THE NEW SPANISH SHIPPING LAW

Ley 14/2014, de 24 de julio, de Navegación Marítima

CLASSIFICATION SOCIETIES

Pursuant to article 106 of the Spanish Shipping Law [Ley de Navegación Marítima, LNM hereafter], classification societies “will be contractually liable to those who contract with them for any damage or loss as a consequence of the absence of diligence in inspecting vessels and issuing certificates”.

Third-party liability will be determined in accordance with common law, without prejudice to international conventions and EU rules that may apply.

SHIPBUILDING CONTRACT

The Spanish Shipping Law considers naval building contracts in articles 108 to 116, and establishes such contracts must always be made in writing.

Ownership of the vessel under construction is with the builder until the moment of its delivery to the client, unless the parties agree to defer such transfer of ownership to a later date.

In the event of a discrepancy between the contract and the specifications, the former shall prevail over the latter, and the specifications will prevail over blueprints.

The LNM sets out indemnities for delays beyond 30 days and the right to cancel the contract if the delay lasts more than 180 days and there is no justified cause for such delay.

MARITIME LIENS AND OTHER WARRANTY RIGHTS OVER THE VESSEL

Maritime liens are governed by the provisions of the International Convention on maritime liens and mortgages signed in Geneva on 6 May 1993 (art. 122).

Maritime liens apply to the vessel even if the lien is not registered, remain with the vessel in the event of a change of ownership, registration or flag, and enjoy a right of preference over mortgages, as well as over other registered encumbrances.

Ship mortgages enjoy a right of preference from the moment they are registered in the Property Registry.

The holders of credits linked to the building, repair or reconstruction of a vessel have a right of retention, which was already in force for this type of credit under common law.
PROPRIETOR, SHIPOWNER AND OPERATOR

The new LNM devotes an entire title (Title III) to the different subjects in shipping, concepts of great importance for our sector, and which, in this new law, are comprised by the shipowner and the operator, and, alongside these, the figure of ship co-owners and crew members, with special focus on the figure of the master.

However, as far as the key figures are concerned, whose status has long been an object of debate, the law introduces some changes, amongst which it is worth underlining (i) the shift, to a secondary level, of the vessel’s proprietor with respect to that of the shipowner, and (ii) the clear distinction between shipowner, defined as someone who, “whether or not owning the vessel, has possession of it and uses it for sailing on its own behalf and at its responsibility” (article 145.1) and operator, defined as “a person or entity that operates its own or other merchant vessels, even where this is not its primary activity, under any kind of contract admitted by international customs” (article 145.2).

So that ownership of the vessel is linked to the shipowner, and use of the vessel is associated with the operator, although if the operator owns the vessel, he will also be shipowner. Additionally, the law establishes a “iuris tantum” presumption, as it considers as shipowner the proprietor that is registered as such in the Property Registry (article 148).

Finally, Chapter II of Title III deals with naval condominium and defines it as “the co-ownership of a vessel or craft when it has as it end the development of a merchant operation” (article 150), so that we can note that the distinction between mere co-ownership is derived from its nature as a joint merchant operation under a majority regime, featuring shipowners and operators who may not be the proprietors, and that is regulated under articles 151 to 155. The most noteworthy aspects of this regulation are (i) only simple majority approval is required to carry out any action, (ii) each of the condominium owners will be considered as shipowners, (iii) minority parties in the condominium will have the right to demand that the sale takes place through public auction if they did not take part, or were opposed to, such sale, and they also have the right to separate (by transferring their quota to another party) if they had not intervened in or opposed it and (iv) in the event of a sale to an outsider to the community, other co-owners will have a right of first refusal and pre-emptive rights during a period of nine days.

THE MASTER

The Master is regulated in the new law, in articles 171 to 187. The Master is the person who “commands and directs the ship, manages its equipment and represents the public authority on board”.

The legislator has, from the outset, stressed two features of great importance. It is the Master who manages and directs the ship, and he is also a public authority.
Art.184 leaves no room for doubt, and, under the title “Prevalence of professional criterion”, states: “Neither the shipowner, nor the charterer, nor any person with an interest in the ship or its cargo, shall set obstacles or restrictions to the Master of a ship when making or executing any decision that, according to his professional criterion, is required in order to protect human life at sea or the marine environment.” The LNM thus comes in line with the doctrine that clearly separates decisions that affect the commercial operation of the vessel and decisions that concern the management of the vessel in sailing terms, setting out a clear prevalence of the latter over the former.

As for the Master’s appointment, Art. 172 states this is the responsibility of the shipowner, who can also order his/her removal. This “special relationship of trust” is considered, within the general framework of labour law, as an ordinary relationship between employer and employee. It thus appears that the consideration of the Master as senior management personnel in the terms outlined by previous regulations has been dropped.

In line with this “special relationship”, article 185 states that the Master shall act as the shipowner’s representative when deciding on the ordinary needs of the ship. The new law establishes that the Master will always be liable before the shipowner for any actions or contracts undertaken which oppose the latter’s legitimate instructions.

The new law does not fail to regulate the Master’s registry functions in relation to births, deaths or marriages, or his/her obligations in what concerns wills and missing persons. The final two articles regulate his obligations in the communication of accidents, as well as the lifting of protest where events have taken place for which he may be deemed liable.

**CONTRACTS FOR THE USE OF VESSELS**

The LNM devotes, in its IV title, five chapters to contracts for the use of vessels, which are structured in 126 articles (from 187 to 313) that regulate lease, charter, passage, towage and nautical contracts.

The regulation of the carrier’s liability for damage to the cargo maintains the existing regime, outlined in The Hague-Visby Rules. There has been a unification of the liability regimes of the carrier, applicable to carriage by sea under a bill of lading regime (national or international) and to charters in their different modes. One new aspect is that, in the case of carriage undertaken under a bill of lading regime, the regulations are irrevocable by the parties, unless there is a charter party. In consequence, clauses of exoneration or limitation of liability agreed by the parties can be valid.

Charter is defined as a contract that covers several types of carriage, such as charter for voyage, time charter, and the carriage of cargo under bill of lading. This type of contract does not include the hire of vessels to other ends (such as the laying of cables, oceanographic research, or icebreaking interventions).

The LNM also regulates passage and towage contracts (in the case of the latter, in their double modality of manoeuvring-towage and transport-towage), as well as the lease of a
vessel (be it bareboat by demise or otherwise), which is articulated following the more balanced legal solutions found in commonly-used forms.

Vessel Lease Contract. Its regulation in the articles 187-202 is inspired by the more commonly-used forms in maritime practice, respecting the autonomy and will of the parties. It is worth noting the lessor’s obligation to maintain the vessel in a seaworthy condition over the entire period (art. 194), and any agreement that exonerates the lessor from such obligation, or limits it, will be considered null and void. This obligation constitutes a novelty and a departure from civil practice in lease contracts, and the possibility of its registration in the Property Registry means it could be made effective against third parties.

Charter contract. Regulated under articles 203-286, it is the central contract type and it includes bill of lading. It is divided into ten sections that regulate the rights and obligations of the parties, laytime and delays, bill of lading, multimodal transport document, maritime waybills, the extinction of the liability regime and the limitation periods. It is conceived as a carriage contract and it excludes other uses (such as the laying of cables, oceanographic research, or icebreaking interventions). A new aspect is the regulation of volume contracts and of multimodal transport. As for the liability regime of the carrier under bill of lading, article 277.2 refers to The Hague-Visby Rules.

Passage contract. This constitutes a different and separate contract from the charter contract and is regulated in articles 287 to 300. This is a contract for the carriage of passengers in a strict sense. The liability regime is that of the Athens Convention of 1974. There is a right to limit liability and mandatory insurance with direct action against the insurer (art. 300).

Towage contract. This type of contract, to which articles 301 to 306 are devoted, is regulated for the first time in our positive law. These articles distinguish and regulate different modes of towage, specifically manoeuvre-towage and transport-towage, but the norms outlined are non-mandatory, so that agreements undertaken by the parties that contravene such norms shall be permitted. Extraordinary towage that does not constitute a salvage operation, and where conditions have not been previously agreed, is also regulated.

Nautical charter contract. A great novelty, and one which responds to strong demands from the nautical sports sector. It is covered in articles 307 to 313. Its legal nature is that of a lease contract for sport or leisure purposes. It may be undertaken with or without a crew, and the lessee will instruct the shipmaster, but the latter’s criterion will prevail for security and navigation reasons. Additionally, the handing-over regime set out in the LNM is very favourable to the lessee.
REGULATION OF CARRIAGE BY SEA OF CARGO AND OF THE PASSAGE CONTRACT UNDER THE LNM

The LNM regulates in articles 203 and following, the contract for the carriage of cargo.

After detailed regulation of the contract of carriage, which sets out the obligations of the parties, articles 236, 237 and 238 of LNM provide a lien on the cargo for the freight and other expenses resulting from its transport, but within a fixed period: during the fifteen days following its delivery.

The legal characterisation of this fixed period of fifteen days is not straightforward, but it could perhaps be considered as a limitation period for the expiry of a “privilege”. This provision grants the carrier a right of retention and subsequent sale before a public notary of the cargo subject to the freight charge. The LNM makes a useful distinction between the retention of cargo belonging to the charterer, and of cargo belonging to third parties. This innovation -retention and sale before notary- means that in future it will no longer be necessary to consult old voluntary jurisdiction proceedings.

As for carriage under a bill of lading regime (articles 246 and following of LNM), the current regulation remains applicable, since what is outlined is already set out in The Hague-Visby Rules. This results in a unification of the regime of liability of the carrier, be it for national or international transport.

It is worth noting that carriers’ legal liability regime in carriages under bill of lading is ius cogens and cannot be revoked by the parties (given the little negotiation capability for carriers operating under this form of transport), whereas the legal liability of carriers in the case of charter-parties is revocable, since it is assumed that shipowners and charter-parties share an equally strong negotiating position.

Bill of lading in electronic form is also referred to, as the possibility of its issuance if shipper and carrier have agreed to it in writing before the uploading of the cargo onto the vessel is outlined (article 262 of LNM). Similarly, the option of issuing maritime waybills is addressed, as article 268 of LNM states that, although having the same evidential value as bills of lading, such bills, like any other non-negotiable document, are not considered securities.

An important novelty introduced in articles 280 and 283 of LNM is the express regulation, alongside the regulation of the carrier’s liability for losses and damages to the cargo, of the carrier’s liability for delays in the delivery of the cargo, which, like the liability for losses and damages, is limited in nature.

The LNM continues to demand the formulation of complaints (article 258) for damages and losses to cargo, as well as for delays in its delivery. The legal consequence of a lack of complaint is, in a departure from the Commercial Code, the presumption that cargo has been delivered in accordance with the contents of the bill of lading. In the event of expert opinion or joint inspection of the cargo by the carrier and the recipient, the need to formulate a complaint shall be lifted.
The LNM regulates also the passage contract (articles 287-300), granting the carrier a right of retention and subsequent sale over the hold baggage in the event of failure to pay the price of the passage. As for the liability regime of the carrier, insurance, etc., the LNM refers expressly to EU rules, as well as to the International Conventions in force in Spain.

TOWAGE

The shipowners are jointly and severally liable before third parties for any damages resulting from the tug train, unless one of them can prove that such damage does not derive from its element in the convoy. In any case, right of recovery in accordance with the degree of fault shall apply.

In the event of extraordinary towage, which does not constitute a salvage operation, the owner of the tugging vessel will be entitled to an adequate remuneration that covers any damages incurred, loss of earnings during the towage operation, and a reasonable price for the service. Such remuneration shall not be conditional to the success of the operation.

SHIP MANAGEMENT CONTRACT

The new LNM addresses, in Title V, the regulation of naval auxiliary contracts. One new aspect worth noting is the naval management contract, referred to in Chapter I, and defined as a contract whereby “an individual commits, in exchange for payment, to manage, on behalf of the shipowner, all or some of the matters arising from operating the vessel”. Such matters may be related to commercial, naval, labour or insurance management of the vessel.

As outlined in the Statement of Purpose of the LNM, this enables proprietors –who may be shipowners or operators- to seek help in commercial, naval, labour and insurance matters, allowing them to hire an expert to undertake the management of those areas.

The main developments introduced by the LNM in what concerns this type of contract are (i) it is granted a specific regulatory framework, whereas, before the LNM, such contracts were bereft of it, and were regulated through international forms, as they constituted a widely-known practice within the maritime sector. The legislator has regulated the naval management contract taking into account the patterns established by the most commonly used international forms (such as those put together by the BIMCO); and (ii) regulation of its relationship to the shipowner, which will be governed by what is set out in the management contract and, failing this, by the regulations of the agency or commission merchant agreement, depending on whether or not it is a lasting relationship (article 137) and (iii) third-party regulations, which are clearly intended to protect third parties in the event of a contract with a naval manager, as they establish that if, when hiring the naval manager, he fails to state his status as an agent of the shipowner, disclosing the shipowner’s identity and address, then the manager will be jointly liable with the shipowner (article 316). This joint liability is, moreover, applicable to extra-contractual relationships (article 318).
SHIP AGENTS

The LNM defines the shipowner as the person, individual or entities in possession of the vessel or craft and uses it for sailing on its own behalf and at its responsibility, whereas the operator is a person or entity that operates its own or other merchant ships, even where this is not its primary activity, under any kind of contract admitted by international customs.

The LNM’s explicit derogation of the articles 586 of the Spanish Commercial Code (CoC) and 3 of the Law on Maritime Transportation (LMT), which equated the figures of the operator and the ship agent, will undoubtedly pave the way for an easier understanding and of the concepts outlined above of shipowner, operator and proprietor, which ought to be also distinguished from the figure of the ship agent, especially given the relevant case law on the question of liability for damages to transported cargo.

The LNM aims to overcome the recent case law consolidated by the Supreme Court, which established a legal and direct equivalency between the operator and the ship agent (on the basis of articles 586 of the CoC and 3 of the LMT of 1949, which the LNM has just derogated). Such equivalency meant that the ship agent was held liable for any loss, damage or delay in the delivery of cargo transported by sea, even where the agent did not contract said transport in his own name, or carried it out, or took part in it in any way.

The LNM establishes what was already felt in practice within the sector, that is, that the ship agent ought not to be liable for indemnities to cargo recipients in the event of loss, damage or delayed delivery of the cargo. However, the law does qualify that the agent will be liable to the shipowner or operator for any damages caused through his being at fault. Finally, the LNM rules that the ship agent will be obliged to receive claims and complaints relating to the cargo, and will pass them on to the shipowner or to the operator.

On the other hand, the LNM explicitly clarifies that the ship agent will be jointly and severally liable (with the shipowner, operator or charterer) for the cargo if he signs the bill of lading without specifying that he is doing so on their behalf. Likewise, the law specifies that the ship agent will be liable in the same way as the freight forwarder or port operator (for the handling of cargo) when acting as such and not as a ship agent.

PILOTAGE CONTRACT

The pilotage contract is regulated by articles 325 to 328 of the LNM, which defines it as an agreement whereby “the pilot agrees, in exchange of a price, to advise the master on the performance of the various operating and manoeuvres for the safe movement of vessels through port and adjacent waters”.

In keeping with tradition, it determines that the Master retains, without exception, the authority with respect to every aspect related to governance and nautical direction. Hence it does not provide for practical situations in which the pilot’s role extends beyond advisory duties, as is sometimes the case in navigation in narrow bodies of water, such as river
navigation, where decisions made by the pilot are more than mere advice, given that s/he is the one with knowledge of the waterway.

The LNM does establish the pilot’s responsibility for any damages to the vessel or to third parties attributable exclusively to him/her, and resulting either from lack of accuracy or omission in his/her advice.

In the event of joint responsibility of the pilot and the Master, the latter, the shipowner and the pilot will be jointly and severally liable.

The LNM outlines liability limitation not only for the shipowner, but also for the pilot, as established by the 2/2011 Ports Act: twenty euros per gross registered ton of the vessel to which the pilot provided the service up to a maximum limit of one million euros.

**PORT HANDLING CONTRACT**

The port handling contract is regulated by articles 329 to 338 of the LNM, which defines it as an agreement whereby “an operator agrees, in exchange of a price, to undertake the cargo handling operations at port.”

The liability regime of cargo handling companies for damages, loss or delay in the delivery of cargo, which is configured as presumed fault-based liability, cannot be contractually modified to the detriment of the party contracting the service.

Cargo handling companies can limit that liability to a sum of two Special Drawing Rights per kilogram of gross weight in the event of damage or loss to cargo, and, in the event of a delay, to a sum equivalent to two-and-a-half times the remuneration for their services (art. 334).

The LNM grants cargo holding companies the right to retain cargo for as long as they are not paid in full for their services.

**COLLISIONS**

The LNM ends the duality of legal regimes in what concerns collisions that existed prior to its promulgation, as article 339 establishes that collisions “will be regulated by the International Convention for the unification of certain rules in Collision Matters, signed in Brussels on 23 September 1910”.

Hence, in the event of a collision resulting from shared fault, fault-based liability proportional to the degree of responsibility of each vessel shall apply, as established in the Convention of 1910. This lifts the objective criterion set out in the Commercial Code, which placed the responsibility for damages with both vessels, independently from the degree of fault of each of them.
GENERAL AVERAGE

The LNM states that the interested parties in the voyage “can freely agree the rules regulating the ways in which a settlement will take place and, if not otherwise specified, the most recent York and Antwerp Rules shall apply.”

The LNM foresees a procedure for cases in which there is no agreement between the interested parties on the settlement of the general average, and establishes that in such cases a public notary will be charged with its processing and resolution.

SALVAGE

The LNM defines and regulates Salvage in article 357 and following, establishing for this legal figure an all-encompassing concept: "All act undertaken to help or assist a ship, vessel, or craft, or to safeguard or recover any goods in danger in any type of navigable waters, with the exception of continental waters that are not communicated with sea waters and are not used by maritime navigation vessels."

Salvage is governed (Art. 357) by the International Convention on Salvage, signed in London in April 1989, and by any Protocols or reviews that modify it, and of which Spain is part, as well as by the dispositions of the LNM itself. Law 60/1962, of 24 December, on maritime assistance, salvage, towage and extractions is explicitly abolished, with the exception of the dispositions of Title II, which refer to jurisdiction and procedure, and which remain in force.

Salvage claims shall fall under civil jurisdiction, unless the parties agree to submit to an administrative maritime arbitration system before specialised bodies of the Navy, or unless an intervention by the Navy becomes necessary because of the type of salvage concerned (salvage of goods abandoned in the sea and of unknown property), or if agreement is reached to submit to other tribunals.

One new aspect is that the relevant bodies of the Navy that will deal with actions and prizes resulting from salvage operations and the remunerations for towage will be the Council of Maritime Arbitration and the Maritime Arbitration Audit Office, although, until these bodies are constituted, the Maritime Central Court and the Permanent Maritime Court will continue to carry out their tasks in accordance with the dispositions of the Law 60/1962.

One important technical improvement, and perhaps the most relevant one in what concerns salvage, is the power granted to both the Master and the shipowner to sign salvage contracts on behalf of the owner of the goods on board.

Another important aspect is the acknowledgement of the salvor’s right of retention over the salvaged ship and goods where no sufficient guarantee of payment has been given, without prejudice of recourse to a possible pre-emptive arrest of those items.

In order to guarantee environmental protection, the LNM regulates the intervention of the Maritime Authority in salvage operations.
SHIPWRECKED

The LNM establishes and regulates the procedures aimed at the removal of shipwrecks and other goods on the seabed, but such regulation does not apply in the case of underwater cultural heritage goods situated in the areas contiguous to Spain, in the exclusive economic area and in the continental platform, governed by the Convention on the Protection of the Underwater Cultural Heritage of 2 November 2001, and by other treaties signed by Spain, as well as by specific legislation.

In accordance with LNM, shipwrecked or sunken state vessels, as well as their remains, equipment and cargo are state public property, inalienable, not subject to limitation periods, and enjoying immunity from jurisdiction, regardless of when they were lost, or where they find themselves.

CIVIL LIABILITY FOR POLLUTION

The preferred implementation of international Conventions on the matter in force in Spain (at CLC/92, FUND/PROT/03 and 2001 Bunkers Convention) is (unnecessarily) reiterated, and the LNM regulates also civil liability arising from damages resulting from pollution from vessels in cases not covered by the scope of the aforementioned Conventions.

This liability is, of course, quasi-strict and limited, and the LNM establishes insurance as mandatory and direct action against the insurer of civil liability up to limit of the insured sum.

The LNM departs from the regime set out by Convention CLC/92 in one aspect, as it channels liability towards the “shipowner, proprietor or licensee of the vessel at the moment in which the pollution producing event takes place (art. 385)”.

The environmental principles of the European Union treaty, including the principle “s/he who pollutes, pays”, are present in the regulation of civil liability for pollution in the LNM.

MARINE INSURANCE

The marine insurance contract is covered under articles 406 to 467 of the LNM, and its more noteworthy changes affect the area of civil liability insurance.

The legislator has regulated marine insurance using modern policies and clauses of Anglo-Saxon type (mainly those drafted by the Institute of London Underwriters (ILU)) as models –as they have long been the most commonly used models in the field of maritime insurance- and has adapted them to concepts from our own legal system, thus modernising a set of regulations that had become outdated.

The rules of the LNM for marine insurance, dispositive in nature, apply to “damages produced as a result of the risks arising from maritime navigation”, with such risks outlined through agreement between the parties (extraordinary risks, negligence or fault
on the part of the insured, or inherent fault are excluded, except in some cases if a different agreement is reached). In any case, the scope of this regulation does not include leisure and sport vessels, which shall be regulated by the dispositions set out in the General Insurance Contract Law (a law which, moreover, serves as a supplementary law for any instances not foreseen by or included in the LNM).

As for the interests of the insured, “all legitimate financial interests, present or future” which are insurable and that are exposed to the risks mentioned above are covered by the insurance, and are specifically listed in article 409 of the LNM (ships, vessels and naval artefacts; freight; cargo; civil liability; and any other financial interests). Additionally, it is worth mentioning that the law refers to mandatory insurance in accordance with international conventions, such as civil liability for damages deriving from hydrocarbon pollution and BUNKERS 2001, or mandatory insurance for liability in the event of death or physical injury of passengers.

Lastly, the main changes concern the regulation of civil liability insurance. Among the most noteworthy aspects, we find the inclusion of the shipowner’s insurance cover for civil liability (as a result of civil liability arising from pollution and for injuries to passengers); or the novel approval of direct action against the insurer by a prejudiced third party seeking indemnities in any civil liability insurance. The insurer will be able to apply before the prejudiced party the same exceptions and liability or debt limitations applicable to the insured party. Any contractual agreement aimed at preventing such direct action will be considered invalid.

PROCEDURAL RULES

Title IX of LNM is dedicated to certain procedural specificities.

The generic regulation over arbitration or legal clauses constitutes a clear novelty, as such regulation sets out from a negative standpoint, in the sense that it denies the validity of such clauses where they have not been agreed upon individually and separately.

Going one step further, it is explicitly stated that the insertion of any type of such clause in the printed terms and conditions of any contract for the usage of a vessel, or an auxiliary navigation contract, will not constitute a valid proof of acceptance.

Other remarkable new additions relate to the countersecurity arrest of ships, which, supported by the Geneva Convention of 1999, established a minimum bail of 15% of the total amount of the alleged maritime claim. Ships sailing under the flag of a country that has not ratified the aforementioned Geneva Convention can, in principle, be seized for any type of credit.

The following articles deal with the peculiarities of foreclosure sale of ships, and with the procedures to limit the liability for maritime credits, to register a sea protest and to deposit cargo, with the two latter now managed through notarial involvement (and no longer requiring legal intervention, as previously prescribed under the Commercial Code).

The most remarkable new aspect in the aforementioned procedure for the limitation of liability is the requirement of constituting up the fund within a maximum period of 10 days.
from its invocation. Additionally, civil liability deriving from a criminal procedure will be limited in accordance with the applicable International Conventions.

Lastly, and in what concerns the sale of ships, it will be regulated by the general norms of the Civil Procedure Law, as well as by the international rules applicable at the time.

NEW LIMITATION PERIODS FOR THE EXERCISE OF LEGAL ACTIONS

The LNM establishes some new limitation periods for the valid exercise of actions derived from contracts and from situations related to maritime navigation.

Among the noteworthy changes is the significant reduction in the limitation periods for actions resulting from the failure to comply with a shipbuilding contract (be this a failure to comply on the part of the shipbuilder, or a payment default on the part of the shipowner), which shall expire three years after the date set in the contract, or, failing this, three years from delivery of the vessel. Previously, the limitation periods applied in such cases by the Supreme Court was 15 years (in accordance to the period applicable to personal actions under the Civil Code) from the payment of the price of the vessel or from the time at which there was a known intention to terminate the contract.

Likewise, in the area of maritime insurance, the rights deriving from the insurance contract shall expire within a two-year period, to be counted from the moment from which they could have been exercised. The previous limitation period, set out in article 954 of the CoC, was set at three years since the end of the contract or counting from the date of the accident.

Below is a practical outline of the new limitation periods established by LNM.

SHIPBUILDING CONTRACT

- Actions resulting from the shipbuilder’s failure to comply: 3 YEARS from delivery of the vessel.
- Actions arising from default in payment by the shipowner: 3 YEARS from the date agreed in the contract or, failing this, 3 YEARS from delivery of the vessel.

NAVAL HYPOTÉQUE

- Actions related to the naval hypotéque: 3 YEARS from the moment in which they could have been exercised.

LEASE OF A VESSEL

- Actions for failure to comply with contract: 1 YEAR from the end of the contract, or from return of the vessel.

TRANSPORT
- Actions arising from a failure to comply with a contract of carriage in the event of loss, fault or delay: 1 year from delivery of the cargo, or from the date in which the cargo should have been delivered.

- Actions related to freight, demurrage and other transport costs: 1 YEAR from delivery of the cargo, or from the date in which the cargo should have been delivered.

- Recovery actions between contractual carrier and effective carrier for indemnities satisfied by the former under the terms of art. 278 of LNM: 1 YEAR from the payment of the indemnity.

TOWAGE

- Actions arising from towage contracts: 1 YEAR.

MARITIME LEASE

- Actions arising from maritime lease: 1 YEAR from the end of the contract, or from the definitive landing of the lessor.

PORT HANDLING

- Actions arising from claims for damage, loss or delay of the handled cargo: 2 YEARS from the delivery of the cargo by the responsible handler, and, in the case of total loss, from the date in which they should have been delivered.

GENERAL AVERAGE

- Actions to demand general average contributions: 1 YEAR from end of the voyage in which it occurred, with the understanding that the voyage ends, for each lot of freight, at the moment of its definitive unloading.

INSURANCE

- Actions related to insurance contracts: 2 YEARS since they could have been exercised.

SALVAGE

- In agreement with the London Convention of 1989, all actions relating to the payments that may originate by virtue of said Convention will expire if a legal or arbitration process has not been initiated in a period of two years. The limitation period will be counted from the day in which salvage operations are concluded.

COLLISIONS

- In accordance with the Brussels Convention of 1910, actions seeking to remedy damages expire within a period of two years from the date of the accident.
POLLUTION

- In accordance with Convention CLC92, the rights to indemnity outlined in said Convention will expire if actions contemplated under said Convention are not taken within a three-year period from the date in which the damage took place. The same period applies in the case of indemnity actions outlined in the 2001 Bunkers Convention.

PROPERTY. LIMITATION PERIODS IN FAVOUR OF THE STATE

- The state will acquire the property of any vessel or good that is shipwrecked or sunken in inland maritime waters or in Spanish territorial waters once 3 YEARS have elapsed since the shipwreck or sinking, except in the case of state vessels and crafts, which shall not be subject to limitation periods.