# NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS 44TH CONSTITUTIONAL REGULAR SESSION, 2023



Republic of the Marshall Islands [epilpilin Ke Ejukaan

# MARITIME ADMINISTRATION, DOCUMENTATION AND IDENTIFICATION OF VESSELS AND PREFERRED SHIP MORTGAGES AND MARITIME LIENS (AMENDMENT) ACT 2023

# Index

Section		Page	
§101.	Short title	3	
§102.	Amendments	3	
§103.	Effective Date		



# NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS 4ND CONSTITUTIONAL REGULAR SESSION, 2023



Republic of the Marshall Islands [epilpilin Ke Ejukaan

# MARITIME ADMINISTRATION, DOCUMENTATION AND IDENTIFICATION OF VESSELS AND PREFERRED SHIP MORTGAGES AND MARITIME LIENS (AMENDMENT) ACT 2023

- 5 **AN ACT** to amend Title 47, Chapter 1, Chapter 2 and Chapter 3 of the Marshall Islands Revised Code (MIRC).
- BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS
- 8 §101. Short title.

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- This Act may be cited as the Maritime Administration, Documentation and Identification of Vessels and Preferred Ship Mortgages and Maritime Liens (Amendment) Act, 2023.
- §102. Amendments
- 13 (1) Chapter 1: New section 119 of Title 47, Chapter 1, of the MIRC is hereby added to read as follows:
  - §119. Instrument or document form, signature, and delivery.
  - (1) Any instrument or document which may be registered, filed, recorded, or otherwise submitted to the Maritime Administrator as contemplated or governed by this Title shall be in the form of a written document. An electronic or digital transmission or copy shall be deemed the equivalent of a written or original document and shall be accepted as may be prescribed by Regulation.



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- (2) The signature to any instrument may be a manual, electronic, or digital signature. An instrument executed by an electronic or digital signature may be acknowledged in accordance with Regulation.
- (2) Chapter 2: Section 225 (1) of Title 47, Chapter 2, of the MIRC is hereby amended to read as follows:

### §225. New document.

- (1) Whenever a documented vessel is sold or transferred wholly or partly without change of flag, or is altered in form or burden, by being lengthened or built upon, or from one denomination to another, by the mode or method of rigging or fitting, she shall be documented anew. Every such sale or transfer shall be evidenced by a written instrument in the nature of a bill of sale. Otherwise the vessel shall not be documented anew. In cases of a combination vessel that can be used either for the carriage of liquid cargo in bulk or dry cargo in bulk, if the Certificate of Registry shows the vessel in the condition or use providing the greater net and gross tonnage and has attached thereto an appendix showing the vessel in the other or use with the lesser gross and net tonnage, then a change of a vessel from one condition or use to the other would not require the vessel to be documented anew.
- (3) Chapter 3: Section 302, 304, 306, 307, and 314 of Title 47, Chapter 3, of the MIRC are hereby amended to read as follows:

## §302. Recording and contents.

(1) A sale, conveyance, hypothecation, mortgage or assignment of mortgage of any vessel shall not be valid in respect of such vessel, against any person other than the grantor or mortgagor, his heirs or devises and persons having actual notice thereof until the instrument evidencing such transaction is recorded in the central office of the Maritime Administrator, in the United States of America, or by its duly authorized agent elsewhere. For the purposes of this subsection, a mortgage that provides that such mortgage shall only become valid and effective upon its recording with the central office of the Maritime Administrator in the United States of America, or by its duly authorized agent elsewhere, shall be valid and effective at the time of recording.

(2) Each duly authorized agent of the Maritime Administrator, 1 wherever located, shall have full authority to record such 2 instrument or instruments. 3 (3) The central office of the Maritime Administrator in the United 4 States of America, or its duly authorized agent elsewhere, shall 5 record sub instruments which meet all recording requirements in 6 7 the order of their reception in appropriate indexes to be kept for 8 that purpose, showing: 9 (a) The name of the vessel; 10 (b) The name of the parties; 11 (c) The time and date of recordation of the instrument 12 affected; 13 (d) The interest in the vessel transferred or affected; and (e) The amount or amounts of the direct or contingent 14 15 obligations, including those provided for in Section 309 of this Chapter, that are or may become secured by the 16 17 mortgage. 18 §304. Termination of mortgagee's interest. 19 (1) The interest of a mortgagee in a vessel registered under this Title shall 20 not be terminated by a forfeiture of the vessel for a violation of any law 21 22 of the Republic, unless the mortgagee authorized, consented, or conspired to effect the illegal act, failure, or omission which constituted 23 such violation. 24 (2) A vessel which is the subject of a Preferred Mortgage may not be 25 cancelled from the Register for so long as the indebtedness secured by 26 the Preferred Mortgage remains unsatisfied or the Mortgage is not 27 28 discharged; provided however, that the Administrator may immediately strike a vessel following receipt of 29

evidence that the vessel has engaged in illegal activity or actions against

the interests of the Maritime Administrator or the Republic; and the

Maritime Administrator may also, not less than 60 days following the mailing of notice to all mortgages or record at their last known mailing

addresses of its intent to do so, strike a vessel from the Registry and Flag

of the Republic as a result of receipt by it of evidence satisfactory to it that the vessel has been lost, destroyed, or transferred to another registry

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following sale by order of an Admiralty Court in a civil action in rem; such administrative actions by the Maritime Administrator shall not impair or affect the lien or status of any Preferred Mortgage recorded under this Chapter, nor shall it terminate the interest of a mortgagee in such a vessel.

## §306. Bill of sale; recording

The central office of the Maritime Administrator in the United States of America or its duly authorized agent elsewhere may accept for recording any bill of sale or other conveyance of a vessel or facsimile thereof, the original of which has been received by a Commissioner, any Deputy Commissioner or any Special Agent, which recites the interest of the seller in the vessel and the interests sold or conveyed, provided it has previously been acknowledged or is submitted with such other proof of due execution as may be required by Regulation.

## §307. Mortgages, recording.

The central office of the Maritime Administrator in the United States of America, or its duly authorized agent elsewhere, may accept for recording any mortgage on a vessel, whenever made, which recites the interest of the mortgagor in the vessel and the interest so mortgages, provided it bears the Hague Convention apostille or has been acknowledged or is submitted with such other proof of due execution as my be required by Regulation, and provided further that written proof is furnished to it of the amounts and dates of any documents or evidence of debts in support thereof. The foregoing requirement of written proof or evidence of debt may be satisfied by attaching to the mortgage the documents evidencing such debt (whether in whole, in part or with or without redactions), or by describing the terms of the debt in the mortgage, including the total amount. The central office of the Maritime Administrator or its duly authorized agent elsewhere shall record a mortgage or related instrument submitted to it in proper form, and shall thereupon, upon request, issue a Certified Extract of the Preferred Mortgage Index of the public register maintained by the Maritime Mortgage Administrator, as evidence of recordation of a Preferred Ship Mortgage under this Chapter. A Certificate of Ownership and Encumbrance shall upon timely request be issued by the central office of the Maritime Administrator or its duly authorized agent elsewhere, setting forth all recorded mortgages, encumbrances and related instruments with respect to a vessel registered under this Title as of the time and date of its issuance.

§314. Notice of Mortgage, Certificate of Registry; exhibition

- (1) Upon recording a Preferred Mortgage, the mortgagor shall place and use due diligence to retain a Notice of Mortgage on board the mortgaged vessel. Such Notice of Mortgage and the document of the vessel shall be exhibited by the Master to any person having business which may give rise to a maritime lien or to the sale, conveyance, or mortgage of the vessel.
- (2) The licence of a Master who wilfully fails to exhibit such documents and copy of mortgage may be suspended or revoked.

§103. Effective Date

This Act shall take effect on the date of certification in accordance with the Constitution and the Rules of Procedures of the Nitijela.

CERTIFICATE

16 I hereby certify:

17 1. That Nitijela Bill No: 46ND1 was passed by the Nitijela of the Republic of the

Marshall Islands on the <u>24<sup>th</sup></u> day of <u>March</u> 2023; and

19 2. That I am satisfied that Nitijela Bill No: 46ND1 was passed in accordance

with the relevant provisions of the Constitution of the Republic of the Marshall

21 Islands and the Rules of Procedures of the Nitijela.

I hereby place my signature before the Clerk this 10th day of April 2023.

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Kenneth A. Kedi

26 Speaker

27 Nitijela of the Marshall Islands

Attest:

Morean S. Watak

Clerk

Nitijela of the Marshall Islands