

# Colloquium on Judicial Sale of Ships

Ministry of Justice of the Republic of Croatia  
Croatian Maritime Law Association

***Merle Stilkenbäumer***  
***Managing Director***  
***LISCR (Deutschland) GmbH***

***Inter-University Centre***  
***Dubrovnik, 7 September 2020***



# About the Liberian Registry

**Our world-wide full-service approach for the Liberian flagged vessels**



**+4,600**  
**Registered**  
**Vessels**



**>187 million**  
**Gross Tons**



**13%**  
**Market Share**



**+420**  
**Inspectors and**  
**Auditors**

## **Global 24/7/365 maritime expertise**

- ◆ We provide a finely tuned **24/7/365 global customer support** with a strong focus on direct access to the Registry and a decentralized authority.
- ◆ As such, we are maintaining currently **26 full-service regional offices** with maritime experts as well as a network of over **420 inspectors and auditors** who are available to attend vessels and provide advice when needed.
- ◆ And additionally, the **duty officer** takes over after hours, on weekends and on holidays, without compromising on our highest standards of service quality and responsiveness.



# About the Liberian Registry

**We have found the right mix between customer attention and policy enforcement.**

## Active IMO participant

- ◆ We are a founding member of the IMO in 1959 and have since then played a leading and ever-growing role in global shipping.
- ◆ We are known for our international involvement in ensuring the development of practical new regulations when necessary.
- ◆ Likewise, we ratify important conventions in support of safety, pollution prevention and seafarers' welfare and ensure equitable enforcement in cases of violation.

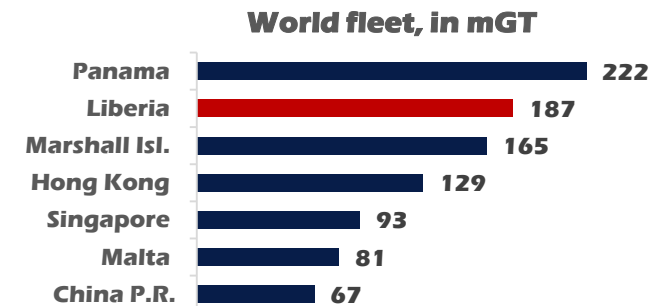
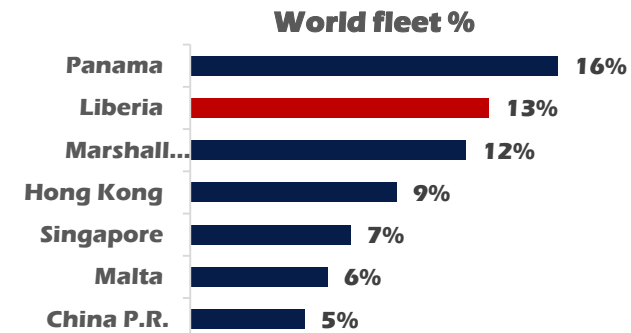
## Liberian Shipowners' Council (LSC)

- ◆ We are one of the few open registries with an independent shipowners' council.
- ◆ The LSC is among others a member of the International Chamber of Shipping, and as such, and members are able to benefit from the valuable services of a leading industry institution.

## White listed & Memberships

- ◆ We are white listed, with top tier records in Tokyo and Paris MOUs
- ◆ We entertain active memberships in OECD, BIMCO and MACN.

**Liberia ranks 2nd in the world fleet and is the fastest growing flag, having added 9.3 mGT in**



# Core responsibilities in ship registration

## Recordation & deletion

**Irrespective of whether it is a consensual or a forced sale, one of the flag state's core responsibilities is the proper recordation of the vessel, and her deletion, from the ship registry:**



**Properly record  
ownership structure**



**Secure potential  
mortgages**



**Properly delete  
the vessel**



**Discharge  
mortgages**

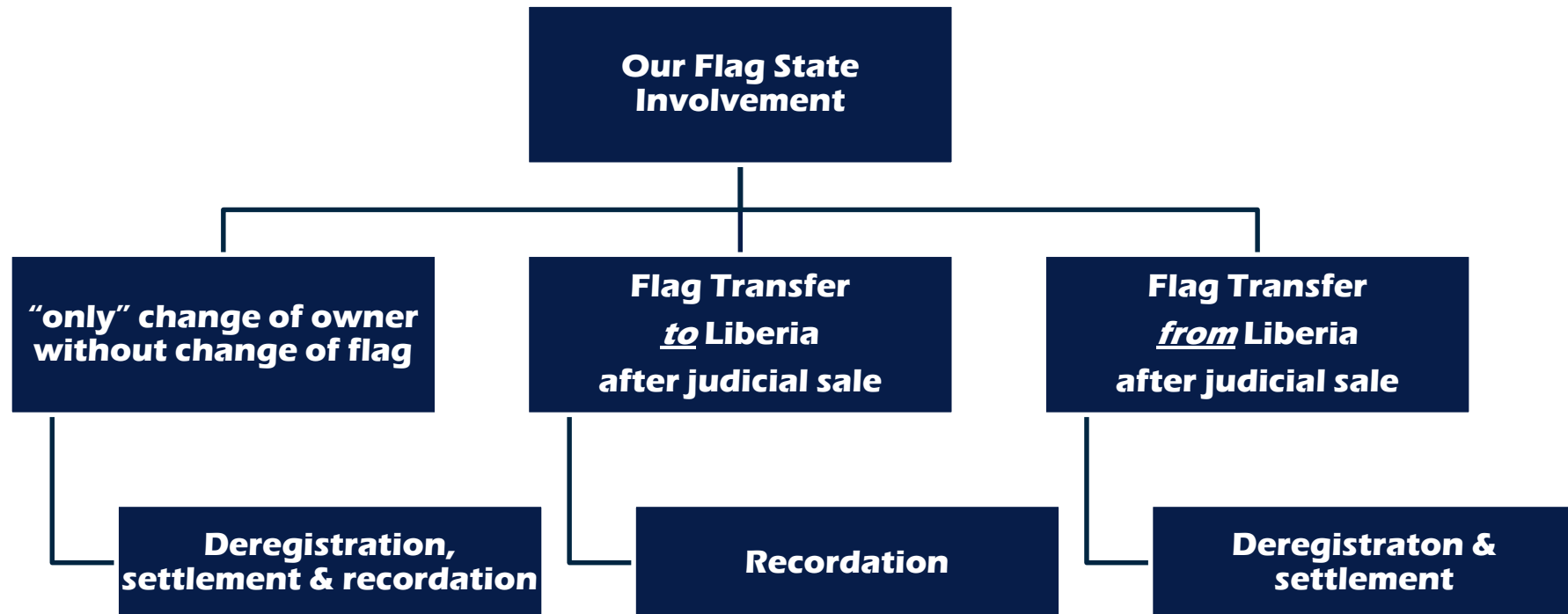
**The interest of any new owner is always one and the same: The new owner wishes to acquire a liability-free vessel. In the framework of a judicial sale, the owner will be awarded with a clean title to the ship which allows the new owner:**

- ✓ **the liability risk-free ownership in the vessel,**
- ✓ **the full operational and entrepreneurial control,**
- ✓ **the de-registration from her previous flags, and**
- ✓ **the flag change without liabilities for the new flag.**

# Judicial Sale of Ships

## The participation of the flag state in Judicial Sales

The judicial sale, or “*The forced sale of property authorized or required by a court of law in order to satisfy a debt*” has effects on both the outgoing and the incoming registry, for the outgoing in terms of the settlement, or conversely the write-off, of unsettled positions, and for the incoming registry the recordation activities.





# Judicial Sale of Ships

## Flag transfer to Liberia after judicial sale

### Consensual sale & purchase

**Proof of ownership  
(regular Bill of Sale)**

**Certificate of Ownership and  
Encumbrance from outgoing Flag**

**Deletion Certificate from outgoing Flag**

**Vessel may not be sold free and clear  
of all liens => risk of post sale claims &  
invoices ⇔ hold harmless letters**

### Judicial sale

**Proof of ownership  
(court Bill of Sale)**

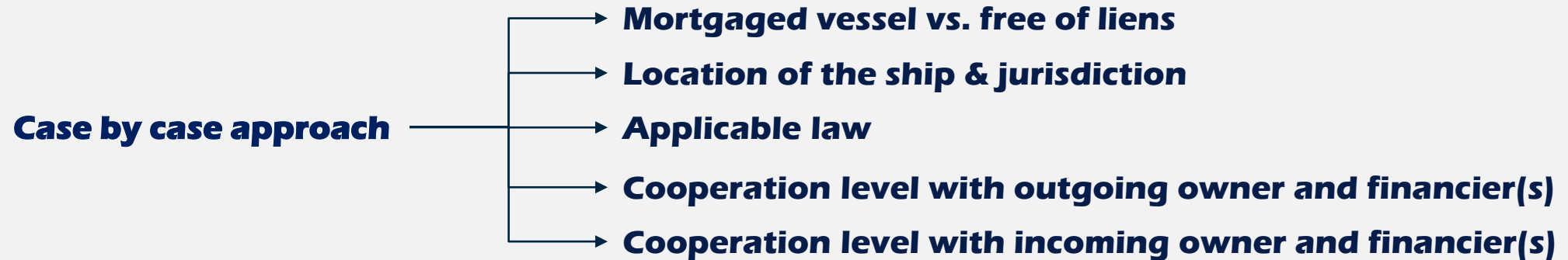
**~~Certificate of Ownership and  
Encumbrance from outgoing Flag~~**

**~~Deletion Certificate from outgoing Flag~~**

**Vessel is sold free and clear  
of all liens.**

# Judicial Sale of Ships

## Deregistration from Liberia after judicial sale

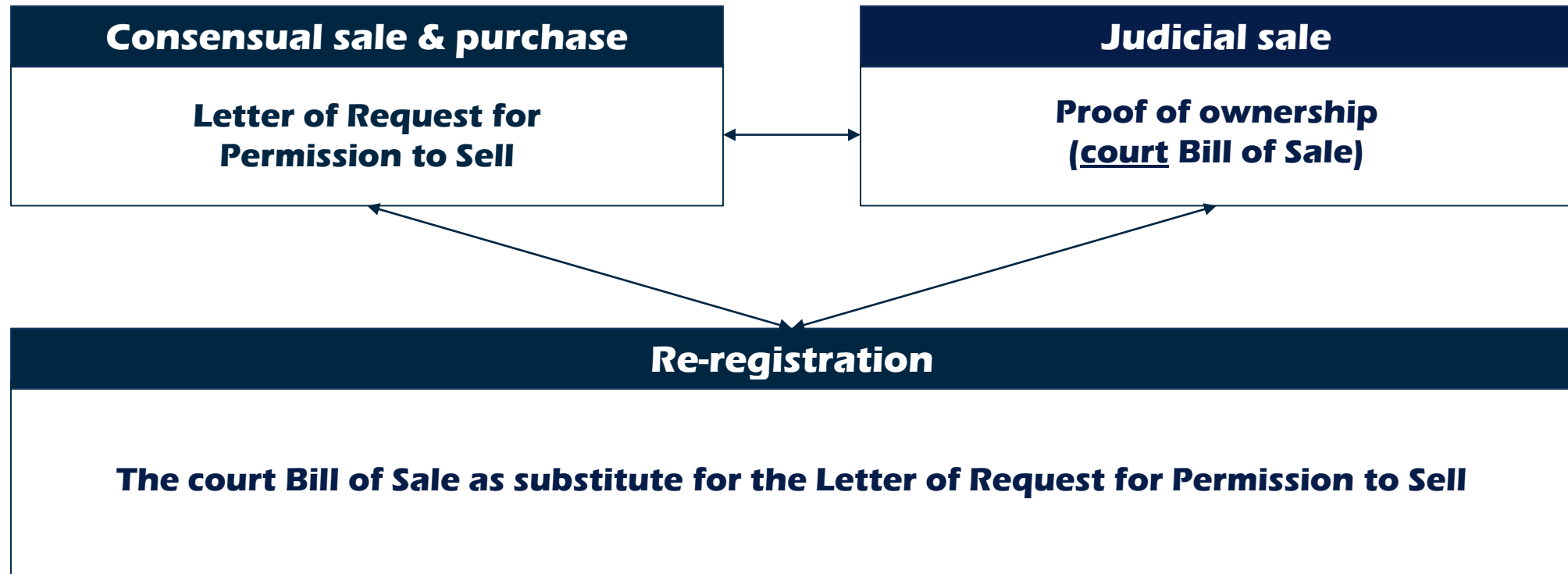


**A vessel will only be deregistered if the following requirements are satisfied:**

- ✓ Presentation of an original court Bill of Sale
- ✓ Prior settlement of open positions

# Judicial Sale of Ships

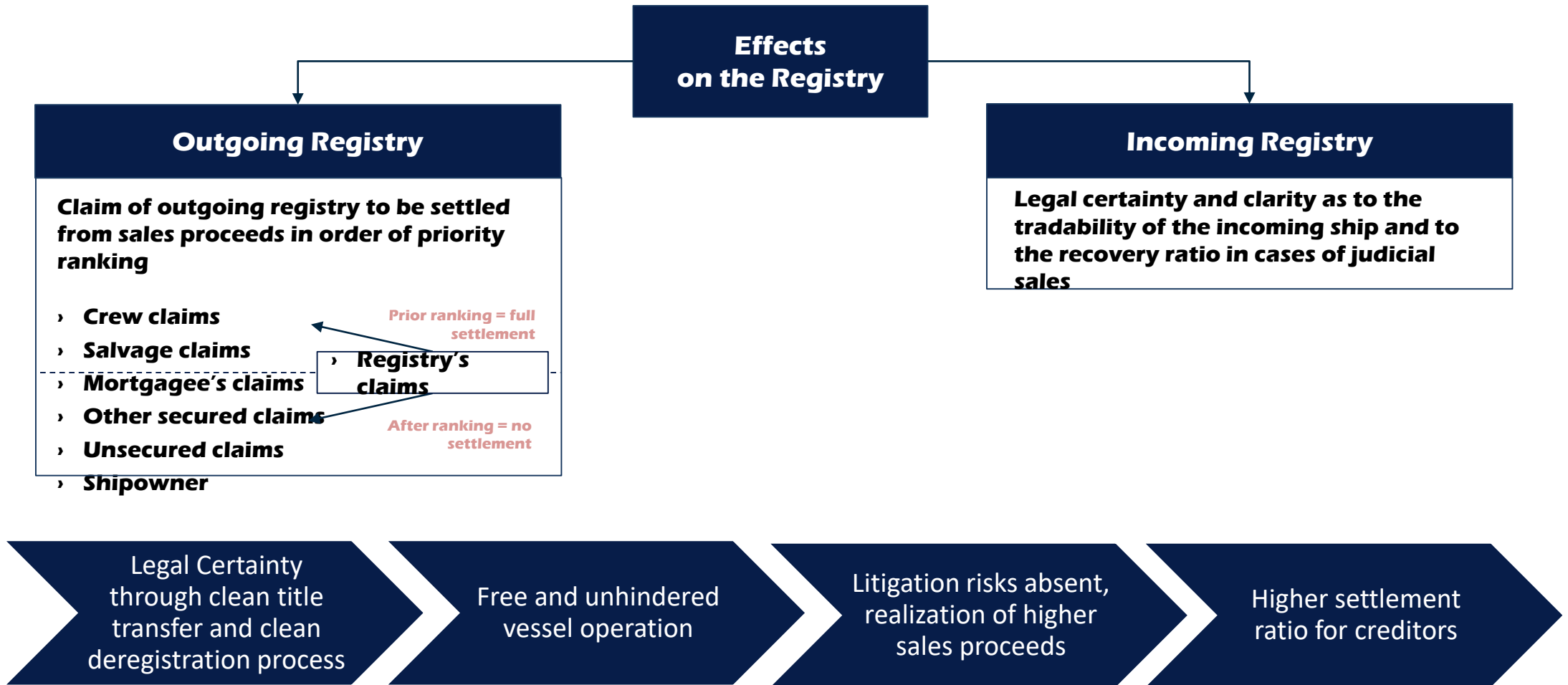
## Judicial Sale without flag change





# Judicial Sale of Ships

## Effects of the Convention on the Registries



**Thank you**  
***For your time.***

***7 September 2020***

