who shall bear the costs thereof, particularly the supply of fuel, oil, and lubricants, as well as payment of port and pilotage charges and other expenses, unless stated otherwise in the charterparty. The master shall follow the instructions given to him by the charterer in all matters relating to such management.

Article 161

The charterer shall pay the hire in full for the period during which the vessel is placed at his disposal, even if interrupted due to navigational accidents. If the vessel sustains damage that renders it useless for commercial use and the repair of which requires more than 24 hours, the hire shall not be payable during the extra period in which the vessel remains unusable.

Article 162

1. The hire shall not be payable if the vessel is wrecked or stopped by force majeure, or by an act of the lessor or his servants.



2. If it is established that the vessel has been wrecked, the hire shall be payable up to the date of the last time news about the vessel is received.

Article 163

The lessor shall recover his right to dispose of the vessel if the charterer fails to pay the hire within three days from the date of notification. In such event, the lessor shall carry the charterer's goods on board to the port of destination in consideration of *quantum meruit* freight, without prejudice to his right to claim compensation.

Article 164

1. The charterer shall, at the end of the charterparty, return the vessel to the port where it was placed under his disposal, unless agreed otherwise.
2. If the charterparty terminates during the voyage, it shall be extended until the end of the voyage and the lessor shall be entitled to the hire stipulated in the charterparty for the additional days.
3. The hire shall not be reduced if the vessel is returned before the end of the charterparty.

Article 165

A voyage charterparty shall include:

1. name and address of the lessor and charterer;
2. vessel's name, nationality, tonnage, and other specifications required for its identification;
3. type, quantity, and description of the cargo;
4. place and time agreed for loading and discharge;
5. freight cost and method of its calculation; and
6. a list of agreed-upon voyages.

Article 166

1. If loading or discharge does not take place within the period specified in the charterparty, an additional period not exceeding the original period shall take effect, during which the lessor shall be entitled to a daily compensation as specified in the charterparty. If loading or discharge does not take place within the additional period, a second additional period not exceeding the first one shall take effect, during which the lessor shall be entitled to a daily compensation equal to 150% of the daily compensation set for the first



- additional period, without prejudice to any other compensations.
2. The daily compensation for the additional periods shall be deemed part of the freight-related expenses and thus subject to their provisions.

Article 167

1. If loading is completed prior to the expiration of the specified period, the remaining days shall not be added to the discharge period. If discharge is completed prior to the expiration of the specified period, the remaining days shall not be used to compensate for the extra loading days, if any, unless agreed otherwise.
2. An agreement may be made to reward the charterer for completing loading and discharge ahead of schedule.

Article 168

The master may, upon expiration of the discharge period, discharge goods at the expense and liability of the charterer. He shall take the necessary measures to safeguard discharged goods.

Article 169

If the charterer does not load all the agreed-upon goods, he shall nonetheless pay the full freight.

Article 170

1. The owner of an equipped vessel, chartered wholly or partially, shall not load on the vessel nor a chartered part thereof any goods which do not belong to the charterer without his permission. The charterer may claim the freight of goods loaded without his permission, without prejudice to any other compensations.
2. The lessor shall have a lien over the goods referred to in paragraph (1) of this Article as a security for the freight and related expenses.

Article 171

A charterparty shall terminate without compensation by the lessor or the charterer in the event of force majeure rendering the voyage impossible or if trade with the state of either the port of loading or discharge is banned.



Article 172

The charterer may terminate the charterparty at any time prior to commencement of loading of goods, and shall compensate the lessor for any damage sustained thereby, provided that the compensation does not exceed the agreed-upon hire amount.

Article 173

The charterer may at any time during the voyage request the discharge of the goods prior to arrival at the agreed-upon port, provided he pays the full freight and discharge costs.

Article 174

A charterparty shall remain in force without increase in hire and without compensation if force majeure temporarily interrupts the commencement or continuation of the voyage. In such case, the charterer may discharge and reload his goods at his own expense, and shall pay the hire in full.

Article 175

If the continuation of a voyage becomes impossible by reason attributable to the lessor or his servants, the charterer shall only pay the hire for the completed part of the voyage.

Article 176

1. If it is not possible for a vessel to reach the designated port of discharge, the lessor shall direct the vessel to the nearest port of discharge.
2. The lessor shall bear the costs of transporting goods to the agreed-upon port. If the vessel fails to reach such port due to force majeure, the costs shall be borne by the charterer.

Article 177

1. The freight shall not be payable if the goods are lost, unless it is agreed that the freight is payable in any event.
2. The freight shall be payable if the loss is due to a fault attributable to the charterer or his servants, the nature of the goods, or any defect therein; if



- the master has to sell such goods during the voyage because of a defect therein or damage thereto; or if the master orders the destruction of the goods for being harmful or hazardous or dangerous to transport, without the lessor's knowledge of the same at the time of loading.
3. The freight shall be payable if animals perish during the voyage due to a fault not attributable to the lessor or his servants.

Article 178

The charterer shall not be absolved from paying the freight by abandoning the goods, even if they have been damaged or have diminished in quantity or value during the voyage.

Chapter 4: Contract of Carriage by Sea

First: General Provisions

Article 179

A contract of carriage by sea shall only be established in writing.

Article 180

The sale of a vessel shall not result in the termination of the contract of carriage by sea.

Second: Contract of Carriage of Goods by Sea

Article 181

1. The carrier shall issue a bill of lading at the request of the consignor upon receipt of the goods.
2. The carrier may give the consignor a receipt for the delivery of goods before being loaded on board the vessel. Such receipt may, upon the request of the consignor, be replaced with a bill of lading after the goods have been placed on board the vessel. The receipt shall have the same effect as the bill of lading if it contains the particulars stipulated in Article 182 of this Law.



Article 182

The bill of lading shall specifically include the following particulars:

1. Name and address of the carrier, the consignor, and the consignee.
2. Description of the goods as indicated by the consignor, specifically: their nature, hazardousness, number of packages, weight, volume, distinctive marks placed thereon, and apparent condition, including the condition of the containers wherein they are placed.
3. Name of the vessel if the bill of lading was issued at the time of loading or thereafter.
4. Name of the master.
5. Port of loading and port of discharge.
6. Amount of freight if payable in whole or in part upon arrival.
7. Place and date of issuance of the bill of lading and number of copies produced.
8. Statement of whether the goods will be loaded on deck.

Article 183

1. The consignor shall provide the particulars of the goods, in writing, upon delivery to the carrier to be recorded in the bill of lading. The carrier may express reservations against the recording of such particulars if he has serious reasons to doubt the accuracy thereof, or if he does not have available to him the ordinary means of verifying the same. The reasons for such reservation shall be stated in the bill of lading.
2. The consignor shall inform the carrier if the goods are dangerous, flammable, or explosive, and shall place safety warning labels and handling instructions thereon.

Article 184

The consignor shall be liable to the carrier for compensation for any damage resulting from the inaccuracy of the particulars of the goods he provides, even if he assigns the bill of lading to a third party.

Article 185

Marks placed on goods shall be sufficient to identify them, and shall be placed in a fixed and clear location to remain visible throughout the voyage.



Article 186

1. The bill of lading shall be made out in two originals, one of which shall be given to the consignor, and the other shall remain with the carrier, and shall state that it is not negotiable by third parties.
2. The carrier, or his representative, shall sign the copy delivered to the consignor which shall give its lawful holder the right to take delivery and dispose of the goods.
3. Copies of the bill of lading may be made at the request of the consignor. Each copy shall be signed and shall indicate the number of copies which have been made. Each copy shall have the same effect as the other copies, and if one of them is used to take delivery of the goods, the other copies shall be deemed void against the carrier.

Article 187

1. The bill of lading shall be made out in the name of a specified person or to his order, or to the bearer.
2. A named bill of lading may be assigned by following the applicable procedures relating to the transfer of rights.
3. An order bill of lading shall be negotiable by indorsement, and the mere signature of the holder thereon shall constitute an indorsement of the transfer of title. Such indorsement shall be subject to the provisions of the Law of Commercial Papers. A bearer bill of lading shall be negotiable by delivery.
4. A bill of lading may stipulate a restriction on the transfer or negotiation thereof.

Article 188

The lawful holder of a bill of lading shall be the person whose name is indicated therein; the transferee in case of a bearer bill of lading or one indorsed in blank; or the last indorsee in case of an order bill of lading with the name of that indorsee indicated therein.

Article 189

1. Any letter of guarantee or agreement whereby the consignor pledges to compensate the carrier for any damage arising from issuing a bill of lading free of any reservations regarding the particulars set out therein may not be invoked against a third party who is unaware, at the time of acquiring the bill of lading, of the inaccuracy of such particulars.
2. The consignee in whose name or for whose order the bill of lading is issued



shall be deemed a third party, unless he himself is the consignor.

Article 190

1. If the master, prior to sailing, finds on board the vessel goods not mentioned in the bill of lading or in the delivery receipt, or if he finds out that their particulars are inaccurate, he may take such goods out of the vessel or keep them on board upon payment of freight equivalent to that payable on goods of the same type, without prejudice to compensation, if any.
2. In the event the goods mentioned in paragraph (1) of this Article are found during the voyage, the master may order the jettison of such goods if they may cause damage to the vessel or to other goods, if the carriage thereof requires the payment of fines or costs that exceed their value, or if the sale or export thereof is prohibited by law.

Article 191

1. If the consignor loads dangerous, flammable, or explosive goods without the carrier's knowledge, the carrier may at any time destroy such goods, take them out of the vessel, or eliminate their potential danger in accordance with the statutory procedures. The carrier shall not be liable for such act if it is established that he would not have consented to the loading thereof had he known their nature. The consignor shall be liable for the damage and expenses arising from the loaded goods.
2. If the carrier knows the nature of such goods and consents to their loading, he shall not take them out of the vessel, destroy them, or eliminate their potential danger, except if they pose a threat to the safety of the vessel or the cargo. In such case, the carrier shall not bear any responsibility except for matters related to general average losses, where appropriate.
3. Special provisions set forth in the international maritime conventions to which the Kingdom is party shall be observed with respect to the carriage of grain, dangerous goods, petroleum, chemicals, and gases.

Article 192

1. The bill of lading shall be deemed evidence to the carrier's receipt of the goods from the consignor in the condition described therein. If the bill of lading contains the description set out in Article 182(2), it shall be evidence to the shipment of the goods in the vessel or vessels designated in the particulars and on the date stated therein. The bill of lading shall also be deemed as evidence to establishing the particulars included therein between the carrier and the consignor and with regard to third parties.



2. In the relationship between the carrier and the consignor, it shall be permissible to prove the contrary of the particulars stated in the bill of lading, but so far as *bona fide* third parties are concerned, it shall not be permissible to prove the contrary of what is stated in the bill, but it shall be open to the third party to do so.
3. The consignee in whose name or to whose order the bill of lading is issued shall be deemed to be a third party under the provision of this Article, unless he himself is the consignor.

Article 193

The delivery receipt referred to in Article 181(2) shall be deemed as evidence to the carrier's receipt of the goods from the consignor in the condition described therein, unless proven otherwise.

Article 194

1. Any person who has the right to receive goods by virtue of a bill of lading may request the carrier to issue delivery orders with respect to quantities thereof, on the condition that it is stipulated in the bill of lading.
2. Delivery orders shall be issued in the name of a specified person or to his order, or to the bearer, and shall be signed by the carrier and the person requesting the order.
3. If the bill of lading is negotiable, the carrier shall mention therein the particulars of the delivery orders he has issued and the goods set out therein. If the shipment has been entirely distributed over several delivery orders, the carrier shall recall the bill of lading.
4. The delivery order shall give its lawful holder the right to receive the goods indicated therein.

Article 195

1. The particulars of the bill of lading provided for in Article 182 may be recorded in an electronic transport record, provided that the carrier and the consignor consent to its issuance and subsequent use.
2. The electronic transport record shall have the same effect as that of the bill of lading in terms of possession and transfer.

Article 196

The carrier shall prepare and equip the vessel with the necessary provisions to



be in a seaworthy condition to carry out the voyage and transport the goods agreed upon, and he shall also prepare the cargo-designated areas to carry and preserve the goods.

Article 197

The carrier shall be responsible for loading and discharging the goods from the vessel unless agreed otherwise, and he shall also be responsible for stacking, preserving, carrying, and delivering the goods upon arrival.

Article 198

With the exception of coastal navigation between the Kingdom's ports, the carrier shall not load goods on the vessel's deck unless the consignor's written approval is obtained, the applicable rules of the port of loading or the nature of the shipment so require, or there is a custom permitting the same in the port of loading. In all cases, the bill of lading shall indicate that the goods are loaded on the vessel's deck.

Article 199

If the vessel fails to continue its voyage for any reason, the carrier shall exercise due diligence to prepare another vessel for the carriage of goods to the agreed port, and shall bear the expenses arising therefrom, unless exempted by this Law from such liability; in such case, the expenses shall be incurred by the consignor, and the carrier shall be entitled to the agreed freight in full once the goods reach the agreed-upon port.

Article 200

The consignor shall deliver the goods to the carrier at the agreed-upon time and place, and the value of the compensation in case of delay in delivery shall not exceed the amount of freight.

Article 201

1. The consignor shall pay the freight. If the freight is due upon arrival, the person who has the right to receive the goods shall pay the same if he



- accepts receipt of the goods.
2. If the bill of lading does not mention the amount of freight payable on arrival, it shall be presumed that the carrier received the full freight at the time of loading, and it shall not be permissible to prove the contrary thereof against a third party who was unaware, at the time of acquiring the bill of lading, that the freight or part thereof is still due.
 3. The consignor or the person entitled to receive the goods shall not be absolved from paying the freight for the carriage thereof, even if they are damaged or have diminished in quantity or value during the voyage.

Article 202

Freight shall be payable for goods which the master decides to jettison or sacrifice in any other way to save the vessel or the cargo, subject to the provisions of general average provided for in this Law.

Article 203

Freight shall not be payable if the goods are lost due to force majeure or to the carrier's failure to perform the obligations imposed by this Law or the contract.

Article 204

The consignor shall be liable for any damage sustained by the vessel or the goods loaded therein if the damage is attributable to his own act or that of his servants or to a defect in his goods.

Article 205

The master shall deliver the goods upon arrival to the lawful holder of the bill of lading or his representative in receipt thereof.

Article 206

The delivery of a copy of the bill of lading to the carrier shall be deemed to be evidence to the delivery of the goods to the person who has the right to receive the same, unless proven otherwise.



Article 207

1. If a number of persons holding copies of the negotiable bill of lading request receipt of the goods, preference shall be given to the holder of the copy bearing the earliest date of indorsement.
2. If the goods are delivered to a *bona fide* holder of one of the negotiable copies of the bill of lading, he shall have preference over holders of other copies even though they bear earlier dates of indorsement.

Article 208

1. If the person having the right to receive the goods does not attend or if he attends but declines to receive the same or to pay the freight or any other amounts arising out of the carriage, the carrier may request the competent court for permission to deposit the same with a receiver to be appointed by the court. The carrier may also request permission to sell the goods in whole or in part to collect the amounts due by the owner of the goods.
2. The carrier shall have a lien on the sale proceeds of the goods to secure the freight and other carriage-related amounts due to him.

Article 209

The carrier shall be liable for the goods and they shall be deemed to be in his custody from the time he receives such goods from the consignor or his representative, an authority, or a third party which the regulations in force at the port of loading require the goods to be delivered thereto for the purpose of shipment. Such liability shall end once the goods are delivered to or placed at the disposal of the consignee in accordance with the contract or the rules and custom applicable at the port of discharge, or once the same is delivered to an authority or a third party which the regulations in force at the port of discharge require the goods to be delivered thereto.

Article 210

1. The carrier shall be liable for any loss or damage sustained by the goods as well as for delay in delivery if the accident causing the loss, damage, or delay occurs while the goods are in his custody, unless he proves that he, his servants, or his agents have done everything within their power to avoid the accident and its consequences.
2. Delay in delivery occurs when the goods are not delivered at the port of discharge stated in the contract of carriage within the agreed-upon period or, in the absence of such agreement, within the usual period it takes an ordinary



- carrier in similar circumstances to complete the delivery.
3. A person who has the right to claim compensation for the loss of goods shall deem the same to be lost if not delivered within 60 successive days after the expiry of the period specified for delivery.
 4. The carrier shall be liable for fire-related loss, damage, or delay in delivering the goods if the claimant proves that the fire arose from a fault or negligence attributable to the carrier or his servants or agents or due to their failure to take the necessary measures to put out the fire and avoid or mitigate its consequences.
 5. The carrier shall not be liable for the loss, damage, or delay in delivery resulting from any special risks associated with the carriage of live animals. If the carrier complies with the consignor's instructions regarding the carriage of such animals, it shall be presumed that any loss or harm thereto is attributable to the special risks associated with this type of carriage, unless the consignor proves that the same has resulted from a fault attributable to the carrier, his representative, or any of his servants.
 6. The carrier shall not be liable, except in general average, if the loss, damage, or delay results from measures taken to save lives or salvage property at sea.
 7. If fault or negligence attributable to the carrier, his servants, or agents, in conjunction with another cause, result in loss, damage, or delay in delivery, the carrier shall be liable only to the extent that the loss, damage, or delay in delivery is attributable to his fault or negligence or that of his servants or agents, provided that the carrier proves the extent of the loss, damage, or delay in delivery that is not attributable thereto.

Article 211

The carrier shall be exempt from the liability provided for in Article 210(1) if he proves that the loss or damage of the goods is the result of an external cause not attributable to him or to his representative, servants, or agents.

Article 212

If the consignor has deliberately provided inaccurate particulars on the bill of lading relating to the nature or value of the goods, the carrier shall not be liable for the loss or damage sustained by the goods once such particulars are proved to be inaccurate.



Article 213

The carrier shall not be liable for loss or damage sustained by the goods which are mentioned in the bill of lading as being carried on deck if it is proved that the loss or damage is attributable to special risks associated with that type of carriage.

Article 214

1. The carrier shall not limit his liability against the consignor if the consignor has, before the loading takes place, provided in the bill of lading a description of the nature of the goods and their value and the importance of preservation thereof. Said description shall be deemed to be proof of the accuracy of the value set out by the consignor of the goods, unless the carrier proves otherwise.
2. The carrier's limitation of his liability shall not be deemed as acknowledgment of such liability.

Article 215

Any agreement concluded prior to the occurrence of any damage-causing accident shall be deemed void if the subject matter thereof includes one of the following:

1. Exempting the carrier from liability for the loss or damage to the goods.
2. Shifting the burden of proof this Law imposes on the carrier.
3. Assigning the rights arising out of insurance of goods in favor of the carrier.

Article 216

The carrier may assign all or part of the rights and exemptions granted to him, and may increase his liabilities and obligations on condition that the same is stated in the bill of lading.

Article 217

An agreement contrary to the provisions of Article 215 of this Law may be concluded if the exceptional conditions under which transportation is carried out justify concluding such agreement, provided it does not exempt the carrier from liability for his fault or that of his servants, that a bill of lading is not issued, and that the agreement is made in writing on a non-negotiable receipt indicating the



same.

Article 218

1. If the goods are lost or damaged, the person who receives the goods shall notify the carrier in writing of the same no later than one working day following the date of receipt; otherwise, it shall be presumed that the goods have been delivered in the condition set out in the bill of lading, unless evidence to the contrary is presented. If the loss or damage is not apparent, the notification shall be made within 15 days following the date of receipt.
2. The notification set forth in paragraph (1) of this Article is not necessary if the goods have been inspected and their condition has been recorded at the time of delivery in the presence of the carrier or his representative and the person who receives the goods.

Article 219

1. The carrier shall not invoke limitation of liability for the loss, damage, or delay of delivery of the goods if it is established that the same is caused by an intentional act or omission on the part of the carrier or his representative or any of his servants, or by negligence with the knowledge that damage may occur.
2. The carrier or his representative is presumed to have the intent to cause damage in the following cases:
 - a) If the carrier issues a bill of lading free of reservations with the intent to cause harm to a *bona fide* third party.
 - b) If the carrier transports the goods on the deck of the vessel in violation to the provisions requiring shipment of the same in the holds of the vessel.

Article 220

The carrier may subcontract another carrier for the performance of the carriage or part thereof, unless agreed otherwise. The carrier who concluded the contract of carriage with the consignor shall remain liable before him for any damage sustained during the execution of the contract. If the damage is sustained during the part of the carriage performed by the subcontractor, the subcontractor and the carrier shall be jointly liable.

Article 221

1. A lawsuit arising from a contract of carriage of goods by sea shall not be



heard after the lapse of two years from the date of receipt of the goods or from the date set for delivery.

2. The period referred to in paragraph (1) of this Article shall be suspended by means of a letter along with proof of delivery, delivery of claim-related documents, or appointment of an expert to assess the damage, in addition to any other causes prescribed by the law.
3. The right of a person, against whom a claim is made, to have recourse against a third party shall cease after the lapse of 90 days from the date on which the lawsuit was filed or from the date on which he made the payment, even if the period referred to in paragraph (1) of this Article has expired.

Article 222

A lawsuit arising from a contract of carriage of goods by sea shall be filed with the competent court in accordance with the Law of Civil Procedure. It may also be filed, based on the claimant's choice, with the court within whose jurisdiction one of the following places is located:

1. The defendant's head office, or his regular place of residence in the lack thereof.
2. The place where the contract has been concluded, provided that the defendant has a place of work, a branch, or agency therein, through which the contract is concluded.
3. Port of loading or discharge.
4. Any other place designated for such purpose in the contract.

Article 223

If it is agreed in a contract of carriage of goods by sea to refer claims that may arise therefrom to arbitration, the arbitration shall, based on the claimant's choice, be conducted with the court within whose jurisdiction one of the following places falls: port of loading, port of discharge, defendant's domicile, the place where the contract is concluded, provided that the defendant has a head office, branch, or agency therein, or the location designated in the arbitration agreement, or before the court within whose jurisdiction the port where the vessel was arrested is located. Any agreement prior to the dispute depriving the claimant of his right to choose or restrict the same shall be deemed void.



Article 224

If it is agreed that a lawsuit arising from a contract of carriage of goods by sea be referred to arbitration, the arbitrators shall decide the dispute in accordance with the provisions of the arbitration law agreed upon by the parties.

Third: Contract of Carriage of Passengers by Sea

Article 225

1. A contract of carriage of passengers by sea shall be evidenced by a document called a "travel ticket", which shall contain the following:
 - a) Name of the carrier, and name and nationality of the passenger.
 - b) Date of issuance of the travel ticket.
 - c) Name and nationality of the vessel.
 - d) Port and date of departure, port and date of arrival, and designated ports of call.
 - e) Fare.
 - f) Class of accommodation on board.
2. A travel ticket shall not be transferred to a third party except with the carrier's consent.

Article 226

A travel ticket may be replaced by another document indicating the name of the carrier and the services provided, if the gross tonnage of the vessel does not exceed 20 tons, or if the vessel provides services within the port or in areas designated by the maritime authorities.

Article 227

The carrier shall prepare and equip the vessel with the necessary provisions to be seaworthy and able to carry out the voyage agreed upon, and shall maintain the vessel in such condition for the complete duration of the voyage, and provide proper meals, rest facilities, and toilets.



Article 228

A passenger shall be present at the time and place indicated in the travel ticket; otherwise, he shall remain liable for the fare.

Article 229

If a passenger dies or is prevented from traveling, the contract shall be terminated and the fare returned in full, provided that the passenger or his heirs notify the carrier in sufficient time prior to the specified date of travel, in accordance with the regulations. If the carrier is not notified, he shall be entitled to receive one-quarter of the fare. This shall apply to the passenger's family members and other persons accompanying him, provided that they submit a request to this effect.

Article 230

Once the voyage starts, conditions relating to the passenger shall bear no effect on the contractual obligations.

Article 231

1. If the voyage is not carried out for a reason not attributable to the carrier, the contract shall be terminated without compensation and the carrier shall refund the fare. If it is established that the voyage is not carried out for a reason attributable to the carrier, he shall be liable to pay a compensation equal to half the fare; it shall be presumed that the carrier is the reason for not carrying out the voyage, unless proven otherwise.
2. If the voyage is interrupted for more than three days, the passenger may terminate the contract and receive compensation from the carrier where appropriate. The carrier shall be exempted from payment of compensation if he proves that the interruption is not attributable to him. The contract shall not be terminated if the carrier transports the passenger to the agreed-upon destination within a reasonable time on a vessel of the same class.

Article 232

A passenger may request the termination of the contract with compensation where appropriate if the carrier makes a substantial alteration to the travel dates, the voyage itinerary, or scheduled ports of call. The carrier shall be



exempted from payment of compensation if he proves that he exercised due diligence to prevent such alteration.

Article 233

1. The carrier shall be liable for any damage that causes death or bodily injury to a passenger if the accident occurs during the execution of the contract of carriage.
2. The accident shall be deemed to have occurred during the execution of the contract of carriage if it occurs during the voyage, or when the passenger embarks at the port of departure or disembarks at the port of arrival or a port of call, or during the period the carrier is responsible for the passenger before he embarks or disembarks.
3. If it is established that the accident is due to a fault or negligence attributable to the carrier or his servants, the carrier shall be liable for full compensation, but he shall be exempted from liability if he proves that the death or injury of the passenger is due to a cause not attributable to him.

Article 234

1. The carrier's liability for the death or bodily injury of a passenger shall not exceed 400,000 units of account if the death or bodily injury of the passenger is not due to a fault or negligence attributable to the carrier. This shall include the total number of claims for compensation submitted by the passenger, his dependents, or his heirs for each accident.
2. The provisions of paragraph (1) of this Article shall not prejudice the rights of the passenger in case of death or bodily injury as stipulated in Sharia or laws in force in the Kingdom.

Article 235

The carrier shall not invoke the limitation of liability if it is established that the damage arose out of an act or omission of the carrier or his representative with the intent to cause damage, or out of negligence with the knowledge that damage may occur.

Article 236

The carrier must have insurance or guarantee from a recognized entity to cover his liability for death and bodily injury. In this case, an injured party may have direct recourse against the insurer or guarantor.



Article 237

Any agreement concluded prior to the occurrence of the accident causing the damage shall be deemed void if the subject matter thereof includes one of the following:

1. Exemption of the carrier from liability vis-a-vis the passenger, his dependents, or his heirs.
2. Shifting the burden of proof this Law imposes on the carrier.
3. Assigning the rights arising from the insurance of the passenger in favor of the carrier.

Article 238

In case of bodily injury, the carrier shall be notified thereof in writing within 15 days from the date the passenger disembarks the vessel; otherwise, the passenger shall be presumed to have disembarked without injury, unless he proves otherwise.

Article 239

The carrier shall be liable for any damage caused by delay in the performance of obligations under the contract of carriage of passengers, unless he proves that he is not responsible for such delay.

Article 240

1. A claim for damages arising from the death or injury of a passenger shall not be heard after the lapse of two years. The period shall commence from the day following the date the passenger disembarks the vessel in the event of bodily injury, or from the day on which he should have disembarked in the event of death during the execution of the contract of carriage.
2. If the death of the passenger, which is caused by an accident during the execution of the contract of carriage, occurs after he disembarks the vessel, the claim shall not be heard after the lapse of three years from the date of the passenger's disembarkment.
3. A claim for damages arising from the delay in arrival shall not be heard after the lapse of six months from the day following the date the passenger disembarks the vessel.



Article 241

If a claim for damages is filed against a carrier's agent or servant, the person against whom the claim is filed may invoke any of the carrier's defenses and provisions of liability, and the claim may be dismissed after the lapse of the statutory period if the agent or servant proves that the act attributable to him occurred during the performance of his duty or resulted therefrom.

Article 242

1. The carrier shall be liable for the death or bodily injury of a passenger who is transported at no cost, and for any loss or damage to his baggage if the accident resulting in death or injury occurs during the carriage period provided in the Athens Convention and is attributable to fraud, intentional fault, or gross negligence attributable to the carrier, his servants, or his agents during service.
2. The provisions of paragraph (1) of this Article shall apply to the persons the carrier agrees to transport for accompanying a live animal or any other item the carrier transports under a contract of carriage of goods.

Article 243

The carrier's obligation shall include the carriage of the passenger's baggage within the limits specified by the contract and in accordance with the regulations.

Article 244

1. The carrier or his representative shall provide the passenger with a receipt for delivered baggage, and record such baggage in a register or special notice.
2. Baggage to be registered shall include cars and other vehicles the passenger delivers to the carrier for carriage on the vessel.

Article 245

1. The amount of compensation to be paid by the carrier to the passenger in case of any loss of or damage sustained by the registered baggage within the cabin (the vessel's command room) shall not exceed 22,500 units of account, or 12,700 units of account in case of damage to other baggage.
2. The provisions of a contract of carriage of goods by sea provided for in this



Law shall apply to the carriage of unregistered baggage.

Article 246

1. The carrier shall be liable for the loss or damage sustained by unregistered baggage held by the passenger if it is established that the damage is due to a fault attributable to the carrier, his representative, or his servants.
2. The limits set forth in Article 245(1) shall not apply to items the passenger deposits with the master or with the person in charge of safekeeping deposits in the vessel if the passenger informs either of them of the importance of preserving the same for being of material or moral value.

Article 247

The master shall not detain unregistered baggage of a passenger for payment of the fare.

Article 248

A claim arising from the carriage of baggage shall not be heard after the lapse of two years from the date following the day the passenger disembarks the vessel or is expected to disembark.

Article 249

A claim arising from a maritime contract of carriage of passengers shall be filed with the competent court in accordance with the Law of Civil Procedure. The claimant shall have the right to choose to file the lawsuit with the court under whose jurisdiction the port of departure, the port of arrival, or the port on which the vessel is arrested falls. Any agreement prior to the dispute which deprives or restricts such right shall be deemed void.

Fourth: Tourist Transport Contract

Article 250

An operator of a tourist cruise shall be obligated vis-a-vis passengers to carry out the cruise in accordance with the terms and conditions advertised or stipulated in the cruise contract.



Article 251

1. The tourist cruise operator shall provide a ticket to each passenger or group of passengers; otherwise, the cruise contract shall be deemed null and void. Only the passenger may claim such nullity.
2. The tourist cruise operator shall also provide each passenger with vouchers for services to be provided on land at the ports indicated in the vouchers.

Article 252

The tourist cruise operator shall be liable for any harm or damage sustained by a passenger or his baggage in the course of carrying out a tourist cruise contract. Such liability shall be subject to the provisions stipulated in this Law.

Fifth: Multimodal Transport Contract

Article 253

Multimodal transport contracts shall be subject to the Agreement on Multimodal Transport of Goods among Arab Countries and its amendments.

Part 6: Maritime Accidents

Chapter 1: Maritime Collision

Article 254

1. If a collision is attributable to a fault by a vessel, said vessel shall be liable for compensating any sustained damage.
2. If a collision is attributable to force majeure or to undetermined or unknown causes, each vessel shall not be liable for any damage sustained by the other vessels even if one or more of the colliding vessels are at anchor when the collision occurs.
3. If a collision occurs due to a common fault, in which more than one vessel is involved, the liability of each vessel shall be assessed in proportion to its responsibility for the damage caused. If such responsibility cannot be determined, all vessels shall be equally liable.
4. The vessels involved in a collision attributable to a common fault shall be



solely liable, to the extent of their responsibility for the fault, as set forth in paragraph (3) of this Article, for any damage sustained by other vessels and their cargo as well as baggage and possessions of crew members and other persons on board.

5. Vessels shall be jointly liable vis-a-vis a third party if the fault results in the death or bodily injury of a person on board. If a vessel pays more than its share for the compensation, it may have the right of recourse against the other vessels for the extra amounts it pays.

Article 255

The liability provided for in this Chapter shall apply to a collision arising from a fault attributable to the pilot, even in cases where pilotage is compulsory, without prejudice to the general provisions of liability.

Article 256

1. The master of each colliding vessel shall, without delay, render aid to the other vessels involved in the collision, as well as their crew members and other persons on board, to the extent that it does not endanger his vessel or his crew or persons on board. A master who fails to do so shall be held liable. The master of a colliding vessel shall also, when possible, notify the other vessels of his vessel's name and ports of registration, departure, and destination.
2. An operator shall not be liable for the breach of the obligations set forth in paragraph (1) of this Article, unless such breach occurs due to his explicit instructions.

Article 257

1. A lawsuit arising from a maritime collision may be filed before any of the following courts:
 - a) The court having jurisdiction over the defendant's domicile or principal office.
 - b) The court having jurisdiction over the port of registration of the defendant's vessel.
 - c) The court having jurisdiction over the first Saudi port of call at which one or more of the colliding vessels arrive.
 - d) The court having jurisdiction over the port where one or more of the colliding vessels are arrested.
 - e) The court having jurisdiction over the place where the collision occurred,



if it is located inside the Kingdom's maritime areas.

- f) Any other court the litigants agree to file the lawsuit with.
2. Litigants may resort to arbitration for any dispute arising from collision, provided that such arbitration is conducted, based on the claimant's choice, within the jurisdiction of any of the courts set out in paragraph (1) of this Article.

Article 258

1. A claim for compensation arising from a collision shall not be heard upon the lapse of two years from the date of the collision.
2. A claim for recourse as stipulated in Article 254(5) shall not be heard upon the lapse of one year from the date of death.
3. The periods prescribed in this Article shall be suspended if the vessel subject of the claim cannot be arrested and the claimant is a Saudi national or a person having a domicile in the Kingdom.

Article 259

The master shall abide by the vessel navigation and management regulations set out in the Convention on the International Regulations for Preventing Collisions at Sea (1972), and its amendments which are in force in the Kingdom.

Chapter 2: Maritime Rescue

Article 260

1. The master shall, without delay, proceed to rescue any person in distress at sea, to the extent that it does not endanger his vessel or persons on board. The master who fails to fulfill such obligation shall be held liable.
2. Without prejudice to the master's liability, an operator shall be liable for the breach of the obligation set forth in paragraph (1) of this Article, if such breach is due to his explicit instructions.

Article 261

1. Any maritime rescue operation shall entitle the rescuer to a reward if such operation results in a positive outcome. Said reward shall not exceed the value of what has been rescued.



2. If rescue operations do not result in a positive outcome, the aided vessel shall reimburse the rescuer for the expenses incurred in such operations.
3. If the rescue operations intended to prevent a vessel or its cargo from endangering the marine environment do not result in a positive outcome, and the rescuer does not receive the reward prescribed in paragraph (1) of this Article or the reimbursement stipulated in paragraph (2) of this Article, said rescuer shall be entitled to a special reimbursement from the vessel owner, equivalent to the expenses incurred in such rescue operations, taking the following into consideration:
 - a) If the rescue operations extended to a vessel or its cargo lead to the prevention or reduction of environmental damage that may affect human beings or maritime resources within the Kingdom's maritime areas, including coastal, inland and adjacent areas, an extra amount not exceeding 30% shall be added to the reimbursement.
 - b) The competent court may, at its discretion, decide to increase the reimbursement up to 100% of the expenses incurred by the rescuer, without prejudice to the provisions of Article 267 of this Law.
4. Stakeholders shall pay the expenses incurred in the acts of rescue and the special reimbursement provided for in this Article, in proportion to their respective shares in the rescued property.

Article 262

1. The parties shall agree on the amount of remuneration. If they fail to agree, said remuneration shall be determined by the court. The same shall apply to its distribution among the vessel's owner, master, and crew members.
2. If the rescuing vessel is foreign, the reward shall be distributed among the owner, master, and crew members in accordance with the laws applicable in the vessel's flag state.

Article 263

A maritime rescue reward shall be payable even if the vessels involved are owned by the same person.

Article 264

No reward or reimbursement shall be payable for maritime rescue in the following cases:

1. The rescued vessel's rejection of the aid provided by the rescuing vessel for a plausible reason.



2. Rescue of any type of mail.
3. Aid provided by a towing vessel to a vessel or to persons or goods on board, unless the towing vessel provides other forms of aid not usually included in towage contracts.

Article 265

1. A reward shall be payable for the rescue of a person in distress at sea, the amount of which shall be determined by the court if no agreement is reached. Such court may exempt the rescued person from paying such reward if his financial condition so warrants.
2. A person who rescues human lives in a maritime accident shall have a fair share in the reward payable to the rescuers of the vessel and its cargo in the same accident. No person may combine said share with the reward provided for in paragraph (1) of this Article.

Article 266

The court may, upon either party's request, revoke or amend any agreement relating to maritime rescue, if it finds that its terms are unfair and were made at the time of danger and under its influence, if the consent of either party is vitiated by fraud or deceit, or if the reward is disproportionate to the aid provided.

Article 267

In determining the reward, the court shall observe the following:

1. Value of the vessel and other property rescued as well as freight at the port of destination.
2. Expertise employed and efforts exerted to prevent or reduce environmental damage.
3. Danger faced by the rescued vessel.
4. Duration of the rescue operation.
5. Rescue operation expenses, including any payments made to the crew members in compensation for their rescue efforts.
6. Material damage and bodily injury sustained by the rescuing vessel and its crew members.
7. Liability of the rescuers against consignors or third parties which arises from the rescue operation.
8. Value of the equipment used in the rescue operation.
9. Type of service for which the vessel is designated (whether a commercial or



rescue vessel).

10. Expertise employed and efforts exerted to rescue the persons, vessels, and other property.

Article 268

The court may decide to reduce or cancel the reward if it is established that the rescue becomes inevitable due to the rescuers' fault, or if the rescuers commit fraud or theft, or conceal stolen items.

Article 269

1. A claim for reward or reimbursement for maritime rescue expenses shall not be heard after the lapse of two years from the date of completion of the rescue operation.
2. The period provided for in paragraph (1) of this Article shall be suspended if the vessel subject of the claim cannot be arrested inside the Kingdom's maritime areas and the defendant is a Saudi national or has a domicile in the Kingdom.

Article 270

Any agreement which provides for granting jurisdiction to a foreign court or resorting to arbitration outside the Kingdom regarding lawsuits arising from maritime rescue shall be deemed null and void if the rescue operation occurs within the Kingdom's maritime areas and the rescuing or rescued vessel is Saudi.

Chapter 3: Maritime Average

Article 271

A maritime average upon which there is no specific agreement between the parties concerned shall be subject to the provisions of this Chapter. Where this Chapter is silent, the rules prescribed by maritime custom shall apply.

Article 272

1. Maritime average shall be either general average or particular average.



2. Average shall be deemed particular, unless proven otherwise.
3. Particular average shall be borne by the owner of the property affected by damage, or the person incurring the costs thereof, without prejudice to such person's right of recourse against the person who caused the damage or benefited from costs expended.

Article 273

Material damage sustained by the vessel or the goods carried on board, as well as any expenses incurred thereon shall be deemed general average, provided that such damage or expenses directly arise from the sacrifice made by the master, or the expenses he incurs. However, damage arising from delay such as vessel breakdown, and indirect damage such as differences in prices of goods, shall not be deemed general average.

Article 274

An accident shall be deemed general average even if it occurs due to a fault attributable to one of the parties concerned in the voyage, without prejudice to the other parties' right of recourse against the party to whose fault the accident is attributable.

Article 275

Expenses incurred instead of other expenses which could have been accepted as general average shall be deemed general average, provided that the expenses incurred do not exceed the expenses not incurred.

Article 276

With the exception of coastal navigation between the Kingdom's ports, the value of goods loaded on the deck of a vessel shall be included in general average if rescued. However, if such goods are jettisoned or destroyed, their owner may not request that they be considered as general average, unless he establishes that he did not approve the loading of such goods on the vessel's deck, or the loading thereof is required by the laws, regulations, or maritime custom applicable at the port of loading, or it is warranted by the nature of such shipment.



Article 277

Goods for which the carrier or his representative has not issued a bill of lading or receipt shall not be deemed general average if they are lost or damaged, unless rescued.

Article 278

Goods estimated in their particulars at a value lower than their true value shall be deemed general average on the basis of their true value. If such goods are destroyed, lost, or damaged, they shall be deemed general average on the basis of the value provided in the particulars.

Article 279

The baggage of the vessel's crew members or passengers for which the carrier or his representative has not issued a bill of lading or receipt as well as any type of mail shall not be deemed general average if rescued; otherwise, they shall be deemed general average on the basis of their estimated value.

Article 280

1. Obligations and entitlements arising from general average shall make up two groups: debtors and creditors.
2. The debtor group shall include the vessel, freight, and loaded goods, as follows:
 - a) The vessel shall be included at its true value at the port of destination, in addition to the value of the damage it may have sustained.
 - b) The total freight of goods and fares of passengers, which are not stipulated to be payable, shall in all cases be included at the rate of two-thirds.
 - c) The rescued goods shall be included at their true commercial value at the port of discharge, whereas sacrificed goods shall be included at their estimated commercial value at the same port.
3. The creditor group shall include damage and expenses deemed to be general average, to be assessed as follows:
 - a) The amount of damage sustained by a vessel shall be estimated at the port of destination on the basis of incurred repair costs or estimated costs if no such repairs have been made. If a vessel is totally lost or presumed to be totally lost, the amount allowed in general average shall be assessed on the basis of the vessel's value prior to the accident, after deduction of



the estimated cost of repairs which are not deemed to be general average, and the proceeds from the sale of the wreck, if any.

- b) The cost of damage sustained by the goods shall be estimated at the port of discharge on the basis of the commercial value of the goods prior to the sustained damage at said port. In the event of loss, the cost shall be estimated on the basis of the difference in their value before and after the sustained damage on the last day of discharge at the designated port of destination or on the date of the end of the voyage in case it ends at a port other than the aforementioned port. In case of sale of the damaged goods, the damage allowed in general average shall be estimated on the basis of the difference between the net sale value and the value of the goods prior to the sustained damage on the last day of discharge at the designated port of destination or on the date of the end of the voyage in case it ends at a port other than the aforementioned port.

Article 281

If any of the parties concerned fails to pay his due contribution to general average losses, the expenses incurred to recover such dues shall contribute to general average.

Article 282

1. If the owners of goods make payments as security for their respective contributions to general average losses, the funds shall be immediately deposited in a joint account opened under the names of both the representative of the operator and the representative of the cargo owners who deposited such funds at a bank agreed upon by the parties. Such funds shall be used as security for any liability arising from general average, and shall not be used or refunded, except upon a written authorization by the party undertaking the final settlement.
2. In case of disagreement, the competent court shall appoint a representative for the cargo owners and designate the bank where the funds shall be deposited.

Article 283

General average losses shall be apportioned among the parties in a maritime voyage.



Article 284

1. Settlement of general average losses shall be undertaken by one or more experts appointed by the parties concerned or the court having jurisdiction over the last port of discharge if the parties fail to reach an agreement. If said port is located outside the Kingdom, the competent court shall be the court having territorial jurisdiction over the vessel's port of registration.
2. Experts may seek the assistance of others in the discharge of their duties.

Article 285

If all the parties are not satisfied with the settlement, the settlement shall, at the request of any of the parties, be referred to the competent court for indorsement. If the court rejects such indorsement, it shall appoint one or more experts to undertake a new settlement.

Article 286

The master may refrain from delivering the goods which must be included in general average, unless the owner thereof provides a security sufficient to cover his share in general average. If the parties fail to agree on the security, it shall be referred to the competent court for assessment.

Article 287

Debts arising from general average shall be deemed priority debts. Amounts payable to the operator shall be secured by applying liens to the rescued goods or the proceeds of their sale, while amounts payable to the owners of goods shall be secured by applying liens to the rescued vessel, as well its freight and appurtenances. The costs of general average settlement shall have priority over any debts that may otherwise be due.

Article 288

Parties bound to contribute to general average losses are not jointly liable. Nevertheless, if any of the parties fails to pay his share in the average, the unpaid amount shall be apportioned among the other parties, in proportion to their respective shares in general average losses.



Article 289

1. No claim relating to contribution to general average shall be heard upon the lapse of two years from the date of the vessel's arrival at the port of destination, or the port where the voyage comes to an end.
2. The period provided for in paragraph (1) of this Article shall, in addition to other statutory reasons, discontinue upon the appointment of a settlement expert. In such case, a new period of two years shall take effect from the date of signing the general average settlement or the date of the expert's abandonment of the settlement.

Chapter 4: Investigation of Maritime Accidents

Article 290

1. The competent authority shall investigate maritime accidents which occur within the Kingdom's maritime areas or on the high seas if the vessel flies the Kingdom's flag and the accident results in loss of life, severe injuries to persons, or material damage sustained by the vessel, other floating crafts, or the marine environment.
2. The competent authority shall cooperate with relevant authorities in other states in investigations conducted by such states of any maritime accident involving a Saudi vessel and a vessel of another state, or which occurs within its maritime areas.

Article 291

The competent authority shall, upon the written request of another state, investigate any breach of international rules for the prevention of marine pollution, allegedly committed by a Saudi vessel within the maritime areas of said state, and shall notify the state of the action taken in this regard, and the result thereof.

Article 292

The competent authority shall form committees for the investigation of maritime accidents, which shall include members with legal and technical expertise.



Part 7: Marine Insurance

Chapter 1: General Provisions

Article 293

Without prejudice to the provisions of the Cooperative Insurance Companies Control Law, the provisions of this Part shall apply to insurance contracts covering maritime risks.

Article 294

1. An insurance contract, and any modifications thereon, shall only be established in writing.
2. Under the insurance contract, an insurance policy shall be issued, which shall include:
 - a) insurance contract's date and place of issuance;
 - b) name and domicile of the insurer and the insured;
 - c) subject of insurance;
 - d) description, limitations, exceptions, duration, and geographical scope of the insurance coverage;
 - e) amount and premium of insurance; and
 - f) any other particulars specified by the regulations.
3. A binder issued by the insurer shall be enforceable on the parties, pending the issuance of the final insurance policy.

Article 295

1. An insurance policy shall be in the name of the insured, or to his order, or to the bearer.
2. The lawful bearer of an insurance policy may claim compensation, and the insurer may invoke any defenses he may have against the insured, even if the insurance policy is issued to the beneficiary's order or to its bearer.

Article 296

Marine insurance may cover:

1. the vessel and its appurtenances, as well as a vessel under construction;
2. cargo, containers of goods, and any other property on board the vessel;



3. freight, passenger fares, commission, and any similar fees; or
4. any potential liability relating to properties mentioned in paragraphs (1) and (2) of this Article.

Article 297

1. A person may not be a party to or a beneficiary of an insurance contract, unless he has an insurable interest.
2. The insured may not rely on the reinsurance contract concluded by the insurer.

Article 298

An insurance policy shall remain unaffected if a period of 90 days—from the start date of the insurance contract, or from the date specified for commencement of the insured risk—lapses without the insured risk coming into effect. In the case of an open-cover insurance policy, this provision shall only apply to the first shipment.

Article 299

An insurance contract shall be based on the principle of good faith; if either party fails to adhere to such principle, the other party may revoke the contract.

Article 300

1. The insurer may request that the insurance contract be revoked in the event the insured provides incorrect particulars—even if no bad faith is intended—or conceals essential particulars relevant to the insurance, if such cases lead the insurer to underestimate the potential risk.
2. The competent judicial authority may, in the cases stipulated in paragraph (1) of this Article, award the insurer an amount equal to the insurance premium if it is established that the insured acted in bad faith, or an amount not exceeding half the insurance premium in the absence of bad faith.

Article 301

1. The insured shall notify the insurer of any circumstances that arise during the validity of the insurance policy which may increase the risk undertaken by the insurer within three working days from the date of his knowledge thereof; otherwise, the insurer may terminate the contract.



2. If the notification is made within the period specified in paragraph (1) of this Article, and the increase in risk is not attributable to the insured, the insurance contract shall remain valid, and the insurance premium may be increased.
3. If the increase in risk is attributable to the insured, the insurer may either terminate the contract within three working days from the date of being notified of the increased risk, or maintain the contract with an increase in the insurance premium against the increased risk. In the former case, the competent judicial authority may award the insurer, upon his request, an amount equal to the insurance premium.

Article 302

1. The insurer may request that the insurance contract be revoked if the amount of insurance coverage exceeds the value of the insured items, and it is established that the insured or his agent have committed fraud. In such case, the competent judicial authority may award the insurer an amount not exceeding the insurance premium, taking into consideration any damage sustained by the insurer. In the absence of fraud, the contract shall remain valid to the extent of the value of the insured items.
2. If the amount of insurance coverage is lower than the actual value of the insured items, the insurer's liability shall be limited to the amount of insurance coverage.

Article 303

1. An insurance contract concluded after the loss or arrival of the insured items shall be deemed void if it is established that knowledge of such loss or arrival had, prior to concluding the contract, reached the place where the contract was signed or where the insurer and the insured were located.
2. If an insurance contract is contingent on good or bad news, it shall not be revoked, unless it is established, prior to concluding the contract, that the insured had knowledge of the loss of the insured items, or that the insurer had knowledge of their arrival.

Article 304

If the risk insured against is covered by multiple insurers in a single contract, the liability of each insurer shall be limited to his share in the insurance coverage; the insurers shall not be held jointly liable.



Article 305

1. In cases other than fraud, insurance contracts shall be deemed valid if a risk is insured against by multiple contracts— whether or not concluded on the same date—of which the aggregate amount of insurance coverage exceeds the actual value of the insured items. The insured may—to the extent of the damage sustained and not exceeding the actual value of the insured items— have recourse against any of the insurers who are not jointly liable for the amount incurred by each insurer in proportion to the actual value of the insured items.
2. The insured shall, when claiming damages, disclose to the insurer any other insurance contracts he is aware of; otherwise, his claim shall be denied.
3. Each insurer shall have recourse against the other insurers, demanding that each settles his respective share of the damages, in proportion to his amount of coverage. If any of the insurers is insolvent, his share shall be divided proportionately among the solvent insurers.
4. If fraud is established against the insured, each of the multiple insurance contracts shall be revocable if the insurer so request. The competent judicial authority may, upon revoking a contract, award those who are eligible an appropriate compensation not exceeding the insurance premium.

Article 306

The insurer shall be liable for:

1. material damage sustained by the insured items due to a maritime risk or an event of force majeure, if such risk or event is covered by the insurance contract;
2. the share of the insured property in general average, unless the loss arises from a risk not covered by the insurance contract; and
3. costs related to an insured risk that are incurred to prevent or minimize material damage to the insured property.

Article 307

1. The insurer shall be liable for material damage sustained by the insured items due to a fault attributable to the insured or his servants on land; unless the insurer establishes that the damage is attributable to an intentional or gross fault by the insured, or due to his negligence and failure to exercise reasonable care necessary for the protection of the insured items.
2. Without prejudice to the provisions of Article 330(2), the insurer shall be liable for any material damage sustained by the insured items due to a fault attributable to the master or crew members.



Article 308

The insurer shall remain liable for any risks covered by the insurance contract if it becomes necessary to change the itinerary, voyage, or vessel. If the change in the voyage or itinerary is not necessary, the insurer shall only be liable for accidents occurring along the designated route or the itinerary usually followed to complete the transportation process, unless agreed otherwise.

Article 309

1. Insurance contracts shall not cover risks associated with civil or interstate war, piracy, plunder, rebellions, revolutions, strikes and lockouts, as well as risks arising from acts of sabotage and terrorism, and any damage directly or indirectly arising from nuclear radiation or explosions, regardless of their cause, unless agreed otherwise.
2. Notwithstanding Article 331, insurance contracts shall not cover damage caused by the insured items to other property or persons.

Article 310

If the insurance contract covers war risks, it shall cover damage sustained by the insured items which results from acts of aggression or revenge, capture, plunder, suspension, and duress, if committed by governments or authorities, whether recognized or not, or damage which results from explosion of mines or other implements of war, whether the war is undeclared or has ended.

Article 311

If it is infeasible to determine whether the damage is due to a war risk or a maritime risk, it shall be deemed to have resulted from a maritime risk, unless proven otherwise.

Article 312

The insurer shall not be held liable for:

1. material damage arising from a defect in the insured items, inadequate packaging, or baling, without prejudice to the provisions of Article 330(1);
2. normal loss sustained by goods during a voyage;
3. material damage arising from fines, confiscation, placing under custody, plunder, sanitation measures, sterilization, breach of blockade, smuggling,



- or illicit trade;
4. compensations for arrest, or security for lifting the same; or
 5. non-material damage not directly sustained by the insured items, such as the delay or refusal of all or some crew members to perform their duties, as well as price and any other impediments that may affect the commercial transaction undertaken by the insured.

Article 313

1. The insurer may, by agreement, be exempted from paying damages within the limits specified by the insurance contract; the exempted amount shall be deducted from the amount of compensation. However, compensation may, upon agreement, be due in full if the damage exceeds the specified limit of exemption.
2. In all cases, the amount of exemption shall be calculated after deducting the normal loss sustained by the insured items during the voyage.

Article 314

The insured shall be responsible for:

1. paying insurance premiums and costs at the agreed time and place;
2. exercising reasonable care to protect the insured item; and
3. providing, at the time of contracting, accurate information relating to the circumstances he is aware of to enable the insurer to assess insured risks, and notifying the insurer, during the validity of the contract and within the limits of his knowledge, of any increase in the insured risks.

Article 315

1. If the insured defaults in the payment of the insurance premium, the insurer may terminate the contract. Termination shall only be effective upon the lapse of 30 days from the date the insured is served the notice of payment and the notice of insurance contract termination. The notice of payment may be served by registered mail, or by any other means available to the insurer to obtain proof that the notice was delivered to the insured at the last address known to the insurer. The notice of contract termination and the notice of payment may be delivered by the same method.
2. Termination shall not affect the rights of *bona fide* third parties to whom the ownership of the insurance policy is transferred prior to the occurrence of any accident, and prior to the notification of contract termination.



Article 316

The insured shall, upon the occurrence of an insured risk, endeavor to safeguard the insured objects to the best of his ability, and shall take all necessary measures to preserve the insurer's right of recourse against third parties who are liable for the damage. If the insured fails to fulfill such obligations due to his negligence, he shall be liable for the damage sustained by the insurer.

Article 317

Damage shall be settled through compensation, unless the insured decides to abandon the insured item to the insurer in cases where abandonment is permissible either by agreement or by law.

Article 318

The insurer shall not be obligated to repair or replace the insured items.

Article 319

The insurer shall pay the insured item's share in general average and rescue expenses, in proportion to the value of the insured item, after deduction of the particular average, if any, to be borne by the insured.

Article 320

Items insured partially or conditionally may not be abandoned, nor may they be retracted without the insurer's approval. Abandonment shall entail transfer of the ownership of the insured items to the insurer, who in turn, shall be obligated to pay the full amount of insurance. Transfer of ownership shall take effect from the day the insured notifies the insurer of his intent of abandonment. The insurer may, without prejudice to his obligation to pay the full amount of insurance, refuse the transfer of ownership of the insured items to him.

Article 321

The insured shall notify the insurer of his intent of abandonment by judicial notice, registered mail, or by any other means where knowledge of such intent



can be established. Notification of the intent of abandonment shall be made within three months from the date the insured becomes aware of the accident justifying abandonment, or from the date stipulated in Articles 336 and 349 of this Law.

Article 322

The insured shall, upon notification of his intent of abandonment, disclose all the insurance contracts he has concluded or he has knowledge of.

Article 323

If the insured submits, in bad faith, a false claim regarding an accident which causes harm to the insurer, his right to the amount of insurance may be forfeited in whole or in part pursuant to a judicial ruling.

Article 324

The insurer shall, within the limits of the compensation paid, subrogate the insured regarding all rights arising from the damage covered by the insurance.

Article 325

1. No claim arising from an insurance contract may be heard after the lapse of two years. Said period shall commence from:
 - a) the date the insurance premium is due, if the claim relates to the payment thereof;
 - b) the date of the accident triggering the claim, if the claim relates to compensations for damage sustained by the vessel;
 - c) the date of the vessel's arrival or scheduled arrival, if the claim relates to compensations for damage sustained by the goods. If the accident occurs after the vessel's arrival or scheduled arrival, the period shall commence from the date of the accident;
 - d) the date of the accident, if the claim relates to settlement of damages through abandonment. If the contract provides for a grace period for filing an abandonment claim, the two-year period shall commence from the date the grace period expires;
 - e) the date of the insured's payment where the claim relates to his contribution to general average losses or the reimbursement of rescue expenses; or



- f) the date of filing a claim against the insured by a third party, or the date of payment by the insured in case of a claim filed by the insured against the insurer to recover payments made to a third party who has recourse against him.
2. No claim for an undue payment made under an insurance contract may be heard after the lapse of two years from the date of payment.
3. In all cases, the period specified in this Article shall discontinue upon filing a claim by registered mail, delivering the claim-associated documents, or assigning an expert to assess the damage, in addition to the legally prescribed grounds for discontinuance.

Chapter 2: Vessel Insurance

Article 326

An insurance contract may cover a vessel for a single voyage, multiple consecutive voyages, or for a fixed period. An insurance contract may also cover a vessel under construction.

Article 327

1. The insurance contract covering a voyage shall take effect from the commencement of cargo loading to the completion of cargo discharge. In any event, the coverage shall not exceed 15 days from the date of the vessel's arrival at the designated destination, and the master's declaration of its readiness for discharge.
2. The insurance contract covering a vessel without cargo shall take effect from the time the vessel departs until it anchors at the designated destination.

Article 328

If the insurance contract covers multiple consecutive voyages, the place specified in the insurance policy as the final destination shall be deemed the place where the validity of the insurance coverage expires.

Article 329

If the insurance contract is for a specified period, the insurance coverage shall take effect against risks that occur on the first day of coverage until the end of the last day; a day shall be calculated on a 24-hour basis, commencing at the



time of concluding the contract, according to the time zone of the place where the contract is concluded.

Article 330

1. The insurer shall not be liable for damage arising from normal erosion of a vessel hull, or an inherent defect therein, unless the defect is latent.
2. The insurer shall not be liable for damage arising from an intentional fault attributable to the master.

Article 331

Excluding injuries sustained by individuals, the insurer shall cover the insured against third-party claims, in case the insured vessel collides with another vessel, or with a fixed, moving, or floating object.

Article 332

1. If the vessel's insurance contract covers a single voyage or multiple consecutive voyages, the insurer shall be entitled to receive the full insurance premium upon commencement of the insured risks.
2. If the insurance contract is for a specified period and the vessel is a total loss or the insured decides to abandon the vessel to the insurer, the insurer shall be entitled to receive the insurance premium for the entire period of coverage, provided that the loss or abandonment is covered. If the loss or abandonment is not covered, the insurer shall be entitled to a portion of the insurance premium which corresponds to the period between the date of commencement of the insured risks and the date of the accident which caused the vessel's loss or declaration of its abandonment.

Article 333

1. The insurer shall, within the limits of the insurance amount, cover damage resulting from any accident which occurs during the validity of the insurance policy, even if such damage arises from multiple accidents.
2. The insurer may, by agreement, have the right to request a supplementary premium upon the occurrence of each accident.

Article 334

If the insurance contract is settled by compensation, the insurer shall be liable



for the costs of replacing parts and making the necessary repairs to make the vessel seaworthy, but not for other compensations arising from the vessel's depreciation or being out of commission, or for any other reason.

Article 335

1. Without prejudice to the provisions of Article 302 of this Law, if the value of a vessel is agreed upon in the insurance contract, such value may not be contested except in the case of contribution to general average losses or maritime rescue expenses, in accordance with Article 319 of this Law.
2. The agreed value shall include the vessel's hull and engines, as well as the appurtenances owned by the insured, including the supplies and the costs of equipping the vessel for the voyage.
3. Any insurance contract, irrespective of its date, which covers only the appurtenances owned by the insured shall, in the event of total loss or abandonment, result in a reduction of the agreed value of the vessel equal to the value of the insured appurtenances.

Article 336

1. The insured may abandon the vessel to the insurer if:
 - a) the vessel is a total loss;
 - b) the cost of repair or rescue of the vessel amounts to 75% or more of its value as specified in the insurance policy;
 - c) a three-month period lapses from the last time news about the vessel is received and it is presumed to have been lost as of the date of receipt of such news; or
 - d) the vessel sustains damage that is irreparable or cannot be repaired due to the lack of material resources at the vessel's location, unless it can be towed to a location where it can be repaired.
2. If the insurance covers war risks, the insured may abandon the vessel in case it is captured, arrested, or suspended by order of the public authorities, and he was unable to recover it within four months from notifying the insurer of the incident.

Article 337

1. If the insurance contract covers multiple vessels belonging to a single operator, each vessel shall be deemed as belonging to a separate operator.
2. To the insurer, goods and other property owned by the operator shall be deemed as if owned by a third party.



Article 338

1. If the ownership of a vessel is transferred, or if it is chartered unequipped, the insurance contract shall remain valid for the benefit of the new owner or charterer, provided the insurer is notified thereof within 15 days, excluding official holidays, from the date of transfer of ownership or charter. The new owner or charterer shall fulfill the obligations the insured had towards the insurer under the insurance contract.
2. The insurer may, within one month from the date of notification of the transfer of ownership or charter, request termination of the contract; in such case, the contract shall remain valid for a period of 15 days from the date of such request.
3. The original insured shall remain obligated against the insurer to pay the insurance premiums due up to the date of transfer of ownership or charter.
4. If the insurer is not notified of the transfer of ownership or charter within the period specified in paragraph (1) of this Article, the insurance shall be deemed suspended as of the date of expiry of said period. The validity of the insurance contract shall be restored within 24 hours after notification, and the insurer shall reimburse the insurance premium paid for the period of suspension.
5. The provisions of this Article shall not apply to a co-owned vessel, unless the transfer of ownership involves the majority of shares.

Article 339

The provisions of this Chapter shall apply to an insurance contract covering only the period of time the insured vessel is in a port, anchorage, dry dock, or any other location.

Chapter 3: Insurance on Freight

Article 340

1. If an insurance contract on freight does not provide that the entire value of freight be due in all circumstances, the insurance shall cover only 60% thereof, unless agreed otherwise.
2. With respect to insurance on freight, the insurer shall, within the limits of the insurance amount, cover only the share of freight in general average and recovery thereof in case the vessel is abandoned due to an insured risk, on the condition that the insured, in the circumstances set forth in Article 336(b) and (d), establishes that he was unable to evacuate the goods to the place



of destination.

Article 341

1. If the subject of insurance relates to rewards for assistance and rescue, the insurer shall, within the limits of the insurance amount, reimburse the expenses incurred for vessel assistance or rescue, as well as any reward arising from an insured risk. Said insurance shall be effective only if the amount specified in the vessel's insurance policy is insufficient.
2. If the subject of insurance specifically relates to vessel floating expenses, the insurer shall, within the limits of the insurance amount, reimburse said expenses in cases where the insured may abandon the vessel due to an insured risk.

Article 342

If the subject of insurance relates to the crew members' wages, expenses, and repatriation costs, as well as anticipated profits, the insurer shall reimburse any damages arising from a maritime risk covered in the insurance, provided that the insured establishes that such damage is related to the subject of insurance.

Chapter 4: Insurance on Goods

Article 343

Insurance on goods shall take effect either by virtue of a single-voyage policy, or an open-cover policy.

Article 344

Goods shall remain covered by insurance without interruption at any location during the voyage as specified by the contracting parties in the insurance policy. Nevertheless, the insurer may, subject to the provisions of Article 301 of this Law, require the insurance premium to be increased in the event that the goods sojourn at a port, or in case the vessel takes longer time to put into a port or changes its itinerary.



Article 345

If, during a voyage, the insured goods are carried in transit by land, river, or air, the provisions of marine insurance shall apply during the period of said transit, unless agreed otherwise.

Article 346

A vessel transporting oil to or from the Kingdom shall hold a civil liability insurance certificate to cover liabilities for any damage arising from transportation.

Article 347

The amount of insurance shall not exceed the maximum amount of the following:

1. The purchase price of the goods at the time and place of shipping, or their current value at the same time and place if they are not purchased, in addition to the costs of transport to the port of call, and the anticipated profit.
2. The value of the goods at the time and place of arrival, or, in case of loss, at the scheduled date of arrival.
3. The sale price of the goods if sold by the insured, in addition to any extra amounts that may otherwise be agreed upon in the bill of sale.

Article 348

The damage sustained by goods shall be assessed by calculating the difference in their value before and after the damage at the same time and place, in which case the depreciation rate shall apply to the amount of insurance

Article 349

1. The insured may abandon the insured goods to the insurer if:
 - a) a three-month period lapses from the last time news about the vessel is received and it is presumed to have been lost as of the date of receipt of such news;
 - b) the vessel becomes unseaworthy during a voyage, and it becomes impossible to transport the goods by any other means to the agreed-upon destination within three months from the date the insurer is notified thereof;



- c) the goods are lost, or sustain damage that amounts to the loss of 75% or more of their value, as specified in the insurance policy; or
 - d) the goods are sold during the voyage due to sustaining material damage arising from an insured risk.
2. If the insurance covers war risks, the insured may invoke his right to abandon the goods in the event the vessel is captured, arrested, or suspended by order of the public authorities, unless the goods are placed under the control of the insured within four months from the date he notifies the insurer of the accident.

Article 350

An open-cover insurance shall provide the terms and conditions by which the insurer and the insured are bound, including the maximum amount of insurance per shipment to be reimbursed by the insurer, and the value of the insurance premiums to be paid by the insured. The insured goods, voyages, vessels, and other particulars shall be documented in a separate annex for each shipment.

Article 351

In an open-cover insurance policy, the insured shall be obligated to notify the insurer of the following shipments for which the insurer agrees to provide coverage:

1. All shipments made for the benefit of the insured, or in implementation of purchase or bill of sale where insurance is mandatory. Coverage of such shipments shall automatically take effect if exposed to the insured risk, provided that the insured gives notice thereof within the period specified in the insurance policy.
2. All shipments made for the benefit of a third party on whose behalf the insured seeks insurance, provided that the insured has an interest in such shipment, in his capacity as a commission agent, a trustee of the goods, or otherwise. Insurance of such shipments shall only come into effect as of the date the insurer is notified thereof.

Article 352

1. If the insured breaches the obligations stipulated in Article 351, the insurer may seek the immediate termination of the contract in addition to a compensation equal to the insurance premiums pertaining to shipments of which he has not been notified.



2. If it is established that the insured acted in bad faith, the insurer may recover the amounts he has reimbursed for shipment-related accidents following the first deliberate breach committed by the insured.

Article 353

The insured shall notify the insurer of any damage sustained by the insured goods within 15 days from the date of their receipt; otherwise, they shall be presumed to have been received in good condition, unless proved otherwise by the insured.

Chapter 5: Liability Insurance

Article 354

With respect to liability insurance, the insurer shall not be obligated to pay compensation in the event the accident provided in the insurance policy occurs, unless the third party sustaining damage seeks an amicable settlement or files a lawsuit against the insured. The compensation reimbursed by the insurer shall be limited to the damage for which the insured is liable.

Article 355

A third-party liability insurance contract for damage attributable to the vessel, as provided for in Article 331, shall not take effect, unless the amount of insurance on the vessel is insufficient to cover the damage.

Article 356

If liability is covered by multiple insurance policies, each insurer shall be liable for each accident separately, within the limits of his respective insurance policy, regardless of the number of accidents, provided the aggregate amount of compensation received by the insured does not exceed the value of the damage arising from liability.

Article 357

A person building or repairing a vessel may obtain liability insurance against



any damage sustained by the vessel or a third party.

Part 8: Prevention and Control of Maritime Pollution

Article 358

1. The master must immediately report to port authorities any oil leakage from his vessel while at any of the Kingdom's ports or maritime areas, as well as the circumstances of the incident, and the measures taken to stop or control such leakage.
2. All vessels must carry an oil pollution emergency plan to be immediately implemented by the master upon occurrence of the leakage.

Article 359

The maritime inspection authority shall have the right to inspect the oil records of all vessels located at the Kingdom's ports.

Article 360

Any oil barge or tanker carrying oil to or from a vessel within the Kingdom's ports or territorial waters shall keep a record of all the operations it carries out, in accordance with the regulations.

Article 361

Any vessel flying the flag of the Kingdom shall have an emergency plan on board to address pollution resulting from leakage of oil or toxic and hazardous substances, and shall, as specified by the regulations, notify the competent authority of the same upon occurrence.

Article 362

The Authority shall report to the International Maritime Organization any breaches committed by vessels inside the Kingdom's ports and maritime areas, as well as information regarding any requirement or measure associated with ballast water.



Part 9: Safety of Navigation at Ports and Territorial Waters

Chapter 1: Maritime Towage

Article 363

1. Towage operations within ports shall be carried out under the command of the towed vessel's master, and the operator of the towed vessel shall be held liable for any damage sustained during towage.
2. Towage operations within ports may, by a written agreement, be carried out under the command of the towing vessel's master. In such case, the operator of the towing vessel shall be held liable for any damage sustained during towage, unless it is established that said damage is attributable to the towed vessel.

Article 364

1. Towage operations beyond port limits shall be carried out under the command of the towing vessel's master, and the operator of the towing vessel shall be held liable for any damage sustained during towage, unless it is established that said damage is attributable to the towed vessel.
2. Towage operations beyond port limits may, by a written agreement, be carried out under the command of the towed vessel's master. In such case, the operator of the towed vessel shall be held liable for any damage sustained during towage.

Article 365

Towage services shall be provided pursuant to a contract concluded between the master or operator of the towing vessel, and the master or operator of the towed vessel.

Article 366

The towing vessel shall be held liable for any damage sustained by the towed vessel, unless such damage is caused by force majeure or an unanticipated accident, or is attributable to the towed vessel or an inherent defect therein, or to a fault by the towed vessel's operator, master, or any of its crew members.



Article 367

No claim arising from a towage operation shall be heard after the lapse of two years from the date of completion of said operation.

Chapter 2: Maritime Pilotage

Article 368

1. Pilotage at the Kingdom's ports is mandatory, and shall apply to any vessel upon its entry to, exit from, or movement within any of the Kingdom's ports. The competent authority shall set the pilotage code, designate pilotage zones, and determine standard and additional pilotage fees.
2. Paragraph (1) of this Article shall not apply to:
 - a) warships;
 - b) State vessels designated for public-service and non-commercial purposes;
 - c) fishing vessels and vessels whose net tonnage is less than 150 tons;
 - d) port-owned marine units; or
 - e) pleasure vessels.

Article 369

1. Any vessel subject to the pilotage code must fly on its mast the sign requesting a pilot prior to its entry to, exit from, or movement within a pilotage zone.
2. The master shall inform the pilot of the particulars relating to the draft, length, and width of the vessel's hull, as well as its capacity to maneuver under different drafts and speeds. Such particulars shall be clearly visible in the bridge.

Article 370

1. A vessel shall remain under its master's command while a pilot carries out his duties on board thereof.
2. The pilot or the body with which he is associated shall not be held liable for any damage sustained by a vessel he pilots.
3. The operator of a vessel shall be solely liable for any damage sustained by a third party that arises from a fault attributable to the pilot while carrying out his duties.
4. The operator of a vessel shall be liable for any damage sustained by a pilot



boat during pilotage, or during maneuvers relating to the pilot's embarkation or disembarkation, unless it is established that said damage arises from a gross fault attributable to the pilot.

5. The operator of a vessel shall be liable for any damage sustained by the pilot or his crew during pilotage, unless it is established that said damage arises from a fault attributable to the pilot or his crew.

Article 371

1. The pilot shall give priority to assisting an imperiled vessel, even if not requested, provided he coordinates, if possible, with the competent authority.
2. If the pilot is compelled to travel with the vessel, due to poor weather conditions or due to the master's request, the operator of the vessel shall be liable for the cost of his meals and accommodation, and for his return to the port of departure, along with any due compensation.

Article 372

No claim arising from a pilotage operation may be heard upon the lapse of two years from the date of completion of said operation.

Part 10: Penalties

Article 373

A fine of not less than 100,000 riyals and not more than 1,000,000 riyals, shall be imposed upon:

1. any owner, operator, or master who flies the Kingdom's flag on a vessel not registered in the Kingdom; the judgment may also provide for the confiscation of the vessel; and
2. any owner, operator, or master who conceals, obscures, disfigures, or erases any of the vessel's particulars, unless the acts set forth in paragraphs (1) and (2) of this Article are intended to evade capture.

Article 374

A fine of not less than 100,000 riyals and not more than 500,000 riyals shall be imposed upon the operator of a marine platform who operates said platform without satisfying the safety requirements necessary for the protection of individuals and the environment.



Article 375

A fine of not less than 100,000 riyals and not more than 500,000 riyals shall be imposed upon:

1. any person who brings into the Kingdom's territorial waters a stranded or abandoned vessel, or part of its cargo, appurtenances, or maritime wreck, with the intention to circumvent the provisions of this Law;
2. any person who prevents, impedes, or attempts to impede the rescue of a vessel that is stranded or at risk of being stranded; and
3. any person who conceals a maritime wreck, or removes or erases any of its identifying marks within the Kingdom's ports or territorial waters.

Article 376

1. A fine of not less than 10,000 riyals and not more than 100,000 riyals shall be imposed upon any master who, without an acceptable justification, fails to respond to a distress signal to rescue a vessel at risk of sinking or to rescue a person found in the midst of the sea.
2. The same penalty shall be imposed on the operator if the violation stipulated in paragraph (1) of this Article is committed based on his explicit instructions.

Article 377

Without prejudice to the provisions of civil liability, a fine of not less than 10,000 riyals and not more than 100,000 riyals shall be imposed upon the master or operator of a sailing vessel which flies the flag of the Kingdom and which does not carry a valid certificate of the certificates provided for in this Law, or of a sailing vessel which has been, pursuant to a judicial ruling, suspended or barred from sailing.

Article 378

A fine of not less than 10,000 riyals and not more than 100,000 riyals shall be imposed upon any person who obstructs or hinders the work of maritime inspectors or experts of classification societies authorized by the Authority.

Article 379

A fine of not less 10,000 riyals and not more than 50,000 riyals shall be imposed upon any person who pilots a vessel without holding a license from the



competent authority.

Article 380

A fine of not less than 3,000 riyals and not more than 30,000 riyals shall be imposed upon a master who, without a valid justification, drops the vessel's anchor within a maritime traffic separation zone.

Article 381

A fine of not less than 5,000 riyals and not more than 20,000 riyals shall be imposed upon:

1. any person who raises any known maritime wreck within the Kingdom's ports or territorial waters without obtaining prior authorization from the relevant authority; or
2. any person who boards or attempts to board a wrecked, stranded, or imperiled vessel within the Kingdom's ports or territorial waters without the permission of the vessel's master.

Article 382

A fine of not less than 1,000 riyals and not more than 20,000 riyals shall be imposed upon any member of the vessel's crew or marine unit who causes such vessel to be suspended or barred from sailing due to his false statement. If such statement is made in bad faith, he shall be subject to a fine not exceeding 50,000 riyals.

Article 383

A fine of not less than 2,000 riyals and not more than 10,000 riyals shall be imposed upon the vessel owner if he:

1. violates procedures or fails to meet time limits provided for by this Law and its regulations with respect to:
 - a) vessel registration;
 - b) notification of modifications made to the vessel; or
 - c) striking off vessel registration.
2. uses a temporary registration certificate in violation of this Law; or
3. refrains from presenting the vessel's registration certificate to the competent authorities upon demand.



Article 384

A fine of not less than 2,000 riyals and not more than 5,000 riyals shall be imposed upon the master of a vessel who fails to maintain an oil record on board.

Article 385

A licensee who fails to comply with his license obligations or who breaches any of its terms or any of his obligations towards his clients shall be subject to one or more of the following:

1. A warning notice of license withdrawal or revocation.
2. Suspension of license for a period not exceeding one year.
3. Withdrawal or revocation of license.
4. A fine of not less than 5,000 riyals and not more than 100,000 riyals.

Article 386

A master, owner, or operator of a passenger vessel, carrying passengers to or from the Kingdom on a regular basis, who fails to comply with the vessel's passenger capacity as stated in its certificates, shall, except in the case of necessity, or at the Authority's directives, be subject to a fine equal to double the value of the travel tickets of the extra passengers of each voyage.

Article 387

A fine of not less than 2,000 riyals and not more than 50,000 riyals shall be imposed upon any person who violates any of the provisions of this Law or its regulations, for which no penalty is prescribed in this Part.

Article 388

1. Imposition of the penalties prescribed in this Part shall not preclude the imposition of any harsher penalty provided by another law.
2. Imposition of the penalties prescribed in this Part shall not preclude the right of recourse against the violator for any damage sustained by persons or property, in accordance with applicable laws.
3. Each relevant authority shall impose the penalties prescribed in this Part, each according to its respective statutory powers.



Concluding General Provisions

Article 389

Application of the provisions stipulated in this Law shall not prejudice the Kingdom's obligations under relevant international agreements and codes ratified by the Kingdom, nor the provisions of the GCC Unified Customs Law and its Implementing Regulations.

Article 390

The Chairman shall, in coordination with the relevant authorities, issue the regulations of this Law within 180 days following the date of its publication in the Official Gazette.

Article 391

This Law shall enter into force 180 days following the date of its publication in the Official Gazette and shall repeal Part II of the Commercial Court Law, promulgated by Royal Decree No. (32), dated 15/1/1350H; the Law of Seaports, Harbors, and Lighthouses, promulgated by Royal Decree No. (M/27), dated 24/6/1394H; and any provisions conflicting therewith.