



COMITE MARITIME INTERNATIONAL

PRESIDENT

22nd April 2024

Leg 111/13

Statement by the Comite Maritime International - Ann Fenech -
President CMI

Madam Chair - thank you

Distinguished delegates. At Leg 110 you had before you a paper submitted by CMI and the United Nations Office of Legal Affairs which explained the background, the need for, the work undertaken and the adoption of the Convention on the international effects of judicial sales of ships by the General Assembly of the United Nations on the 7th December 2022. . At the same time it authorised a ceremony for the opening for signature of the Convention, to be held as soon as practicable in 2023 in Beijing.

The signing ceremony was held in Beijing on the 5th of September 2023. It was a magnificent event and the Convention was signed by 15 states namely China, Burkina Faso, Comoros, El Salvador, Grenada, Honduras, Kiribati, Sao Tome & Principe, Saudi Arabia, Switzerland, Singapore, Liberia, Senegal, Siera Leone and Syria. The Convention was some weeks later signed by Tanzania and Equador.

However the European Union had not yet finalised all its internal procedures by then and consequently no EU member state was able to sign the Convention in Beijing. These were concluded in December 2023 and in fact on the 14th of March 2024, the

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European Union signed the Convention in New York as did Belgium which currently holds the Presidency of the European Union. The EU stands four square behind the Convention.

In view of this very important development the Maltese Ministry for Foreign and European Affairs and Trade together with UNCITRAL and the CMI is organising a celebratory event in Malta on the 19th of June during which event States are going to have the opportunity of signing the Convention should they wish to do so.

The Treaty Book which contains the Original Convention normally only goes to the country which is designated as the country hosting the signing ceremony which in this case was Beijing. However in a rather exceptional manner, the Treaty Book will be brought to Malta to enable States to sign the Convention in Malta during this memorable occasion. Mr. Miguel de Serpa Soares - Undersecretary General of the United Nations, will be coming to Malta specially for the occasion as will representatives of the European Commission.

In the meantime and since LEG 110, the CMI has continued to offer support and to encourage member states to become familiar with the Convention. We have participated in several events all over the world in which we have sought to explain the need for such an important Convention. There have been presentations in Australia, Germany, Portugal, Canada, Croatia, the United States, the United Kingdom, Turkey, United Arab Emirates, Czech Republic, France, Sweden, Italy, Japan, Singapore, Spain, Panama, Malta and several other countries. The CMI would like to remind all delegations of its availability and willingness to assist all state administrations who may wish to know more about the convention and its implementation.

I should remind you ladies and gentlemen, that this Convention seeks to address real life challenges which include the following:

1. There have been instances when purchasers of vessels in judicial sales free and unencumbered have had their ships wrongly arrested by the vessel's previous creditors.
2. Instances when registrars of the ships sold have been unable to delete the vessel's pre-sale registration.

3. Instances when registrars of ships have had difficulties transferring the registered ownership to the new owners when the new owners wish to retain the flag.
4. Instances when financiers of vessels purchased free and unencumbered in judicial sales have been unable to obtain the deletion of old mortgages or register their new ones.

It is through the solution offered by the Convention that ships will obtain the best price in judicial sales which in turn will present the best opportunity and chance for creditors of those vessels, including crew to get paid and at the same time avoid the hardship, uncertainty and costly disruption to the chain of international trade and international shipping responsible for the carriage of over 90% of world trade.

According to Article 6: ***“A judicial sale for which a certificate of judicial sale referred to in article 5 has been issued shall have the effect in every other State party of conferring clean title to the ship on the purchaser.”***

The convention provides for notification, the provision of a certificate of judicial sale and the obligation on registrars to delete mortgages if requested to do so on production of the certificate of judicial sale and an obligation on judges to release vessels from arrest on production of the same certificate.

Thank you once again to this Legal Committee – which in December 2020 agreed that the IMO would create a module on its GISIS platform to receive both the notices of judicial sale and the certificates of judicial sales. This has given many a degree of comfort in knowing that anyone can at the push of a button find out if a vessel is about to be sold in a judicial sale or whether or not a vessel has indeed been sold. The IMO is in fact the Repository under article 11 of the Convention. Thank you IMO and thank you for the work currently being undertaken to set up this module on the GISIS platform.

The convention will come into force after ratification by 3 member states.

In conclusion the CMI would like to respectfully invite you distinguished delegates, to recommend the signing of the Convention to your governments. Notes verbal containing the invitation have been sent out to each and every Embassy

accredited to Malta and UNCITRAL has sent out Notes Verbal to every delegation at UNCITRAL.

The CMI looks forward to welcoming as many of you as possible in Malta on the 19th June. I know we shall be welcoming Dr. Dorota Lost Sieminska. Attached to this brief intervention you will find a Concept note prepared by the Maltese Ministry of Foreign and European Affairs and Trade, CMI and UNCITRAL, an information brochure provided by UNCITRAL and a document listing the modalities for signature.

We would be most grateful if this statement is attached to the report.

Thank you