

*Study the amended piece of translation (Ukrainian – English). Use the Editor's Checklist (Slides 9-10) to identify errors and mistakes. Use margin notes to provide your comments.*

## **Maritime claims: general rules**

Under Ukrainian laws, maritime claims are claims which arise from property rights and interests to a vessel, construction of a vessel, management, use of a vessel for private or commercial purposes, ship mortgage or commission of measures relating to salvage.

Since Ukraine is a signatory to the International Convention Relating to the Arrest of Sea-Going Ships 1952, the list of maritime claims contained therein is applicable. However, the Merchant Shipping Code of Ukraine contains a broader list which is based on the list stipulated by the International Convention on the Arrest of Ships 1999. Under Ukrainian law, a vessel may be arrested only on the basis of a maritime claim.

In addition, there are maritime liens, which are privileged claims and should be satisfied first, and mortgages.

Finally, in some situations consignors and consignees have the right to claim damages from a carrier by filing a substantial claim or submitting a complaint directly to this carrier. But such claims and complaints are unlikely to result in the arrest of a ship and its judicial sale.

## **Maritime liens**

The Merchant Shipping Code of Ukraine does not use the term "maritime lien" but offers the definition of "privileged claims" which has the same meaning. A maritime lien does not cease the ownership of a vessel but the admission of a lien of other person in relation to the vessel is understood as an encumbrance. In general, relations concerning maritime liens are regulated in almost full accordance with the rules set by core international treaties, in particular the International Convention on Maritime Liens and Mortgages 1993. However it should be noted that the list of maritime liens contained in the Merchant Shipping Code of Ukraine is broader than that in the mentioned Convention. Ukrainian legislation does not provide a definition of the term "maritime lien" or "privileged claim" but establishes priority of their satisfaction.

## **Priority of privileged claims**

The Merchant Shipping Code of Ukraine sets strict priority of privileged claims which must be satisfied in the order prescribed.

The top priority claims arise from labor relations, claims for damages caused by injuries or death, and after their full reimbursement – social security claims as long as these claims concern a vessel in question.

The second priority claims concern nuclear damage and maritime pollution as well as claims for pollution mitigation.

The third priority claims concern channel and port fees.

The fourth priority claims are for salvage award and for payment of a general average contribution.

The fifth priority claims are for collision damage or other maritime accident, for damaging port structures, other port property or navigation equipment.

The sixth priority claims arise from the master's actions relating to the upkeep of a ship or voyage continuation.

The seventh priority claims concern damage to cargo or luggage.

The eighth priority claims concern payment of freight and other shipping costs.

Claims for the cost of port services are considered as either the seventh or eighth priority claims depending on the property out of which they are reimbursed.

### **Organization of sale**

After a notification of the auction to be held has been published, the agency shall provide all interested physical and legal persons with an opportunity to see the property kept **at the special premises**. Potential customers are required to pay a guarantee fee to participate. The information about such persons is officially registered, and the participants are provided with auction cards containing the rules as well as admission tickets.

Information about the participants, their number and their offers may not be disclosed until the winner is announced.