Dear Sir

The Korea Maritime Law Association is pleased to answer your Questionnaire.

In our country, it has been clearly regulated on indemnity for damage or loss against wrongful arrest.

Under Article 20 of the Maritime Procedure Act adopted by the Standing Committee of the Supreme People's Assembly by the decree No. 1356, an applicant for arrest should compensate loss or damage caused by wrongful or unjustified arrest, if it concluded. In this case, the amount of damage shall not exceed net profits which is obtainable the vessel was operated normally during the legal period.

The legal period is, on the occasion of arrest vessel, 30 days.

Practically, if the arrest of vessel is wrongful, a shipowner’s maximum damages are net profits of operating vessel during 30 days.

However it is regarded as the shipowner’s duty to take a positive measure for releasing the arrested ship as soon as possible.

In other words, the damage or loss of a shipowner caused from a wrongful arrest would be justified and varied according to a case, but there is a limitation of liability for the indemnity and if the shipowner neglect to do the duty of care, he cannot receive the indemnity against the wrongful arrest.

Best Regards

Maritime Law Association, DPRK