



CMI International Working Group

Ship Financing Security Practices - Questionnaire

1 MARITIME AND OTHER CONVENTIONS

1.1 Has your jurisdiction ratified the 1952 and/or the 1999 Arrest Convention or neither?

Greece has ratified the 1952 Arrest Convention but not the 1999 Arrest Convention.

1.2 If your jurisdiction has not ratified either of the aforementioned conventions, what categories of claim can be brought by way of arrest¹ of a vessel?

In case that the 1952 convention is not applicable or that the restriction to maritime claims does not apply, a vessel may be arrested for any type of claim.

1.3 In particular, can arrest be made:

- (a) by a mortgagee of a vessel registered under the laws of your jurisdiction?
- (b) by a mortgagee of a vessel registered under the laws of a different jurisdiction?

A mortgagee may arrest a vessel whether registered (a) in Greece or (b) in any other jurisdiction.

1.4 Has your jurisdiction ratified the 1926 and/or the 1993 Maritime Liens and Mortgages Convention or neither?

¹ The term «arrest» is used throughout for convenience but it is acknowledged that this may not be a concept known to the laws of all jurisdictions. If in your jurisdiction the equivalent concept is attachment or something else, please briefly explain.

Greece has ratified neither the 1926 nor the 1993 Maritime Liens and Mortgages Conventions. However, for most ocean going vessels registered under Greek flag only the maritime liens of the 1926 Convention run in priority over mortgage pursuant the registration act which is issued specifically for each vessel in accordance with article 13 of Legislative Decree 2687/1953, which has increased constitutional protection pursuant to article 107 of the Greek Constitution.

1.5 If your jurisdiction has not ratified either Maritime Liens and Mortgages Convention does your jurisdiction recognize foreign maritime liens? If so what types of claim are recognised as maritime liens?

In case of enforcement and auction of a vessel in Greece in determining the order of priorities for the distribution of the auction proceeds the maritime liens are taken into account, which are recognized by the law of the flag of the vessel. However, the order of priority (and especially the priority over the mortgage) is deemed to be a procedural matter and it is determined by the law of Greece, as the *lex fori*.

1.6 Does the law of your jurisdiction incorporate the 1961 Hague Convention Abolishing the Requirement for Legalisation of Foreign Public Documents?

Greece is a member and party to the 1961 Hague Convention Abolishing the Requirement for Legalization of Foreign Public Documents.

2 NATURE OF THE SHIPS' REGISTER

2.1 Is the ships' register² in your jurisdiction a register of legal title?

The Ship's Register in Greece is a register of legal title. Mortgages or other encumbrances are registered in separate registers and a notation is made on the Ship Register.

2.2 Does the ships' register in your jurisdiction (whether or not a register of legal title) provide for registration of the interest of a demise charterer in circumstances where legal title is registered in another jurisdiction (the 'underlying register').

² The term 'ships register' means a specialist register only for ships.

The ship's register provides for the registration of demise charters only when the legal title of the vessel is registered with the same register and not in another jurisdiction.

- 2.3 If your jurisdiction does provide for registration of the interest of a demise charterer, does it provide for registration or notation of a mortgage registered on the underlying register?**

Question not applicable (N/A).

- 2.4 Does your jurisdiction allow a vessel registered in the ships register in the name of the holder of legal title also to be registered in another jurisdiction in the name of a demise charterer? If so is such registrations permitted when the vessel is subject to a mortgage registered in the ships' register in your jurisdiction and is the consent of the mortgagee required?**

Greece does not allow vessels registered in Greece in the name of an owner to be also registered in another jurisdiction in the name of a demise charterer.

- 2.5 Please describe (briefly) the criteria for registration of a vessel on the ships' register in your jurisdiction, with particular reference to eligibility or not for registration of different types of assets employed in offshore oil and gas exploration, production, processing and storage.**

I. Pursuant to article 5 of the Greek Code of Public Maritime Law, a vessel may be registered with a Greek Ship's Register if they are owned by more than 50%:

(a) by Greek nationals or Greek companies;

(b) by EU nationals or companies (referred to in article 54 of the Treaty on the Functioning of the European Union-TFEU) provided they have an establishment in Greece pursuant to article 49 of the TFEU. The same applies for the nationals and companies of state-members of the European Economic Area.

II. Pursuant to article 13 of Legislative Decree 2687/1953 vessels over 1500 grt purchased by foreign currency may be also registered with a Greek Ship's registry even if they are owned by foreign companies controlled by Greek nationals by more than 50%. The terms of registration are determined by a Ministerial Decision (act of registration) individually for each vessel (but in practice such acts are

in standard form) and cannot be altered throughout the period when the vessel is registered in Greece (under Greek flag).

III. The definition of ship in the Greek Code is very broad and includes all floating craft moving on water (whether self propelled or not). Auxiliary craft are defined as floating craft permanently stationed (usually in port) to assist shipping, e.g. floating tanks, floating cranes, dredgers, floating docks). For large floating craft (over 500 grt.) the provisions for maritime mortgages and maritime liens apply (L.457/1976).

3 FORMALITIES FOR MORTGAGE REGISTRATION

3.1 Does a mortgage in respect of a vessel registered in your jurisdiction need to:

(a) attach documents, such as a loan agreement, evidencing the obligations secured?

(b) set out in detail the circumstances giving rise to a right of enforcement?

(a) There are two types of Greek maritime mortgages. First, what is called a simple mortgage (articles 195-204 of the Greek Code of Private Maritime Law) which gives the right to the mortgagee to sell the vessel to public auction and satisfy its claim out of the proceeds in priority over unsecured claims (but following maritime liens) and what is called preferred maritime mortgage (Legislative Decree 3899/1958) which gives the mortgagee in addition the right to sell the vessel in private sale or take the possession and the management of the vessel and/or any other rights which may be agreed in the mortgage deed.

A Greek maritime mortgage is regularly granted by a notarial deed.

The mortgage should specify the parties (mortgagor and mortgagee) and their address and profession, the title of ownership of the mortgagor, the name of the vessel, the registration number and the port of registry, the international call sign, the dimensions and tonnage of ship, the type of propulsion and the HP of the engine, the amount of the debt, and when it becomes due and payable, whether the debt is interest bearing and an agent to receive service of documents.

(b) A Greek mortgage is not necessary to attach the loan agreement (or other agreement setting out the obligations of the parties) but it must specify sufficiently the debt which is secured by the mortgage. In practice sometimes the actual loan agreement is attached.

(c) The circumstances under which a mortgage may be enforced are usually described in the mortgage although they may be ascertained through the loan (or other) agreement secured by the mortgage.

(d) However, it is strongly advisable a Greek mortgage to describe in reasonable detail the obligations of the parties and the circumstances of enforcement because the notarial deed of the mortgage is (under Greek law) an enforceable title on the basis of which the mortgage may be enforced (i.e. the vessel may be arrested and sold) through a Court bailiff and a notary public without a court decision. For the purpose of such direct enforcement of the notarial deed it is necessary to be specific. (Only objections of the defendant/mortgagor or other interested parties are submitted to the Court).

3.2 Does a mortgage in respect of a vessel registered in your jurisdiction need to be notarised and/or legalised?

For a mortgage on a Greek flag vessel a notarial deed is required describing all the terms of the mortgage. Mere notarization of signatures is not sufficient. Exceptionally for vessels registered under article 13 of LD 2687/1953 granted outside Greece the local form for mortgages may be followed.

3.3 What are the registry fees in order to have a mortgage registered against a vessel registered in your jurisdiction?

The fees payable to the Registry for registration of a maritime mortgage on a Greek registered ship are for oceangoing ships (Class B) Euros 120.

3.4 Is registration indefinite or is there any requirement for re-registration after a certain period?

The registration of a mortgage is immediately permanent and indefinite. No reregistration is required.

3.5 In your jurisdiction is a mortgage of a vessel required to be registered only in the ships register or, in addition, in another register? If so, please give brief details.

A Greek mortgage is registered in a special mortgage register and a notation is made on the ship's register. There is no need for any other registration like registration with the company register of the mortgagor as it is required in some other jurisdictions.

4 INFORMATION CONCERNING SECURITY INTERESTS IN SHIPS

4.1 Please advise if information concerning security interests in ships registered in your jurisdiction is publicly available, and if so, how it may be obtained, including the following issues, as applicable.

- (a) Does a person seeking such information need the authorization of the vessel owner to get such information?**
- (b) Does your jurisdiction certify the accuracy of the information?**
- (c) How much time is generally required to obtain such information?**

Information concerning security interests in ships registered in your jurisdiction is publicly available.

(a) The basic information (parties, amount, expiration of the secured debt) is recorded on the register and may be obtained without authorization and free of charge. Copies of the actual documents (e.g. mortgage, or arrest order) may be obtained from the file of the vessel kept at the registry following authorization from the registrar (or if necessary from the District Attorney) provided the person seeking the information can prove a legitimate interest.

(b) The Registrar certifies the information, if so requested.

(c) The basic information may be obtained immediately. For documents and certification few days (2-5) may be required depending on the burden of work of the Registry.

4.2 May a vessel subject to a security interest be sold by the owner prior to the release of the security interest, and if so, under what conditions or circumstances.

A mortgaged or arrested vessel in principle may be transferred (e.g. as a result of sale) to another owner. However, the new owner acquires the vessel subject to the security interest. Exceptionally, if the vessel is subject to a preferred maritime mortgage, which includes a term prohibiting the transfer of ownership, the ownership cannot be transferred. The above apply as long as the vessel remains registered with the same register. However, once a vessel is mortgaged, it is not permitted to change registry or even name (art.201 CPML) and any transfer of a mortgaged vessel which results loss of the Greek nationality of the vessel, is null and void (art.202 CPML).

5 ARREST OF A CHARTERED VESSEL

5.1 Does your jurisdiction allow a mortgagee to arrest vessels on bareboat charter or time charter?

There is no provision prohibiting a mortgagee to arrest a vessel on bareboat charter or on time charter. For this reason prior to entering such a charter the prospective charterer may ask the owner to provide them with a quiete enjoyment letter from the mortgagee (usually in consideration of the charterer paying regularly the hire at a bank account controlled by the mortgagee. This right of the mortgagee may be subject to limitation by the general rules obliging parties to a contract to perform their respective right and obligations in good faith, the duty not to cause harm to others as a result of your fault (intention or negligence) and the prohibition of abuse of rights.

5.2 Under the laws of your jurisdiction, could the mortgagee incur any liability in tort, delict (or similar) to charterers or cargo interests if the mortgagee arrests the vessel when it is subject to charter and/or carrying cargo (on the grounds of interfering with the contractual relationship between owner and charterer or bill of lading holder)?

Although there is a general provision for torts on the basis of which anyone who causes illegal harm to another is obliged to pay damages, interference with the contractual relation of between owner and charterer is not an illegal act by itself and the general duty not to cause harm to others does not reach the point of prohibiting the exercise of rights. However, special circumstances may play role and balancing the legitimate interests of the parties concerned and taking into account that charterers chartering a mortgaged vessel take the risk of potential enforcement by the mortgagee and this is prudent to seek quiete enjoyment letters in advance. The net result is that the mortgagee enforcing its mortgage on a chartered vessel in principle will not be liable in tort to the charterer or cargo owner, although exceptional cases cannot be ruled out.

5.3 What are the procedures or requirements, if any, applied to the cargo on board a vessel that has become subject to judicial sale in your jurisdiction? Must the cargo be discharged before sale, and if so, who bears the costs and risks of such discharge?

There are no special rules regarding cargo on board a vessel subject to judicial sale and there is no rule that the cargo should be discharged prior to the sale, although this is advisable in order to attract more

prospective buyers. Of course since the voyage is terminated by the arrest and judicial sale of the vessel, the carrier (and/or usually ultimately the shipowner) is obliged vis-à-vis the cargo owner to discharge the cargo (subject to any different terms in the contract of carriage) and store it safely. If the receiver does not take delivery of the cargo the cost of storage is for the account of the cargo. The carrier may be liable to damages for the early termination of the voyage (ultimately for his fault). In practice at that stage carriers (and/or shipowners) do not incur the cost of discharge and the matter is resolved between the cargo owners and the new owner of the vessel. As between them the cost is for the cargo owners, who may claim reimbursement from the carriers.

6 PRIORITY ISSUES BETWEEN MORTGAGES REGISTERED IN THE SHIPS' REGISTER IN YOUR JURISDICTION

6.1 Does your jurisdiction have a system of "priority notice" to enable priority to be reserved for a period before actual registration of the mortgage?

There is no system in Greek law for a "priority notice" to enable priority to be reserved for a period before registration of the mortgage. The mortgage becomes effective upon registration.

6.2 Once a mortgage is registered in your jurisdiction is it possible for a subsequent mortgage to be registered without the consent of the first registered mortgagee?

Once a mortgage is registered it is possible to register a subsequent mortgage without the consent of the first registered mortgagee (art.1290 Civil Code) unless the parties to the mortgage have included a term in the mortgage prohibiting further mortgaging (or transfer) and this prohibition is registered with the ship's register. Of course a second mortgage (registered with or without -when permitted- consent of the first mortgagee) runs in priority after the first mortgage.

6.3 When there are two or more registered mortgages what determines their priority?

The order of priority of maritime mortgages is determined by the day of registration. Mortgages registered on the same day have the same order of priority (and they are satisfied proportionately) (Art.1272 of Civil Code and Art.21 of the Law on Preferred Mortgages).

6.4 Is there any doctrine of notice such that the priority of a registered mortgage is deferred to that of an earlier but unregistered mortgage of which the registered mortgagee has notice?

Unregistered mortgages are not recognized in Greek law and consequently there is no issue of priority between registered and unregistered mortgages.

6.5 Can a second registered mortgagee exercise enforcement remedies without the consent of the first registered mortgagee?

A second registered mortgagee may exercise enforcement rights without the consent of the first registered mortgagee. For this reason it is advisable for a mortgagee to include in the mortgage (and register with the register) a term prohibiting the granting of a further mortgage without his consent and when granting his consent to enter a coordination agreement with the second mortgagee about the conditions under which the second mortgagee may exercise enforcement rights and/or ask the second mortgagee to include a term to the effect that enforcement rights cannot be exercised without the consent of the first mortgagee.

6.6 Does your jurisdiction have a system for registration of security or liens other than mortgages, whether consensual or non-consensual? If so, please describe.

Maritime liens need not be registered. (They arise automatically). However, an arrest of vessel is registered with the register.

7 GENERAL ENFORCEMENT ISSUES

7.1 Does your jurisdiction make a distinction between the enforcement of mortgages registered under the flag of your jurisdiction and the enforcement of any other foreign mortgages?

(a) Under Greek law a mortgage registered on a Greek flag vessel is established by a notarial deed, which is a public authentic document and it is immediately enforceable in Greece for the purpose of seizure of a vessel and its sale in public auction without the need to obtain a judgment.

(b) Any authentic document (including a mortgage) which is enforceable in a Member State of European Union, where this State is

its state of origin may be enforced in Greece pursuant to the provisions of the Regulation (EU) 1215/2012 on jurisdiction and enforcement (Article 58) without any declaration of enforceability being required.

(c) Any mortgage which originates in a State outside EU and it is enforceable in its state of origin, it may be enforced in Greece after it has been declared enforceable by a Greek Court decision following review of its enforceability in the country of origin and that it is not contrary to the Greek public policy (Article 905 of the Greek Code of Civil Procedure – GCCP).

(d) Because a mortgage is a right *in rem* it is governed (pursuant to the Greek private international law – Article 9 of the Greek Code of Private Maritime Law – GCPML) by the law of the flag of the Vessel (as such understood the law where the vessel is registered in respect of its ownership), as state of origin of a maritime mortgage it should be understood in this context the state where the vessel is registered even if the mortgage has been transferred from an earlier registry (cf Art. 203 GCPML).

7.2 Is it necessary for the mortgagee to obtain a judgment in your jurisdiction on its claim under the loan agreement or other applicable debt instrument before it can enforce that mortgage?

(a) As long as the mortgage is incorporated to an enforceable title (as it is the notarial deed by which a Greek mortgage is established). Then no judgment is required for the enforcement of the mortgage. The notarial deed of the mortgage is given to a Court bailiff who may proceed to the seizure of the Vessel and the appointment of a notary public who proceeds to the sale of the Vessel in public auction gives the title of ownership (a summary of the deed of auction, which is equivalent to the Admiralty Marshall's Bill of Sale) to the buyer (highest bidder) and distributes the proceeds of the auction to the creditors which have registered their claims.

(b) No court involvement is required unless either the defendant (owner of the vessel) or any other person having a legitimate interest challenges the claim (unless it is a judgment debt with *res judicata*), the title (eg its enforceability) or the compliance with the proper procedure. Such a challenge does not result in automatic stay of the enforcement/auction procedure, unless following a separate petition the Court finds on a *prima facie* basis that the grounds of objections have chances of success and the auction will cause the petitioner damage which is difficult to be otherwise repaired in which case it grants a stay.

(c) The same procedure applies for European maritime mortgages, which are enforceable in their states of origin and to mortgages originating in states outside EU provided they have been declared enforceable in Greece.

(d) If any foreign mortgage is not enforceable then an enforceable judgment (whether Greek or foreign) is required or the issue of a Court Payment Order (which is an enforceable title, which may be issued in a matter of days by the Piraeus Court if the claim can be proved exclusively by documents).

7.3 If so, how long is it likely to take to obtain a judgment if the claim is contested? Will the local court expedite the proceedings having regard to the ongoing costs of maintaining the vessel?

(a) As noted above a Court Payment Order (CPO) may be issued in a matter of days. Even if it is challenged the challenge does not result in the automatic stay of the CPO unless the stay is separately requested and granted by the Court.

(b) In case that a CPO cannot be issued (eg because the claim cannot be proved exclusively by documents) formal proceedings for a first instance judgment require (under the amended GCCP in effect as of 1.1.2016) about 9-12 months. If the judgment is declared by the Court immediately enforceable it may be used as a title for the sale of the Vessel in auction. If it is not, then about another year is required for an appeal judgment, which is automatically enforceable.

(c) In some cases, like claims of crew wages, claims (or a part of them) may be awarded in summary proceedings (injunctive relief) and such judgment may be used as a title for the auction of the Vessel. It takes 2-3 months to obtain such a summary judgment.

7.4 Will the court in your jurisdiction accept jurisdiction for the mortgage claim under Article 7 1952 Arrest Convention, or equivalent domestic legislation in your jurisdiction?

(a) Greek courts do accept jurisdiction under Article 7 of the 1952 Brussels *“International Convention Relating to the Arrest of sea-going ships”*.

(b) For vessels which do not fall within the scope of application of the 1952 Arrest Convention, a vessel may be seized for the purposes of enforcement (sale in public auction) if the Vessel lies within the territorial jurisdiction of Greece (i.e. mainly a Greek port or within

Greek territorial waters except in the case of innocent passage (see Article 28 of UNCLOS).

8 JUDICIAL DECISIONS AND APPEALS

8.1 Do all courts in your jurisdiction have authority to sell vessels free of maritime liens and prior claims, or is such authority limited to special courts, such as admiralty courts?

All courts in Greece have authority to sell vessels free of maritime liens and prior claims. In practice this is the court within the territorial jurisdiction of which the vessel was seized and was sold in public auction. More accurately as noted above under the Greek enforcement procedure it is not the Court which grants the title to the buyer (free of liens and other encumbrances) but the notary public in charge of the auction.

8.2 What formalities, including evidence of claim, or evidence of notice, are required to affect the sale of a vessel free of liens and prior claims?

The formalities for the auction of a vessel include (a) preparation by the Court Bailiff a deed of seizure (i.e. arrest for the purpose of enforcement/auction) describing the vessel, value, reserve price, date, time and place of auction and the name of the notary who will conduct the auction, (b) service of this deed on the defendant/debtor, on the mortgagee, on the mortgagor (if he is a third party and not the debtor), on the local Court of Peace (where the auction will take place), on the notary public (who will be in charge of the auction), on the Greek Shipping Registry where the vessel is registered (if the vessel is a Greek flag vessel), on the harbor master of the port where the vessel was seized (and if the vessel is registered with a foreign registry, the harbor master must forward the deed to the Registrar where the vessel is registered), on the Seamen's Pension Fund (in order to register any claims with the auction) and it is published at a special website where all auctions should be advertised (Articles 993, 995, 1011, 1011A, 1013 of the GCCP). The service of the seizure deed should be done in strict time limits which do not exceed 10 days. For the claim no separate evidence is required because it has to be proved by the enforceable title on the basis of which the auction proceeds.

8.3 If the owner presents an appeal against judgment, will the court make an order for sale of the vessel before that appeal has been heard and decided?

Because the auction under Greek Law proceeds in principle without involvement of the Court, there is no court order for the sale of the vessel *pendente lite* or pending appeal. The system works the other way around. A court order is required to stay the enforcement/auction if objections are raised by the defendant (or another party having a legitimate interest) if the grounds of objections on a prima facie basis have good chances of success and the petitioner proves (on a prima facie basis) anticipated irreparable damage as a result of the auction, if the auction is allowed to proceed.

9 SALE PROCEDURE

9.1 Can a mortgagee enforce his mortgage in your jurisdiction by applying for a judicial sale by auction?

As long as the mortgage itself is an enforceable title (and a Greek mortgage is) or another enforceable title like a court judgment or a CPO (see replies 7.1 and 7.2 above) exists, the mortgagee may proceed to the sale of the vessel by auction (without involvement of a court) by appointing a Court Bailiff and a notary public to conduct the enforcement (seizure of the vessel) and the auction.

9.2 What are the criteria for an application for a judicial sale by auction and what is the procedure and timetable for such an application and sale?

(a) The basic requirement for enforcement and sale by auction is the existence of an enforceable title (i.e. the mortgage or a judgment adjudicating the claim or a CPO).

(b) Following the seizure the auction takes place the first Wednesday (which is not a holiday) following a period of 40 days as of the seizure.

(c) For the publications and service of the deed of seizure see reply 8.2 above.

(d) Any objections to the enforcement and auction should be filed within 30 days as of the seizure and any petitions for stay of the auction must have been decided by the Court latest up to 12.00 noon of the Monday prior to the day (Wednesday) of the auction.

9.3 Will the court in your jurisdiction order a sale of the vessel pending judgment (pendent lite), recognising that the vessel is a wasting asset?

As noted above the enforcement and auction is conducted without involvement of the Court unless a stay is ordered by the Court. Consequently the system under Greek law works the other way round i.e. the court does not order the sale while proceedings (on objections) are pending but it may order the stay of enforcement/auction if it is so requested by the defendant (or another party having a legitimate interest) and the petitioner proves on a prima facie basis that his objections have good chances of success and the auction (if it is allowed to proceed) will cause irreparable damage.

9.4 Will the court in your jurisdiction fix a minimum bid price (reserve price) for the vessel and will the amount of that minimum bid price be disclosed to interested parties? What happens if the maximum amount bid for the vessel is lower than the reserve price?

(a) A minimum (reserve price is fixed by the Court Bailiff (assisted where necessary by valuers) at the time of the seizure of the vessel. The reserve price should not be less than two thirds of the value of the vessel.

(b) This price is mentioned in the deed of seizure which is served to all parties concerned (see reply 8.2 above) and published at the website for auctions.

(c) The bids should be at least equal to the reserve price. If no bid is submitted to the notary the auction is cancelled and a new auction may be fixed (following new service of documents and publications) on the first Wednesday after the expiration of a 20 days period starting from the date of the instructions of the Claimant to the Court Bailiff to fix a new date for auction.

9.5 Can the owner or other creditors influence the amount of the reserve price?

If the defendant owner or even the claimant and any other party having a legitimate interest (usually other creditor) believe that the value of the vessel determined and the reserve price fixed by the Court Bailiff is too low or too high may apply to the court in summary proceedings to adjust the reserve price. The relevant petition should be filed within 30 days latest as of the date of seizure. A hearing is fixed

immediately and the decision should be issued latest at 12.00 noon on the Monday before the Wednesday of the auction i.e. without causing delay to the auction (Articles 954 para 4, 993 para 2 and 1011A para 2 GCCP). If the price is adjusted the Court (by the same decision) fixes as a new auction date the first Wednesday following a period of 30 days as of the issue (publication) of the summary judgment (Article 1011A para 3 GCCP).

9.6 What arrangements will be made for public advertisement of the sale?

The deed of seizure or a summary of same is served to all parties concerned and it is published at the website for auctions (see reply 8.2).

9.7 To what extent is it possible for the owner or other creditors to influence the timetable or procedure for sale?

(a) The procedure for a auction is fixed by the law and (subject to the special cases mentioned in this paragraph) and it cannot be influenced either by the debtor, owner (if he is other than the debtor e.g. third party mortgagor) or any creditor. The debtor may stop the auction, if (before the completion of the auction) he pays the debt of the claimant and of all the creditors who have registered their claims at least those who have an enforceable title (Art 1002 para 2 GCCP). Similarly the auction does not proceed if the claimant, the defendant and all the creditors who have registered their claims agree the auction not to proceed and they jointly so instruct the notary in charge of the auction (Article 1002, para 3 GCCP). Finally the claimant may withdraw his instructions to the Court Bailiff and the notary and stop the auction. These cases simply stop the auction but do not otherwise amend the enforcement/ auction procedure.

(b) The debtor/defendant may influence the timing in three ways:

- i. By applying to the court for the adjustment of the reserved price and been successful. Then a new auction date is fixed on the first Wednesday after a period of 30 days as of the issue/publication of the Court decision adjusting the reserve price (Article 1011A paras 2 and 3 GCCP).
- ii. By filing objections and then the Court grants a stay following a separate petition and determination by the Court on a prima facie evidence that the grounds of the objections will be successful and that the auction will cause irreparable damage to the defendant (Art. 1011A, para 2 GCCP). This stay is

maintained up to the time which will be determined by the Court (usually the time when a first instance decision on the objections is issued); and

- iii. If the defendant owner requests the postponement of the auction for no more than 3 months in order to repay the debt and/or for achieving higher auction price, provided that the petitioner pays the enforcement costs and 25% of his debt. The petition should be filed within 30 days as of the seizure of the vessel and the decision is issued prior to the auction date (Articles 1000, 1011A para 3 and 1012 para 1 GCCP).

(c) The stay petitions under (i) and (ii) above may be filed also by any other party having a legitimate interest (usually another creditor).

9.8 Can a mortgagee enforce its mortgage in your jurisdiction by applying for a court approved private sale? If so, what are the criteria for an application requesting the court to approve a private sale and what is the procedure and timetable for such an application and sale?

Greek law does not provide in principle for a Court approved private sale, unless the auction failed (i.e. no bidders showed up) twice (Article 966 para 3 and 1003 para 4 GCCP).

9.9 Can a mortgagee bid its debt (animo compensandi) so as to allow a set off of the debt against the purchase price (and provide security for the claims of potential prior lien holders)? Or does a mortgagee (or its preferred bidder or buyer) have to pay the full price in cash?

(a) In order to participate to the auction, a prospective bidder must deposit (with the notary in charge of the auction) either cash or a bank guarantee or banker's draft equal to 30% of the reserve price as security.

(b) If the mortgagee is the highest bidder the notary public may allow the mortgagee not to pay immediately the auction price (which corresponds to the mortgage) until the list of priorities become final, but this may be subject to depositing an additional guarantee, if the claims of other creditors registered with the notary (especially if claiming priority over the mortgage) exceed the original guarantee deposited by the mortgagee (Article 1004, para 2 GCCP).

10 SALE PROCEEDS

10.1 Will the sale proceeds be held in an interest bearing account?

(a) Will they be held in the currency of the sale or will they be converted into local currency?

(b) Will the proceeds of sale ultimately be subject to any exchange control or similar restrictions (and/or court fees) when they are paid out? If so, what is the procedure and likely timetable for obtaining permission to remove the funds?

(a) The sale proceeds are deposited by the notary public in charge of the auction to an interest bearing account with a special public fund (Articles 965 para 4 and 1002 para 4 GCCP).

(b) Auctions (in the context of enforcement) in Greece are made in local currency (Euro). However, specifically for vessels flying a foreign flag or even Greek flag Vessels mortgaged in foreign currency the whole enforcement procedure and the auction takes place in the foreign currency specified by the claimant (almost invariably US dollars), the auction proceeds are deposited in the foreign currency paid and the distribution of the auction proceeds is made in the foreign currency for claimants having claims in foreign currency (Article 1012 para 4 GCCP).

(c) The proceeds of the auction were not subject to any exchange control restrictions until 2 years ago when due to the economic crisis capital controls were imposed. Capital controls have now been relaxed and if the auction price has been imported in Greece from abroad, it can be re-exported up to 50% of the imported amount. It is expected to permit free export of the 100% of the imported funds up to the end of this year (2017).

(d) At the time of payment of the various creditors there are no withholdings except notarial fees (0,8% - 0,6%) depending on the amount.

11 PRIORITIES GENERALLY

11.1 Are priorities determined under local law (lex fori), or the law of the jurisdiction in which the claim arose (lex causae), or the law of the flag of the vessel?

Pursuant to Greek private international law the order of priorities is determined by local law/*lex fori* (i.e. the law of the place where the auction took place). However, whether a claim is a maritime lien is determined by the law of the flag.

11.2 If local law, where does the mortgagee rank amongst other maritime claims in the order of priority and which are those claims which rank

prior to the mortgagee. Do the claims which rank ahead of a mortgage in your jurisdiction vary depending on whether the mortgage is:

- (a) a mortgage of a vessel registered under the laws of your jurisdiction?**
- (b) a mortgage of a vessel registered under the laws of a different jurisdiction?**

(a) The claims which are maritime liens under Greek Law and rank in priority over a mortgage are specified in article 205 of the GCPML and they are:

- (1) taxes in connection with navigation, legal costs incurred in the common interest of the creditors, dues and charges on the vessel, and also charges of the Seamen's Pension Fund relating to seamen's employment and fines imposed by the Marine Employment Bureau in favour of the Seamen's Unemployment and Illness Fund;
- (2) claims arising out of the contracts of employment of the master and crew, and also the costs of guarding and maintenance of the vessel from the time the vessel entered the last port (i.e. the port where it was sold in public auction);
- (3) damages payable to vessels, passengers and cargo caused by collision.

(b) This applies strictly to Greek flag vessels registered pursuant to the provisions of the Greek Code of Public Maritime Law (GCPML).

(c) However, most ocean going vessels are registered under a special regime (article 13 of Legislative Decree 2687/1953) which corresponds to what is called in some other countries international registry. For these vessels the claims ranking in priority over the mortgage are the maritime liens provided in article 2 of the Brussels 1926 "International Convention for the unification of certain Rules relating to Maritime Liens and Mortgages". This convention has not been ratified by Greece. However, exceptionally article 2 applies by reference to Greek flag vessels registered pursuant to article 13 of Legislative Decree 2687/1953.

(d) In respect of foreign flag vessels sold in public auction in Greece claims ranking in priority over the mortgage are those which are recognized as maritime liens both (cumulatively) by the law of the flag and by Greek law. The order of ranking is determined by Greek law (article 205 of the GCPML).

11.3 Are there any special rules on priority for local creditors?

In principle there is no distinction between local and foreign creditors with the exception of the Greek Seamen Pension Fund (NAT) which is a local public entity and ranks in the first class of maritime liens for Greek flag vessels. By a special law NAT has a further privilege in that its claims are not extinguished by auction unless and until they are actually paid.

11.4 Is it necessary for claimants to introduce their claims prior to the date of sale or within some specified period thereafter?

The claimants who want to participate to the distribution of the auction proceeds must register/introduce (“announce”) their claims (accompanied by supporting evidence) to the Notary Public in charge of the auction up to five (5) days prior to the auction date (Articles 972 para 1b and 995 para 5 of the GCCP).

11.5 What is the timetable leading up to the distribution of the proceeds of sale?

(a) The distribution of the auction proceeds is made by the notary public in charge of the auction.

(b) If the proceeds are sufficient to satisfy all the creditors the notary pays them within 20 days as of the auction or two (2) days after the payment of the balance of the auction price (if a credit period has been given to the successful bidder for the payment of the auction price), whichever is later.

(c) Within this 20 days period the defendant of the enforcement may challenge the claims of certain creditors by starting proceedings before the Court.

(d) If the auction proceeds are not sufficient to satisfy all the creditors then the notary public should prepare a list of priorities within two months as of the auction and notify it to the creditors within 3 further days.

(e) Any party having a legitimate interest (i.e. the defendant/owner and any creditor including the claimant who initiated the enforcement procedure) may challenge the list of priorities in respect of some (or all) the creditors listed in the list within twelve (12) business days as of the notification of the list to the creditors.

(f) If the list of priorities is not challenged within the above time limit the list becomes final and the notary proceeds to the distribution according to the list.

(g) If the list is challenged the notary does not pay the claims which were challenged until a final (unappealable) decision is issued.

(h) The challenge of any claims listed on the list is determined by the court within about one year at first instance and in about one more year in case of appeal.

(i) See Articles 971, 974, 979 and 1006 paras 1-3 of the GCCP.

11.6 Is the distribution order decided by the court?

As noted above the order of priorities is determined by the notary public in charge of the auction and this order may be challenged by the defendant or any creditor before the Court.

11.7 Is that order subject to a right of appeal?

The decision of the First Instance Court in respect of the challenge of priorities is subject to appeal before the Court of Appeal.

12 MORTGAGEE'S SELF-HELP REMEDIES

12.1 Under the laws of your jurisdiction does a vessel mortgage governed by and registered in accordance with such laws give the right to take the following enforcement steps without a court order in your jurisdiction?

- (a) to take possession of the vessel;**
- (b) to appoint a receiver, manager or other party to operate the vessel;**
- (c) to sell the vessel as mortgagee;**
- (d) to sell the vessel as attorney in fact of the owner.**

Greece has two types of mortgages: (a) what is called simple mortgage (Articles 195-204 of the GCPML) which gives the mortgagee only the right of priority over other claims (except maritime liens) and (b) what is called preferred mortgage (Legislative Decree 3899/1958) which may be registered on vessels over 500 grt by agreement between the owner and the creditor gives the mortgagee the right:

- (a) to take possession of the vessel (undertake the management) and appoint a manager to operate the vessel and

(b) to sell the vessel in a private sale in his capacity as mortgagee or as an attorney in fact of the owner, if a power of attorney to this effect has been included in the preferred mortgage agreement.

The joint ministerial decisions authorizing the registration of vessels under Greek flag pursuant to article 13 of LD 2687/1953 provide these self-help powers more explicitly, that they may be enforced without responsibility of the mortgagee and that the financing documents are enforceable titles in Greece for the enforcement of such rights.

12.2 If, under the law of the ships' register (where that is a different law from the law of your jurisdiction) a mortgagee is given the right to take the enforcement steps referred to at (a) (d) of 12.1 without a court order would its right to do so be recognised or prohibited in each case in respect of a vessel physically located in your jurisdiction?

Self-help rights granted by a foreign (non Greek) mortgage on a (foreign) vessel will be recognized in Greece as long as the foreign mortgage is recognized in Greece (either automatically if it is an European authentic document or following a recognition judgment) especially if relevant issues come before Greek courts. However, self-help remedies generally face certain practical difficulties for their enforcement in practice.

12.3 Where answers to the questions in 12.2 are negative would the answers be different in each case if a court order were obtained in the jurisdiction of the ships' register?

Since foreign mortgages are recognized in Greece, self-help remedies are also recognized and question 12.3 is not applicable. However, if a foreign court order in this respect is brought in Greece, the issue becomes an issue of recognition and enforcement of a foreign judgment and not one of recognition of a foreign mortgage.

13 INSOLVENCY PROCESSES³

13.1 Has your jurisdiction adopted the UNCITRAL Model Law on Cross-Border Insolvency?

³ If your jurisdiction is subject to the EU insolvency Regulation and will be subject to the 'Recast' EU Insolvency Regulation, please so indicate – but also respond to the questions.

Law No 3858/2010, which came into force on 1 July 2010, implemented most of the UNCITRAL Model Law on Cross-border insolvency. Up to the present, the law has seen scant application in practice.

Further, since Greece is an EU member state, Regulation (EU) 2015/848 on insolvency proceedings [which replaced the previous Regulation (EU) 1346/2000] applies. Regulation (EU) 2015/848 applies, in case insolvency proceedings have been initiated in one of the EU Member States (except Denmark), while Law No 3858/2010 applies, in case insolvency proceedings have been initiated in any other country (provided that the proceedings are considered “foreign proceedings”; see Q 13.2).

13.2 Do the laws of your jurisdiction provide for recognition of foreign insolvency proceedings? (if the UNCITRAL Model Law has been adopted, In addition to its provisions)

According to the prevailing view, foreign insolvency proceedings can be recognised under Art. 780 of the Greek Civil Procedure Code (CPC). This will be the case, of course, only if neither Regulation (EU) 2015/848 nor Law No. 3858/2010 applies.

It shall be noted that Art. 780 CPC applies only with regard to the recognition of specific foreign court decisions, including those relating to insolvency proceedings. According to Art. 780 CPC for a foreign decision to be recognised **i)** the issuing court must have applied the substantive law applicable under Greek conflict of laws rules, **ii)** the decision must have been issued by a court which is competent according to the law which has been applied by this court, and **iii)** the recognition of the judgment must not contradict public policy (*ordre public*), i.e. fundamental rights and principles of domestic law. If these preconditions are met, foreign judgments will be automatically recognised and enforced.

As a rule, however, foreign decisions (issued outside the EU) will be recognised according to Law No. 3858/2010. It shall be noted that “foreign proceedings”, according to the said national law, are collective proceedings that involve the appointment of an insolvency administrator. According to Art. 15 and 17 of Law No. 3858/2010, recognition is not automatic, since an application of the foreign insolvency representative to the competent court is required. Recognition will be granted, as long as certain conditions are met (mainly, as long as the foreign procedure does not contradict public policy).

13.3 Do the laws of your jurisdiction provide that the enforcement of rights of secured creditors (such as the mortgage of a vessel) can be stayed or suspended during applicable insolvency proceedings?

According to Art. 25 of the Greek Bankruptcy Code (GBC), after a

debtor is declared bankrupt, all enforcement actions and proceedings against the debtor are automatically suspended. However, the following rules apply with regard to secured creditors (see Art. 26 GBC, which applies only in the case of *in rem* securities): Their rights arising from existing security are not affected, but enforcement will be impeded in the event that the (secured) assets are closely connected to the debtor's business or production unit or enterprise, if the approval of a reorganisation plan is pending or when the creditors' meeting decides over the bankruptcy proceedings that will be followed. A vessel will be typically considered to be "closely connected to the debtor's business". Nevertheless, ten months after the opening of bankruptcy proceedings, the aforementioned enforcement suspension is no longer valid. So, after that point in time, secured creditors will be able to continue enforcement actions.

13.4 Is the answer to 13.3 different if the insolvency proceedings did not originate in your jurisdiction but are foreign insolvency proceedings (being recognised in your jurisdiction by whatever means)?

In case the foreign proceedings are recognised according to Law No. 3858/2010, the scope of application of the stay or suspension (which is an effect of the recognition) will be determined according to the provisions of the GBC (Art. 20 para. 2, referring explicitly also to Art. 26 GBC). Therefore, the answer is negative. It shall be noted, however, that the national court may order the extension of the stay in cases not covered by Art. 20, according to Art. 21 (1)(a).

Within the framework of Regulation (EU) 2015/848, the effects of the insolvency proceedings on proceedings brought by individual creditors (with the exception of pending lawsuits) are determined by the *lex fori concursus* [Art. 7(2)(f) of the Regulation]. So, it is the law of the opening of proceedings which determines the effects of insolvency on individual enforcement actions. However, there is an explicit exception in Art. 8, according to which rights *in rem* are not affected by the opening of insolvency proceedings. Therefore, a secured creditor cannot be prevented from exercising his rights *in rem* due to provisions of the *lex fori concursus*. As a side note: for Art. 8 to apply, the asset shall be situated within the territory of a Member State which is different from the Member State in which proceedings have been opened. In the case of vessels, according to the prevailing view, they are considered to be situated in the country they are registered [Art. 2 (9)(iv)]. If Art. 8 is deemed inapplicable, the *lex fori concursus* applies.

Finally, in case a decision is recognised according to Art. 780 CPC, the *lex fori concursus* determines insolvency-related issues (to the extent that national public policy is not violated).

13.5 If the mortgage over a vessel located in your jurisdiction is being enforced through a maritime court sale in circumstances where the owner of the vessel is subject to insolvency proceedings in your jurisdiction, do the maritime court sale proceedings take precedence over the insolvency proceedings, or vice versa?

As noted in Q 13.3, as a rule secured creditors can continue their enforcement actions, despite the opening of insolvency proceedings. This does not mean, however, that secured creditors are prevented from participating in the latter proceedings. This will be meaningful in case they seek satisfaction from assets other than the secured assets. In particular, according to Art. 26 GBC, secured creditors are satisfied from the entirety of the insolvency estate if they waive their in rem security or when their security does not suffice for their full satisfaction. In the latter case, they will be satisfied as unsecured creditors for the part of the claim which cannot be satisfied through the liquidation of the secured assets.

Further, it shall be noted that there is a final point in time until which a secured creditor can initiate enforcement actions. This is the so-called “union of creditors” stage, i.e. the stage after the verification of claims and before the liquidation stage. So, if the secured creditor fails to act until that time, only the insolvency administrator can conduct the liquidation of the secured asset (Art. 147 para. 1 GBC).

13.6 Is the answer to 13.5 different if the insolvency proceedings did not originate in your jurisdiction but are foreign insolvency proceedings (being recognised in your jurisdiction by whatever means)?

The rules mentioned in Q 13.4 apply.

13.7 If a vessel is sold in your jurisdiction through a maritime court sale is the mortgagee’s claim to the sale proceeds subject to the risk of the mortgage being challenged or set-aside by applicable insolvency claw-back rules for transactions prior to Insolvency?

Yes. The creation of security over the debtor’s estate for pre-existing debts is a transaction that can be annulled according to the applicable claw-back rules (Art. 41 ff. GBC). An important exception, however, is included in Art. 2 of L.D. No. 4001/1959 [in conjunction with Art. 45(b)]

GBC]: according to this provision, the creation of security in favor of a credit institution is a transaction which cannot be annulled in case the debtor is subsequently declared bankrupt.

The annulment of the transaction is effected by a decision issued by the insolvency court following an application of the insolvency administrator. If the transaction is annulled, any interested party can challenge the security before the court of enforcement. In case the enforcement has been already concluded, unjust enrichment principles apply (Art. 49 GBC); in particular, the creditor will be obliged to return the proceeds to the insolvency estate.

13.8 Is the answer to 13.7 different if the insolvency proceedings did not originate in your jurisdiction but are foreign insolvency proceedings (being recognised in your jurisdiction by whatever means)?

In case the foreign proceedings are recognised according to Law No. 3858/2010, upon recognition, the foreign insolvency administrator has standing to request the avoidance of acts detrimental to creditors (Art. 23). The provision of Art. 23 does not address the issue of the applicable law for such avoidance actions, i.e. whether the *lex fori concursus* or the *lex fori* should regulate these actions. According to the prevailing view, provided that the action under scrutiny relates to property situated in Greece, the *lex fori*, namely Greek law, applies.

In case Regulation (EU) 2015/848 is applicable, the *lex fori concursus* determines annulment issues [Art. 7(2)(m)], unless the conditions mentioned in Art. 16 of the Regulation are met.

Finally, as aforementioned, in case a decision is recognised according to Art. 780 CPC, the *lex fori concursus* determines insolvency-related issues.

13.9 Do the insolvency courts of your jurisdiction have, or claim, extraterritorial jurisdiction, such as over vessels located in a different jurisdiction? If so, how?

Yes. Art. 16 para. 1 GBC claims jurisdiction over all of the debtor's assets, regardless if they are situated in Greece or not. However, the recognition of a decision of Greek insolvency court depends on applicable rules. If the vessel is located in an EU Member State, Regulation (EU) 2015/848 applies. It shall be noted that, after the opening of insolvency proceedings, if a creditor gets satisfied from assets located in another Member State, he/she shall return what is

obtained to the insolvency administrator, subject to Art. 8 and 10 (Art. 23 para. 1).

If the vessel is located in a country which has adopted the UNCITRAL Model Law, the respective law of this country applies. Finally, in any other case, foreign procedural rules apply.

14 LEASING⁴

14.1 In your jurisdiction is leasing of vessels common as a method of financing?

Leasing is not common as a method of shipfinancing. The scope of applicable of the Greek law on leasing (by leasing companies or financial institutions) i.e. L. 1665/1986 is limited to movable or immovable assets and expressly excludes vessels with the exception of private or professional pleasure boats but in practice it is not used even for these boats. However, sometime in effect (although not in form) leasing is used as financing of ocean going vessels and shipowning companies when they sell their vessel to another shipping company, which acts as investor and this owner leases back the vessel. This is done invariably in the form of a bareboat charter (with or without purchase option at the end of the charter period).

14.2 Do the laws of your jurisdiction give effect to a lease in accordance with the form of the document (formal approach) or is there a risk they will re-characterise certain leases as security Interests (functional approach)?

In principle and in practice the formal approach is followed.

14.3 If the laws of your jurisdiction adopt a functional approach (14.2) please describe briefly how this is applied; also, please say whether your courts would adopt a functional approach even where the governing law of the lease follows the formal approach.

⁴ By 'leasing is meant a demise chartering of a vessel where the holder of legal title ('lessor') is a financier rather than a commercial shipping company and the vessel is demise chartered to a shipping company ('lessee'). It might or might not involve the lessee having an option to purchase for a pre-agreed price or title automatically passing to the lessee at the end of the lease term, It covers both finance leases, where the lessee by one means or another has substantially the whole economic Interest in the vessel and operating leases where the lessor retains some economic risk and interest in the vessel.

Only in case of a dispute before the courts, it might be possible for the Court to look behind the documents, if some of the parties of the dispute have a legitimate interest to challenge the documents (as abusive, fraudulent or otherwise).

14.4 Do the laws of your jurisdiction permit the parties to the lease of a vessel governed by that law to expand by contract the rights and remedies of the lessor on default by the lessee? Or are such rights and remedies provided for exclusively by law?

Since the leasing of oceangoing vessels has the form of a bareboat charter the mutual rights and obligations of the parties are those which exist in any bareboat charter.

14.5 Do the rights and remedies of the lessor of a vessel include steps to terminate the leasing and re-take possession of the vessel through self-help or is this only possible in your jurisdiction with the assistance of the court?

The parties have the usual rights and obligations under a bareboat charter.

14.6 Under the laws of your jurisdiction is a leased vessel considered to be an asset of the lessor or the lessee, or both?

The "leased" vessel is considered an asset of the lessor. The lessee is treated as operator and he may be registered as such at the Shipping Register.

14.7 Under the laws of your jurisdiction what impact would an insolvency process (or different processes) in respect of the lessee have on the rights and remedies of the lessor of a vessel? Is this affected by the type and terms of the lease?

The insolvency (bankruptcy) of the lessee will have the same effects as the bankruptcy of a bareboat charterer. The owner will be entitled to withdraw the vessel from the charter. Certain creditors of the bareboat charterer shall be able to exercise their rights on the vessel. Such creditors are those having a maritime lien but (pursuant to Article 106 of the GCPML) also those creditors who have claims which arose from

the operation of the vessel even if they were created by the lessee (bareboat charterer).

14.8 Under the laws of your jurisdiction can a lessor arrest a vessel which it leases? Can it join in arrest proceedings initiated by a third party?

Strictly speaking the lessor (by the same token as an owner under a bareboat charter) cannot arrest the vessel because it belongs to him. Arrest is permitted under Greek law as a security of claims. However in case of disputes between the lessor (owner) and the lessee (bareboat charter) about the possession of the vessel Greek law provides for another injunctive remedy (sequestration) with similar effects as the arrest (Art 725 et seq GCCP) until the dispute is resolved by the Courts in formal proceedings.

14.9 Under the laws of your jurisdiction what priority is given to the rights of a lessor of a leased vessel as against third parties with maritime liens/claims?

The lessor is the owner of the leased (bareboat chartered) vessel and consequently maritime liens and claims which may be enforced on the vessel have (in effect) priority over the right of the lessor.

14.10 Do the laws of your jurisdiction recognise registered leases in respect of vessels registered in a different jurisdiction? If so, please give brief details.

Leases on foreign flag vessels when before Greek courts will be recognized (in respect of the relations of lessor and lessee) in accordance with the law applicable on them. Vis-à-vis third parties the lessee will be treated as the operator of the vessel deriving his rights from his internal agreement with the lessor (owner).

14.11 In your jurisdiction is there generally a wish to promote leasing of vessels, including by reforming the law? If so please provide a brief explanation.

To our knowledge there is no movement for the promotion of leasing as a form of financing of ocean going vessels.

15 RESERVATION OF TITLES⁵

15.1 Do the laws of your jurisdiction treat the holder of title under reservation of title as the holder of a security interest?

In case of sale of a vessel the holder of title under reservation of title (i.e. the owner who sells) is not treated as a holder of a security interest but as the owner of the vessel sold but the transfer of ownership of which has not been completed yet.

15.2 Do the laws of your jurisdiction provide for reservation of title arrangements to be registered in the ships' register in any way different from a standard registration of the holder of title as registered owner? If so, please give brief details.

There are no special provisions for the registration of reservation of title arrangements.

15.3 If the laws of your Jurisdiction do provide for reservation of title arrangements to be registered as referred to in 15.2, what rights and remedies are given to the holder of title?

N/A

15.4 Do the laws of your jurisdiction recognise foreign reservation of title arrangements of a type referred to in 15.2? If so, please give brief details of how these arrangements would be recognised.

If the reservation of title arrangement gives rights in rem, Greek courts will apply the law of the flag in order to determine the rights (in rem) of the parties if a relevant dispute comes before the Greek courts. If no rights in rem arise from the reservation of title arrangements or for any rights (other than rights in rem) arising from such arrangements Greek courts would apply *lex causae* (i.e. the law applicable on the agreement for the arrangements).

16 RIGHTS OF THE MORTGAGE ON INSURANCE PROCEEDS

⁵ References to reservation of title are Intended to include arrangements where a seller retains title to the vessel until the buyer pays the full price in circumstances where the buyers obligation to pay the full price is deferred over time.

16.1 Does a mortgage registered in your jurisdiction extend by law to the vessel's insurance policies in the event of a casualty affecting the vessel?

The rights of the mortgage may be also exercised against the insurance money (Article 198 of the GCPML for a simple mortgage and article 18 of LD 3899/1958 for a preferred mortgage).