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SHIPPING AND MARITIME LAW NEWSLETTER

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EDITORIAL

Welcome to our latest edition of the **GANADO Shipping & Maritime Law Newsletter**.

In this issue we report on Transport Malta's recent announcement on the increase in mercantile vessel registration in Malta and the Malta Freeport recent addition of a fourth quay to its terminal facilities. Moreover, we report on Malta's recent initiatives to maximise its maritime potential in light of the Integrated European Maritime Policy and the Malta Maritime Forum. In this issue, we also report on recent legal updates including the entry into force of the MRV Regulation. In conjunction with the legal updates, we also report on all the recently issued MSD Technical and Shipping notices.

Feel free to get in touch with us should you require any further information on any of the reports in this edition. We also welcome feedback and suggestions. You may also wish to join in the conversation on the **Shipping Malta channel** on LinkedIn.

Dr JOTHAM SCERRI-DIACONO

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MALTA FREEPORT Proof of Malta's commitment as an international hub for the transshipment of goods

Malta Freeport announced its recent addition of a fourth quay to its terminal facilities. Such investment was made in order to address the needs of shipping lines calling to Malta, now making use of ever-larger container vessels. These cranes are built by ZPMC in Shanghai and have an outreach of 72m, a capacity of 85 tonnes, a lifting height under spreader above rail of 54m and are capable of handling twin-lift spreaders. Moreover, the new quay cranes are equipped with the latest technology. According to Malta Freeport, such investment has made the Freeport in Malta as the only hub in the Mediterranean capable of handling 18,000 TEUs over on two berths.

The acquisition of such cranes was anticipated by infrastructural works in the Freeport area made to ensure that the new quay cranes will be able to operate alongside the overall length of the quay.

This is proof of Malta's commitment towards the maritime industry, with a diversification of investments that range from the provision of legal services to ship owners and credit institutions, onto ancillary facilities such as ship management, ship maintenance and transshipment of goods.

Increase in mercantile vessel registration in Malta

Transport Malta, the Authority responsible for the Register of Ships in Malta, has registered a considerable increase in the number of mercantile vessels registered over the past year. The Ship Registry, in fact, announced that by the end of August of this year, 7,109 mercantile vessels were on its registry flying the Maltese Flag with a gross tonnage of over 62 million. The figure marks an increase of 6.8% when compared to the same period last year.

This announcement maintains Malta's reputation as a maritime hub, with the island increasingly attracting investment to this booming sector and further confirmed the positive performance of 2014, which made Malta reach the 6th worldwide ranking (up from 7th) whilst further consolidating its position as the largest Register in Europe. In fact, as at the end of December 2014, the registered gross tonnage under the Merchant Shipping Act was 57.9 million gross tons.

Today, the Malta Register has also become a world leader in commercial yachts registration where Malta has also registered positive results. Despite the current financial situation worldwide, during 2014 the Malta flag registered an increase of 13.6% over the previous year, in the registration of super-yachts of over 24 metres in length. As of the end of December 2014, the super-yacht fleet flying the conspicuous Maltese cross worldwide was 452.

An integrated Maritime Policy - towards maximising Malta's blue economy

The Mediterranean Sea is the central hub for maritime activity and Malta, being in the centre of the Mediterranean, benefits greatly from this. Currently, Malta's maritime activity translates into employment of more than 20,000 people and a staggering 11% of the island's GDP. From a layman's point of view, these numbers are impressive; however an integrated maritime policy would give Malta the necessary tools to maximise its maritime potential.

In 2006, the European Union launched its Integrated European Maritime Policy which covered maritime transport, the competitiveness of marine business, employment in the marine sectors, scientific research and protection of the marine environment. In 2012, the EU identified five areas of blue growth in order to stimulate a long term plan for the creation of jobs. These are: blue energy, aquaculture, maritime, coastal and cruise tourism, marine mineral resources and, finally, blue biotechnology.

In light of this realisation, Malta is now taking the necessary steps to ensure that foreign businesses are enticed to invest in Malta's maritime sector. Parliamentary Secretary for Competitiveness and Economic Growth, Dr Jose Herrera has recently launched 'Malta Marittima'; a public-private partnership aimed at establishing Malta as a centre of excellence in the maritime sector. This will bring the Government closer to the Maritime Industry and be the catalyst for big companies to reach higher level of excellence in the sector. This will allow Malta to further develop and implement its integrated maritime policy.

The National Integrated Maritime Policy has the objective of establishing the ideal business environment for blue economy and blue jobs. The Blue Growth areas on which to focus are: aquaculture, coastal tourism, marine biotechnology, ocean energy, seabed mining, maritime transport, maritime financial services, ship building and repair, fisheries, and the oil and gas industry.

It is clear that, if Malta wants to make the next step in its bid to become one of the leading jurisdictions in the Maritime sector, it must look towards the areas mentioned above. The task is daunting, however Malta has the necessary expertise in the sector to start expanding its maritime endeavours.

MALTA MARITIME FORUM

Centralising Malta's maritime efforts

For a long time, there has been the feeling that Malta requires a common platform to coordinate efforts in relation to the aspirations and challenges faced by the sectors that make up Malta's maritime

industry. Whereas certain maritime sectors are very well represented, there has never been a holistic approach in order to view maritime issues from a more broader perspective.

The main objectives of the Malta Maritime Forum is to provide a platform for the local maritime industry to promote existing maritime services and to assist in the development of new maritime activities. The Forum aims also at promoting research, education, standards and training within the Maltese maritime industry, acting as a constituted body to consult and be consulted by government in the development of public policies that can have a bearing on the Maltese maritime industry.

These objectives have been broadly established in order to ensure that the Forum is as inclusive as possible. Even though this initiative is largely industry based, the Government, as well as the other public authorities involved in the maritime sector, have supported this initiative which bodes well for the future.

Malta has already registered a high level of success within specific sectors and thus the responsibility of the Forum will be to harness these successes and seek to emulate them throughout the whole industry. By centralising Malta's efforts, one would be able to properly analyse the strengths and weaknesses of the sector and seek to reinforce the good which has been done, whilst establishing new standards to strengthen the weaknesses in the industry.

This initiative will embrace Malta's strategic geographical position, as well as its vision of a maritime hub of excellence.

The promoters of the Forum consider this development as a logical next step in Malta's illustrious maritime tradition, which generations past have turned and developed into sound pillars on which Malta's maritime industry stands today.

Is ‘emissions control’ impinging on competitiveness?

Statistics show that emissions from the global shipping industry amount to approximately 1 billion tonnes a year; this being equivalent to 3% of the world’s total greenhouse gas emissions and 4% of the EU’s total emissions. Having said this, one must also keep in mind that 90% of world trade is carried out by the international shipping industry; thus further mitigating the emission rates caused by the shipping industry per se, and rendering them negligible in a worldwide context. This begs the question as to whether further emissions control is actually necessary or if it is but a burden to competitiveness in the shipping sphere.

In light of the aforementioned reality, the *European Union Regulation 2015/757 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and amending Directive 2009/16/EC* (hereinafter referred to as the MRV Regulation) came into force on the 1st of July 2015. The MRV Regulation applies only to cargo-carrying tonnage exceeding 5,000gt and mandates the reporting of the CO₂ and cargo work of vessels sailing to and from ports within the jurisdiction of a European Union member state. The MRV Regulation further demands a ship-specific monitoring plan for ships sailing to and from European ports, alongside an annual emission report; both drafted by the shipping companies concerned and subject to verification by

accredited verifiers. These verified documents shall then be submitted to the European Commission and the Flag States which are held responsible for ensuring the enforcement of the MRV. The Commission has been further empowered to adopt delegated acts to amend methods and rules set out in the annexes of the MRV Regulation in order to take into account international shipping standards. In the case of ships having failed to comply with the Regulation, the option of detention or expulsion may be enforced. The latter means that every Member State shall refuse entry of the ship concerned into any of its ports until the company in default fulfils its monitoring and reporting obligations.

The introduction of the MRV Regulation is expected to lead to reductions of up to 2% of the aforementioned Union emissions. This is to be achieved by way of public access to emissions data previously hindered by a lack of reliable information on the fuel efficiency of ships. More reliable data will lead to a sounder basis for the uptake of many cost-negative measures which would reduce greenhouse gas emissions from maritime transport. This may be achieved by identifying the most fuel-efficient vessels - which would in turn enhance competitiveness within the sector - and by encouraging new technologies and operational measures adopted to improve efficiency and lower operational costs.

This is a roundup of all Shipping and Technical Notices recently issued by the Malta Shipping Directorate (“MSD”) addressed to ship-owners, ship operators, managers, masters, owners’ representatives and recognised organisations.

SHIPPING NOTICES

MSD Shipping Notice 123 on the suspension of certain restrictive measures against the Islamic Republic of Iran

11TH AUGUST 2015

Through **Shipping Notice 123** the MSD draws the attention of the shipping community to EU Council Decision (CFSP) 2015/1148 amending Decision 2010/413/CFSP concerning restrictive measures against Iran, adopted on 14 July 2015, suspending certain restrictive measures against the Islamic Republic of

Iran. Shipping organisations established in Malta or operating Maltese ships are reminded to always abide by the restrictive measures in force when planning their operations and to extend their full co-operation for their enforcement. For further information contact us on shipreg@ganadoadvocates.com.

MSD Shipping Notice 124 on ships entering US ports

27TH AUGUST 2015

Shipping Notice 124 informs all concerned that new measures are being introduced for all Maltese flagged ships with the aim of ensuring continuous improvement and enhanced compliance with national and international legislation. Importantly, the Directorate requests that ships intending to call at any US Port are to notify the MSD of their intentions prior to the commencement of the voyage to the

US. To this effect, any ship intending to call at a US port and is required to submit to the National Vessel Movement Center (NVMC) the Notice of Arrival and Departure (NOAD) at least 96 hours prior to arrival at the port of destination, should also send a copy of such notification to the MSD. For further information contact us on shipreg@ganadoadvocates.com.

MSD Shipping Notice 125 on restrictive measures

2ND SEPTEMBER 2015

Shipping Notice 125 draws the attention of all concerned to the restrictions on making available funds or economic resources, directly or indirectly, to or for the benefit of natural persons or natural or legal persons, entities or bodies associated with them, listed in the various EU instruments. The notice also draws the attention on the prohibition on transport of certain goods from or to the European

Union (EU) by EU nationals or using ships flying the flag of a European Member State. To this end, all concerned are to conduct appropriate due diligence when embarking in any kind of transactions with entities linked to the States, against which restrictive measures are in place. For further information contact us on shipreg@ganadoadvocates.com.

TECHNICAL NOTICES

MSD Technical Notice SLS.6.Rev 3 on fire protection systems and appliances, and compressed gas cylinders – periodic maintenance, inspection and testing

11th SEPTEMBER 2015

The MSD issued **Technical Notice SLS.6 Rev.3** in line with IMO MSC.1/Circ.1432 informing all relevant persons that all fire protection systems and appliances on board a ship must at all times be in good order and available for immediate use while the ship is in service. The MSD further informs the shipping community that, if a fire protection

system is under repair, suitable arrangements to the satisfaction of the Recognised Organisation and Administration must be made to ensure that safety is not diminished. The Technical Notice further establishes periodic maintenance, inspection and testing rules. For further information and guidance kindly contact us on shipreg@ganadoadvocates.com.

We trust that this issue of our Shipping & Maritime Law Newsletter was of interest to our readers. Should you have any queries or suggestions to make, please feel free to contact:

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We will be pleased to hear from you.

Further, should you wish to unsubscribe from the **Shipping & Maritime Law Newsletter** please click **unsubscribe** on the email sending this newsletter, or by contacting Dr Jotham Scerri-Diacono at jsdiacono@ganadoadvocates.com.

Disclaimer

This update is not intended to impart advice; readers are advised to seek confirmation of statements made herein before acting upon them. Specialist advice should always be sought on specific issues.