

1582 Maritime Code (PZ)

Pursuant to the second indent of the first paragraph of Article 107 and the first paragraph of Article 91 of the Constitution of the Republic of Slovenia I hereby issue an

**DECREE
promulgating the Maritime Code (PZ)**

I hereby promulgate the Maritime Code (PZ) adopted by the National Assembly of the Republic of Slovenia at its session of 23 March 2001.

No. 001-22-31/01
Ljubljana, 2 April 2001

President of the Republic of Slovenia
Milan Kučan,
[signed]

MARITIME CODE (PZ)

PART ONE

Section I - GENERAL PROVISIONS

Article 1

This Code shall regulate the Republic of Slovenia's maritime sovereignty, jurisdiction and supervision in respect of the safety of navigation in territorial seas and internal waters, protection of the sea from pollution from vessels, the legal rules in seaports, property law, contractual and other obligational relations pertaining to vessels, the registration of vessels, the limitation of a shipowner's liability, the general average, writs of execution and insurance on vessels, and the conflict of laws.

Article 2

The provisions of this Code (hereinafter: Act) shall apply to ships, boats and other vessels of Slovenian nationality, and to relations concerning navigation in the territorial sea and internal waters of the Republic of Slovenia, unless otherwise stipulated by this Act.

Article 3

Unless otherwise stipulated by this Act, terms shall be used with the following meanings:

1. A vessel shall be an object intended for sea navigation.
2. A floating object shall be an object which is permanently moored or anchored or laid on the seabed and which is not intended for navigation (floating hotels, restaurants, workshops, warehouses, pontoon bridges, floating platforms, bathing platforms, mooring and signalling buoys, clam fisheries and other sea exploitation facilities).
3. A ship shall be a seaworthy vessel, which is 24 metres long or more, excluding military vessels.
4. A merchant ship shall be a ship used for commercial purposes.
5. A passenger ship shall be a ship certified to transport more than 12 passengers.
6. A cargo ship shall be a ship for the transport of cargo.
7. A tanker shall be a ship for the transport of liquids and gases.
8. A fishing ship shall be a ship intended and equipped for the fishing or hunting of live creatures in the sea or on the seabed.
9. A scientific research ship shall be a ship or other vessel equipped for scientific or other research or exploration of the sea, the sea bed or its underground areas.
10. A nuclear ship shall be a ship powered by nuclear energy or a ship with nuclear equipment.
11. A public ship shall be a ship owned or used by the State which is not a military vessel and which is used by the State or its bodies exclusively for non-commercial purposes.

12. A military vessel shall be any vessel belonging to the armed forces, under the command of a military officer, whose crew is military or under military discipline, and which carries the external identification marks of a military vessel.
13. A fleet of foreign military vessels shall comprise several foreign military vessels under the command of one military officer.
14. A ship under construction shall be a valid entity from the moment the keel is laid, or a similar construction procedure is carried out, until its registration in the register of ships.
15. A boat shall be a vessel less than 24 metres long.
16. A fishing boat shall be a boat intended and equipped for the fishing or hunting of live creatures in the sea or on the seabed.
17. An international voyage shall be a voyage from a Slovenian port to a foreign port, or vice versa.
18. A shipowner shall be a person who, in a bareboat charter, delivers possession of a ship; until proved otherwise, it shall be considered that a shipowner is the person who is entered in the register of ships as its owner.
19. The SDR (Special Drawing Right) shall be an accounting unit determined by the International Monetary Fund.
20. A passenger shall be any person on a ship or boat, excepting children who are less than one year old, persons employed on the ship in any capacity and family members of the crew.

Section II - SOVEREIGNTY OF THE REPUBLIC OF SLOVENIA

Article 4

The sovereignty of the Republic of Slovenia at sea shall extend over its dry-land area, its territorial sea and internal waters, the airspace above it, the seabed and underground marine areas.
The Republic of Slovenia shall ensure the protection of the coastal areas and the sea from pollution, provide for conservation, and promote improvements to the marine environment.

Article 5

The internal waters of the Republic of Slovenia shall encompass all ports, bays and the anchorage of the Port of Koper, circumscribed by meridian 13° 39' east and latitude 45° 35,4' north.

Article 6

Foreign merchant ships and foreign passenger ships may sail into the internal waters of the Republic of Slovenia in order to enter a port of the Republic of Slovenia open to international shipping trade. A foreign pleasure craft or boat may, in compliance with the regulations on sea navigation, sail into other ports as well.
A foreign merchant ship may sail the internal waters by the shortest usual route in order to sail in or out of a port, and to sail in between ports open to international shipping trade.
The minister responsible for maritime affairs (hereinafter: minister) shall determine alternative manners of navigation in Slovenian internal waters for the ships mentioned in the preceding paragraph, if so required in the interests of national defence or safety of navigation .

Article 7

The carriage of goods and passengers from one Slovenian port to another (cabotage) shall be performed by a Slovenian person freely, while foreign persons shall do so on the condition of reciprocity.

Article 8

Foreign military vessels, foreign public ships, foreign nuclear ships, foreign fishing ships and foreign scientific research ships shall be banned from passing through the internal waters of the Republic of Slovenia.
Foreign military vessels, foreign public ships, foreign fishing ships and foreign scientific research ships may enter the internal waters of the Republic of Slovenia subject to a permit, acquired in advance, which shall be granted as follows:

1. to foreign military vessels - by the minister responsible for defence;
2. to foreign public ships and foreign scientific research ships - by the minister responsible for internal affairs;
3. to foreign fishing ships - by the minister responsible for fishing.

Foreign nuclear ships, foreign military vessels with nuclear weapons on board, and foreign military vessels whose visit places the safety of the Republic of Slovenia in danger may not be permitted to visit or stay in the internal waters of the Republic of Slovenia.

Foreign scientific research ships may enter the internal waters of the Republic of Slovenia in order to sail into a port in the Republic of Slovenia open to international shipping trade without the advance permit referred to in point 2 of the second paragraph of this Article under the condition of reciprocity, or if they are scientific research ships sailing under the flag of an international organisation of which the Republic of Slovenia is a member.

Article 9

No more than three military vessels of the same nationality may sail into internal waters of the Republic of Slovenia at the same time.

A visit of a foreign military vessel in the internal waters of the Republic of Slovenia may not last longer than ten days.

The Slovenian port designated for visits of a foreign military vessel or a fleet of military vessels is the Port of Koper, which is open to international public traffic.

Irrespective of the first and second paragraphs of this Article, the Government of the Republic of Slovenia (hereinafter: the Government) may, on a case-by-case basis, allow the visit of a foreign military vessel, even though conditions set out in the previous two paragraphs have not been met, if so required by the special interests of the Republic of Slovenia.

During a visit to the internal waters of the Republic of Slovenia, only the ship's crew and other persons for whom the minister responsible for foreign affairs has given consent may be on board a foreign military vessel.

Article 10

The Government of the Republic of Slovenia shall revoke the permit to stay in the internal waters of the Republic of Slovenia granted to a foreign military vessel or to a fleet of foreign military vessels if the actions of a ship, its boat, aircraft or crew, when on dry land, are not in compliance with the provisions of this Act or of other Acts and regulations of the Republic of Slovenia, as well as in other justified cases.

Article 11

A foreign ship which, for reasons of *force majeure* or distress at sea, has to take refuge in the internal waters of the Republic of Slovenia must immediately notify the Maritime Directorate of the Republic of Slovenia of the situation, which in turn has to notify the internal affairs authority responsible for border control.

Article 12

Slovenian and foreign individuals and legal entities may not conduct research into, study, take photographs of and measure the sea, the seabed or its underground areas, and perform other underwater activities in the internal waters and territorial sea of the Republic of Slovenia without an advance permit, which shall be granted by the minister in agreement with the minister responsible for internal affairs, if this is in the best interest of the Republic of Slovenia.

Persons mentioned in the first paragraph of this Article must supply the data acquired in this way to the competent State bodies.

The Government of the Republic of Slovenia shall prescribe the conditions relating to the safety of people and vessels and the protection of the environment which must be taken into consideration when granting the permit referred to in the first paragraph of this Article.

Article 13

The territorial sea of the Republic of Slovenia shall comprise the marine area extending from the baseline towards the open sea as far as its outer boundary permits under international law, or to the borderline determined in an international treaty.

The baseline shall be the hydrographic zero line running along the coast, or a straight line enclosing the entrance to a bay.

When defining the baseline of the territorial sea, the permanent port buildings that are part of the port system and jut out the furthest shall be considered to be part of the shore.

The outer boundary of the territorial sea shall be the national border of the Republic of Slovenia at sea.

The nautical chart of the Republic of Slovenia shall be issued by the minister in accordance with international hydrographic standards .

Article 14

Ships of all States enjoy the right of innocent passage through the territorial sea of the Republic of Slovenia under the conditions laid down by this Act and the regulations issued on the basis thereof.

The innocent passage of a ship shall mean navigation through the territorial sea of the Republic of Slovenia without entry into the internal waters, or navigation in order to enter such waters or exit them in the direction of the open sea, if this does not interfere with the order, peace or security of the Republic of Slovenia.

A foreign ship must make the innocent passage described in the second paragraph of this Article without interruption or delay.

A foreign ship which uses the right of innocent passage may stop and anchor only due to the events required by regular navigation, because of *force majeure* or distress at sea, or in order to give assistance to people, ships and aircraft in danger or distress.

Article 15

The passage of a foreign ship through the territorial sea of the Republic of Slovenia shall not be considered to be innocent passage according to the preceding paragraph if the ship engages in any of the following activities:

1. any threat or use of force against Slovenian sovereignty, territorial integrity or the legal system laid down by the Constitution of the Republic of Slovenia, or any other violation of the principles of international law;
2. any exercise or practice involving weapons of any kind;
3. any act aimed in collecting information to the prejudice of the defence or security of the Republic of Slovenia;
4. any act of propaganda prejudicial to the defence or security of the Republic of Slovenia;
5. the launching, landing or taking on board of any aircraft;
6. the launching, landing or taking on board of any military device;
7. the loading or unloading of any commodity, currency or person contrary to the customs, fiscal, sanitary or other laws or regulations of the Republic of Slovenia, or the regulations on the entry and stay of foreign individuals in the Republic of Slovenia;
8. any act which pollutes the sea or the environment;
9. any fishing or hunting of other live creatures in the sea;
10. the performance of research, studies or surveying activities;
11. any act aimed at interfering with any communications system or any other facilities or equipment belonging to the Republic of Slovenia;
12. any other activity not having a direct bearing on passage.

Article 16

When in the territorial sea of the Republic of Slovenia, a foreign ship must fly its national flag. In internal waters, the flag of the Republic of Slovenia must also be flown.

A foreign ship on lay up may stay in the internal waters or territorial sea of the Republic of Slovenia under the conditions prescribed by the Government of the Republic of Slovenia for each individual case on the basis of the condition of the ship, its position and time of stay.

Article 17

A foreign fishing ship passing through the territorial sea of the Republic of Slovenia shall be prohibited from fishing or hunting other marine organisms in the sea or on the seabed.

The foreign fishing ship referred to in the previous paragraph must bear the visible markings of a fishing ship and must navigate the territorial sea of the Republic of Slovenia by the shortest route at a speed not lower than the optimum speed, without any interruption or anchoring, unless this is necessitated by *force majeure* or distress at sea.

The first and second paragraphs of this Article shall not apply to a fishing ship with a permit to fish in the territorial sea of the Republic of Slovenia, as long as this ship is in an area in which fishing is permitted.

The provisions of the preceding paragraphs shall also apply to foreign fishing boats.

Article 18

Foreign military vessels, foreign tankers, foreign nuclear-powered ships and other foreign ships carrying nuclear or other inherently dangerous or noxious substances or materials must, when exercising the right of innocent passage through the territorial sea of the Republic of Slovenia, confine their passage to the sea lanes designated and prescribed in a special regulation for such ships, or the traffic separation schemes in those areas in which such systems are in place and are prescribed, and must also fulfil the other conditions prescribed to ensure navigational safety, prevent collisions at sea and protect the marine environment from pollution.

The country of origin of a military vessel must, through diplomatic channels, inform the ministry responsible for foreign affairs of the harmless passage of its military vessel through the territorial sea of the Republic of Slovenia no less than 24 hours prior to sailing into the territorial sea of the Republic of Slovenia.

Article 19

In the territorial sea of the Republic of Slovenia, foreign submarine and other underwater vehicles are required to navigate on the surface and to show their national flag.

Article 20

The minister responsible for defence may, in agreement with the minister responsible for internal affairs and the minister, specify an area in the territorial sea of the Republic of Slovenia in which the innocent passage of foreign ships is temporarily suspended or restricted as an urgent security measure.

The official document on the boundaries of the area described in the first paragraph of this Article shall be published with all necessary data in the notices to mariners issued by the maritime authority responsible for the Mediterranean.

Article 21

If a foreign military vessel or a foreign public ship does not comply with the provisions of Articles 15 to 20 of this Act on innocent passage and disregards a request for compliance therewith which is made to it, the authorities in charge of border control shall ask that ship to leave the territorial sea of the Republic of Slovenia immediately.

Article 22

A foreign ship shall be pursued if the competent authority has reason to suspect that the ship, its boat or a boat that works in conjunction with the ship has violated this or other Slovenian laws and regulations.

A foreign ship may be pursued only if the ship, its boat or a boat that works in conjunction with the ship are situated in the internal waters or the territorial sea of the Republic of Slovenia and if it fails to stop when a visual or audio call to stop has been issued from within the distance allowing reception.

The hot pursuit of a foreign ship may be continued in compliance with the universally recognised rules of international law, unless these have been suspended, until the ship has entered the territorial sea of its own State or of a third State. It may be pursued only by ships and aircraft of the body authorised to supervise national borders. It shall not be necessary for the ship or aircraft that conducts the pursuit to be in the territorial sea of the Republic of Slovenia in order to commence pursuit.

A foreign ship stopped in hot pursuit shall be handed over to the competent authority of the nearest port of the Republic of Slovenia.

Article 23

Implementation of the provisions of this paragraph shall be supervised by the police.

PART TWO – SAFETY OF NAVIGATION

Section I - COMMON PROVISIONS

Article 24

Under this Act, safety of navigation shall be ensured by determining specific conditions which must be met by sea lanes in territorial sea and internal waters, by navigation safety facilities, ports, anchorages, ships and crew members, and the conditions which must be met by vessels and floating objects and their crew.

In order to ensure the safety of navigation, the Republic of Slovenia shall, in compliance with international conventions, provide hydrographic services in its territorial sea and internal waters.

Article 25

Persons carrying out public transport services, operating ports, or maintaining and marking sea lanes in the territorial sea and internal waters of the Republic of Slovenia shall have a duty to:

1. organise monitoring of the implementation of tasks related to the safety of navigation;

2. effect continual monitoring of the safety of navigation;
3. manage the obligatory information of importance for the safety of navigation;
4. manage documents and gather information on seafarers on board vessels, their experience, training, medical fitness and abilities to perform their assigned duties and work on ships.

Article 26

The Maritime Directorate of the Republic of Slovenia shall be responsible for:

- individual tasks related to the development of the port infrastructure owned by the Republic of Slovenia;
- supervising the safety of navigation, and the implementation of port regulations and of regulations concerning other parts of territorial sea and internal waters;
- organising a radio watch service and a navigational monitoring and supervision service;
- issuing licences for the operation of ports;
- regulating maritime transport;
- expert inspection of the regular maintenance of sea lanes, of navigation safety facilities, and of the regular collection of ship-generated waste;
- issuing authorisations for the construction and renovation of facilities on shore or at sea in the context of the safety of navigation;
- issuing permits for water-based events and other water-based activities within the port area;
- issuing pilots' identity cards and keeping a register of pilots;
- ordering mandatory pilotage and towage operations and determining the number of tug boats required for towing, fire fighting and salvage operations;
- issuing trial navigation permits for ships;
- establishing the seaworthiness of boats up to 12 metres in length;
- establishing the ability of persons to handle a boat and issuing the corresponding documents, carrying out professional exams and issuing authorisations and seamen's' books;
- issuing permits for permanent mooring, anchorage, or for laying a floating object on the sea bed, and issuing permits for salvaging objects that have sunk;
- receiving birth and death records, and accepted depositions of last will and testament drawn up by shipmasters;
- maintaining the register of ships and register of sea boats and certifying ships' logbooks;
- issuing free pratique and issuing permits for the departure of ships;
- collecting fees for the use of navigation safety facilities.

Section II – SEA LANES

Article 27

A sea lane in the territorial sea and internal waters of the Republic of Slovenia shall be a band in the sea which is deep enough and wide enough to provide safe navigation for ships and which is marked, if necessary, with navigation safety facilities.

Navigation safety facilities in sea lanes in the territorial sea and internal waters of the Republic of Slovenia include the following: lighthouses, coastal lights, buoys and other signalling devices, signal stations, radio stations, and visual, acoustic, electric, electronic, radar and other equipment for safe navigation at sea, in sea lanes and in ports.

A traffic separation scheme may be prescribed by the minister for locations where it is necessary for the safety of navigation because of heavy traffic or natural conditions. In such systems, traffic is separated by direction of navigation and the direction is indicated by signal buoys, radar beacons and other signalling devices. The symbol for a sea lane with traffic separation shall be included in nautical charts, and the scheme shall be described in manuals and instructions for seamen.

Article 28

The navigability of sea lanes in the territorial sea and internal waters of the Republic of Slovenia must be maintained by installing navigation safety facilities and ensuring their proper functioning.

Article 29

The investor, owner or user of installations or materials that create a permanent or temporary obstruction in a sea lane (bridges, cables, submerged objects, etc.) shall be obliged, within the time limit determined by the Maritime Directorate of the Republic of Slovenia, to set up and maintain lights and signals marking these obstructions.

If the person mentioned in the preceding paragraph does not set up the prescribed lights or other signalling devices, or does not maintain them in good condition, that person shall bear the costs when this is carried out, at the request of the Maritime Directorate of the Republic of Slovenia, by a body competent to maintain and mark sea lanes.

The persons mentioned in the first paragraph of this Article must give immediate notice of an obstruction to the Maritime Directorate of the Republic of Slovenia, which shall in turn publish the details of the obstruction in the information to mariners issued by the maritime authority responsible for the Mediterranean.

Article 30

Charges for the use of navigation safety facilities in sea lanes shall be paid by owners or users of vessels. The charges mentioned in the preceding paragraph shall be paid to the Maritime Directorate of the Republic of Slovenia. Charges for the use of navigation safety facilities shall constitute national revenue. The minister shall determine the amount of the charges for the use of navigation safety facilities, and the relevant payment conditions and methods.

Article 31

Coastal radio stations shall provide radio services to ensure the safety of human lives and of sea navigation. The Maritime Directorate of the Republic of Slovenia shall provide night-watch radio services, as well as services supporting and monitoring sea traffic in the territorial sea of the Republic of Slovenia. Vessels which have a radio station shall be obliged to organise a watch service during navigation in accordance with the regulations governing radio traffic.

Section III- PORTS

1. General

Article 32

A port shall be the water and adjacent dry land which comprises the anchorage, the constructed or natural embankments, breakwaters, facilities and structures for mooring, anchoring and protecting ships, for ship building and maintenance, for passenger embarkation and disembarkation, for goods loading and unloading, for goods storage and other goods handling operations, for the manufacture, processing, inspection and post-processing of goods and for other commercial activities related in commercial, transport or technological terms. The constructed embankments for the mooring of ships, embarkation and disembarkation of passengers and cargo shall constitute the operational area.

The constructed embankments, port water areas, breakwaters, pier access points, mooring facilities, access routes, railroad tracks, entrances, fences, sewage and water-supply networks, electrical installations, lighting installations, other facilities intended for navigational safety, safe mooring of vessels and the uninterrupted performance of port activities and other activities referred to in the first paragraph of this Article, and telecommunications facilities shall constitute the port infrastructure.

Port infrastructure shall be the property of the Republic of Slovenia or of the local community or private-law entities. The Republic of Slovenia or local community shall transfer the administration, management and development of the port infrastructure to a port operator by granting a concession.

Access roads, railroad tracks, entrances, fences, the sewage and water-supply network, electrical installations, lighting installations and telecommunication installations in the area of the Koper cargo port are property contributed by the Republic of Slovenia to the share capital of *Luka Koper d.d.* (the Koper port company). *Luka Koper d.d.* must not alter the basic function of such facilities as part of the port infrastructure.

The port infrastructure shall be used for the purpose intended and cannot be included in bankruptcy assets.

Article 33

The policies of sustainable development of shipping and ensuring the safety of maritime transport shall be set out in the National Shipping Development Programme of the Republic of Slovenia adopted by the National Assembly of the Republic of Slovenia at the proposal of the Government.

Article 34

The development of port infrastructure shall be planned by the port operator in the form of a port development programme which must be in accordance with the national programme mentioned in the preceding Article and for which the operator must first acquire the consent of the Government.

Article 35

Ports shall be as follows:

- ports open to public traffic;
- special-purpose ports;
- naval ports.

The Government of the Republic of Slovenia shall determine the ports open to international public traffic and naval ports, and the conditions which they must meet.

The remaining ports shall be determined by the local community authorities on whose territory the ports are situated.

The authority which determines the type of a port may also decree that a part of the port shall be used for special purposes.

Article 36

A port open to public traffic shall be a port where the transport of goods and/or passengers and associated port activities takes place.

A port open to public traffic may be open to domestic or international transport, or both.

It shall be considered that ports open to international transport under this Act shall also be open to domestic transport.

Article 37

Special-purpose ports shall be as follows:

- recreational ports;
- tourist ports (marinas);
- local ports;
- other ports.

Article 38

A tourist port (marina) shall be a port open for the landing, storage, wintering of, and provision of supplies to, vessels intended for sport and recreation.

A recreational port shall be a port open for sports activities.

A local port shall be a port open for the mooring and storage of vessels, which is set up in the form of communal moorings, town ports, local ports and boat ports.

Other ports shall be ports used by commercial entities for their activities and not intended for public traffic.

Article 39

Ports may be open to public traffic or for special purposes, provided that the Maritime Directorate of the Republic of Slovenia has first established that the regulatory conditions on the safety of navigation in ports and safe mooring of vessels have been met.

When it has been established that the conditions referred to in the preceding paragraph have been met, the Maritime Directorate of the Republic of Slovenia shall issue a permit for opening the port to public traffic (operating licence).

The permit shall be issued following a written application from the investor or port operator.

The conditions for the safety of navigation in the port and safe mooring of vessels shall be laid down by the minister.

2. Port activities

Article 40

Port activities shall include the loading and unloading of goods, the embarkation and disembarkation of passengers, the storage, sorting, refinement and after-treatment of goods, the provision of supplies to ships, means of transport, their crews and passengers, port pilotage and ship towage, and other commercial activities, including industrial manufacturing, which enable better and more economical use to be made of the port or its facilities and equipment.

Article 41

The port operator must organise the operation of the port in such a way as to guarantee safe navigation and the protection of the environment and waters, and shall perform the activities necessary for the smooth running of the port for the purpose intended (pilotage, towage of ships, provision of stevedoring services, etc.).

Article 42

The operator of a port open to public traffic must allow all persons to make use, under the same conditions, of its operational areas, breakwaters and other facilities in the port, depending on their purpose and within the limits of the capacity available, unless otherwise stipulated by this Act.

The operator of a port which is not open to public traffic but which does meet the conditions whereby vessels may seek refuge there in the event of a natural disaster must, in line with the conditions mentioned in the preceding paragraph, guarantee that the port may be used as a navigation safety facility for the duration of the natural disaster.

3. Commercial public services

Article 43

The following services shall be carried out under the conditions pertaining to commercial public services in the area of maritime transport:

- the maintenance and development of the port infrastructure open to public traffic;
- the regular reception of ship-generated waste;
- the maintenance of sea lanes and navigation safety facilities.

The commercial public services referred to in the preceding paragraph shall be compulsory.

Article 44

The commercial public services in the area of maritime activities in the Koper cargo port shall comprise the following:

- the maintenance and development of the port infrastructure open to public traffic;
- the regular reception of ship-generated waste;
- the maintenance of sea lanes and navigation safety facilities.

Provision of the commercial public service referred to in this Article shall be ensured by the Republic of Slovenia.

The Republic of Slovenia shall additionally ensure the provision of the commercial public service of regular maintenance of navigation safety facilities and sea lanes in other ports open to public traffic, local ports, naval ports and the area outside these ports, except in the ports referred to in the second paragraph of Article 41 of this Act.

Article 45

Local communities, on whose territory ports are situated, except for ports referred to in the preceding Article of this Act, shall provide a commercial public service in the area of maritime activities in respect of the following services:

- maintenance and development of port infrastructure open to public traffic;
- regular reception of ship-generated waste.

Local communities shall also ensure the provision of the commercial public service in the area of regular maintenance of navigation safety facilities and sea lanes in marinas and recreational ports.

Article 46

The provider of the commercial public service in the area of maritime activities shall:

- by means of regular maintenance of port infrastructure ensure that the condition of that infrastructure is such that it is fully fit for its purpose;
- provide for the daily reception of ship-generated waste;
- maintain the navigation safety facilities and sea lanes in a condition such that they are fully fit to ensure their intended function.

Article 47

The commercial public service in the area of maritime activities shall be provided by:

- private-law entities that have been granted concessions;
- public companies;
- administrative units.

The official rules on the provision of the commercial public service shall be adopted by the Government in respect of the services to be provided by the Republic of Slovenia and by the competent local community authorities in respect of the services provided by the local community.

4. Financing the commercial public service

Article 48

The commercial public services referred to in Article 43 of this Act shall be financed from the following sources:

- fees for the use of the port;
- demurrage fees;
- mooring fees;
- fees for the reception of ship-generated waste;
- the budget.

Port fees and prices for the services referred to in the previous paragraph shall be paid to the commercial public service provider who will record them as part of the income from providing the commercial public service in the area of maritime transport and/or port services.

Commercial public service providers must keep separate accounting records for expenditure and for the revenue referred to in the first paragraph of this Article.

The difference between the expenditure associated with provision of the commercial public service and revenue from fees shall be paid into the budget.

Article 49

For the use of ports open to international public traffic and the payment of port fees, foreign ships shall be equal to Slovenian ships subject to reciprocal agreements.

Article 50

Vessels shall pay port user fees for the embarkation and disembarkation of passengers and cargo, i.e. per passenger embarked or disembarked and/or a fixed sum either per ton of cargo loaded or unloaded or depending on the size of the vessel (length and/or capacity of the vessel).

Persons using the port in order to carry out commercial activities shall also pay port user fees.

Article 51

Vessels shall pay berthing fees for using the shore or port water area for purposes other than the embarkation or disembarkation of passengers and cargo.

When a ship uses only the port water area, it shall pay a reduced berthing fee.

Article 52

The mooring fee shall be paid by vessels whether they use the berth permanently or temporarily.

Article 53

Slovenian and foreign military vessels, ships carrying heads of State and ships or boats used on administrative business will not be obliged to pay port fees.

Article 54

Port fees shall not be paid by ships docking in the port in order to rescue shipwrecked persons or because of the death or illness of persons on board or in order to get medical help for persons on board, but only for the time needed for the necessary acts to be completed.

Article 55

The port fees may be determined in the form of an agreement on a flat-rate basis (monthly, yearly), depending on the nature of the service.

Article 56

The port fees must be published.

The minister shall give consent regarding port fees prior to their publication.

Where this Act stipulates that a vessel, ship or boat is liable for payment, the shipowner or owner or user of the boat shall be considered the person liable.

Section IV - PORT REGULATIONS AND REGULATIONS CONCERNING OTHER PARTS OF THE TERRITORIAL SEA

Article 57

The Maritime Directorate of the Republic of Slovenia shall supervise the maintenance of order in ports and other parts of the territorial sea and internal waters, the safety of navigation, the operation of sea transport, and the maintenance of navigation safety facilities and sea lanes.

Port inspectors within the Maritime Directorate of the Republic of Slovenia shall be authorised to perform the supervision mentioned in the previous paragraph.

Individuals who have completed their secondary education in a vocational maritime school with a specialisation in transport, who have passed the professional examination to qualify as officers, who are qualified to take charge of navigational watch on ships of 500 tonnes or more and who have passed the examination in general administrative procedure may serve as port inspectors.

Port inspectors shall have a prescribed uniform and an official identity card issued by the Maritime Directorate of the Republic of Slovenia. The manner and conditions for wearing the uniform and official insignia and carrying the identity card form shall be prescribed by the minister.

The minister shall prescribe the conditions for ensuring transport safety and maintaining order in ports and other parts of the territorial sea and internal waters within the territory of the Republic of Slovenia.

The ministry responsible for defence shall ensure supervision of the maintenance of order in naval ports.

Article 58

The supervision of the safety of navigation carried out by the port inspectors of the Maritime Directorate of the Republic of Slovenia shall comprise supervision of the following:

1. boat crew members;
2. the carriage of passengers and cargo by boat;
3. the implementation of the rules of navigation for boats;
4. the seaworthiness of boats.

Port inspectors shall have the right to demand and receive access to documents regarding the boat and the documents of persons operating a boat.

Port inspectors may impose fines on persons caught violating Articles 983, 984, 985, 986, 987 and 989 of this Act.

Port inspectors may propose that proceedings be instigated against persons violating points 3 and 5 of the first and third paragraphs of Article 976, points 7, 9 and 11 of the first paragraph in conjunction with the second and third paragraphs of Article 978 and Article 988 of this Act.

Port inspectors shall inform the maritime inspectorate if they discover irregularities as referred to in Article 182 of this Act, except for those mentioned in the first paragraph of this Article.

Article 59

Port inspectors who establish that a person operating a boat is not qualified shall prohibit said person from continuing to operate the boat.

Article 60

Port inspectors ascertaining that the number of persons or quantity of cargo on board exceeds that permitted shall prohibit the boat from leaving the port or shall direct it, if at sea, to the nearest port until the irregularity is remedied.

Article 61

If, during supervision of sea transport, port inspectors who establish that a boat operator is failing to observe the rules of navigation, as set out by the Regulations for Preventing Collisions at Sea or other regulations on the safety of navigation, shall prohibit the irregular manner of navigation.

Article 62

Port inspectors who establish, during supervision, that a boat fails to meet the conditions regarding seaworthiness shall order that the irregularities be remedied within a specified period. If the nature of deficiencies is such as to endanger the boat's safety, persons on board and other persons in sea traffic, the inspector shall prohibit further navigation.

Article 63

Port inspectors who determine, during supervision, that a person operating a boat does not have the necessary certificate of competence to operate a boat or is under the influence of alcohol, drugs, psychoactive medicines or other psychoactive substances diminishing his ability to navigate or is in a psychophysical state such as to endanger navigational safety, shall prohibit that person from continuing to operate the boat.

Persons operating a boat shall be considered to be under the influence of alcohol if they have 0.5 grams of alcohol per kilogram of blood in their body unless, at lower concentrations of alcohol, they display signs of behavioural disorder which would entail unreliable operation in sea traffic.

The blood alcohol level shall be determined using equipment for the determination of alcohol content. The costs for the breath test shall be borne by the person operating a boat and/or person tested if they are found to have a higher concentration of alcohol in the body than permitted by this Act; otherwise the costs shall be borne by the authority which ordered the test.

A test report shall be drawn up and signed by the person in respect of whom the test was ordered. If the person declines to sign, the reason for declining shall be entered into the report and an expert examination ordered.

A person in respect of whom an alcohol test using equipment or an expert examination has been ordered must follow the orders of the supervisor. If the person refuses to be tested, or if the test is not carried out according to instructions of the manufacturer of the equipment, the port inspector shall enter this in the report and shall prohibit the person from operating the boat further.

If the person disputes the results of the test, an expert examination shall be ordered. The costs of transporting the person to the place where an expert examination is carried out and the costs of the test shall be paid by the person in respect of whom the test has been ordered if it is found that they have a concentration of alcohol in the body higher than that permitted by this Act; otherwise the costs of transport, examination and analysis shall be borne by the authority that ordered the test.

Port inspectors who suspect that a person is under the influence of alcohol, drugs, psychoactive medicines or other psychoactive substances diminishing his abilities to operate a boat shall order a test by means of equipment or an expert examination and prohibit further operation of the boat. The costs of transport to the place where the test or expert examination is carried out and the costs of the test shall be paid by the person on whom the test or examination is carried out if it is found that said person is under the influence of drugs, psychoactive medicines or other psychoactive substances.

The contents of the alcohol test report shall be prescribed by the minister in agreement with the minister responsible for internal affairs.

Article 64

An authorisation issued by the Maritime Directorate of the Republic of Slovenia regarding conditions for the safety of navigation shall be necessary for the construction or renovation of port infrastructure facilities or facilities which may affect navigational safety inshore or at sea.

During the construction work, contractors carrying out construction or other work shall be obliged to report every three months to the Maritime Directorate of the Republic of Slovenia regarding any changes in the outline of the shore or depth of the sea.

Article 65

Ships entering the port from abroad must report their arrival and present the following documents to the Maritime Directorate of the Republic of Slovenia: a general declaration, a health declaration, a crew list and a passenger list.

A ship coming from abroad is not allowed to conduct traffic with other ships, bodies and persons on shore until it obtains free pratique from the Maritime Directorate of the Republic of Slovenia.

When a ship bound for a destination abroad leaves the port, it must notify its departure at least one hour prior to sailing out and deliver a crew list and a passenger list, covering only persons who have embarked on or disembarked from the ship while the ship was in port, to the Maritime Directorate of the Republic of Slovenia.

A ship on a short international trip must deliver a passenger list to the Maritime Directorate of the Republic of Slovenia.

Slovenian or foreign ships transporting dangerous goods must, prior to their arrival in port, deliver a dangerous goods declaration to the Maritime Directorate of the Republic of Slovenia.

Article 66

A shipmaster of a Slovenian ship must, immediately upon arrival of the ship from another Slovenian port, notify his arrival to the Maritime Directorate of the Republic of Slovenia and also his departure from the port for another Slovenian port.

A passenger ship on a regular line or cruise in the territorial sea and internal waters of the Republic of Slovenia shall report its departure only in the port where the regular route or cruise begins and shall report its arrival only in the port where the regular route or cruise ends.

Article 67

A ship carrying more than 2 000 tonnes of oil which does not have a certificate of insurance or other financial security in respect of civil liability for oil pollution damage in accordance with this Act, shall not be allowed to enter a port or leave a port in the Republic of Slovenia and to load or unload oil in a port.

The shipowner or agent representing the owner shall be obliged to submit the certificate referred to in the previous paragraph to the Maritime Directorate of the Republic of Slovenia prior to arrival in the port.

Article 68

If there is a fire or other accident in the port or at sea that could endanger human lives or vessels, the vessels specified below must, upon the order of the Maritime Directorate of the Republic of Slovenia, immediately head for the location of the fire and/or accident:

1. the closest or other vessel – to save the endangered human lives;
2. a Slovenian vessel – to save another Slovenian vessel or objects on the vessel which are the property of Slovenian persons, or to protect the environment.

Article 69

Any action in port or territorial sea and internal waters which might endanger the safety of people or vessels, pollute the sea or damage the shore or navigation safety facilities and installations, or any action violating the regulations on order in ports and in other parts of the territorial sea and/or internal waters is prohibited.

Article 70

The Maritime Directorate of the Republic of Slovenia may determine urgent safety measures and the manner of loading and unloading dangerous goods from or onto a ship, while respecting the conditions that apply to the carriage of dangerous goods.

The Maritime Directorate of the Republic of Slovenia may prohibit a ship from sailing into a port, or postpone its entry, or may prohibit further handling of dangerous goods on a ship if prescribed safety measures have not been implemented in full or in the case of an accident risk.

Article 71

A company that carries out the embarkation, transshipment or disembarkation of oils or other liquid chemicals must implement the safety measures necessary to prevent pollution of the sea or the spread of spilt liquids into the sea.

The minister shall issue a regulation on the safety measures mentioned in the previous paragraph. The regulation must be issued with the agreement of the minister responsible for the environment.

Article 72

Ships may dispose of waste oils and other waste materials in ports only at the locations specifically intended for this purpose.

While in port, ships must deliver their waste to a person in charge of reception of waste from ships.

Article 73

The cleaning of ships with hazardous gases (degasification, fumigation, etc.) or pest control on ships may be carried out only with preliminary approval from the Maritime Directorate of the Republic of Slovenia, at special locations designated for this purpose, within the specified time limits, and in the prescribed manner.

Article 74

Vessels and floating objects may not obstruct public traffic in the port.

Vessels without a permit granted by the Maritime Directorate of the Republic of Slovenia shall be banned from navigation within the port area open to international transport.

Aquatic events and other water-based activities in the area of a port may take place only with the permission of the Maritime Directorate of the Republic of Slovenia and with the agreement of the port manager. In other parts of the territorial sea and internal waters, permission shall be required from the Maritime Directorate of the Republic of Slovenia only.

Swimming and fishing shall not be permitted in port.

Article 75

Any damaged, stranded or submerged vessel or floating object which obstructs or endangers navigational safety, or which presents a pollution risk, must be removed on the orders of the Maritime Directorate of the Republic of Slovenia or the maritime inspector.

Article 76

Objects or substances which may obstruct or endanger navigational safety or pollute the sea or shore must not be thrown or discharged into sea lanes.

Article 77

Ships, boats or other vessels sailing in coastal waters, with the exception of rowing boats, must sail at the following minimum distances from the shore:

1. 300 metres for ships,
2. 250 metres for speed boats,
3. 200 metres for all other vessels.

In areas where there are sea bathing facilities, vessels must not sail within 50 metres of the outer edge of the bathing area and always at least at the distance specified in the previous paragraph.

Section V – SEA PILOTAGE AND THE COMPULSORY TOWAGE OF VESSELS

1. Pilotage

Article 78

Under this Act, sea pilotage shall be the act whereby a professional person (pilot) gives instructions to a shipmaster on the steering of the ship in order to ensure safe navigation in ports and in other areas of the territorial sea and internal waters.

Pilotage shall be provided to every ship under identical conditions.

Article 79

Pilotage shall be performed by pilots.

Pilots must possess specific professional qualifications, must have a prescribed number of years' experience in navigation and must have passed the professional pilots examination.

In order to be able to conduct pilotage in a specific area, a pilot must hold a pilot's identity card, issued by the Maritime Directorate of the Republic of Slovenia, and be entered in the register of pilots.

The programme for professional training, the professional qualification examinations, and the conditions and manner of conducting sea pilotage shall be prescribed by the minister.

Article 80

Sea pilotage shall be divided into coastal and port pilotage.

Coastal pilotage shall entail directing of the movements of a ship in parts of the territorial sea outside the scope of port pilotage.

Port pilotage shall entail directing of the movements of a ship within port areas.

Article 81

For reasons of safety of navigation, compulsory pilotage shall be decreed for certain types and sizes of ships, or for the type or nature of the goods carried, or for specific areas.

Compulsory pilotage, its limits, and the manner, location and time of embarkation and disembarkation by the pilot shall be prescribed by the minister.

Pilotage shall not be compulsory for ships used for administrative purposes and for Slovenian military vessels.

Pilotage shall not be compulsory for ships under 500 tonnes (gross) or for passenger ships and ferries on regular routes, unless otherwise stipulated by the Maritime Directorate of the Republic of Slovenia.

Article 82

Pilotage shall begin and end at the borders of the pilotage area.

If a piloted ship has to moor or anchor, pilotage shall end when the ship is moored or anchored.

Article 83

The pilot must perform his work with due care and attention, to professional standards.

Article 84

The pilot must, in compliance with the instructions given by the Maritime Directorate of the Republic of Slovenia, duly report to the Directorate on the pilotage he has performed.

The pilot must refuse to pilot a ship if its draft is unsuitable for the depth of the route to the location determined for mooring or anchoring, or if the ship is not seaworthy, or if the ship does not have permission to enter or leave, and must duly report such cases to the Maritime Directorate of the Republic of Slovenia.

Article 85

During compulsory pilotage, the pilot may not abandon his duty and leave the ship, whether or not the shipmaster accepts his professional advice.

If pilotage is not compulsory, the pilot must terminate pilotage at the request of the shipmaster.

Article 86

Pilotage of a ship shall not release the shipmaster from command of the navigation and manoeuvring of the ship, and from the ensuing liability.

The shipowner of a piloted ship shall be liable for the actions and omissions of the pilot in the same way as for the actions and omissions of crew members of the ship.

Article 87

The person conducting pilotage shall be liable for damages caused to the shipowner by the pilot up to the amount of SDR 6 666.

Any contractual provision limiting the liability of the person conducting pilotage to an amount lower than the amount mentioned in the preceding paragraph shall be void.

The limit specified in this Article may be disregarded if the damage was caused intentionally.

2. Compulsory towage

Article 88

The Maritime Directorate of the Republic of Slovenia may decree cases where towage of a vessel is compulsory for reasons of safe navigation safety.

Article 89

The necessary number of tug boats, as determined by the Maritime Directorate of the Republic of Slovenia, must be in a permanent state of readiness to carry out towing, fire fighting and salvage operations.

Tug boats must be equipped for fire-fighting on board ships or in facilities on shore.

3. Supervision of pilotage and towage of vessels

Article 90

The pilotage and towage of vessels shall be supervised by the maritime inspectors with the ministry responsible for maritime affairs.

Pilotage and towage of vessels in and between ports in the Republic of Slovenia may be performed by foreign persons subject to reciprocal agreements.

Section VI – SHIPS

1. Establishing the seaworthiness of a ship

Article 91

A ship shall be deemed to be seaworthy within the specified bounds of navigation and for a specific purpose:

1. if the construction of the ship, its sailing characteristics and the machines, devices and equipment for the preservation of navigational safety, in terms of their technical properties, quantity, type and distribution on board the ship, meet the technical standards set by a classification society and the provisions of international conventions which are binding on the Republic of Slovenia (hereinafter: technical standards) with regard to the following:

- a) the space reserved for people on board the ship and the safety of human life at sea;
- b) the safety of crew members at work and of other persons who work on the ship;
- c) the safety of the ship;
- d) the safety of the cargo on board the ship;
- e) protection of the sea against pollution from ships.

2. if a ship has the requisite number of professionally qualified crew members;

3. if the space reserved for passengers and the number of passengers on board are in compliance with the conditions prescribed for the carriage of passengers;

4. if the cargo on board the ship is loaded in accordance with the load-line or freeboard and is correctly distributed.

A ship which is seaworthy within the specified bounds of navigation and for a specific purpose shall be issued with a corresponding certificate by the classification society.

Article 92

The seaworthiness of a ship in accordance with point 1 of Article 91 shall also be determined by technical inspection performed by classification societies that are full members of the International Association of Classification Societies (IACS).

The minister shall authorise a classification society to carry out the technical inspections on the seaworthiness of a ship pursuant to point 1 of Article 91 of this Act after selection following a tender procedure.

A ship's seaworthiness in line with the previous Article of this Act shall be established by means of an inspection conducted by the maritime inspectors of the ministry responsible for maritime affairs.

Article 93

The technical inspection of a ship conducted by a classification society shall cover:

- 1. certifying the technical documentation used to build or convert the ship, and the technical documentation used to manufacture the materials, machines, devices and equipment used to build, convert or repair the ship;
- 2. inspecting construction or conversion operations during the construction or conversion of a ship; inspecting the manufacture of such materials, machines, devices and equipment mentioned in point 1 of this Article as require a certificate to be issued; and inspecting the manufacture, fitting and installation of machines, devices and equipment on the ship;
- 3. inspecting existing ships, including inspecting repair and renovation work on any parts of the ship found during inspection to require repair or renovation.

Article 94

The types of technical inspection of ships shall be: basic, regular or extraordinary.

Classification societies shall be obliged to conduct inspections pursuant to this Article in accordance with classification society rules. The classification society shall issue a conformity certificate after inspection of the ship.

The repair of shortcomings established during an inspection as per the first paragraph of this Article shall be verified by a surveyor from an authorised classification society.

Article 95

A ship must undergo a compulsory basic inspection:

1. prior to its being entered in the register of ships, if the construction or conversion of the ship was not supervised by a classification society which is a member of the International Association of Classification Societies;
2. each time the ship permanently alters its purpose or expands its limits of navigation, prior to entry into service;
3. each time the ship is converted in a manner whereby its construction and the properties of its engine are changed, prior to entry into service.

Article 96

Regular inspections shall be carried out at specified intervals to ascertain that the condition of the ship corresponds to the technical standards of the classification society.

Article 97

An extraordinary inspection of a ship shall be carried out:

1. after damage to the ship if this affects the seaworthiness of the ship;
2. after any major repairs or renovation of the ship excluding those required as a result of a basic or regular inspection;
3. if the ship has been on lay-up for more than one year;
4. in the event of a temporary change to its purpose or expansion of its limits of navigation;
5. when regular inspections have been postponed for more than three months.

Article 98

An inspection of the seaworthiness of a ship for trial navigation shall be established prior to departure for trial voyage.

The inspection of a ship under the previous Article shall be performed by a classification society.

If a classification society finds a ship seaworthy to conduct a trial voyage, it shall issue a corresponding certificate of seaworthiness for a trial voyage.

On the basis of the certificate of seaworthiness for a trial voyage, the Maritime Directorate of the Republic of Slovenia shall issue a trial voyage permit.

Article 99

Following the inspection of building or conversion work, or following any inspection of the ship, the ship's hull, engines, devices and equipment regulated by the technical standards may not be modified or converted without advance approval from the classification society.

Article 100

A ship to which the provisions of the International Convention on Safety of Life at Sea (SOLAS), the International Load-Line Convention or the International Convention on the Prevention of Pollution from Ships apply even if the ship does not meet individual requirements on international voyages, in the cases and under the conditions determined by the cited conventions, may be exempted by a classification society from those provisions if it is established through inspection that the ship is fit for international voyages or for specific international voyages.

In compliance with the provisions of the cited conventions, a ship which does not normally carry out international voyages and to which the International Convention on Safety of Life at Sea, the International Load-Line Convention and the International Convention on the Prevention of Pollution from Ships would apply if it carried out such voyages regularly, which, due to extraordinary circumstances, is required to make a single international voyage may be exempted by a classification society from any of the prescribed provisions if it has been established through inspection that the ship is seaworthy.

A ship to which the International Convention on Safety of Life at Sea, the International Load-Line Convention or the International Convention on the Prevention of Pollution from Ships apply, and which represents a new type of ship, may be permitted by classification societies to undertake one or several international voyages as trials, without implementing the provisions of the cited conventions, if it has been established through inspection that the ship is seaworthy.

Article 101

A classification society may establish that a ship is seaworthy within specific narrower limits, if it has been established through inspection that the ship is not seaworthy within the limits it formerly had the right to sail within but is capable of sailing within these narrower limits.

The classification society may also establish that the ship shall be seaworthy for one or more specific voyages which exceed the limits it ordinarily has the right to sail within, if it has been established through inspection that the ship is seaworthy to perform such voyages.

A condition may be laid down for navigation within the narrower or broader limits referred to in the first or second paragraphs of this Article to the effect that the ship must take on board fewer passengers or load less cargo than the permitted number of passengers or the permitted amount of cargo, as well as other conditions to ensure its navigation is safe.

Article 102

A classification society may establish that a ship which is not a passenger ship is capable of carrying passengers on one or several voyages or for a specified period of time within the territorial sea and internal waters of the Republic of Slovenia if its seaworthiness has been established under this Act and if it has been established through inspection that the ship meets the conditions for such carriage of passengers.

Article 103

A classification society may exempt a ship to which the provisions of the International Convention on Safety of Life at Sea or the International Load-Line Convention do not apply, but which represents a new type of ship, from individual requirements of the technical standards, or may allow it to perform certain voyages as trial voyages even though the ship does not meet the individual requirements under the technical standards, if it has been established through inspection that the ship is seaworthy for trials.

Article 104

A ship may carry only the specified number of passengers.

The specified number of passengers and the space for the passengers on board the ship shall be determined by the technical standards taking into account the prescribed conditions, the navigational characteristics of the ship, the surface area accessible to passengers, the devices and equipment for passengers, and the hygiene conditions.

Article 105

The ship's cargo must be distributed in such a manner as to guarantee its navigational characteristics without overloading the structural elements of the ship in different circumstances.

The ship's cargo must be loaded within the permitted lading limits and, in compliance with technical standards, stacked, distributed and secured in such manner that it cannot under any of the potential circumstances which may arise during navigation shift to such a degree as to endanger the safety of the ship, people, cargo or environment.

The maximum permitted lading limit of a ship and the distribution of the cargo shall be determined by the technical standards.

2. Measurements of a ship

Article 106

The measurements of a ship shall be taken by establishing the gross and net tonnage.

Article 107

Ships shall be measured by a classification society.

The technical standards of the classification society shall apply to the measuring of ships and boats. After taking measurements, the society shall issue a tonnage certificate.

Article 108

Under the provisions of this Act, measuring shall be compulsory for Slovenian ships and for foreign ships which must pay a fee in Slovenian ports on the basis of registered tonnage or the maximum permitted displacement of the ship where the ship does not have a tonnage certificate or a tonnage certificate recognised in the Republic of Slovenia.

A foreign tonnage certificate for a foreign ship shall be recognised in the Republic of Slovenia provided that the ship was measured according to the measuring system which does not differ substantially from the measuring system valid in the Republic of Slovenia.

Article 109

The measuring of a ship built by a Slovenian shipyard for a foreign client must be carried out according to the technical standards of classification societies.

Article 110

If a Slovenian ship is built or purchased abroad, or converted abroad in such a manner that under the provisions of this Act it has to be measured again, it may, if necessary, be measured in the country of its purchase or conversion.

Article 111

The measuring of a Slovenian ship built abroad for a Slovenian client or purchased or converted abroad, or of a foreign ship which must be measured in accordance with this Act, shall be performed immediately upon the arrival of said ship at the first Slovenian port.

Article 112

The request to measure a Slovenian ship must be made by the shipowner.

The request to measure a Slovenian ship built by a Slovenian or foreign shipyard must be made immediately after the ship's hull, decks and bulkheads have been fitted.

Article 113

A Slovenian ship shall be re-measured in the following cases:

1. if, after measuring, any modifications were made which could have altered its gross or net tonnage;
2. if there is doubt as to the accuracy of the measurements taken of seagoing ships.

When a repeat measurement as per point 1 of the preceding paragraph is carried out, the decision on whether the measurements has to be repeated in part or in full shall be made by a classification society on the basis of the modifications made to the ship.

In the cases mentioned in point 1 of the first paragraph of this Article, the repeat measurement must be requested before the changes on the ship are completed.

Repeat measurements as per point 1 of the first paragraph of this Article must also be requested, before the modifications are completed, for foreign ship which must, under the provisions of the Act, be measured in the Republic of Slovenia, if the conversion is carried out by a Slovenian shipyard.

The repeat measurement of a ship in the cases described in points 1 and 2 of the first paragraph of this Article shall be requested by the persons mentioned in the first paragraph of the preceding Article. The repeat measurement described in point 2 of the first paragraph of this Article may also be requested by the person or concessionaire authorised to charge fees on the basis of the registered tonnage, in addition to the persons mentioned in the first paragraph of the preceding Article.

The persons who took the original measurements about whose accuracy there were doubts shall not be permitted to carry out the repeat measurements referred to in point 2 of the first paragraph of this Article.

3. Ships' documents and books

a) Common provisions

Article 114

A ship must be in possession of all the documents and books stipulated by this Act and by international conventions binding on the Republic of Slovenia.

A ship must have the following documents: certificate of origin, proof of seaworthiness and proof of other characteristics of the ship.
The books to be kept by ships shall be the records of important events and actions performed on board the ship.

Article 115

The books and documents a ship must have and which are prescribed by this Act must be written in Slovene, whereas the international load line certificate, the international certificate of exemption from load-line provisions, the certificate of seaworthiness, the certificate of fitness to carry bulk cargo, the international tonnage certificate and the certificate of insurance or other financial guarantees and pecuniary liability for damage caused by oil spillages, the oil pollution prevention certificate, and the oil record book shall also be written in English. Ships' certificates of seaworthiness, certificates on exemptions from individual provisions of international conventions as mentioned in Article 100 of this Act ("exemption certificates"), provisional seaworthiness certificates, seaworthiness certificates for trial voyages, the tonnage certificate, the cargo gear register, the stability manual, the certificate of fitness to load refrigerated cargo, the certificate of fitness to load dangerous goods, and the inspection and supervision log book must also be written in English. If the ship carries out international voyages, all the certificates mentioned in the first and second paragraphs of this Article and Article 121 of this Act must also be written in English.

Article 116

The documents and books prescribed by this Act must be kept on board the ship.
The documents and books must be shown to the maritime inspectors of the ministry responsible for maritime affairs and of the diplomatic and consular representations of the Republic of Slovenia upon request.
A copy of the certificate of insurance, or some other financial guarantee, in respect of liability for damage caused by oil spillages must be kept in the register of ships.

Article 117

The documents of foreign ships issued under the laws of the flag State shall, as a rule, be recognised on a reciprocal basis.

b) Ships' documents and books

Article 118

A merchant or public ship entered in the register of ships shall be issued with a certificate of registry .
The certificate of registry shall serve as evidence of the ship's Slovenian nationality and shall state that the ship has the right and duty to fly the flag of the merchant marine of the Republic of Slovenia and shares its purpose and limits of navigation.
The certificate of registry shall contain all the entries from the section of the main book of the register of ships in which the ship is entered.
If the information regarding the ship's registered rights contained in the certificate of registry does not correspond to that in the register of ships, the information recorded in the register of ships shall take precedence.
The certificate of registry shall be issued by the body responsible for the register of ships.

Article 119

The registrar shall be obliged *ex officio* to include all the entries referred to in the preceding paragraph in the ship's certificate of registry.
When abroad, a ship must request a diplomatic or consular representative of the Republic of Slovenia to make entries in the certificate of registry.
If a ship changes its name, its port of registration, its tonnage or its call sign, the certificate of registry must also be changed.

Article 120

Ships undertaking international voyages and other ships with registered crew must have a crew list.
A crew list shall serve to establish who is registered on board a ship as a crew member, in what capacity and with what qualifications.
The arrival and departure of a ship to and from a port shall be certified on the crew list.

Article 121

A ship which has been established as seaworthy shall be issued with the following certificates:

1. a passenger ship safety certificate issued to a passenger ship to which the International Convention on Safety of Life at Sea applies;
2. a cargo ship safety construction certificate issued to a cargo ship of 500 tonnes or more to which the International Convention on Safety of Life at Sea applies;
3. a cargo ship safety equipment certificate issued to a cargo ship of 500 tonnes or more to which the International Convention on Safety of Life at Sea applies;
4. a cargo ship safety radio certificate issued to a cargo ship of 300 tonnes or more to which the International Convention on Safety of Life at Sea applies and which makes international voyages in sea transport;
5. an international load line certificate issued to a passenger or cargo ship which is 24 metres long or more and whose keel was laid on or after 25 January 1960, or a passenger or cargo ship with a gross tonnage of 150 tonnes or more whose keel was laid before 25 January 1969;
6. a certificate of seaworthiness issued to a passenger or cargo ship which does not make international maritime voyages or to a ship which does make such voyages but to which the International Convention on Safety of Life at Sea does not apply;

The passenger ship safety certificates, cargo ship safety equipment certificates, cargo ship safety radio certificates, and seaworthiness certificates must include the appropriate supplements.

Article 122

A certificate of exemption shall be issued to a ship to which the International Convention on Safety of Life at Sea and/or the International Load Line Convention applies in the following cases:

1. for a ship which has been recognised as capable of conducting international voyages or specific international voyages when exempted from fulfilling individual provisions of a particular convention in accordance with the first paragraph of Article 100 of this Act;
2. for a ship which has been recognised as capable of conducting a specific international voyage when exempted from fulfilling the individual provisions of a particular convention in accordance with the second paragraph of Article 100 of this Act.

Article 123

A ship to which the International Convention on Safety of Life at Sea and/or the International Load Line Convention do not apply must have a provisional certificate of seaworthiness if the limits of navigation within which it has formerly had the right to sail have been restricted in accordance with Article 101 of this Act or if it has been established that it is capable of conducting one or more voyages outside the limits within which it has formerly had the right to sail.

Article 124

A cargo ship to which the International Convention on Safety of Life at Sea or the International Load-Line Convention do not apply must have a provisional certificate regarding its ability to carry passengers if it has been established, in accordance with Article 201 of this Act, that it is capable of carrying passengers within the limits of the territorial sea or internal waters of the Republic of Slovenia on one or more voyages or for a specific time.

Article 125

A ship intending to set off for trial voyage must have a certificate of seaworthiness for a trial voyage.

Article 126

Ships must have a tonnage certificate.

Ships to which the International Convention on Tonnage Measurement of Ships applies and which conduct international voyages in sea transport must have an international tonnage certificate.

The measurement certificate and/or international tonnage certificate shall be issued by a classification society. The tonnage certificate and international tonnage certificate shall be proof of the gross and net tonnage of the ship.

The tonnage certificate or international tonnage certificate shall cease to be valid if the ship's gross or net tonnage is modified as a result of conversion work.

If a Slovenian ship has been measured abroad by a foreign body or institution, the tonnage certificate or international tonnage certificate issued by this body or institution shall cease to be valid upon the arrival of the ship at the first Slovenian port.

Notwithstanding the preceding paragraph, a Slovenian ship may be permitted to keep its foreign tonnage certificate or international tonnage certificate for one year after its arrival at the first Slovenian port, if the measuring has been performed using a system which is not substantially different to the measurement system recognised in the Republic of Slovenia.

Article 127

A ship equipped with devices for the loading and unloading of goods must have a register of ships' lifting appliances and items of loose gear.

Ships referred to in the preceding paragraph must have a certificate of test and thorough examination of lifting appliances, a certificate of test and thorough examination of derricks used in union purchase, a certificate of test and thorough examination of loose gear and a certificate of test and thorough examination of wire rope.

Ships used to carry grain in bulk or refrigerated cargo must have the appropriate certificates.

Article 128

A ship carrying over 2 000 tonnes of oil as cargo must have a certificate of insurance covering liability for damage caused by oil pollution, in the amount determined in accordance with Article 831 of this Act.

The certificate mentioned in the previous paragraph shall be issued by the insurance company or other person with which an insurance contract was concluded.

The insurance company or person mentioned in the preceding paragraph shall issue the certificate if the documents submitted show that the insurance is irrevocable, unconditional and will not expire in less than 3 months.

Article 129

A ship performing international voyages which has been infested by rodents must have a pest control certificate. A ship performing international voyages which has not been infested by rodents must have a certificate to the effect that it is exempt from pest control. This certificate shall be evidence that the ship is rodent-free and that it is exempt from pest control for the period specified on the certificate.

The pest control certificate and the certificate of exemption from pest control shall be issued by the competent administrative authority.

Article 130

A passenger ship safety certificate shall be valid for a maximum of one year.

Cargo ship safety equipment certificates, cargo ship safety radio certificates, certificates of seaworthiness, cargo ship safety construction certificates, international load line certificates and international oil pollution prevention certificates shall be valid for five years. Regular and interim inspections must, however, be carried out during the period of validity of the certificates in question in accordance with the technical standards of the classification society.

The certificate of exemption shall be valid until expiry of the corresponding safety certificate at the latest. If an international exemption certificate has been issued for a specific voyage, it shall be valid only for that particular voyage.

The validity of a supplement to the cargo ship safety construction certificate, to the cargo ship safety equipment certificate, to the cargo ship safety radio certificate or to the certificate of seaworthiness shall be valid until the expiry of the corresponding safety certificate at the latest.

A provisional certificate of seaworthiness shall be valid for the period stated in the certificate, or for one or several specific voyages, but for no more than one year from the last inspection of the ship.

A provisional certificate of a cargo ship's fitness to carry passengers shall be valid for the period stated in the certificate, but not beyond the expiry of the ship's certificate of seaworthiness.

A certificate of seaworthiness for trial navigation shall be valid for 30 days from the date of issue.

The validity of the register of lifting appliances and of the accompanying certificates shall be confirmed annually, and shall have to be renewed every fourth year, or fifth year at the latest, with a regular inspection.

The certificate of insurance covering liability for damage caused by oil pollution shall be valid for the duration stated in the certificate, but not beyond the expiry of the insurance contract.

Article 131

For ships to which the International Load Line Convention applies and which conduct international maritime voyages between Slovenian ports and nearby foreign ports – in cases where it has been established and agreed between the governments of the countries where these ports are situated that, in view of their naturally sheltered character or navigating conditions, it would be unjustified and unfeasible for the provisions of the

aforementioned convention to apply to ships making such voyages, if this is admissible under said conventions – the classification society shall issue an appropriate document specifying which provisions do not apply to the ship.

Article 132

The certificate of seaworthiness and the passenger ship safety certificate shall cease to be valid if the period of validity expires, if the supervisory inspection is not carried out, if any part of the ship suffers an accident, if defects are found in any parts of the vessel which substantially affect its seaworthiness, or if repair, renovation or conversion work is conducted on any parts of the vessel.

The cargo ship safety construction certificate, the cargo ship safety equipment certificate, the tonnage certificate, the international tonnage certificate, the cargo ship safety radiotelegraphy certificate, the cargo ship safety radiotelephony certificate, the international load line certificate, the international exemption certificate from the implementation of provisions on load lines, and the register of lifting appliances shall also cease to be valid if the ship suffers an accident affecting the components to which the certificate applies, if defects have been discovered on these parts of the ship or if major repair, renovation or conversion work has been carried out on them.

Ships must have a stability book.

Article 133

Any ship carrying bulk or refrigerated cargo must have a certificate of fitness to be loaded with bulk cargo or a certificate of fitness to be loaded with refrigerated cargo. A ship carrying dangerous goods must have a certificate of fitness to be loaded with any dangerous goods which require special conditions to be fulfilled by the ship.

The certificates mentioned in the preceding paragraph must certify that the ship meets the conditions prescribed for the carriage of bulk, hazardous or refrigerated cargo in order to protect the ship, the people on the ship, its cargo and the environment.

Article 134

The carriage of hazardous goods shall be governed by the provisions of the Transport of Dangerous Goods Act and international regulations adopted by the Republic of Slovenia.

Article 135

A ship with a crew, entered in the Slovenian register of merchant vessels, must have the following:

1. a certificate of compliance with the prescribed measures and standards on safety at work on board a ship;
2. a certificate to the effect that the level of chemical and biological hazards and the microclimate in the workplaces and work premises on board the ship have been tested;
3. a certificate that the faultless functioning of the crane or lifting appliances used for work on the ship has been established, if the equipment's capacity is more than 1000 kg;
4. a certificate that the passenger lifts have been tested.

A ship without a crew must also have the documents mentioned in points 1 and 2 of the preceding paragraph.

The documents mentioned in points 1, 2 and 3 of the first paragraph of this Article shall certify that the prescribed measures have been carried out and that the standards on safety at work on board a ship are observed in compliance with the regulations on safety at work on board a ship and with the technical standards.

The validity of the documents mentioned in points 2 and 3 of the first paragraph of this Article shall be determined by the regulations on safety at work on board a ship and the technical standards, while the documents mentioned in point 1 of the first paragraph of this Article shall be valid for 2 years, on condition that a supervisory inspection of the ship is carried out one year after they are issued.

Article 136

A ship with a propulsion engine with 110 kW or more of drive-shaft power must, regardless of tonnage, keep a logbook and an engine room logbook.

Ships involved in ocean-going navigation or long-haul coastal navigation and other ships with gross tonnage of 400 tonnes or more must keep a medical logbook.

Article 137

Ships must have radio equipment and must keep a radio logbook.

Article 138

Ships must have the following documents and books relating to environmental protection:

1. tankers of 150 tonnes or more (gross) and ships which are not tankers of 400 tonnes or more (gross) to which the International Convention for the Prevention of Pollution from Ships applies must have an international oil pollution prevention certificate if they make international maritime voyages;
2. the following vessels must have an oil pollution prevention certificate and supplement thereto:
 - tankers of 150 tonnes or more (gross) and ships which are not tankers of 400 tonnes or more (gross) which use oil for fuel but do not conduct international maritime voyages;
 - tankers of up to 150 tonnes (gross);
 - ships of 400 tonnes or more (gross) which are not tankers and which use oil for fuel;
 - ships with an engine with 220 kW or more of drive-shaft power, regardless of tonnage, if they use oil for fuel.
3. every tanker or ship of 50 tonnes or more (gross), or ship with an engine with 220 kW or more of drive-shaft power, regardless of tonnage, must have an oil record book (Part I: Machinery Space Operations), if it uses oil for fuel;
4. every tanker must have an oil-record book (Part II: Cargo/Ballast Operations);
5. a certificate on the prevention of marine pollution by garbage;
6. a sewage pollution prevention certificate;
7. a garbage record book;
8. a minimum safe manning document.

The documents referred to in points 1 and 2 of the preceding paragraph which are issued by a classification society shall be valid for a maximum of 5 years, on condition that, during the period of validity of the certificates, supervisory inspections of appropriate scope are carried out at the prescribed intervals.

Article 139

The certificates mentioned in Articles 121, 122, 123, 124, 125 and 126 of this Act, the register of lifting appliances together with the certificates mentioned in Article 127, and the certificates mentioned in Article 133 and the books referred to in the third paragraph of Article 132 shall be issued by a classification society. The interim and supervisory inspections referred to in Articles 130, 132, 135 and 138 of this Act shall be carried out by the classification society's surveyor.

Section VII - BOATS

1. General

Article 140

The provisions of this Act which apply to ships shall apply to boats only where explicitly stated in this Act. The provisions of this section shall apply only to those boats which must be entered in the register, as specified in Article 217 of this Act.

2. Seaworthiness of a boat

Article 141

The seaworthiness of boats of up to 12 metres in length shall be established by basic, regular or extraordinary inspection carried out by the Maritime Directorate of the Republic of Slovenia or by a classification society which is a full member of the International Association of Classification Societies. In order to establish the seaworthiness of boats over 12 metres in length, inspection shall be carried out by a classification society which is a full member of the International Association of Classification Societies or by another society authorised by the minister in the manner defined in the second paragraph of Article 93 of this Act. The Maritime Directorate of the Republic of Slovenia shall issue a navigation license for a boat on the basis of the record of a successfully passed inspection.

A boat shall not be permitted to navigate the territorial sea and internal waters of the Republic of Slovenia without a navigation license.

During navigation, a valid registration document and the navigation license must be kept on board the boat.

Article 142

A boat may sail if:

- it has been established that it is seaworthy in terms of its construction and navigational characteristics and equipment;

- it has been issued with a navigation license;
- it is operated by a qualified person.

Article 143

The person in charge of the boat must, during navigation, act in compliance with the regulations and technical standards on navigational safety, the protection of human life at sea, and environmental protection.

Article 144

A boat may be operated by a person whose ability to operate boats has been established in the prescribed manner and who was accordingly issued with a certificate, which he must have with him at all times when operating the boat. The procedure of establishing the ability to handle a boat and the issuing of the corresponding documents shall be managed by the Maritime Directorate of the Republic of Slovenia.

3. Documents relating to the seaworthiness of boats

Article 145

Documents on the seaworthiness of a boat issued by foreign countries shall be recognised in Slovenia on the principle of reciprocity.

If a boat does not have papers attesting to its seaworthiness, it shall be prohibited from sailing by the maritime inspector until seaworthiness has been established through inspection.

The provisions of the preceding paragraph shall also apply to a boat whose condition obviously does not correspond to the valid seaworthiness papers.

Once the boat has been inspected in accordance with the second paragraph of this Article, it shall be issued with a document on its seaworthiness.

Section VIII - FLOATING OBJECTS

Article 146

The provisions of this Act shall apply to those floating objects which must be entered in the register, as stipulated in Article 218 of this Act.

Article 147

The seaworthiness of a floating object shall be established through basic, regular or extraordinary inspection. Floating objects shall be inspected by a classification society which is a full member of the International Association of Classification Societies.

Basic inspection shall be performed prior to issue of the permit for permanent mooring, and shall include an examination of all elements relating to the safety of the floating object.

Regular inspections shall be carried out every four years, and extraordinary inspections shall be carried out after each instance of damage to a floating object.

Article 148

If it has been established during inspection that the floating object meets the conditions on safety of use, the classification society shall issue a certificate on the safety of the floating object.

The certificate shall be valid for the duration specified in the certificate but for no longer than four years from the day the certificate is issued.

Article 149

The owner or person in possession of a floating object must have a permit for permanent mooring, anchorage or for laying the floating object on the seabed.

The permit shall be issued by the Maritime Directorate of the Republic of Slovenia, with the prior consent of the Ministry of the Environment.

The permit shall be revoked if the Maritime Directorate of the Republic of Slovenia, in the course of regular or extraordinary inspection, establishes that the floating object does not meet the safety conditions.

Section IX – SHIP'S CREW

1. Common provisions

Article 150

A ship's crew shall comprise the persons (seafarers) who are entered in the crew list for work on a ship.

Article 151

A ship must have the appropriate number of crew members with prescribed professional qualifications to perform the work required to effect navigation.

Article 152

A person who has earned the appropriate title and who holds a certificate qualifying him to perform the work corresponding to that position on a ship, or a trainee for such a position, may become a crew member of a Slovenian ship.

Competence for work on a ship may be acquired only by persons who are fully physically and mentally capable of working on a ship and who are not addicted to alcohol, drugs or psychotropic substances, as established by medical examination and monitored by means of periodic check-ups.

The minister responsible for health, in agreement with the minister, shall prescribe the general and special medical conditions for work on a ship that must be met by crew members, including the manner, procedure and conditions for performing preliminary and periodical medical examinations and mandatory immunisation against communicable diseases.

Article 153

Only a person with a seaman's book or boarding permit and a written contract of employment may embark on a ship as a crew member.

A seaman's book shall be a personal identity document providing the crew member with proof of professional qualifications, state of health, position on the ship and the duration of employment on the ship.

A seaman's book, which shall contain a visa for foreign travel issued by the authority responsible for foreign travel, may also be used by the crew member as:

- a travel document (passport) authorising the seafarer to be a crew member of a ship sailing abroad;
- a document for foreign travel in order to embark on a ship or to return to the Republic of Slovenia after disembarking from a ship abroad.

Article 154

The contract of employment shall be signed by the shipowner, or person authorised to act on his behalf, and by a crew member who fulfils the conditions to become a crew member as laid down by this Act.

Article 155

If a crew member leaves a ship during a contract of employment or at the end of employment in a port other than the port of embarkation, the shipowner or a person authorised by him must organise the return of the crew member to the port where he embarked, to his town of permanent residence, to the town of the shipowner's registered office, or to the location specified in the contract (hereinafter: return voyage).

If the shipowner or a person authorised by him does not organise the return voyage for a crew member referred to in the preceding paragraph, the return voyage from abroad shall be organised by the diplomatic or consular office of the Republic of Slovenia at the shipowner's expense.

Article 156

The costs of the return voyage of a crew member shall be covered by the shipowner.

A shipowner shall have the right to request reimbursement for the entire cost of the return voyage from a crew member who leaves the ship without permission or through his own fault.

The cost of the return voyage of a crew member shall include the cost of lodgings, food and transport.

Article 157

A crew member must perform his work on board a ship in compliance with the duties prescribed by the law and the rules of navigation.

He must perform his work in a manner which does not endanger transport safety, damage the ship or the ship's cargo, endanger the safety of passengers or other persons on the ship or pollute the environment.

A crew member under the influence of alcohol or of other psychotropic substances, or in a mental or physical state which renders him incapable of performing work in connection with the safety of navigation, may not handle the vessel or perform other work in connection with the safety of navigation. Crew members may not consume alcohol for at least four hours prior to the start of watch duty on a ship.

A crew member shall be deemed to be under the influence of alcohol if more than 0.5% alcohol is found in his blood.

Article 158

A crew member must immediately inform the officer on duty or the shipmaster:

1. of any exceptional events which may endanger the safety of the ship, the passengers, other persons or the ship's cargo, or which may pollute the environment with hazardous and harmful substances from the ship;
2. if, during navigation in sea lanes, he notices that an individual lighthouse or signal light is not functioning, or if the markers and signal buoys are not in the correct position.

In the event of danger, shipwreck or other accidents, crew members must strive to save the ship, the passengers, other persons and the ship's cargo, and to protect the environment until the shipmaster issues the order to abandon ship.

Article 159

After a shipwreck or other shipping accident, the shipowner shall reimburse the crew members for the loss of or damage to personal belongings on the ship.

An employed crew member shall be entitled to the wages specified in the contract of employment for at least two months after the accident.

The provisions of Articles 155 and 156 shall apply to the return voyage of a crew member of a ship that has been shipwrecked.

Article 160

The shipowner shall be liable for damages in respect of physical injury to or the death of a crew member, unless he can prove that he is not liable for causing the damage.

The court with jurisdiction over maritime (navigational) disputes shall be competent to rule on disputes arising from this Article.

2. Shipmaster

Article 161

The shipmaster of a ship shall be responsible for safety and order on the ship, shall represent the shipowner, and shall perform public authority functions on the ship within the limits determined by this Act and other laws.

The shipmaster shall be appointed and relieved of his duties by the shipowner.

If the shipmaster dies, is detained or is absent, he shall be replaced with full rights and duties by the deck crew member next in order of seniority.

Article 162

The shipmaster shall be in charge of ensuring ship supplies, ship administration and maintenance, ensuring the safety of the ship's equipment, the correct loading, stacking, transfer and unloading of cargo, correct embarkation, care and disembarkation of passengers, and of executing all duties in connection with the work process.

The shipmaster must organise, within the set time limits, practice exercises with rescue boats, with other rescue equipment, and with fire detection, prevention and extinguishing equipment.

The shipmaster must be on board the ship during navigation.

The shipmaster must, prior to the ship's departure, check that the ship is seaworthy and that it is capable of making a specific voyage, and shall ensure that all the prescribed documents and logbooks, as well as all crew members, are on board; if the ship carries passengers, he must, in particular, check that passenger safety has been ensured.

Article 163

The shipmaster or the deck officer on duty must take all the action necessary to ensure the safety of the ship and of navigation.

The shipmaster must command the ship in person every time this is required for its safety, in particular upon entering or departing from a port, channel, canal, strait, other dangerous navigational areas or a river, and when visibility is limited or obstructed by fog.

Article 164

If the ship or persons on the ship are in danger, the shipmaster must take every action necessary to rescue people, to prevent danger to the ship and objects on the ship, and to protect the environment.

In the cases referred to in the preceding paragraph where it is necessary to sacrifice or damage part of the ship, cargo or other objects on board the ship, the shipmaster shall first sacrifice the objects not essential for navigation, which are less useful and of lesser value, so as to minimise the damage caused to the shipowner or owner of cargo.

Article 165

If, when the ship is in danger, the action taken to save the ship has failed and it is inevitable that the ship will sink, the shipmaster must, where possible, remove the ship from the sea lane, rescue passengers and other persons on board, and order that the ship be abandoned.

In the cases described in the preceding paragraph, the shipmaster must save the ship's logbook and, circumstances permitting, other ship's logbooks, documents, nautical charts for that voyage and cash from the ship's cashbox.

The shipmaster may abandon the ship only after undertaking, within the limits of possibility, all the action prescribed in the first and second paragraphs of this Article.

Article 166

If, in the territorial sea of the Republic of Slovenia, an event occurs on the ship that endangers the safety of the ship or of navigation, or if something out of the ordinary happens to the ship, the passengers, other persons or objects on the ship, or if a fault on the ship or a fault involving its pollution prevention equipment has been established, or if pollution with hazardous or harmful substances has been observed in the sea lane, the shipmaster must immediately, within no more than 24 hours, record the event or the observed pollution in the ship's logbook.

The shipmaster must notify the incident to the Maritime Directorate of the Republic of Slovenia for the port in which the ship is currently situated and must immediately, within no more than 24 hours of the ship's arrival at that port, submit to the Maritime Directorate of the Republic of Slovenia a written report, with a copy of the entry in the ship's logbook.

Article 167

The shipmaster must send a telecommunications message regarding any immediate danger to the safety of navigation that his ship has encountered, especially if they have observed any changes (as described in point 2 of the first paragraph of Article 158 of this Act) in the sea lanes, pollution with hazardous or harmful substances, dangerous ice, a dangerous storm or any other immediate threat to the safety of navigation, or if they find themselves in a tropical storm or at a sub-zero air temperatures accompanied by gale force winds causing a build-up of ice on the superstructure, or in winds of gale force 10 or more on the Beaufort scale of which the ship received no advance warning.

The shipmaster must make an entry regarding the message described in the preceding paragraph in the ship's logbook.

Article 168

The shipmaster shall record in the ship's logbook any births and deaths on board the ship, stating the location or geographical coordinates of the ship and the time of the birth or death, and shall accept the deposition of a last will and testament, record it in the ship's logbook and state the time it was made.

The shipmaster must draw up the records of births, deaths and depositions of last will and testament in the prescribed manner and deliver them to the Maritime Directorate of the Republic of Slovenia at the first Slovenian port the ship sails into or to the nearest diplomatic or consular mission of the Republic of Slovenia abroad.

Article 169

In a state of emergency or in wartime, the shipmaster must take all necessary precautionary measures to save the ship, its crew, its passengers, its cargo and other property, and its documents and logbooks.

If war is declared between the Republic of Slovenia and another country, the shipmaster must take every necessary action to defend the ship, people, cargo and other property, and the ship's documents and logs from the enemy.

If war is declared between other countries while the Republic of Slovenia remains neutral and the ship is in a port belonging to a warring country, is bound for a port belonging to such a country, or has to pass through the territorial sea, rivers or lakes of such a country, the shipmaster must request instructions from the shipowner. If this is not possible, instructions must be requested from the competent Slovenian authorities.

Article 170

In a location other than the site of the shipowner's registered office, the shipmaster may, as representative of the shipowner, sign on behalf of and for the account of the shipowner contracts for salvage and such legal transactions as are necessary in order to complete the voyage.

Acting as the shipowner's representative, the shipmaster shall be entitled to bring cases before foreign judiciary and administrative authorities to protect the shipowner's rights and interests in the transactions mentioned in the first paragraph of this Article and to take part in such procedures.

If the shipowner restricts the shipmaster's powers, the restrictions shall have no effect against third persons who were unaware of the restrictions or who, in view of the circumstances, could not have known of it.

Article 171

The shipmaster shall have the right and duty to issue commands to all persons on board the ship in order to ensure the safety of the ship and of navigation and to preserve order on the ship, and shall have the right and duty to supervise the execution of the issued orders.

The shipmaster may keep firearms in order to protect the order and safety of the ship; the crew members may not bear arms.

Article 172

The shipmaster shall have the right, during navigation, to restrict the movement of any person endangering the safety of the ship, crew members, passengers and other persons or objects on the ship or of the environment through pollution with hazardous or harmful substances. A person's movements may be restricted only to the degree necessary to protect passengers and other persons and objects on the ship, or to protect the ship and the environment. For a foreign citizen or a stateless person, restrictions may not last beyond the ship's arrival at the first port; for a citizen of the Republic of Slovenia, restrictions may not last beyond the arrival of the ship at the first Slovenian port.

The measures referred to in the first paragraph of this Article must be recorded, together with an explanation, in the ship's logbook.

Article 173

The shipmaster shall have the right to remove from their post any crew member who is endangering the safety of navigation and, if necessary, remove them from the ship and return them to the port where they embarked on the ship.

Article 174

When a ship is in distress, the shipmaster shall have the right to reduce the crew's food and drink rations in order to ensure that the ship's supplies are used economically.

Deployment of the measures referred to in the preceding paragraph must be recorded, together with an explanation, in the ship's logbook.

Article 175

If, during a voyage, any of the crew members, passengers or other persons on board the ship commits a criminal offence, the shipmaster must, depending on the circumstances, take all necessary action to prevent or mitigate any adverse effects arising from the criminal act, and shall call the perpetrator to answer for his actions.

If there is a risk that the perpetrator may repeat the offence or may escape, the shipmaster shall order that the perpetrator's freedom of movement on the ship be restricted or that he be confined; the shipmaster shall hear the perpetrator, witnesses and the injured party and hence establish the circumstances in which the offence was

committed and its consequences; the shipmaster shall keep records of each hearing, shall keep the objects on or with which the offence was committed or which contain visible traces of the committed offence as evidence, and shall take all the action necessary to establish the circumstances in which the criminal offence was committed. If the ship is abroad, the shipmaster must report any criminal offence committed to the diplomatic or consular office of the Republic of Slovenia in the country of the first port into which it sails. The shipmaster must treat the perpetrator of the criminal offence in accordance with the instructions issued by that office. Following the arrival of the ship at the first Slovenian port, the shipmaster must deliver the perpetrator of the criminal offence to an internal affairs authority, together with a written report on the criminal offence and the records and objects mentioned in the second paragraph of this Article. Deployment of the measures mentioned in the second and fourth paragraphs of this Article must be recorded, together with an explanation, in the ship's logbook.

Article 176

If a crew member abandons the ship in a foreign port of his own free will with the intention of staying abroad, the shipmaster must notify the port authorities or another competent authority of this. The shipmaster must draw up records and establish which of the belongings and documents of the crew member who abandoned the ship of his own free will have remained on the ship. The records must be drawn up in the presence of two witnesses and be signed by the shipmaster and the witnesses. A note shall be entered in the ship's logbook on the crew member's decision to abandon the ship of his own free will, and on his personal belongings and the delivery thereof to the competent authority.

Article 177

A crew member shall be deemed to have abandoned the ship of his own free will with the intention of remaining abroad if he does not return to the ship by the time of its departure from the port. If the crew member was prevented from returning to the ship by the time of its departure from the port, he shall be deemed to have abandoned the ship of his own free will if he does not report to the authority mentioned in the first paragraph of the preceding Article within three days of the cause preventing his return ceasing to apply.

Article 178

The shipmaster who learns, in whatever manner, that people, including enemies in an armed conflict, are in mortal peril at sea, he must immediately and at the greatest possible speed set out to help them and, if able to do so, send notification of this and commence rescue. The shipmaster of a ship in peril shall have the right to select one or several ships which he believes to be in the best position to help him, after consulting the shipmasters of the ships that have answered his call for help. The shipmaster or shipmasters of the ships selected to help the ship in peril must accept the decision and immediately and at the greatest possible speed set out to help the people in mortal peril. The shipmaster must rescue people in mortal peril even if they or the shipmaster resist.

Article 179

Notwithstanding the provisions of the preceding Article, the shipmaster shall not be obliged to set out to help and commence the rescue of people in mortal peril in the following cases:

1. if such rescue work would expose the ship under his command and the people on it to great peril;
2. if he justifiably judges that, in view of special circumstances, the rescue of people in peril would not be successful;
3. if he learns that another ship has been chosen to help and that the chosen ship has acknowledged this;
4. if the shipmaster of the ship in peril, the people who were themselves in mortal peril or the shipmaster of another ship that has reached them inform him that help is no longer required.

The shipmaster must record in the ship's logbook the reasons why he did not set out to help the people in peril and commence their rescue.

The owner of the ship and the shipowner shall not be liable for damages incurred because the shipmaster violated duties under Articles 178 and 179.

The provisions of Articles 178 and 179 shall also apply to military vessels.

Article 180

A shipmaster of a Slovenian ship who finds out that another ship is in peril at sea must primarily rescue the people on that ship and, furthermore, must commence the rescue of the ship and objects on board the ship provided that the shipmaster, owner of the ship or the shipowner of the ship in peril does not expressly resist the rescue.

The shipmaster shall not be obliged to rescue a ship referred to in the preceding paragraph if he is unable to do so without exposing the persons on board his ship or his ship in serious peril or if he justifiably judges that rescue of the ship would be unwise and unreasonable with respect to the value of the ship in peril and the items on board the ship and with respect to the risks and costs his ship would be exposed to.

The shipmaster shall record in the ship's logbook the reason why he did not commence the rescue of a ship and items on board that ship.

The owner of the ship and the shipowner shall not be liable for damages incurred because the shipmaster violated duties under Articles 178 and 179 of this Act and from this Article.

The provisions of Articles 178 and 179 of this Act shall also apply to military vessels.

Section X – INSPECTION

Article 181

Supervision of the implementation of the provisions of this Act and provisions issued on the basis of other regulations governing the safety of maritime navigation shall be carried out by means of inspection by the maritime inspectors of the ministry responsible for maritime affairs.

The inspectors must be persons with at least graduate-level professional qualifications. Nautical inspectors must have passed a professional exam qualifying them as shipmaster of a ship with a tonnage of 3000 tonnes (gross) or more, and engineering inspectors must have passed a professional exam qualifying them as chief engineer on a ship with engine power of 3000 kW or more.

Inspectors shall independently carry out the supervision by means of inspection, issue decisions and orders in line with administrative procedure and order other measures for which they are authorised. The minister shall regulate, in detail, the manner and conditions of the work of the maritime inspectors.

Inspectors shall have a prescribed uniform and official card issued by the minister. The manner and conditions for wearing the uniform, official insignia and the official card form shall be prescribed by the minister.

The inspection of Slovenian military vessels shall be carried out by the competent inspection authority with the ministry responsible for defence.

The supervision by means of inspection referred to in the preceding paragraph may, with the prior consent of the ministry responsible for defence, be carried out by the maritime inspectors with the ministry responsible for maritime affairs.

Article 182

Under this Act, supervision by inspection of navigational safety shall encompass the supervision of:

1. vessels with regard to their seaworthiness, the protection of people on them and environmental protection;
2. the application of international port rules in compliance with the international commitments of the Republic of Slovenia, supervision of conditions in ports and of the fulfilment of conditions for the safe navigation and mooring of vessels, the embarkation and disembarkation of persons and the loading and unloading of cargo;
3. the maintenance and marking of sea lanes in the territorial sea and internal waters of the Republic of Slovenia and the state of navigation safety facilities on them;
4. the operation of the radio service for the protection of human life at sea;
5. the construction of facilities at sea and on shore for the safety of navigation;
6. the implementation of the rules of navigation for boats;
7. the performance of public transport carrying people and goods by sea;
8. floating objects, with regard to safety of use and seaworthiness;
9. pilotage services;
10. towage services;
11. vessel crew members;
12. implementation of work safety for crew members.

Inspectors may impose fines upon persons found to be in violation of Articles 979, 980, 981, 982, 983, 984, 985, 986, 987 and 989 of this Act.

Article 183

In carrying out the supervision by inspection of a ship referred to in point 1 of the first paragraph of the preceding Article, the maritime inspector shall check that a ship has valid certificates in accordance with the provisions of the International Convention for the Safety of Life at Sea (SOLAS), the International Convention for the Prevention of Pollution from Ships, the International Convention on Load Lines, and International Labour Organisation Convention 147 regarding shipboard conditions of employment. If the provisions of these conventions do not apply to the ship, the inspector shall check that the ship has a valid seaworthiness certificate

and a load-line certificate in accordance with the regulations of its country of origin, as well as an oil pollution prevention certificate.

If the foreign ship has the valid documents referred to in the first paragraph of this Article, the supervision by inspection shall be limited to the following checks:

1. that the position of the load line or the freeboard corresponds to the data contained in these documents;
2. that the ship has been loaded in compliance with the established load line and/or freeboard line and that the cargo is distributed correctly under the conditions stated in those documents.

In addition to examining the documents referred to in the first paragraph of this Article, the maritime inspector shall also examine that a ship which is loading or unloading cargo has a valid document certifying that the ship's loading and unloading equipment is in perfect condition and shall check that the state of this equipment corresponds to the data in the documents.

Article 184

If the maritime inspector establishes that a ship does not have the valid documents referred to in the first paragraph of the preceding Article, or that the position of the load-line or the freeboard does not correspond to the data in those documents, or that the ship is not loaded in compliance with the established load line or freeboard line, or if the cargo is not correctly distributed, he shall prohibit the ship from leaving the port until it can continue the voyage without endangering the lives of people on board.

If the maritime inspector establishes that a ship is polluting the environment, or if justifiable grounds exist for suspecting that it will pollute, he shall prohibit it from leaving the port until the established deficiencies or circumstances which were the grounds for the prohibition have been redressed.

If the maritime inspector, during the inspection mentioned in the third paragraph of the preceding Article, establishes that a ship does not have a valid document certifying that its loading and unloading equipment is in perfect condition, or if he establishes that the condition of this equipment does not correspond to the data in that document, he shall prohibit the ship from loading and unloading cargo with its own equipment.

Article 185

If justifiable grounds exist for suspecting that the condition of a foreign ship does not correspond to the data provided in the documents mentioned in the first paragraph of Article 183, or that a foreign ship has boarded more passengers than permitted, does not have the minimum required number of qualified crew members, or is in such a condition or has such a number of passengers or the crew is in such a condition that the ship will obviously not be able to continue the voyage without endangering the lives of the people on board the ship, the ship shall be prohibited from leaving the port until it is capable of continuing the voyage without endangering the lives of the people on board.

The maritime inspector shall, during inspection of a foreign ship, act as instructed by the provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers with regard to the ship's crew.

Article 186

During supervision by inspection of the seaworthiness of a ship which is entered in the register of ships of the Republic of Slovenia, the maritime inspector shall check the following:

1. that the ship has the prescribed ship's documents and books and that they are valid;
2. if there are any substantial modifications made to the ship after the ship's documents were issued or confirmed pursuant to a technical inspection which would make the ship clearly incapable of sailing without endangering people or cargo on board the ship or the environment;
3. that the ship meets the conditions referred to in Article 92 of this Act;
4. that the ship carries the prescribed load-line or freeboard markings on its sides;
5. the proficiency of the crew in handling rescue boats or other rescue equipment, and fire detection, prevention and extinguishing apparatus.

Supervision by inspection shall also include a check that the ship has a valid cargo gear register and whether the condition of the loading and unloading equipment corresponds to the data in the cargo gear register.

Article 187

If the maritime inspector establishes deficiencies in the seaworthiness of a ship or boat, the shipmaster or the person operating the boat shall given responsibility for rectifying them within a specified period.

If the established deficiencies have not been rectified within the specified period or if they are, by their nature, such as to endanger the safety of the ship or boat, the people and cargo on board or the environment, the maritime inspector shall prohibit the ship or boat from any further navigation until these deficiencies have been rectified, and shall revoke the document of seaworthiness and/or the navigation license.

If the maritime inspector establishes that the ship does not have a valid cargo gear register as mentioned in the second paragraph of the preceding Article or if the condition of this equipment is not in accordance with the register, he shall prohibit the ship from loading, unloading or transporting cargo using its own equipment.

Article 188

If the maritime inspector establishes that the rules determined by the international commitments of the Republic of Slovenia are not being implemented in a port with an international border crossing, he shall order the person managing the port to redress the deficiencies within a specified period.

Article 189

If the maritime inspector establishes that the condition of the operational area, the breakwaters or the depth of water in the port or at the anchorage endangers the safety of vessels, he shall order the port manager to carry out the specified work within a prescribed period and to take all necessary action to remove the established deficiencies.

If the work or measures from the preceding paragraph are not concluded within the specified period and the deficiencies from the preceding Article have not been redressed within the specified period, the maritime inspector may:

1. prohibit all ships of a certain size from landing in that particular part of the shore where a deficiency has been established until they can be guaranteed safe landing;
2. prohibit the use of the operational area, other shore or a part thereof, or the anchorage if they are directly endangering the safety of vessels, people and objects during embarkation or disembarkation;
3. prohibit navigation in the port and at the anchorage for as long the safety of vessels is directly endangered due to lack of maintenance of the port facilities and of the required depths.

If the condition of the operational area, breakwaters or depth in the port or at anchorage directly endangers vessels, the maritime inspector may decree the measures referred to in the preceding paragraph, without ordering that deficiencies be redressed first.

Article 190

If the maritime inspector establishes that a sea lane or the navigation safety facilities on it are in such a condition that they threaten the safety of navigation, he must:

1. order the person in charge of the maintenance and marking of sea lanes to temporarily mark the obstruction on the sea lane or remove it and replace or activate signal markings and lights, if these are missing or out of order;
2. to temporarily prohibit navigation if measures for the safety of navigation have not been implemented on the sea lane.

If the maritime inspector establishes additional deficiencies on the sea lane which may endanger the safety of navigation, he shall submit his findings on this, together with the proposal regarding measures to be undertaken, to the person in charge of the maintenance and marking of sea lanes in order for the latter to take appropriate action.

Article 191

If the maritime inspector establishes that the maintenance of radio stations and the radio service are not in compliance with the regulations in force, he shall order that the established deficiencies be redressed within a specified period and/or that appropriate measures be taken.

Article 192

If the maritime inspector, while inspecting the construction of facilities on the shore or in the territorial sea or internal waters, establishes that the work is being carried out in a manner which endangers the safety of navigation, he shall order the temporary suspension of any further work.

The maritime inspector must notify the administrative authority which issued the construction permit on the injunction mentioned in the preceding paragraph.

Article 193

If the maritime inspector establishes that more people or cargo than are permitted have been taken on board the ship or that the cargo is distributed in a manner which endangers the safety of the vessel and of the people on board, he shall prohibit the vessel from leaving the port until the established deficiencies have been redressed.

Article 194

If the maritime inspector establishes that a crew member does not have an appropriate authorisation to work or a valid document on his enrolment on the ship, he shall set a period in which these deficiencies must be redressed. If the crew member has not redressed the established deficiencies within the specified period from the preceding paragraph, the maritime inspector shall order the shipmaster to remove the crew member from the ship. If the maritime inspector establishes, during supervision, that the person who is operating a boat does not have a document attesting to his qualifications, he shall prohibit that person from continuing to operate the boat.

Article 195

If the maritime inspector establishes that a crew member of a vessel is under the influence of alcohol or other psychotropic substances or in such a psychophysical state that he may endanger navigational safety, he shall remove that person from work and prohibit him from continuing to operate the boat. During navigation and when a ship is outside the territorial sea of the Republic of Slovenia, the shipmaster shall have the authority to take the measures described in the preceding paragraph.

Article 196

The maritime inspector shall prohibit the use of a floating object if it does not fulfil conditions regarding safety.

Article 197

When performing supervision by inspection, the maritime inspector may also take action in compliance with other regulations governing issues of the safety of navigation.

Maritime inspectors shall have the authority to investigate accidents at sea. When investigating accidents, the maritime inspector shall establish all the circumstances of the accident and draw up a report on the accident at sea. The minister shall issue the rules on the investigation of accidents at sea.

Article 198

An appeal against a decision of the maritime inspector may be lodged with the ministry responsible for maritime affairs.

An appeal shall not delay the execution of the decision.

Article 199

A ship which the maritime inspector has prevented leaving port due to non-fulfilment of the conditions laid down in Articles 184, 185 and 193 of this Act must pay the costs, as determined by the maritime inspector, of every follow-up examination required to ascertain whether the deficiencies and circumstances for which the ship was prohibited from leaving the port have been redressed.

The prohibition from leaving port shall be revoked when the conditions mentioned in the preceding paragraph have been fulfilled and when the ship has paid in full the prescribed costs of all follow-up examinations or has submitted an acceptable guarantee of payment to the Maritime Directorate of the Republic of Slovenia.

Article 200

If the maritime inspector discovers by any means that a ship which does not comply with the generally accepted international regulations and safety of navigation standards is sailing into Slovenian waters, he may prohibit the ship from entering Slovenian waters.

If a ship as described in the preceding paragraph has already entered Slovenian waters, the maritime inspector shall have the right to order the ship to leave Slovenian waters.

If a ship as described in the preceding paragraph does not act in accordance with the maritime inspector's orders, the inspector may, at the ship's expense and peril, order a competent organisation to remove the ship from Slovenian waters.

PART THREE - NATIONALITY, IDENTIFICATION AND REGISTRATION OF A SHIP

Section I – NATIONALITY AND IDENTIFICATION OF SHIPS

Article 201

A ship shall acquire Slovenian nationality when it is entered in the Slovenian register of ships.

Article 202

A ship with Slovenian nationality shall have the right and duty to fly the Slovenian marine flag.
The right and duty to fly the flag mentioned in the preceding paragraph shall not apply to a ship without a crew.
Boats entered in the register of boats in the Republic of Slovenia must fly the Slovenian marine flag when outside the borders of the territorial sea of the Republic of Slovenia.

Article 203

The Slovenian marine flag shall be the symbol of the ship's Slovenian nationality.
The Slovenian marine flag shall be the national flag of the Republic of Slovenia.
The minister shall issue regulations on the flying of the Slovenian marine flag.

Article 204

A ship that has been entered in the register of ships must have a name.
No two ships may share the same name.
Decisions on the names, markings and call signs of ships shall be issued by the minister.
A boat must have a marking; it may also have a name.

Article 205

The name of the ship and the port of registration must be clearly marked on a ship.
The port of registration shall be the port where the register of ships in which the ship has been entered is kept.
Fishing ships must, in addition to the markings mentioned in the first paragraph of this Article, be marked with a registration number.

Article 206

Ships and boats equipped with radio equipment must have a call sign, in compliance with the regulations on international radio traffic.

Section II – SLOVENIAN REGISTER OF SHIPS

1. General provisions

Article 207

Ships, boats and floating objects shall be entered in the Slovenian register of ships (hereinafter: the register of ships) under the provisions of this Act.
The register of ships shall be managed by the Maritime Directorate of the Republic of Slovenia (hereinafter: body responsible for the register of ships).
The provisions of this Act with regard to the entry of ships shall apply *mutatis mutandis* to the registration of ships under construction, of boats and of floating objects.
The minister shall issue regulations on the procedure for entry in the register of ships.

Article 208

The register of ships shall be a public book consisting of separate registers for ships, boats and floating objects.
Each section shall consist of a main book and collection of documents.

Everyone shall be entitled to examine the data in the main book under the supervision of an authorised staff member.

The body responsible for the register of ships must deliver a certificate on the state of entries in a particular section to a person who submits a request and makes the required payment.

The certificates mentioned in the preceding paragraph shall be public documents.

The collection of documents may be examined and a copy of a document requested only by a person with a justifiable interest.

Bona fide persons shall not be affected by legal consequences arising from incorrect data contained in the register of ships.

2. Registration of ships

Article 209

Ships shall be entered in the following sections:

- the section on merchant ships;
- the section on fishing ships;
- the section on public ships;
- the section on ships under construction;
- the sections on military vessels.

The section on military vessels shall be kept by the ministry responsible for defence.

Article 210

The following may be entered in the register of ships:

1. a ship which is completely or partly owned by citizens of the Republic of Slovenia or legal entities with a registered office in the Republic of Slovenia;
 2. a ship whose shipowner is a person mentioned in the preceding point or a foreign shipowner who operates the ship through a branch with a registered office in the Republic of Slovenia, if the owner of the ship agrees with entry in the register of ships;
 3. a ship owned by a foreign person or by a stateless person, if such an entry is permitted by the minister.
- A nuclear ship may not be entered in the register of ships.

Article 211

When a ship mentioned in the third paragraph of the preceding Article is entered in the register, the owner of the ship must authorise a Slovenian citizen with permanent residence or a legal entity with a registered office in the Republic of Slovenia to represent him before Slovenian authorities.

Article 212

A ship which is being built by a Slovenian shipyard shall be entered in the register of ships at the request of the owner of the ship.

Article 213

The main book shall be composed of inserts.

An insert shall comprise sheets A, B and C.

Each ship shall be entered in a separate insert.

Article 214

Sheet A shall contain data on the identity of the ship or ship under construction and its basic technical characteristics.

Article 215

Sheet B shall contain the name and permanent address or the title and registered office of the owner of the ship, and his limitations with regard to free use of the ship.

Sheet B shall also contain the name and permanent address or the title and registered office of the shipowner for a ship registered in accordance with point 2 of the first paragraph of Article 210 of this Act.

Sheet B in respect of ships under construction shall also contain the name and permanent address or the title and registered office of the shipowner and the client.

Article 216

Sheet C shall contain entries on substantive rights encumbering the ship or parts thereof and the rights arising therefrom, bareboat charter of the ship, time charter, pre-purchase rights and other restrictions on the free use of the ship which apply to each owner of an encumbered ship, the ban on encumbrance and seizure, as well as other entries for which it has not been explicitly specified that they should be entered on any other sheet.

3. Registration of boats

Article 217

All boats must be entered in the section on boats, except for the following:

1. a boat that belongs to a ship or other vessel;
2. a sports rowing boat, kayak or similar vessel;
3. a boat which is less than 3 metres long, unless it has an engine with more than 3.7 kW power.

The section on military boats shall be managed by the ministry responsible for defence.

4. Registration of floating objects

Article 218

All floating objects more than 15 metres in length and more than 3 metres in width shall be entered in the section on floating objects.

PART FOUR - SUBSTANTIVE RIGHTS ON SHIPS

Section I - GENERAL PROVISIONS

Article 219

A ship and a ship under construction shall be movable property.

Article 220

Property rights, mortgages and liens may be held with respect to a ship and a ship under construction.

Article 221

Based on a legal transaction between living parties, the property right to a ship and a mortgage on a ship shall be acquired with registration in the register of ships.

The legal transaction mentioned in the preceding paragraph must be in writing.

Article 222

The first paragraph of the preceding Article shall not apply to the acquisition of rights at a public auction.

Article 223

The property right to a ship under construction shall include the objects built into the ship.

Unless otherwise stated in the section on ships under construction, the property right to a ship under construction shall include the items which are in the shipyard but not yet built into the ship if, by their construction, they are intended to be fitted exclusively in that specific ship or a fixture thereof, or if visibly marked or set aside to be fitted in that ship.

Section II – LIENS

1. Mortgage (*hypothèque*)

Article 224

A mortgage on a ship shall be the right of a creditor to a repayment from the sale price of the ship at a court sale. A mortgage may also include the right of the creditor in the event of an outstanding debt to repay his claims by utilising the ship, if so stipulated in the contract.

A mortgage shall be created on the basis of a contract or a court decision.

A lien on the ship (maritime lien) shall have priority over a mortgage.

A mortgage on a ship shall not expire with a change in the ship's ownership, unless otherwise stipulated by this Act.

Article 225

A second mortgage may be created by means of a contract on top of the mortgage on the ship for the benefit of another person.

In the case described in the preceding paragraph, the mortgager may settle his debt towards the principal mortgagee only if this is allowed by the mortgagee providing the second mortgage or by depositing the outstanding amount with the court.

If the mortgager does not act in such a manner, the mortgage shall remain available for the claim of the mortgagee providing the second mortgage.

Article 226

A mortgage on a ship shall include the following pertaining claims:

1. compensation claims for material damage to a ship which has not yet been repaired;
2. claims arising from the general average if these are for material damage to the ship which has not yet been repaired.

Article 227

A mortgage on a ship shall not include the freight, transport fare, towage fees and rent, or salvage rewards, unless agreed otherwise.

A mortgage on a ship shall not include the utilisation of the ship, unless agreed otherwise.

Article 228

A mortgage on a ship shall also include the insurance money for the ship to which the owner of the ship is entitled, unless agreed otherwise.

The mortgage on the insurance money shall cease if it was paid by the insurance company before the mortgagee informed the insurance company of the existence of the mortgage.

If the insurance company has been informed of a mortgage on the insurance money, it may not pay the insured party without permission from the creditor.

Article 229

A mortgage on the principal shall include the costs of registering the mortgage, and the costs of judicial and mortgage execution procedures.

A three-year delay on the interest to which the creditor is entitled under the contract or by law shall have the same priority as the principal.

Article 230

If the ship suffers damage or is in a condition such that the mortgage does not provide sufficient security for the settlement of claims, the mortgagee may demand that claims be settled ahead of their due date, unless the debtor offers an alternative guarantee for the difference due to the reduction in security.

Article 231

A ship encumbered by a lien may be permanently retired from navigation only with the prior consent of the mortgagees.

If the mortgagees decline to give the consent mentioned in the preceding paragraph, the mortgager may apply to court for the ship to be sold at a public auction.

Article 232

The provisions of this Act relating to mortgage on a ship shall also apply to the mortgage on a ship under construction entered in the section on ships under construction.

Article 233

A mortgage on a ship shall expire:

1. if the ship is removed from the register;
2. if the ship is sold in an execution or bankruptcy procedure;
3. if the ship is claimed as sea booty or spoils of war at sea.

In the case described in point 3 of the preceding paragraph, if the ship is released, the mortgage shall become valid again.

Article 234

The rights and the order of precedence of rights acquired with the registration of a mortgage shall not expire when a ship is removed from the register of ships because it has been destroyed, or is presumed destroyed, or because it has been permanently withdrawn from navigation (points 1 and 3 of the first paragraph of Article 369 of this Act).

Article 235

A mortgage on the same claim may be entered as a single mortgage on two or more ships or ships under construction or as two or more mortgages (consolidated mortgage).

In the cases mentioned in the preceding paragraph, the creditor shall have the right to request repayment of the entire claim from each individual ship under mortgage.

Article 236

A mortgage recorded in a foreign register of ships on a ship which acquires Slovenian nationality and which is reported in the document concerning its removal from a foreign register of ships shall be entered in the Slovenian register of ships as a provisional note on a mortgage; it shall be recognised as having the same order of precedence as at the moment when its order of precedence in the foreign register of ships was determined.

A mortgagee for whose benefit such a note is made must justify the note within 60 days of receiving notice of the entry.

2. Maritime lien

Article 237

Liens on a ship (hereinafter: maritime lien) shall be used to secure the following:

1. the legal costs which are necessary in the joint interests of all creditors in the process of execution or securing in order to preserve or sell the ship, and the costs of protection and supervision as of the time when the ship arrives at the last port; the port fees and the fees for the services rendered by the navigational safety authority; the costs of pilotage and of compulsory towage; social security contributions; and claims by the competent authority lifting or removing a wreck as ordered;
 2. claims by the shipmaster and other crew members arising from their employment on the ship;
 3. salvage rewards and the ship's contributions towards the general average;
 4. compensation claims arising from collisions of ships or other accidents occurring during navigation, for damage to port facilities, docks and sea lanes, compensation claims for physical injuries suffered by passengers and crew members, compensation claims for lost or damaged cargo or luggage;
 5. claims arising from contracts and work signed or performed by the shipmaster on the basis of his legal authority outside the registered office of the shipowner, where necessary, in order to preserve the ship or to continue the voyage, regardless of whether the shipmaster is at the same time the owner of the ship or shipowner or whether he himself, or the supplier, the repair service, the loan provider or any other contracting party has claims;
 6. claims by shipping agencies for representation of the shipowner, the ship and the crew.
- A lien on a ship shall include the interest on the principle.

Article 238

Liens on a ship shall include the freight or transport fare and towage fee for the voyage which gave rise to the claim secured by the lien as well as the pertaining claims on the ship and the freight and transport fares and towage fees acquired since the start of the voyage.

Article 239

The claims by the shipmaster and other crew members arising from employment from point 2 of the first paragraph of Article 237 shall be the claims arising from their wages in employment relationships which are governed solely by Slovenian law; for others, they shall be the claims arising from the contract of employment.

Article 240

The provisions relating to liens on a ship shall not apply to claims for repayment of nuclear damage.

Article 241

Maritime liens shall not expire with a change in a ship's ownership, unless otherwise stipulated by this Act.

Article 242

Liens on a ship shall include the following pertaining claims and freights:

1. outstanding compensation claims for material damage to a ship that has not yet been repaired, and for the loss of freight fares, transport fares or towage fees;
2. claims outstanding due to the general average, if they apply to material damage to the ship that has not yet been repaired, or to the loss of freight fares, transport fares and towage fees;
3. claims for salvage rewards which have not yet been paid, after the deduction of the amounts for the shipmaster and other crew members.

Article 243

Liens on a ship shall not apply to the outstanding claims of the owner of the ship under the insurance contract, nor to premiums, subsidies and other forms of State assistance.

Article 244

For the purposes of the provisions of this Act in respect of maritime liens, the 'freight or transport fare' of a ship shall mean the freight or transport fare which the charterer or the passenger owes to the shipowner.

The maritime liens for the benefit of persons referred to in point 2 of the first paragraph of Article 237 shall encumber the freight fare and/or the transport fare and the towage fees outstanding for the voyages which have been performed during the same employment relationship on the same ship.

Maritime liens for claims mentioned in points 3 and 5 of the first paragraph of Article 237 and the claims arising from collisions and other accidents during navigation and for damage caused to port facilities, docks and sea lanes as mentioned in point 4 of the first paragraph of Article 237 shall only include the pertaining claims of the ship and freight fares, transport fares and towage fees mentioned in Article 242 that came into being after the above claims originated.

Article 245

Claims secured with a maritime lien which applies to the same voyage of the ship shall be settled in the order given in the first paragraph of Article 237 of this Act; while the claims mentioned in point 2 of the first paragraph of Article 237 of this Act shall have the same order of priority as the claims arising from the last voyage.

If claims described in the individual points of the first paragraph of Article 237 cannot be settled in full, they shall be settled in proportion to the amounts of the claims. In the case of the claims referred to in points 3 and 5 of the first paragraph of Article 237, in each of these points claims created later shall take a higher order of precedence than those from an earlier date.

Claims linked to the same event shall be deemed to have arisen simultaneously.

Article 246

Claims secured with the maritime lien of the last voyage of the ship shall have a higher order of precedence than the claims from the voyage before.

Maritime liens for the benefit of the persons cited in point 2 of the first paragraph of Article 237 of this Act and arising from the same employment relations which apply to several voyages shall have the same order of precedence as the claims from the last voyage.

Article 247

Maritime liens on freight fares and/or transport fares and towage fees may be presented while the freight fares and/or transport fares and towage fees are still outstanding or while the amount paid for them is still with the shipmaster or the shipping agent or the shipowner.

Maritime liens on pertaining claims may be presented while the claim is still outstanding or while the amount that has been paid out for it is still with the shipmaster or the shipping agent or the shipowner.

Article 248

Liens on a ship shall expire:

1. when the claim secured by the maritime lien expires;
 2. after one year (or, for the maritime liens mentioned in point 5 of the first paragraph of Article 237, after 6 months);
 3. when the ship is sold in an execution or bankruptcy procedure;
 4. when the ship is sold under the following conditions:
 - the transfer of the property right is entered in the register of ships;
 - the entry on the transfer of the property right to a ship in the register of ships is published in the Official Journal of the Republic of Slovenia and published in the notices of the court for the area in whose register of ships the ship is entered;
 - the privileged creditor does not initiate a procedure to settle his claims within two months of the publication of the entry in the Official Journal of the Republic of Slovenia or before the expiry of the period mentioned in point 2 of this paragraph;
 5. when a limited liability fund is set up for claims, secured by a maritime lien, to which limited liability applies.
- Liens on a ship shall expire when the ship is claimed as sea booty or as spoils of war at sea. If such a ship is released, the maritime liens which, under point 2 of the preceding paragraph of this Article, had not expired prior to the seizure of the ship shall resume their validity.

Article 249

The period mentioned in point 2 of the first paragraph of the preceding Article shall start to run as follows:

- for maritime liens on claims arising from salvage – from the day salvage is completed;
- for maritime liens arising from collisions or other accidents during navigation and for claims for physical injury – from the day the damage is inflicted;
- for maritime liens for lost or damaged cargo or luggage - from the day the cargo or luggage is delivered or should have been delivered;
- for maritime liens on repair and supply and on other claims mentioned in point 5 of the first paragraph of Article 237 – from the day the claim arises;
- in all other cases - from the day of maturity of the claim.

The period mentioned in point 2 of the first paragraph of the preceding Article shall cease when a suit is filed to present a claim secured by means of a maritime lien. In the case of a maritime lien on a ship, the period shall end when a suit is filed only if the ship is at a standstill or if a note on a lawsuit is entered in the register of ships in which the ship is entered.

Once the judgment in the suit that was the subject of the note becomes enforceable, the maritime lien shall expire within 60 days of the judgment becoming enforceable, unless the creditor requests within this period that the ship be sold or if the court stops the ship at the creditor's request. The creditor shall have the right within that period to request from the court that his maritime lien be entered in the register of ships according to the order of precedence valid at the time when the note on a suit to present the maritime lien was entered.

Article 250

The provisions of this Act relating to liens on ships shall also apply when a ship is used by a person other than the owner, unless the ship was taken unlawfully from the owner or the privileged creditor is dishonest.

Article 251

A claim secured with a lien on a ship shall not expire when the lien ceases.

A lien on a ship shall be transferred together with the withdrawal of a claim secured by the lien.

Article 252

A lien on a ship shall not expire when a ship's entry is removed from the register of ships.

Article 253

The provisions of Articles 237 to 252 of this Act shall not apply to publicly-owned ships.

Article 254

The provisions of this Act relating to liens on ships shall also apply to boats and ships under construction which navigate on water.

Section III – SHIP REGISTRATION PROCEDURE

1. Common provisions

Article 255

An entry in the register of ships shall contain the text of the operative part of the decision on registration. If the state of the entry in the register of ships is such that the decision on registration cannot be executed, the entry may only be made on the basis of a new decision amending or modifying the previous decision.

Article 256

The registration entries performed on the basis of this Act shall be as follows:

1. initial entry in the section on ships – registration of a ship which has not previously been registered in the Slovenian register of ships.
2. a sheet A entry – registration of a ship's identification data and technical characteristics on sheet A of the insert in the main book of the section on ships;
3. a book entry (registration) – registration or a record of the transfer, limitation or expiry of a right without any specific justification (unconditional entry of rights or unconditional removal of an entry);
4. a provisional note – registration or a record of the transfer, limitation or expiry of a right on condition that a justification is provided at a later date (conditional registration of rights or conditional removal of an entry);
5. a note – a record of personal relationships of importance for the use of property or other facts which, when recorded, are by law associated with certain legal effects;
6. transfer of registration of a ship – removal of a ship's details from one register of ships and entry in another;
7. removal of a ship – removal of a ship's entry from the Slovenian register of ships.

Article 257

Property rights and other substantive rights on a ship may be registered on the whole ship, or on a share determined with regard to the whole, but not on its individual component parts.

A mortgage may not be entered on a share of the whole, if the property right on the ship is registered to one person only, nor may it be entered on that part of the share for which only one co-owner is entered in the register of ships.

The registration of the transfer of a claim secured by a mortgage and of the acquisition of a second mortgage shall be permitted for the entire claim, as well as for a part thereof determined as a proportion or number.

Article 258

For certain items which are accessories of the ship, a note may be recorded in the register of ships, with the permission of the owner of the ship, to the effect that they are the property of another person.

Article 259

The registration of a mortgage on a ship must contain at least the following data:

1. the amount of the claim secured by the mortgage;
2. the interests that must be paid in addition to the claim;

3. the name and permanent address or the title and the registered office of the mortgage creditor;
4. the provisions on the maturity of the claim in whole or in part.

Article 260

If a mortgage is used to secure claims that may arise as a result of an approved loan, assumed insurance or repayment of damages, the maximum amount of the loan or liability must be stated in the document which was the basis for the registration entries.

If a claim secured by a mortgage is linked to a foreign exchange clause or any index-linked determination of its value, this must be entered in the register of ships.

A mortgage may be entered on a ship on the basis of an agreement between the parties.

Article 261

Entries shall be permitted only against the person whose property right, or the right which is the subject of the entry, is registered or is being registered at the time when the proposal is submitted to the register of ships.

Article 262

If several persons successively acquire the entitlement to register a right on a ship or on the right registered on the ship and have not registered it, the last to acquire the right may request that the right in question be registered directly to him, if he proves who his predecessors are.

If a claim secured by a mortgage and entered in the register of ships is assigned to another person and the claim has been settled, the debtor may request the removal of the entry without a preliminary registering, if he proves the conveyance.

Article 263

If a creditor who has the right to request the registration of a mortgage on a ship or of a second mortgage on a registered mortgage of his debtor does not request such an entry, the guarantor may request that all these rights be registered for the benefit of the creditor.

Each co-owner of a share may request, in his own name and in the name of other co-owners, the entry of joint rights that cannot be divided in proportion to the whole.

Article 264

Entries in the register of ships following a court decision on inheritances and bequests, or a court decision to register a mortgage on the basis of an agreement between the parties, shall be made on the basis of a binding legal decision by the probate court or executive court of jurisdiction.

2. Order of precedence

Article 265

The moment determining the order of precedence of an entry shall be the moment the proposal for entry arrived at the register of ships.

Entries made on the basis of proposals that arrived at the same time shall share the same order of precedence, unless otherwise stipulated by some other Act.

Article 266

The order of precedence of rights registered on a ship may be changed with a book entry or a provisional note surrendering entitlement to precedence.

Such changes shall require the consent of the beneficiary surrendering precedence and whose right moves down the order of precedence as well as of the beneficiary who takes his place. If the right which is moving down the order of precedence is a mortgage, the consent of the owner of the ship shall also be required; if the right which is moving down the order of precedence is encumbered with the right of any other person, the consent of this person shall also be required.

This change shall not interfere with the extent and order of precedence of other registered rights.

Article 267

The right that advances further up shall acquire, without restriction, the order of precedence of the right which is moving down the order of precedence, if that right is registered directly one place up from it or if all other beneficiaries whose rights are registered in between the two also surrender their advantage.

Article 268

If two rights which are not registered directly one before the other trade their advantage without the consent of the beneficiaries whose rights are registered between the two, the right which is moving up the order of precedence shall acquire the place of the right which is moving down the order of precedence only in its scope and substance.

If the right which is moving down the order of precedence is conditional or time-restricted, the right which is moving up the order of precedence may be settled in an execution procedure prior to the start of the condition or deadline, only in the amount to which it would have been entitled under its original order of precedence.

If, in a public auction, the buyer assumes a right that was moving down the order of precedence under its previous order of precedence without this being included in the purchase price, the right that is moving up shall be taken into account under its original order of precedence after the purchase money has been distributed.

Article 269

Unless otherwise agreed, the right which is moving up the order of precedence shall have priority under its original order of precedence over the right which is moving down the order of precedence.

Article 270

If several rights move to the order of precedence previously held by another right and the movement of this right down the order of precedence is registered at the same time, the right which had priority in the order of precedence up to that time shall continue to have priority under the new order of precedence, unless otherwise agreed.

Article 271

Subsequent changes with regard to the existence and extent of a right that moved down the order of precedence by surrendering its advantage shall not affect the order of precedence of the right which moved up the order of precedence, unless otherwise agreed.

3. Applications and proposals

Article 272

The decision to enter a ship in the register of ships shall be issued upon the application or proposal of an entitled party or at the request of a competent authority, unless otherwise stipulated in this Act.

The applications, proposals and requests mentioned in the preceding paragraph shall be submitted to the body responsible for managing register of ships.

Article 273

The applications and proposals to enter a ship in the register of ships must be accompanied by the appropriate number of copies, i.e. for the register of ships and for the parties to whom a copy of the decision must be delivered.

If the number of copies of the application or proposal supplied is insufficient, the body responsible for managing the register of ships shall request that the applicant provides the missing documents within a specified period. If the applicant does not comply, the body responsible for the register of ships shall decree that the application be copied at the applicant's expense.

Article 274

If the application is restricted to a period specified by the provisions of this Act relating to entry in the register of ships, it shall be considered timely only if it arrived at the body responsible for the register of ships before the end of the specified period.

The periods mentioned in the provisions of this Act relating to entry in the register of ships, except for the period for justification of a provisional note (Article 327), the period for submitting the original (Article 293) and the period in which a translation must be submitted (Article 294) may not be extended.

The situation may not revert to its previous state if the deadlines determined by this Act for entry in the register of ships have been missed.

Article 275

For the initial registration of a ship, for the entry of changes to be recorded on sheet A of the insert of the main book, and for the entry of changes as a result of which a ship is removed from the register of ships and for other entries a written proposal must be submitted.

Article 276

In an application or proposal for the entry of a ship in the register of ships, the following must be specified: the body responsible for the register of ships to which the application or proposal is submitted; the name and permanent address or the title and the registered office of the applicant and of the persons to whom a copy of the decision on registration must be delivered; and the name or marking of the ship to which the entry pertains. An application or proposal must contain all the data entered in the register of ships. The proposal or application must clearly state the information which is to be entered in the register of ships. In the proposal or application, the applicant may make reference to the exact locations in the documents used to justify the application.

Article 277

An application for registration shall also contain a proposal to enter a provisional note, unless the applicant explicitly rules out a provisional note.

One proposal shall suffice in order to request that several entries be made on the basis of one document, or for the entry of the same right in several inserts, or for the entry of several rights in one insert.

Article 278

A proposal submitted by a legal representative of a natural person to record the acquisition, transfer, limitation or expiry of a registered right on a ship must be accompanied by the permission of the competent authority, when such permission is required.

Article 279

Entries in the register of ships pursuant to this Act shall be permitted only on the basis of documents drawn up in the form prescribed in order for them to be valid.

The titles and names or personal names of people participating in a legal transaction must be stated precisely in the document which is the basis for the entry. The document must also state the place where and date when the document was drawn up.

The documents which serve as the basis for entries in the register of ships may not have any visible shortcomings that would affect their credibility; if they consist of several sheets, they must be bound together in a manner that will prevent any new sheets from being inserted.

Article 280

Private documents that serve as the basis for entries in sheets B and C of the insert of the main book of the register of ships must be supplied in the original, while other documents may be supplied as certified copies.

One non-certified copy or photocopy of each document mentioned in the preceding paragraph must be supplied for the collection of documents. The body responsible for the register of ships shall confirm that the copy and/or photocopy corresponds to the original.

If the original of the document is kept in official files or by the register of ships, or if it has already been supplied with the application or the proposal, two copies or photocopies shall be supplied, along with a note on the location of the original.

If the original cannot be supplied because it is kept by some other authority, this shall be stated in the proposal or application, and a certified copy or photocopy and one uncertified copy or photocopy shall be supplied.

Article 281

A certified Slovenian translation must be submitted with the documents in a foreign language.

4. Registration procedure

a) Common provisions

Article 282

All entries in the register of ships shall be made in accordance with the provisions of the General Administrative Procedure Act, unless otherwise stipulated by this Act.

Article 283

Persons who request an entry as well as persons whose rights are entered in the register of ships shall be party to a registration procedure.

Article 284

The parties and other participants in the registration procedure may be heard in an oral hearing or may submit a written statement. If several persons are to be heard, they may be heard individually in the absence of others.

Article 285

During the registration procedure, written records shall be kept for any actions carried out orally. With statements and information of lesser importance, an official note may be entered in the file instead of a full record.

Article 286

Each of the parties shall cover his own costs relating to the registration procedure.

Article 287

The time when the application or proposal was delivered to the body responsible for the register of ships shall be considered to be the decisive moment.

Article 288

Receipt of an application or proposal for registration shall be recorded in the logbook together with the date, hour and minute of its arrival. At the same time, it shall be recorded in the insert concerning the ship, if already opened, that an application or proposal for registration has been submitted and the number under which the application was recorded in the logbook shall be pencilled in.

If an insert has not yet been opened, then one shall be opened immediately upon receipt of an application or proposal for the initial registration of a ship by the body responsible for the register of ships and the number under which it was recorded in the logbook, the name or identification of the ship, as well as all the numbers of all subsequent applications and proposals which arrive until such time as the ship has been registered or the decision against entering the ship in the register of ships becomes final, shall be pencilled in.

An insert shall not be opened for the initial registration of a ship in the register of ships if the application is completely incomprehensible or unspecific.

Article 289

When a proposal for a book entry, a provisional note or a note on a ship already entered in the register of ships arrives, the body responsible for the register of ships shall establish whether, according to the conditions relating to entries in the register of ships in which the ship is entered, there are any obstacles to the requested entry.

Article 290

If a proposal to transfer a ship from one section to another has been submitted, a note on the transfer request shall be made in the section in which the ship is entered. Once the decision to enter the ship in a new section has been issued, complete with the data from the previous sections, the ship entry shall be removed from the original section of entry.

Article 291

The body responsible for the register of ships shall permit entries on the basis of a proposal or application and annexes thereto:

1. if no obstacles arise from the register of ships with regard to the ship or the rights on the ship in connection with the requested entry, and/or if, with the applications or proposals for the initial registration of a ship in the Slovenian register of ships, the conditions from Article 215 have been met;
2. if there is no justified reason to doubt that the applicant is entitled to request registration or that the participants to whose rights the entry relates are capable of asserting these rights;
3. if the contents of the documents submitted indicate that the request is justified;
4. if the documents are in the prescribed form necessary for registration, a provisional note or a note to be permitted.

Article 292

The body responsible for the register of ships shall itself come to a decision on each application or proposal, as a rule without hearing the party and without a preliminary order, unless explicitly stipulated otherwise by this Act. The body responsible for the register of ships must explicitly state in its decision whether it has approved or rejected the proposal.

If the proposal has been approved only in part, it shall decree the entry of the part which was approved and reject the part which was not approved.

If it rejected the proposal completely or only in part, it shall cite in the decision all the reasons why the proposal was rejected.

Article 293

The body responsible for the register of ships shall issue a decision on registration on the basis of appropriate documents.

If the application or proposal and the attached copies show that the request would have been granted if the original or an appropriately certified copy of the document had been supplied, the body responsible for the register of ships shall decree that the right concerned shall preserve its order of precedence, and a note on the application or proposal shall be inserted in the register of ships with the comment "pending submission of the original".

At the same time, the body responsible for the register of ships shall determine an appropriate period within which the proposer must supply the relevant document, unless the authority in possession of it has to submit it *ex officio*. If the register of ships subsequently receives the relevant document or if the document is supplied on time by the proposer, a decision on the matter shall be taken.

If the relevant document has not been supplied within the prescribed specified or extended period, the body responsible for the register of ships shall reject the proposal and remove the note *ex officio*.

If the proposal and the enclosed documents show that the matter may not be approved, even if the original or appropriately certified copy have been enclosed, the body responsible for the register of ships shall reject the proposal.

The provisions of this Act shall apply, *mutatis mutandis*, to applications for the registration of a ship under construction.

Article 294

If an application or proposal is not accompanied by the translation of a document written in a foreign language, and if the application does not indicate that the request has to be rejected, the body responsible for the register of ships shall decree that it shall retain its order of precedence in the order of rights, and a note on the application or proposal for entry in the register of ships with the comment "pending submission of the translation" shall be inserted. It shall at the same time notify the proposer of an appropriate deadline by which he must submit a translation. If the proposer submits the translation within the specified or extended period, the body shall decide on the matter, otherwise it shall reject the application or proposal and shall remove the note *ex officio*.

Article 295

The body responsible for the register of ships may not permit anything more or anything different to be entered than what was requested by the party, even if the party is justified in requesting anything more or anything different on the basis of the submitted documents.

If only a provisional note is proposed, a book entry may not be decreed even if the conditions for a book entry are met.

Article 296

If the documents show that the person who obtained book rights has been granted a permit to effect a book entry and at the same time restrictions were placed on the assertion of the acquired right or if he was placed under other obligations for which a simultaneous book entry for the benefit of certain beneficiaries has been agreed, then the requested entry may not be allowed unless a book entry is proposed at the same time or - depending on the type of the document - at least a provisional note on the agreed limitations or obligations. Any of the parties may propose a simultaneous registration of mutual rights and obligations.

Article 297

The decision granting an entry must list the following:

1. the number of the insert into which the ship must be entered and the name of the ship in question;
2. the name and permanent address or the title and the registered office of the person for whose benefit the entry is to be made;
3. the ship or the right on the ship which is to be entered in the register of ships;
4. the documents on the basis of which entry is permitted;
5. the type of entry that must be made;
6. the main content of the right being entered.

The decision must contain all the data to be entered on sheet A.

If the content of the text being registered cannot be expressed in brief, it shall be permitted to make reference to precisely defined sections in the documents that are the basis for the entry, with the same effect as if they had been entered in the main book.

Article 298

If the body responsible for the register of ships rejects a proposal for a book entry or a provisional note, an application or proposal for the initial registration of a ship in the register of ships, a proposal for a provisional note on the order of precedence, or a proposal to permit to sell in order to recover claims that have no mortgage registered on them, it shall make a note to the effect that the aforementioned requests have been rejected.

No note shall be made:

1. if it cannot be established from the proposal and its annexes which ship or right it applies to, or if the ship or the right for which the request for an entry was made is not recorded in the cited register of ships, or if, at the time the application or proposal was made, no insert on the entry had been opened;
2. if a property right or any other right on the ship is not registered to the benefit of a person for whom a book entry or a provisional note may be made.

A record of an entry of a note shall be made in the decision.

Article 299

When the decision rejecting an entry as referred to in the preceding paragraph becomes final because no appeal was submitted, the body responsible for the register of ships shall issue a decision on the removal of the note on the rejection of entry *ex officio*, and shall notify the parties thereof.

Article 300

The decision of entry shall be delivered to the persons listed in the decision, complete with the application or proposal and all the documents which were supplied with the application or proposal.

Article 301

The entry shall be performed *ex officio*.

Article 302

Any entry, except for the entries on technical data on sheet A, must state the following:

1. the date the proposal was received and its log number;
2. the identification of the document which is the basis for the entry, and the date when and where it was drawn up;
3. the number and date of the decision permitting the entry;
4. the type of entry and the main content of the right or the facts that must be entered;
5. the name and permanent address or the title and the registered office of the person for whose benefit the entry is made.

If several proposals relating to the same ship are delivered to the body responsible for the register of ships at the same time, it shall note the numbers of the proposals that arrived at the same time in each entry made on the basis of these proposals.

Article 303

Once the body responsible for the register of ships issues the decision to enter a ship, the ship shall be entered on sheets A and B at the same time. The provisions of Articles 310 and 313 of this Act shall then be followed.

Article 304

With the exception of the cases mentioned in the second paragraph of Article 298 of this Act, a note on the decision to reject an application or proposal to enter a ship in the register of ships shall be made on sheet A of the insert that was opened when the application or proposal was submitted; a note on the decision to reject an application for entry on sheet B shall be recorded on that sheet; and a note on the decision to reject an entry on sheet C shall be made on sheet C of the insert of the main book.

Article 305

In each decision, it shall be stated to whom it shall be delivered and to whom an individual document shall be sent.

Article 306

Decisions on proposals and applications for entry in the register of ships must be delivered to the applicant and to the person on whose property other persons have acquired any right or whose rights are being transferred, limited or voided, as well as to those for whom a note has been entered in the register of ships. Decisions allowing full or partial removal of any entry shall also be delivered to all those for whose benefit further book entries or provisional notes were made on the registered right. Decisions to introduce a registration or provisional note by means of which a mortgage or the ceding of a right is registered on the registered rights of others must be delivered to the owner of the ship. A decision, at the request of an authorised person, to permit an entry for the party who issued the authorisation shall be delivered to the party in person, if the authorisation does not comply with the second paragraph of Article 316.

Article 307

The delivery referred to in the preceding paragraph shall be conducted under the provisions of the General Administrative Procedure Act relating to personal delivery to parties. If the originals of the supplied documents (Article 313 of this Act) have to be returned to the party, the originals shall be returned to the party who supplied them, unless requested otherwise by the party.

Article 308

The validity of an entry may not be contested because the delivery was conducted incorrectly or not at all. A person asserting any right or an exemption from an obligation for himself on the basis of a concluded entry shall not be obliged to prove that the delivery has been conducted.

Article 309

The body responsible for the register of ships which removed a ship from the register of ships shall issue a certificate of removal to the party at his request. In the certificate, the reasons for the removal and the decision on the basis of which the removal was performed shall be stated.

Article 310

On the original document which served as the basis for the entry the body responsible for the register of ships shall confirm that the entry has been made. In the confirmation referred to in the preceding paragraph, it shall cite the decision on the entry and the insert in which the entry was made. If the entry was made on the basis of several connected documents, the confirmation shall be recorded in the document from which the right directly derives (Articles 262 and 263 of this Act).

Article 311

Nothing may be erased from the register of ships or made illegible in any other manner, nor may anything be added or changed.

All entries in the register of ships must be made in a manner and by means which render the writing permanent. An error in recording must be crossed out so that it can still be read.

An error which was noticed after entry may be corrected only pursuant to a decision.

The body responsible for the register of ships must hear a participant if the error could have any legal consequence. A note shall be made regarding the instigation of this procedure on the sheet where the error was made. The effect of this note shall be that all subsequent entries shall not obstruct the correction of the error.

Once the decision on the correction of the error becomes final, the note shall be removed *ex officio*.

The corrections of incorrect entries must bear the date, signature and stamp of the body responsible for the register of ships.

Article 312

The decision to remove a ship from the register of ships and a note that the request to remove a ship from the register of ships was rejected shall be entered on sheet A.

After the decision to remove a ship from the register of ships becomes final, the body responsible for the register of ships shall cross out each page of the insert of the main book with two intersecting red lines and one horizontal line on each page below each entry, whereby it shall not cross out individual entries.

The body responsible for the register of ships shall act in compliance with the preceding paragraph even after the decision to reject an application or proposal for the initial registration of a ship in the Slovenian register of ships becomes final.

Article 313

After the entry, the body responsible for the register of ships shall return to the party the original papers or certified copies thereof, if the application or proposal was accompanied by uncertified copies thereof. Otherwise, the original papers and/or certified copies thereof shall remain in the collection of documents, and the body responsible for the register of ships shall inform the party that he may collect them within a specified period by bringing certified copies thereof. The body responsible for the register of ships may make copies itself and charge the prescribed fees.

The preceding paragraph shall be applied to actions in connection with the copies required for the collection of documents.

b) *Special provisions*

Initial registration in the Slovenian register of ships

Article 314

The register of ships shall permit initial registration in the register of ships if the following documents have been supplied with the application:

1. a document proving the property right to a ship;
2. an extract from the court register or another document proving that the owner is a Slovenian citizen or a Slovenian legal entity and/or that the conditions for entering the ship in the register of ships have been met;
3. the decision on the name of the ship or the marking of the ship, and the port of registration;
4. the measurement certificate;
5. the certificate of seaworthiness of the ship issued for registration purposes by the classification society;
6. the document determining the call sign of a ship, under the international signal code, if the ship is obliged to have a call sign;
7. the documents on other data which must be entered on sheet A in the insert of the main book;
8. a certificate by the authority keeping a foreign register of ships that the ship has been removed from the register of ships, if the ship is being transferred from the foreign register of ships to the Slovenian register of ships.

In cases where the authority keeping the foreign register of ships in which the ship for which a written application has been made for initial registration in the Slovenian register of ships is entered in accordance with the regulations of the foreign country issues a certificate of removal from the register of ships only after justification for the removal has been provided, the body responsible for the register of ships shall decree without a certificate in accordance with point 8 of the preceding paragraph that the initial registration in question shall preserve its order of precedence with a note in the register of ships and a comment "*pending submission of the certificate of removal from the register of ships*".

At the same time, the body responsible for the register of ships shall stipulate a suitable period within which the party must supply the original of the certificate of removal from the register of ships. If the original of the certificate is not supplied within the prescribed or extended period, the register of ships shall reject the application and decree *ex officio* that the note be removed.

If the owner of the ship is a foreign citizen or a foreign legal entity, he must, together with the application, supply documents which are evidence of his right to enter the ship in the Slovenian register of ships as well as the data contained in the documents referred to in the first paragraph of this Article.

Article 315

The register of ships shall permit initial registration of a ship under construction if the following documents have been supplied with the application for entry:

1. a document proving the property right to the ship;
2. a certificate issued by the shipyard on the technical data entered on sheet A of the section on ships under construction, and on the location and commencement of construction;
3. a statement by the owner of a ship under construction on the name of the ship under construction; if it does not have a name, a statement from the shipyard on the marking of a ship under construction.

Book entry (registration)

Article 316

Unless otherwise stipulated by this or any other Act, a book entry or registration (point 3 of Article 256 of this Act) may be permitted only on the basis of public documents or private documents bearing signatures of the persons whose right must be restricted, encumbered, revoked or transferred to another person which have been certified by an authority competent to certify signatures.

On the basis of private documents issued by an authorised person, an entry for the authorising person may be permitted only if the authorisation issued applies to a specific transaction or specific type of transaction and if not more than one year has passed between the day the authorisation was granted and the day the entry was requested.

The signatures on a private document do not have to be certified if the documents have been approved by the authority responsible for the protection of the rights and interests of the persons whose rights have to be restricted, encumbered, revoked or transferred to another person.

Article 317

A private document that may serve as the basis for permitting an entry must, in addition to the data mentioned in Article 279 of this Act, contain the following:

1. precise identification of the ship or of the right to be entered;
2. an explicit statement permitting the entry by the person whose right is being restricted, encumbered, revoked or transferred to any other person.

Point 2 of the preceding paragraph shall not apply to documents on the acquisition of the property right to a foreign ship, if the request is for the initial registration of the ship in the Slovenian register of ships.

Article 318

Public documents that may serve as the basis for permitting an entry shall be as follows:

1. documents on legal transactions drawn up by a court or a notary within the limits of their competence, if they contain data prescribed in Article 279 of this Act;
2. documents in the prescribed form issued by a court, notary or an administrative authority within the limits of their competence, which by law are granted the properties of an executory title or which may serve as the basis for an entry in a public book subject to special rules.

Entries on the basis of a decision by a foreign court shall be permitted, on condition that this decision has been recognised in a prescribed procedure.

Provisional note

Article 319

If a supplied document meets the general conditions for registration but not all the special conditions for entry prescribed in Articles 316 to 318 of this Act, the body responsible for the register of ships shall permit a provisional note (point 4 of Article 256 of this Act).

Article 320

A provisional note on a mortgage shall only be permitted if the claim and the legal basis for the mortgage have been proved plausible.

Article 321

When a ship formerly entered in a foreign shipping register is entered in the Slovenian register of ships and the document on the removal of the ship's entry from the foreign register of ships shows that the ship is mortgaged, a provisional note on the mortgage shall be made *ex officio* and shall have the same order of precedence as of the moment which determined its order of precedence in the foreign register of ships, if the conditions for registering an entry on a mortgage, as laid down by this Act, have not been met at the time of registration.

Article 322

A provisional note of a bareboat charter right, a time charter and a right of first refusal shall be permitted only if the existence of the right and the permission to register are proved to be plausible.

Article 323

A provisional note shall also be permitted on the basis of the following documents:

1. non-final court decisions either granting or rejecting a request for the establishment, acquisition, restriction or expiration of a registered right;
2. court decisions allowing provisional notes in the securing procedure in accordance with the rules on executive procedures;
3. requests by courts, administrative bodies or persons performing public duties assigned to them by law, where they are entitled by law to order *ex officio* that certain claims be secured with a mortgage.

Article 324

If a debt secured with a mortgage has been deposited with the court but may not justifiably be paid to the creditor under the rules of the law of obligations, a provisional note may be made on the basis of a court certificate to the effect that the outstanding amount has been deposited. The following shall be permitted:

1. a provisional note cancelling a mortgage - if the outstanding amount deposited with the court was deposited by the debtor or by the person responsible for the debt;
2. a provisional note assigning a claim secured with a mortgage - if the outstanding amount was deposited with the court by some other person to whom the creditor must assign the claim under the rules of the law of obligations.

Article 325

Registered rights shall be acquired, transferred, restricted or revoked by means of a provisional note, on condition that a provisional note is justified at a later date, to the extent to which they were justified.

Article 326

A provisional note may be justified as follows:

1. with a document which may be used to permit book entry (registration) and which was issued by the person for whom the provisional note was recorded;
2. with a certificate stating that a court decision as described point 1 of Article 323 of this Act has become final and executable;
3. with a final decision issued by a competent authority on the existence of a claim mentioned in point 3 of Article 323 of this Act, for which the provisional note records the security;
4. with a final and executable court decision issued in a civil suit against the person for which the provisional note was made.

Article 327

If a provisional note is justified with a document suitable for a book entry (point 1 of the preceding Article), it must be justified within 30 days of the delivery of the decision on the provisional note.

If a provisional note is justified by a final and executable court decision (point 4 of the preceding Article), a civil suit must be initiated within 15 days of the delivery of the decision on the provisional note.

The period within which a provisional note must be justified and/or a civil suit instituted must be indicated in the decision on the provisional note.

The period within which a provisional note must be justified or a suit instituted may be extended by the body responsible for the register of ships at the proposal of the party, if justifiable reasons exist for such an extension.

Article 328

If a provisional note is justified with the documents cited in points 1, 2 and 3 of Article 326 of this Act, a proposal to justify a provisional note shall be submitted to the body responsible for the register of ships.

If a provisional note is justified with a court decision in a civil suit (point 4 of Article 326 of this Act), the person who requested the provisional note must institute the civil suit with the competent court and notify the body responsible for the register of ships thereof.

Article 329

If, at the time when a proposal for a provisional right is put forward, a civil suit concerning the existence of the right for which a provisional note has been requested is in progress then no separate civil suit shall be required in order to justify the provisional note if, under the provisions of the Civil Procedure Act, the request to justify a provisional note may also be asserted in the existing suit.

Article 330

If a provisional note is not justified, the person for whom it was permitted may propose that it be removed.

If it cannot be determined from the official documents that a suit for the justification of a provisional note was filed on time or that the period set for the submission of justification was still running on the day when the proposal for the removal of the entry was made, the body responsible for the register of ships shall order a hearing within a short period of time, where the proposer of the provisional note must prove that the time limit for justification had not expired and that the suit was initiated on time.

If the body responsible for the register of ships establishes that the time limit had expired or that the suit had not been initiated on time, it shall permit the entry on the provisional note to be removed.

A suit to justify a provisional note shall be considered to have been filed on time, even though the time limit specified has expired, if it was filed before the proposal to remove a provisional note was submitted or if it was at least filed on the same day the proposal was submitted.

Article 331

If the court, in a civil suit to justify a provisional note, grants the plaintiff's request for justification, the justification of the provisional note shall be recorded in the register of ships at the proposal of any of the parties, in accordance with the contents of a final judgment.

If a request to justify a provisional note was rejected in a civil suit mentioned in the previous paragraph with a final decision, the provisional note shall be removed at the proposal of any of the parties.

Article 332

If a provisional note has been removed because the suit for justification was not filed on time, a new provisional note may be proposed; however it shall have legal effect only from the moment the new proposal is filed.

The owner of the ship or the beneficiary of a registered right may request in a suit that the absence of any provisional right be established. The judgment with which the court grants the request shall be entered in the register of ships at the proposal of the party, thus preventing a provisional note from being permitted again.

Article 333

If a provisional note is removed for any reason other than those cited in the preceding paragraph, the body responsible for the register of ships shall *ex officio* reject any new proposal for a provisional note on the same right based on the same document. If this is waived and a new provisional note is made, it shall be removed immediately upon the opposing party reporting that this provisional note has been removed once before.

Article 334

If a provisional right is a property right, further entries shall be permitted not only against those mentioned in book entries but also against the owner of the ship mentioned in the provisional note; however, the legal effect of these entries shall depend on whether or not such a provisional note is justified.

If a provisional note is justified, all the entries made for the book entry owner of the ship after the proposal was submitted, and on the basis of which the provisional note on property right was made, shall be removed *ex officio* together with the entry of its justification.

If a provisional note on a property right is removed, all the entries which were performed in connection with this provisional note shall be removed *ex officio* at the same time.

The provisions of this Article shall also apply in cases where a provisional note against the mortgagee on the transfer of the claim to another person was made.

Article 335

If there is a provisional note on the removal of an entry on any right, further entries (of, for example, second mortgages or on the assigning of mortgages) shall be permitted; however, the legal effect of these entries shall depend on whether or not the provisional note removing an entry is justified.

If a provisional note removing an entry is justified, all entries which were permitted in the meantime in connection with the removed right shall be removed *ex officio* together with the entry of the justification.

Article 336

If second mortgages are still registered on a claim secured by a mortgage at the time when removal is requested, the entry on the claim may be removed only if a comment is added to the effect that the removal of the entry with regard to the second mortgages shall have legal force only after they have been removed.

Once a book entry on removing the entry of a claim secured by a mortgage is made, further entries on this mortgage shall no longer be permitted; if only a provisional note has been made on the removal of the mortgage, further entries on this right shall be permitted, but only with the legal effect mentioned in Article 325 of this Act.

Notes

Article 337

The legal consequence of a note on personal relations, particularly in connection with restrictions on the right to use property, shall be that no person who is the beneficiary of any right entered in the register of ships may claim that these relations were unknown to him (for example, the person's status as a minor, extension to the parental right or guardianship, bankruptcy, etc.).

A note on personal relations and the removal of such a note shall be ordered by the body responsible for the register of ships on the basis of documents proving these relations, at the proposal of the parties, their legal representatives or competent bodies.

Article 338

A note on facts in addition to those cited in the preceding Article may only be permitted if permitted by law and if it has the effect provided by law (for example, order of precedence, consolidated mortgage, assigning of a claim secured by a mortgage, a suit to assert a maritime lien, a note on a dispute, etc.).

Article 339

The owner of a ship may request the entry of a note on the order of precedence of the planned seizure of a ship or encumbrance with a mortgage. The legal effect of a note shall be that the order of precedence of the rights acquired with seizure or encumbrance shall start from the moment when the proposal to enter the note is submitted, if these rights need to be registered in order for the note to be valid.

A mortgagee may request, with the legal effect cited in the preceding paragraph, the entry of a note on the order of precedence of the planned assigning or removal of his claim.

The notes mentioned in this Article shall only be permitted if, in accordance with the state of the entries in the register of ships, a book entry on the right that needs to be entered is permitted, and if the signature of the proposer on the proposal has been certified by an authority authorised to certify signatures.

Article 340

A decision by the body responsible for the register of ships granting a proposal to enter a note in accordance with the preceding Article shall be issued in one copy only (certified copy). Once the note has been entered in the register of ships, it shall be confirmed on that copy that the note has been entered.

Article 341

If a note on the order of precedence of the planned encumbrance of a ship with a mortgage is permitted, it shall cease to be effective after one year; in other cases, listed in Article 339 of this Act, it shall cease to be effective 60 days after permission has been granted.

The body responsible for the register of ships shall indicate the date the note shall cease to be effective in the decision permitting a note.

Article 342

A proposal to enter a right or removal with an order of precedence protected by a note (Article 339 of this Act) must be submitted within the time limits set in Article 327 of this Act; the proposal must be accompanied by a copy of the decision permitting the note.

The document which forms the basis for the entry or removal of a right, associated with a note on its order of precedence, may be drafted after the proposal to enter a note has been submitted.

The body responsible for the register of ships shall, in the decision permitting a book entry or a provisional note adopted in response to a proposal submitted in accordance with the first paragraph of this Article, indicate that the permitted entry holds that order of precedence which it acquired with the note. Upon entry, it shall be certified on the copy of the decision permitting the note on the order of precedence that entry has been carried out.

An entry with a note on order of precedence shall also be permitted if the ship, or the claim secured with a mortgage, has been transferred to another person or encumbered after the proposal for an note on its order of precedence has already been submitted.

If the owner of the ship or a mortgagee goes bankrupt before the proposal for entry is submitted, the entry shall be permitted only if a document of a legal transaction has already been drawn up before the day when bankruptcy was instituted and if the date of its being drawn up has been proved by certification by the authority authorised to certify signatures. If the document does not meet these conditions, it shall be assessed under bankruptcy regulations whether an entry is permissible.

Article 343

If a book entry on the transfer of a property right, or the seizure of a ship, or the assigning or removal of an entry on a claim with an order of precedence acquired with a note is permitted (first paragraph of Article 339 of this Act), the body responsible for the register of ships shall, at the proposal of the party for whose benefit the book entry was made, decree the removal of entries relating to the ship or the claim which were made after the proposal for the note was submitted. The proposal to remove these entries must be submitted within 15 days of the day the book entry with a note on its order of precedence became final.

Article 344

If a proposal for an entry is not submitted before the end of the period after which the note loses its effect (Article 341 of this Act), or if the claimed amount for which the note on order of precedence was made is not exhausted by the end of this period, the body responsible for the register of ships shall decree the removal of the note on the order of precedence *ex officio*.

The removal of an entry on a note may be permitted before the end of the period mentioned in Article 341 of this Act only if the proposal to remove an entry is supported by a copy of the decision permitting such removal. Once an entry has been removed, the body responsible for the register of ships shall, on this copy of the decision, certify that the entry has been removed.

Article 345

The body responsible for the register of ships shall, at the request of the creditor, permit that a note on a court's assigning a mortgage and on a mortgage suit shall be made if the person against whom the assigning or suit has been filed is registered as the owner of the ship and if it is proved that a mortgage suit has been filed.

A note on a mortgage suit may also be permitted by the civil court.

The consequence of a note mentioned in the first paragraph of this Article shall be that the assigning or the suit shall be effective against the subsequent owner of the ship and in particular that, pursuant to a final decision issued in a civil suit regarding a suit for which a note has been made or on the basis of an enforceable court settlement reached in this civil suit, a writ of execution on a mortgaged ship shall be permitted directly against any subsequent owner of the ship.

Article 346

A note on a suit to assert a maritime lien shall be removed *ex officio*, if the creditor of a claim secured by a mortgage does not request the sale of the ship or the registration of a mortgage or if the ship is not stopped

within this period at his request (second paragraph of Article 249 of this Act) within 60 days of the judgment becoming enforceable and issued pursuant to a suit on which a note has been made.

If it does not follow from the official documents that a request to sell the ship or register a mortgage has been made, or that the ship has been stopped within the legally prescribed period, the body responsible for the register of ships shall act in accordance with the second and third paragraphs of Article 330 of this Act.

Article 347

A person who initiates a civil suit in order to contest a book entry (registration) which he claims violates his registered rights and who requests the restoration of the previous situation may, at the time the suit is filed or later, also request from the civil court or the body responsible for the register of ships that a note on this dispute be entered in the register of ships.

The consequence of a note on a dispute mentioned in the preceding paragraph shall be that the judgment issued in this dispute shall also be effective against those who acquired their registered rights after the proposal to make a note on the dispute arrived at the register of ships.

Article 348

The statute of limitations on claims in a civil suit to remove a book entry against the persons who acquired rights or were excused from a burden directly with that book entry whose removal is requested with the suit, and in cases where the suit is based on a direct relationship between the plaintiff and the accused, shall be assessed under the rules of the law of obligations relating to the statute of limitations.

Article 349

Any person who wishes to contest the book entry of another person of which he was notified in accordance with regulations must, within the period when a complaint may be filed against permitting this book entry, propose to the body responsible for the register of ships that a note on the entered book entry is in dispute, and not later than 60 days after the period when complaints can be filed, and may also file a suit to remove a book entry against all those who acquired any registered right with the contested book entry or achieved further book entries or provisional notes on any registered right.¹⁰⁸

After the expiry of the period mentioned in the preceding paragraph, a book entry may be contested in a suit to remove an entry only against those who, prior to the note on a dispute, acquired additional registered rights on the registered right, and only if they were not honest about the validity of the contested book entry.

Article 350

If the plaintiff has not been notified of a permitted book entry which he contests in accordance with the regulations, his right to file a suit for its removal shall cease against those who fairly acquired additional registered rights on the registered right three years from the day the proposal to contest a book entry was delivered to the body responsible for the register of ships.

Article 351

If the plaintiff withdraws the suit, or if it is deemed by law to have been withdrawn, or if the suit was refused in a final decision, or if the claim was rejected, or if in the cases mentioned in Article 349 of this Act the suit was not filed within the prescribed period, it shall be ordered, at the proposal of the opposing party, that a note on the dispute be removed.

If a court, in a legally binding judgment, fully or partly grants the request to remove a contested book entry, or if the parties reach a court settlement on the removal of an entry, the removal of the contested book entry shall be permitted at the proposal of a party, in accordance with the content of the judgment or court settlement, and at the same time it shall be ordered to remove the entry on the note on a dispute, along with all the book entries and provisional notes on the removed rights whose proposals for entry arrived at the body responsible for the register of ships after it received the proposal to make a note on the dispute.

Article 352

Anyone who claims that a book entry took place as a result of a criminal offence may request that the legal effect in accordance with Article 347 be established with regard to the subsequent entries, and may request the body responsible for the register of ships to permit a note to the effect that the book entry is in dispute. The proposal must be accompanied by a certificate issued by the competent authority to the effect that a criminal law procedure has been initiated.

If a proposal is made for a note on a dispute with the aim of achieving an effect against others who acquired their registered rights fairly before the note on the dispute was made, it must be filed with the body responsible for the register of ships within the period in which the party may file a complaint against the permitted book entry.

Article 353

If a court in a criminal procedure rules that a book entry is to be removed, along with those registered rights which were acquired before the note in accordance with the preceding paragraph was made, the body responsible for the register of ships shall decree the removal of a book entry under the second paragraph of Article 351 of this Act, if the party against whom the contested book entry was made has supplied, along with the proposal for the removal of a book entry, a court decision issued in a criminal procedure, together with a certificate attesting to its finality.

If the court establishes, in a criminal law procedure, the liability of the defendant but refers the injured party with its request for the removal of the entry to a civil suit, the injured party shall have the right to file a suit for the removal of a book entry and registered rights as mentioned in the preceding paragraph within 60 days of the day when the court decision to refer to a suit has become final.

If the court does not issue a decision on the criminal responsibility of the defendant in a criminal procedure and if the entitled party does not file for a suit within the period mentioned in the preceding paragraph, the body responsible for the register of ships shall permit the removal of the note on a dispute at the proposal of the person with a legal interest in the continuing validity of the contested book entry.

Article 354

If a request to remove a note on a dispute has been made because the suit for removal was not filed within the time limits determined in Articles 349 and 353 of this Act, the body responsible for the register of ships shall act in accordance with the second and third paragraphs of Article 330 of this Act.

Article 355

If the owner of the ship or the creditor on whose ship or claim under a book entry on a right files a suit to have this right removed fully or in part because it has become statutorily barred, the body responsible for the register of ships shall, at the proposal of the plaintiff, permit that a note on a dispute be made in the register of ships.

Article 356

If a civil suit is initiated in which the plaintiff requests that it be established that a certain substantive right has been acquired with the acquisition by prescription, the body responsible for the register of ships shall, at the proposal of the plaintiff, permit a note on a dispute to be entered in the register of ships.

Article 357

A note on a dispute in the case of a suit for the removal of an entry due to the statute of limitations (Article 355 of this Act) or in the case of a suit to establish the acquisition of a substantive right as a result of the acquisition by prescription (Article 356 of this Act), shall have no effect against others who relied on the register of ships and who achieved certain book entries before the moment when the proposal on a note on a dispute arrived at the body responsible for the register of ships. If it is established in a final judgment that the plaintiff, through the acquisition by prescription, acquired a certain substantive right, the right acquired through the acquisition by prescription shall have an order of precedence higher than all those entries which were made after the note on a dispute; all the rights registered after the note on a dispute that are contrary to this shall be removed at the proposal of the party.

In the removal procedure, the second paragraph of Article 351 of this Act shall apply *mutatis mutandis*.

Article 358

The court which sold off the ship shall order *ex officio* that a note on the decision to sell the ship to the highest bidder be made in the register of ships.

The note mentioned in the preceding paragraph shall have an effect whereby registered rights against the previous owner may only be acquired with subsequent entries if the annulment of the decision to sell to the highest bidder has become final.

If the decision to sell to the highest bidder was uncontested or if the contested suit was finally rejected, all the entries performed after the note on the decision against the previous owner of the ship, as well as all subsequent entries on his rights, shall be removed at the proposal of the affected party.

Article 359

Unless otherwise stipulated, all proposals on the entry and removal of notes shall be filed with the body responsible for the register of ships.

Registration of consolidated mortgages

Article 360

With consolidated mortgages (Article 235 of this Act) founded with an entry in several inserts, one of the inserts shall be marked as the main insert and the others as auxiliary. In the proposal for an entry, it must be stated which of the inserts is the main one and which the auxiliary; if this is not stated in the proposal, it shall be considered that the one which is listed first in the proposal for entry is the main insert.

If a request is made for an existing mortgage on the same claim to be expanded so as to cover other inserts, the original encumbered insert shall be treated as the main insert.

In the main insert, reference shall be made to the auxiliary inserts by means of a note, and in each auxiliary insert, reference shall be made to the main insert.

Article 361

If the creditor requests, in order to secure his claim, that the mortgage be entered in a specific insert, he shall have to report the existence of the mortgage entered on this claim, in any other insert, in order that a note concerning a consolidated mortgage can be made.

The creditor shall be liable for damage caused by not reporting the existence of a mortgage.

If the note on a consolidated mortgage has not yet been entered, the mortgagee may propose that such a note be made and request reimbursement for costs from the creditor if the mortgage had not been entered through the fault of the creditor.

If, when permitting a book entry or a provisional note on mortgage, the body responsible for the register of ships notices that a mortgage on the same claim has already been entered in any other insert, it shall order *ex officio* that the insert in which this mortgage is entered be the main insert.

Article 362

If a book entry or a provisional note in any of the auxiliary inserts is removed due to a complaint, a note of its removal shall be made in the main insert.

Article 363

The order of precedence of consolidated mortgages shall be determined for each insert separately, whereby the decisive moment shall be the moment when the proposal to permit an entry on a consolidated mortgage was received.

Article 364

All proposals to change a mortgage on claims which are covered by a consolidated mortgage, entered in several inserts, must be filed with the register of ships.

The decision on the proposals shall be made in accordance with the state of entries in the main insert.

A proposal filed with an authority other than the body responsible for the register of ships shall be returned to the applicant with the instruction that the proposal must be submitted to the competent authority.

Article 365

All changes to a consolidated mortgage which require the transfer, restriction, encumbrance, removal of an entry or anything else shall be entered in the main insert only.

The recording of changes into the main insert shall have the same legal effect as if it had been made in all existing or future auxiliary inserts.

A note on the partial or complete removal of an entry on a consolidated mortgage applying to all ships or all claims (second mortgage) which are the subject of the consolidated mortgage shall be entered in all auxiliary inserts, while the removal of an entry on a consolidated mortgage applying to a specific ship or claim shall be entered only in the auxiliary insert in which the ship or claim has been entered.

Article 366

If a mortgage is removed on a ship or a claim which is secured with a mortgage entered in the main insert, all subsequent entries on the consolidated mortgage in this insert shall also be removed and transferred to one of the auxiliary inserts. If a consolidated mortgage still exists, this insert shall be treated as the main insert. The conversion of an auxiliary insert into the main insert shall be recorded *ex officio* in each existing auxiliary insert.

Article 367

Only one suit shall be required for the justification of a provisional note on a consolidated mortgage on the same claim entered in different inserts.

Article 368

Extracts from the inserts which are kept as auxiliary in relation to the consolidated mortgage must contain an instruction to consult the main insert and a comment to the effect that changes to the consolidated mortgage are recorded only in the main insert.

Removal of a ship's entry

Article 369

The body responsible for the register of ships shall issue a decision to remove a ship from the register of ships if:

1. it establishes that the ship has been destroyed or presumed to have been destroyed;
2. if it no longer meets the conditions laid down in Article 210 of this Act;
3. if it has been permanently withdrawn from navigation;
4. if it is entered in another register of ships.

A ship shall be deemed to have been destroyed if three months have passed since the last report on the ship. In that case, the ship shall be considered to have been destroyed on the day the last report on the ship was received. The first and second paragraphs of this Article shall also apply *mutatis mutandis* to the removal of entries for ships under construction.

Article 370

A ship may not be removed from the register of ships if the creditor with a maritime lien or a mortgage on a ship objects to the removal.

A creditor shall be deemed not to object to the removal if he does not communicate his objection in writing to the body responsible for the register of ships within fifteen days of being informed in writing of the proposal for its removal.

The ship's entry shall be removed from the register of ships despite the creditor's objection if an amount equal to the creditor's claim or other appropriate security is deposited with the court.

The provisions of this Article shall also apply to ships under construction.

The provisions of this Article shall not apply to the removal of the entry for a ship referred to in point 1 of the preceding Article nor to the transfer of property on a ship by releasing the ship to the insurance company.

Article 371

A decision to remove a ship from the register of ships must establish, within the meaning of Article 370 of this Act, that the creditors of maritime liens do not object to the removal and/or that the mortgagees agree with the removal referred to in point 1 of the first paragraph of Article 369 of this Act.

An objection whereby privileged creditors object to the removal of a ship from the register of ships shall be filed with the body responsible for the register of ships, which shall decide on the matter.

In the case referred to in the preceding paragraph, a ship may be removed from the register of ships only after the decision of the body responsible for the register of ships refusing the removal becomes final.

Article 372

If a ship that had been removed from the register of ships because it was destroyed or presumed to have been destroyed, had been permanently withdrawn from navigation, or claimed as sea booty or spoils of war at sea, is being re-registered, the body responsible for the register of ships shall issue a decision to re-register the ship jointly with all the data and registered rights from the register of ships in which it was entered previously and which were valid at the time of its removal; it shall notify the shipowner and all others who were the beneficiaries of any registered right of this.

5. Legal remedies

Article 373

A complaint may be filed with the ministry responsible for maritime affairs against a decision by the body responsible for the register of ships concerning an application or a proposal for registration. The parties may state new facts and submit new evidence in a complaint only if these apply to any material violations of procedural rules.

Article 374

The period for submitting a complaint against a decision served in the Republic of Slovenia shall be 30 days, and for those served abroad, 60 days.

Article 375

A complaint not submitted on time, or which is incomplete or illegal, shall be rejected by the body responsible for the register of ships.

If a complaint is not rejected by the body responsible for the register of ships, copies thereof shall be sent to the parties to whom the disputed decision was delivered.

The body responsible for the register of ships may not alter or annul its decision.

A complaint which was submitted directly to a body of second instance shall be sent by this body to the body responsible for the register of ships, and it shall be considered that this complaint was submitted on the day it arrived at the body responsible for the register of ships.

Article 376

If a complaint against a decision permitting book entry (registration), a provisional note or initial registration has been made, the body responsible for the register of ships shall decide to introduce a note on the complaint.

If the complaint is rejected, the note shall be removed.

The introduction of the note and its removal referred to in the first and second paragraphs of this Article shall be performed by the body responsible for the register of ships *ex officio*.

If a complaint against a decision concerning a request for initial registration in the register of ships is filed, the body responsible for the register of ships must act in accordance with the third paragraph of Article 288 of this Act.

Article 377

If the body of second instance rejects a complaint against a decision rejecting a proposal for entry, the body responsible for the register of ships shall order *ex officio* that the note on this decision be removed and shall inform the parties thereof.

Article 378

If the body of second instance modifies a decision of the body responsible for the register of ships and approves any of the proposals mentioned in Article 298 of this Act which were rejected by the body responsible for the register of ships, the permitted entry shall be made. In this case, it shall be considered that the entry was made at the time when the proposal for it to be made was submitted.

Article 379

If the body of second instance modifies a decision by which the body responsible for the register of ships permitted the removal of an entry, and rejects the proposal to remove the entry, the removed book entry or provisional note shall be restored.

If the body of second instance modifies a decision by which the body responsible for the register of ships granted any of the proposals listed in Article 298 of this Act, and rejects the proposal, the book entry or provisional note shall be removed.

Article 380

The decision by which the body of second instance orders an entry shall be sent to the body responsible for the register of ships, complete with all the documents submitted with the application or the proposal, so that the service and registration can be conducted, acting in compliance with Articles 310 and 313 of this Act.

Article 381

An administrative dispute shall be permitted in the procedure of entering a ship in the register of ships.

PART FIVE – SHIPOWNER

Section I – SHIPOWNER'S LIABILITY

Article 382

A shipowner shall be liable for the obligations arising in connection with the navigation and utilisation of a ship, unless otherwise stipulated by this Act.

Article 383

The shipowner and the salvager may limit their liability for maritime claims in compliance with the provisions of this part of the Act.

For the purposes of this section of the Act, an owner, charterer and chartered owner shall also be considered to be shipowners.

A salvager shall be a person who offers services directly connected with salvage or rescue.

In the event of claims under Article 385 of this Act against persons for whose actions, omissions or errors the shipowner or the salvager is liable, these persons may limit their liability in compliance with the provisions of this part of the Act.

A person who insures against liability for those claims for which liability may be limited in compliance with the provisions of this Act shall be entitled to the same benefits as the insured party under this Act.

Any reference to limited liability shall not amount to an admission of liability.

Article 384

In cases where the shipmaster, other members of the crew or other persons who work for the shipowner are responsible for the claims under Article 385 of this Act, they may limit their liability in compliance with Articles 388 to 394 of this Act.

Article 385

Taking into account the exceptions mentioned in Articles 386 and 387 of this Act, liability for the following claims may be limited, irrespective of the grounds for liability:

1. for claims arising from death, physical injury, loss or damage to property (including damage to port facilities, pools, access sea lanes and navigational markings) which occurred on the ship or in direct connection with the utilisation of the ship or during salvage, as well as claims arising from subsequent related damages;
2. claims arising from any damage created as a result of a delay in the carriage of goods, passengers and their luggage by sea;
3. claims arising from other damages created by violations of non-contractual rights in direct connection with the utilisation of the ship or with salvage;
4. claims made by other persons, except those who are liable for the damage, arising from measures for the prevention and mitigation of damage for which the responsible person may limit liability in compliance with this part of the Act and for any subsequent damage created as a result of these measures.

The liability for claims from the preceding paragraph may be limited in the event of a suit on the basis of a contract, an action in tort, a suit for recourse or a guarantee. However, the claims referred to in point 4 of the preceding paragraph may not be subject to a limitation of liability to the extent to which the liability applies to reimbursement pursuant to the contract with the responsible person.

Article 386

This part of the Act shall not apply to the following claims:

1. claims arising from salvage, or contributions towards the general average;
2. claims arising from damages referred to in Section V of Part Seven of this Act;
3. claims regulated by an international convention or national law governing or prohibiting the limitation of liability for nuclear damage;
4. claims by the staff of the shipowner or the salvager whose duties are closely connected to the ship or salvaging, including claims by their heirs, successors in title and other persons entitled to such claims.

Article 387

The shipowner shall lose the right to limited liability referred to in Article 388 of this Act if he causes damage intentionally or through gross negligence.

The shipowner may not limit liability for damage arising from the death of or physical injury to persons employed by the shipowner.

Article 388

The liability limits for claims (except for those mentioned in Article 389 of this Act) originating from the same event shall be calculated in the following manner:

1. for claims arising from death and physical injury:

a) SDR 333 000 for a ship not exceeding 500 tonnes;

b) for a ship exceeding 500 tonnes, the following amounts shall be added to the amount at (a):

- for each tonne between 501 and 3 000 – SDR 333

- for each tonne between 3 001 and 30 000 – SDR 333

- for each tonne between 30 001 and 70 000 – SDR 250

- for each tonne exceeding 70 000 – SDR 167;

2. for other claims:

a) SDR 167 000 for a ship not exceeding 500 tonnes;

b) for a ship exceeding 500 tonnes, the following amounts shall be added to the amount at (a):

- for each tonne between 501 and 30 000 – SDR 167

- for each tonne from 30 001 to 70 000 – SDR 125

- for each tonne exceeding 70 000 – SDR 83.

When the amount referred to in point 1 of the preceding paragraph is insufficient to settle all the claims cited in this paragraph, the funds mentioned in point 2 of the same paragraph shall be used to settle the outstanding amount, whereby the outstanding amount shall compete proportionately with the claims mentioned in point 2.

The limitation of the liability of the salvager who either does not perform salvage work from a ship, or conducts it exclusively on the ship which is the subject of a salvage operation, shall be calculated by using gross tonnage of 1 500 as the basis.

For the purposes of this part of the Act, the ship's gross tonnage, calculated on the basis of Appendix I to the International Convention on Tonnage Measurement of Ships (1969), shall be used.

Article 389

In the event of claims arising from the death of or physical injury to passengers on board a ship originating from the same event, the shipowner shall be liable in the amount of SDR 46 666 multiplied by the number of passengers that the ship may carry pursuant to the navigation list, but not more than SDR 25 million.

The claims from the preceding paragraph include all claims made by a person travelling on a ship or on whose account a voyage is conducted pursuant to a contract of passage or who, with the approval of the shipowner, accompanies a vehicle or live animals pursuant to a contract of affreightment.

Article 390

The limits of liability determined on the basis of Article 388 of this Act shall be used for the sum of all claims originating from the same event, against the following persons:

1. the person or persons mentioned in the first paragraph of Article 383 of this Act and all those for whom they are responsible, or

2. the owner of the ship who carries out salvage from that ship, the salvager or salvagers who conduct such salvage work, and the persons for whom they are responsible, or

3. the salvager or salvagers who only conduct salvage outside the ship or only from the ship that is being salvaged, and the persons for whom they are responsible.

The liability limits mentioned in Article 389 of this Act shall be used for the sum of all claims that may arise from the same event, against a person or persons mentioned in the first paragraph of Article 383 of this Act in connection with the ship referred to in Article 388 of this Act, and/or against the persons for whom they are responsible.

Article 391

The persons who may be liable for the claims cited in this part of the Act must establish a limited liability fund. The resources of the fund shall cover the corresponding amounts mentioned in Articles 388 and 389 of this Act plus the interest accrued from the start of liability until the establishment of the fund.

The fund is to be used to settle claims in respect of which it is possible to make reference to limited liability. The fund may be established by depositing the amount in cash or in another suitable form of security. A fund established by one of the persons mentioned in points 1, 2 or 3 of the first paragraph of Article 390 of this Act or in the second paragraph of the same Article or by their insurer shall be considered to have been founded by all the persons mentioned in points 1, 2 or 3 of the first paragraph or the second paragraph of Article 390.

Article 392

Claims by creditors shall be settled from the fund in proportion to the established amount. The responsible person and/or his insurer who, prior to the distribution of the fund's resources, completely or partly settles any claims from this part of the Act shall, in relation to the fund, occupy the position of a creditor whose claim has been settled up to the amount which has been paid.

Article 393

The creditors for whose benefit a limited liability fund was established may have their claims settled from this fund only.

Following the establishment of the fund in compliance with Article 391 of this Act, any ship or other property that belongs to the persons for whose benefit this fund was established must be released, if it has been stopped or seized because of the claims that may be settled from the fund. In cases where the fund was formed abroad, a Slovenian court may release such property if the creditor's interests are protected in an appropriate manner.

The release of property shall be compulsory if the fund has been established:

1. in the port where the damaging event occurred or, if it occurred outside the port, in the next port;
2. in the port of disembarkation, for claims arising from death or physical injury;
3. in the port of unloading, for claims arising from damaged goods;
4. in the country in which the ship was stopped.

The provisions of the first and second paragraphs shall only apply in cases where the creditor may assert claims against the fund with the court which is administering the fund, if the claims may actually be settled from this fund.

Article 394

The provisions of Articles 382 to 422 of this section of the Act shall also apply to boats, whereby, in order to calculate limited liability amounts, a boat shall be treated as a ship of 500 tonnes (gross).

Article 395

The provisions of Articles 382 to 422 of this part of the Act shall also apply to military vessels, whereby the capacity of a military vessel shall be determined on the basis of its displacement. One tonne from Article 388 of this Act shall equal two displacement tonnes.

Section II – PROCEDURES FOR THE LIMITATION OF THE SHIPOWNER'S LIABILITY

Article 396

A non-litigious civil procedure to limit the shipowner's liability shall be conducted by an individual judge at the District Court of Koper with subject matter jurisdiction.

The court mentioned in the preceding paragraph shall have jurisdiction if the ship or boat involved in the event, in connection with which a procedure limiting the shipowner's liability is in progress, is entered in the Slovenian register of ships; if the ship or boat involved in the event in connection with which a procedure limiting the shipowner's liability is in progress belongs to a foreign country, the court mentioned in the preceding paragraph shall have jurisdiction if the ship or boat has been stopped in the territorial sea of the Republic of Slovenia and, when it has not been stopped, if the money to establish a limited liability fund has been deposited with a court in the Republic of Slovenia.

Article 397

The procedure of limiting the shipowner's liability shall be initiated at the proposal of the person who is entitled to limit his own liability under the provisions of this Act.

The proposal to initiate the procedure of limiting the shipowner's liability must, in addition to the general data that must be stated in any application, also contain the following:

1. a description of the event giving rise to the claim for which limited liability is proposed;
2. the grounds for and amounts of limited liability;
3. the manner in which the proposer proposes to establish a limited liability fund (cash deposits or other suitable security);
4. a list of all known creditors, their registered offices or place of residence;
5. the type and probable amounts of claims by known creditors.

A proposal to limit the shipowner's liability must be accompanied by documents on the tonnage of the ship in accordance with Article 388 of this Act.

Article 398

If the court establishes that the conditions prescribed by this Act permitting the proposer to limit liability have not been met, it shall issue a decision rejecting the claim.

If the court establishes that it will not be possible to use the resources of the proposed limited liability fund freely for the benefit of the creditors, it shall reject the claim.

Article 399

If the court establishes that in the proposal for the procedure to limit the shipowner's liability the claim has been made in compliance with the provisions of this Act relating to the conditions for limiting the shipowner's liability, and that the resources of the proposed fund may be used freely to benefit the creditors, it shall issue a decision permitting the establishment of a limited liability fund.

In the decision mentioned in the preceding paragraph, the court shall request the proposer to submit, within 15 days, evidence that he has deposited the approved resources to establish the limited liability fund with the court and that he has deposited a specific amount needed to cover the costs which will be generated by the procedure or in connection with it.

If the proposer does not act in compliance with the second paragraph of this Article, the court shall issue a decision revoking the decision to establish a limited liability fund.

The court shall, in the decision, notify the proposer of the consequences of failing to comply with the third paragraph of this Article.

Article 400

A limited liability fund shall be deemed to have been established on the day the proposer submits evidence to the court of having complied with the second paragraph of the preceding Article.

The decision establishing that a limited liability fund has been established must be issued by the court within 24 hours of receiving the evidence mentioned in the preceding paragraph.

The decision mentioned in the preceding paragraph shall be published in the Official Journal of the Republic of Slovenia, in the court notices and, if necessary, in any other appropriate manner.

The decision shall be delivered to the proposer and to all creditors to whose claims the limited liability applies and whose registered office or place of residence is known to the court.

Article 401

The decision determining the establishment of a limited liability fund shall contain the following data:

1. the name, port of registration and nationality of the ship and/or the marking and place of registration of the boat;
2. the title or name, registered office, personal name, permanent residence and nationality of the proposer;
3. the event to which the limited shipowner's liability applies;
4. the amount in the limited liability fund and the date the fund was established;
5. an invitation to the creditors to register with the court those claims which, under the provisions of this Act, are to be settled from the limited liability fund within 90 days of the publication of the decision in the Official Journal of the Republic of Slovenia, irrespective of whether a civil suit has already been initiated for these claims or if a final decision has been issued, with instructions as to the consequences of a failure to act under Article 412 of this Act;
6. the location and time of the hearing to test the claims.

Article 402

If an execution procedure or a procedure to secure claims to be settled from the limited liability fund under the provisions of this Act has been initiated against a person who, under the provisions of this Act, may limit his

liability or to whom the limited liability fund applies, the executive court shall, at his request, stop the executive procedure or the procedure to secure claims by means of a decision and shall annul all the actions performed in the procedure.

The party at whose proposal the court stopped an execution procedure or a procedure to secure claims shall pay the costs of the suspended procedure and, at the request of the opposing party, shall also cover the costs incurred by the opposing party.

Once the limited liability fund has been established, a request for a regular execution procedure or a procedure to secure claims which, under the provisions of this Act, shall be settled from the limited liability fund may no longer be made.

Article 403

Creditors whose claims are in a foreign currency shall register them in their Tolar equivalent, calculated by using the average exchange rate of the Bank of Slovenia on the day the limited liability fund is established.

For claims registered on time (point 5 of Article 401 of this Act), the legal interests on arrears shall accrue from the day the limited liability fund was established, and for others from the day they were registered.

Article 404

Registered claims shall be tested at the hearing to test the claims.

The proposer and all creditors who registered their claims prior to the scheduled hearing to test the claims may take part in the hearing as parties.

The court may conduct a hearing even if the parties do not attend.

At the hearing, the court shall invite the parties present to make statements on the claims registered and on the grounds for limiting the liability of the proposer.

Article 405

It shall not be considered that the creditor, by registering a claim, is thereby granting the proposer the right to settle the registered claim from the limited liability fund.

A creditor may not contest the claims of another creditor by alleging that it may not be settled from the limited liability fund because the event from which the claim has arisen was caused intentionally or through the gross negligence of the shipowner (first paragraph of Article 387 of this Act).

It shall be considered that the person who proposes to establish a limited liability fund and the creditors have acknowledged the existence of a registered claim and that it may be settled from the limited liability fund if they did not contest it with an application or verbally at the hearing to test the claims by the end of that hearing.

Article 406

If the creditor objects to the proposer's limited liability on his claims while the proposer agrees to it, the court shall instruct him, with a decision, to file a suit against the proposer in order to establish that his claim does not belong among those claims to be settled from the limited liability fund within 30 days of being delivered the decision.

If the creditor does not act in accordance with the court decision within the period mentioned in the preceding paragraph and/or if he withdraws the suit, it shall be considered that he has abandoned his declaration that the proposer's liability is not limited with regard to his claims.

Article 407

If the creditor contests the existence or amount of a claim by another creditor or a right for his claim to be settled from the limited liability fund, the court shall, with a decision, instruct the creditor whose claim is being contested to file a suit to establish his claim or its amount or the right to a settlement from the limited liability fund, against the proposer and all the creditors who are contesting his claim or its amount, within 30 days of being delivered the decision.

If creditors contest the claim of another creditor which has been established with a final judgment in a civil suit against the proposer, the court shall, with a decision, instruct the creditor or creditors who are contesting such a claim to file a suit to establish that the claim does not exist within 30 days.

If the creditors who were instructed by the court to initiate a suit within the period from the first paragraph and the preceding paragraph do not act in compliance with the court decision or if they withdraw the suit, it shall be considered that, in the cases referred to in the first paragraph of this Article, the claim has not been registered at all, and in the cases referred to in the preceding paragraph, that the claims were not contested.

Article 408

If the proposer contests the existence or amount of the creditor's claim, the court shall instruct the creditor, with a decision, to file a suit against the proposer to establish the existence or amount of his claim within 30 days of being delivered the decision.

The proposer may not contest the creditor's claim if the existence and amount of this claim have been finally established in a civil suit between him and the creditor, or a civil suit conducted under the first paragraph of the preceding Article.

If the creditor who has been instructed by the court to file a civil suit does not act within the period determined in the first paragraph of this Article or if he withdraws the filed suit, it shall be considered that the claim has not been registered at all.

Article 409

The suits mentioned in Articles 406, 407 and 408 of this Act may apply only to those claims which were the subject of the discussion at the hearing to test claims.

Any final judgments passed in civil suits from Articles 406, 407 and 408 of this Act shall have a legal effect against all parties in the procedure of limiting the shipowner's liability.

Article 410

The competent court in the disputes mentioned in Articles 406, 407 and 408 of this Act shall be exclusively the court which is conducting the procedure to limit the shipowner's liability.

Article 411

If the proposer proves as plausible that a claim should be settled abroad by the limited liability fund, the court may, at his proposal, order that the amount required to settle this claim be removed from the fund in proportion to other registered claims and the resources of the limited liability fund.

The proposal mentioned in the preceding paragraph may be filed prior to the first hearing on the distribution of the resources of the limited liability fund.

The amount removed in compliance with the first paragraph of this Article shall be kept in a special deposit for 10 years from the day when the decision on the final distribution of the resources of the limited liability fund becomes final.

The court may, before the end of the period mentioned in the preceding paragraph, order that the entire removed amount, or a part thereof, be returned to the general deposit of the limited liability fund if it can be concluded from the circumstances that the assumptions (first paragraph) on the basis of which this amount was removed, no longer exist.

After expiry of the period mentioned in the third paragraph of this Article, the court shall return the amount removed to the general deposit of the limited liability fund.

Article 412

The court shall convene a new hearing to test the claims which were registered after the hearing.

The creditors whose claims are tested at the new hearing under the preceding paragraph may not contest the claims that were recognised earlier.

The creditors may register their claims prior to the end of the hearing on the distribution of the resources of the limited liability fund.

The claims registered after the first hearing to distribute the resources of the limited liability claim shall not be established.

Creditors who register their claims after the period mentioned in point 5 of Article 401 of this Act shall, at the request of the proposer and of other parties to the procedure, reimburse them the costs of the procedure caused by late registration. The court may request that these creditors advance the amount required to cover such costs.

Article 413

After the procedure to test registered claims has been conducted, the court shall establish with a decision which of the claims shall be recognised and in what amount; here it shall also take into account the written applications by the parties.

Article 414

The resources of the limited liability fund shall be distributed when the decision issued according to the preceding Article becomes final.

The court may, at the proposal of the creditor, temporarily distribute a part of the resources of the limited liability fund in order to pay tested claims in advance, if the creditor who makes such a proposal proves as plausible that suits under Articles 406, 407 and 408 of this Act will not end in less than six months.

The distribution of the resources referred to in the preceding paragraph shall include that part of the limited liability fund that remained once the resources required to settle any disputed claims were removed from the total, in the amount they would have been settled if their existence had been confirmed in the registered amount. The resources removed from the limited liability fund under the first, second or third paragraphs of Article 411 of this Act shall be distributed when the procedure to test disputed claims with which the removed sums are associated has been finally concluded, whereby the distribution performed under the first, second and third paragraphs of this Article shall be taken into account.

Article 415

The court shall prepare a draft for the distribution of the resources of the limited liability fund.

When preparing the draft for the distribution of the resources of the limited liability fund, the court shall convene a hearing to discuss it; to this hearing it shall invite the proposer and those creditors whose claims have been established and for which it has been established that they will be settled from the limited liability fund, and the creditors whose claims are still disputed.

The court shall, together with the invitation to the hearing, send a copy of the distribution draft.

Article 416

If an expert is needed to prepare a draft for the distribution of the resources of the limited liability fund and the court has no such expert, a specialist outside the court may be entrusted with the preparation of the draft.

For experts from the preceding paragraph, the provisions of the Civil Procedure Act relating to experts shall apply.

Article 417

The proposer and the creditors referred to in Article 415 of this Act may take part in a hearing as parties.

The absence of parties from a hearing shall not preclude the hearing from going ahead.

At the hearing, the court shall invite the parties present to comment on the draft of the distribution of the resources of the limited liability fund and to submit their objections.

The decision to distribute the established limited liability fund shall be issued by the court on the basis of the result or success of the procedure, whereby it shall take into account the written applications of the parties.

Article 418

The court must issue an order to settle the claims of those creditors to whom the decision on distribution applies within three days of the day the decision on the distribution of the resources of the limited liability fund becomes final and against which no legal redress is requested, or of the day the court of second instance sent the decision to the court of first instance.

Article 419

The registration of a claim in the procedure to limit a shipowner's liability shall, with regard to the suspension of the statute of limitations, have the same effect as the filing of a suit in a civil procedure.

With regard to the claims contested in the procedure to test claims, it shall be considered that the statute of limitations was suspended from the day the claim was registered to the end of the period open for filing a suit under the provisions of Articles 407 and 408 of this Act and/or from the day of the judgement establishing that the creditor's claim should not be settled from the limited liability fund becoming final.

The statute of limitations on the claims which, under the decision on the distribution of the resources of the limited liability fund, shall be settled from the fund, shall recommence when the decision on distribution becomes final.

Article 420

The court shall establish, for the benefit of those parties who, six months after the issuing of payment instructions (Article 418 of this Act), cannot have their claims settled, a special deposit account from the resources of the limited liability fund, in accordance with the rules on the establishment of a court deposit.

Article 421

Any complaints against decisions issued in the procedures limiting the liability of a shipowner may be filed within eight days of the delivery of the decision.

Article 422

In a procedure to limit the liability of a shipowner, all extraordinary appeals which may be filed against judgments issued in civil procedures may be applied against a final court decision which finally concludes the procedure before the court.

PART SIX - MARITIME CONTRACTS

Section I – A SHIPBUILDING CONTRACT

Article 423

With a shipbuilding contract, the shipyard shall undertake to build a new ship within the specified period, in accordance with the design and technical documentation, and the client shall promise to pay the agreed price for the newly-built ship.

With the contract to convert or repair a ship, the party carrying out repairs shall promise to convert or repair an existing ship within a specified period, and the client shall agree to pay the party who carries out the work the agreed amount for the conversion or repair work.

The provisions of this Act on shipbuilding contracts shall also apply *mutatis mutandis* to contracts to convert or repair a ship, except for the reception of a ship in a dock, if this is an independent transaction.

Article 424

A shipbuilding contract, and its amendments and additions, must be drafted in writing.

Any contracts to build a ship, and its amendments and additions, which are not in accordance with the preceding paragraph shall have no legal effect.

Article 425

The shipyard must build the ship in accordance with the contract and with the rules of the profession, and in such a manner that a certificate on seaworthiness, as prescribed by this Act, may be issued for the ship, as well as other documents envisaged in the shipbuilding contract.

If the ship is to be entered in a foreign register of ships, the shipyard must build it in accordance with the contract and the rules of the profession, and in such a manner that the ship may be issued with the documents envisaged in the shipbuilding contract.

Article 426

It shall be considered that a ship under construction is owned by the shipyard, unless otherwise stipulated in the shipbuilding contract.

Article 427

The client shall have the right to supervise the construction of the ship and to appoint for this purpose one or several supervisors. The appointment and removal of a supervisor must be notified in writing to the shipyard. The costs associated with the supervisor's work shall be paid by the client.

The shipyard must enable the supervisor to conduct supervision during construction.

If the supervisor establishes that the performance of specific work is not in compliance with the provisions of Article 425 of this Act, he shall immediately submit a written comment to the shipyard.

If the shipyard disagrees with the comments made by the supervisor, the supervisor shall, without delay, inform the client thereof in writing and request the initiation of the procedure envisaged for such cases in the contract.

If the contract contains no provisions on a procedure referred to in the preceding paragraph or if the parties do not accept the results of the procedure mentioned in that paragraph, the dispute shall be resolved by a court.

The provisions of the first to fifth paragraphs of the Article shall not interfere with the right of the classification society to supervise the construction of a ship under the provisions of this Act relating to the establishment of the seaworthiness of a ship.

Article 428

When manufacturing or purchasing parts or accessories for the ship ordered or bought by the shipyard from persons selected by the client, the shipyard shall be liable for the faults in the work performed or in the purchased parts and accessories, unless he proves that, despite due care and attention, these faults could not have been noticed.

Article 429

The shipyard shall not be liable for deficiencies in construction if it can prove that these were created because it acted in executing certain work in accordance with the client's demands and that it informed him of that it might have adverse consequences which the client could have foreseen with due care and attention.

If the material used to build the ship is supplied by the client, the shipyard must inspect it and inform the client of any deficiencies without delay.

If the shipyard does not act in accordance with the preceding paragraph, it shall be liable for any harmful consequences occurring as a result of faults in the material.

The shipyard shall not be liable in line with the preceding paragraph if the client, despite information that the material was faulty, insisted that the material be used by the shipyard to build the ship.

If the shipyard is not also the designer, it shall be liable for those deficiencies in the construction of the ship which it executed in accordance with the design and which, with due care and attention, it should have noticed.

The shipyard shall not be liable in line with the preceding paragraph if the client, despite being informed by the shipyard, demanded that the work be carried out in accordance with the design.

If a Slovenian ship is being built, the shipyard must notify the classification society supervising the construction that the client, despite its warnings, insisted that certain works were to be executed contrary to technical construction standards and the rules of the profession, that inferior material was to be built into the ship, or that the works were to be carried according to the design even though this would entail faulty construction.

Article 430

The shipyard shall have the right to retain the ship until it has received payment or an appropriate security for the claims arising from the shipbuilding contract .

Article 431

The shipyard must, within a suitable period and at its own expense and risk, remove the deficiencies for which it is liable under the provisions of Articles 425, 427 and 429 of this Act.

If the deficiencies cannot be removed, the client may demand a corresponding reduction in the price.

If a deficiency that cannot be removed is a substantial one, the client shall have the right to rescind the contract.

The provisions of the first to third paragraphs of this Article shall not interfere with the client's right to compensation.

Circumstances where the client had no comments on the design from the shipyard relating to the material used and the manner of execution of works during the construction of the ship shall not absolve the shipyard from its liabilities under the first to fourth paragraphs of this Article.

Article 432

The shipyard shall be liable for any hidden faults detected within one year of delivering the ship to the client, on condition that the client informs the shipyard in writing of the faults immediately upon detecting them.

Article 433

The liabilities of the shipyard under the preceding Article shall cease one year from the day it was informed of the faults under the preceding Article.

Section II - CONTRACTS FOR THE EXPLOITATION OF SHIPS

1. Common provisions

Article 434

Contracts for the exploitation of ships shall be divided into contracts of carriage and charter parties (lease).

Article 435

A contract of carriage shall be a contract of affreightment by sea, a contract of passage by sea, a contract of towage at sea, and other contracts relating to other contracts of carriage.

Article 436

The provisions of this Act relating to a specific contract of carriage shall apply *mutatis mutandis* to other contracts of carriage also, unless otherwise stipulated by this Act.

Article 437

The terms used in this section of the Act shall have the following meaning:

1. the charterer shall be that contracting party who signs a contract with the shipowner on the carriage of affreightment or passage, of towage or pushing of a vessel, or on any other contracts of carriage;
2. the shipper shall be the charterer, or a person appointed by him, who, under the contract of affreightment, delivers the goods to the shipowner for carriage;
3. the consignee shall be the person entitled to take delivery of the goods from the shipowner;
4. the beneficiary shall be the person who, under the contract of affreightment, enjoys certain rights with regard to the shipowner (charterer, shipper, consignee);
5. lay days shall be the normal time specified for the loading or unloading of goods;
6. demurrage shall be the extension to the time for loading and unloading beyond the lay days.

Article 438

The provisions of this chapter shall also apply to the following:

1. military vessels;
2. boats.

Notwithstanding the provision of point 1 of the preceding paragraph, the following shall not apply to contracts for the exploitation of military vessels:

1. the provisions on time charter (Articles 442, 443, 570 and 572 of this Act, and in Article 440 of this Act, the provisions applying to this contract);
2. the provisions on the right of the charterer to sign a contract of affreightment with someone else (Article 444 of this Act);
3. the provisions on the carriage of passengers and luggage (Articles 586 to 621 of this Act), except for the provisions on the shipowner's liability for the death of and physical injury to passengers, and the provisions of Article 598 of this Act;
4. the provisions on bareboat charter (Articles 643 to 657 of this Act);
5. the provisions of Articles 452 and 565 of this Act.

2. Contracts of carriage

a) Carriage of goods

Common provisions on the carriage of goods

Article 439

With a contract of affreightment, the shipowner undertakes to carry goods and the charterer undertakes to pay the freight.

Article 440

A contract of affreightment may be for the entire ship, a part thereof or a specific part of the ship (a charter party), or for the carriage of individual items (contract of carriage).

A charter party may be signed for one or several voyages (a voyage charter) or for a period of time (a time charter).

Article 441

A charter party must be drawn up in written form.

A contract mentioned in the preceding paragraph which is not drawn up in written form shall have no legal effect.

With contracts of affreightment not mentioned in the first paragraph of this Article, each party may request a written document to be drawn up on the concluded contract.

If the party who is obliged to draw up the document in writing does not fulfil this demand, the other party shall be entitled to withdraw from the contract, unless the fulfilment of the contract has already begun.

The provision of the preceding paragraph shall not interfere with the compensation rights of the party who requested the document in writing.

Article 442

With charter party, the shipowner shall not be liable to the charterer for the obligations assumed by the shipmaster in connection with the fulfilment of the charterer's special orders.

Article 443

With charter parties, the charterer must not decide on voyages which would expose the ship and the ship's crew to danger which could not have been foreseen at the time the contract was signed, or voyages which cannot be expected to be completed without seriously exceeding the time for which the contract has been concluded.

Article 444

The charterer of a charter party may sign a contract with another person on the carriage of goods on the ship which is the subject of the charter party.

The shipowner shall also be liable to others for the obligations arising from the contract mentioned in the preceding paragraph, under regulations whose application cannot be excluded with an agreement between the parties, and under the conditions determined for such a type of carriage.

If, in the case mentioned in the preceding paragraph, the shipowner's obligations are increased, the charterer shall be liable for them to the shipowner.

If the other person with whom the contract mentioned in the first paragraph of this Article has been concluded knew of the charter party, the shipowner shall be liable to this person only within the bounds of the charter party and of those legal regulations whose application cannot be excluded with an agreement between the parties.

Article 445

The charterer who authorised another person as the shipper to deliver cargo on his behalf to the shipowner for carriage shall be liable to the shipowner for the shipper's actions or omissions within the limits of the contract.

Article 446

A contract of affreightment shall expire if it is permanently impossible to fulfil the contract due to *force majeure*.

If a contract of affreightment cannot be fulfilled due to *force majeure* over a longer period of time, or if it is not certain how long *force majeure* may last, each of the parties shall be entitled to withdraw from the contract.

Each of the parties shall also have the right to withdraw from the contract when the safety of the ship, its crew or cargo may be endangered due to *force majeure* or other circumstances that cannot be averted or prevented and which, at the time the contract was concluded, could not have been foreseen and which would last a longer period of time or whose duration is uncertain.

Article 447

If the contract of affreightment expires or the charterer withdraws from it under the preceding Article, the shipowner shall be entitled to reimbursement of the costs connected with unloading; if the reason for the expiry of the contract or withdrawal from the contract emerged after the ship's departure from the port of loading, the shipowner shall have the right to reimbursement of the freight in proportion to the usefully travelled part of the voyage.

With the exception of the shipowner's right to reimbursement under the preceding paragraph, none of the contracting parties shall have the right to any other reimbursement from the other party.

Article 448

If a contract of affreightment cannot be fulfilled for a short period of time only, the contracting parties may not withdraw from the contract.

Article 449

With a charter party for the entire ship, the charterer may withdraw from the contract by the end of loading, or by the end of demurrage if loading has not been completed by then, on condition that he pays half the agreed freight, the cost of demurrage and other costs of the shipowner not included in the freight.

The provisions of the preceding paragraph shall also apply when the charter party has been concluded for a part of the ship or a specific space only, or in case of a contract of carriage if all the charterers withdrew from the contract.

In the cases mentioned in the first and second paragraphs of this Article, the charterer or charterers may withdraw from the contract after the end of loading or demurrage, as well as during the voyage itself, if they pay the entire agreed freight, the costs of demurrage and other costs of the shipowner which were not included in the freight.

If a charter party has been signed for a part of the ship or specific space only or in case of contract of affreightment for individual items, any of the charterers may withdraw from the contract before the start of loading if they pay the entire agreed freight, the costs of demurrage and other costs of the shipowner which were not included in the freight.

Article 450

The charterer may also withdraw from the contract in the cases referred to in the fourth paragraph of the preceding Article after the commencement of loading if he fulfils the obligations specified in this Article; the condition being that cargo can be unloaded without endangering the ship or any other cargo, that unloading will not cause any great delays to departure or a disturbance in the navigational order, that unloading will not cause damage to other charterers, and that there are no convincing reasons against the unloading.

If the shipowner, for reasons cited in the preceding paragraph, does not accept withdrawal from the contract, he shall immediately notify the charterer thereof.

Article 451

If, in the event of withdrawal from the contract, a bill of lading has already been issued, the charterer may withdraw from the contract if he returns all originals of the bill of lading to the shipowner or posts security for the damage the shipowner may suffer because not all of the original B/Ls were returned.

Ships

Article 452

The shipowner must carry the cargo using the ship which was explicitly agreed on or which possesses the agreed characteristics.

If the parties have not explicitly agreed on a specific ship or its characteristics in line with the preceding paragraph, the shipowner must convey the cargo using a ship which has the usual characteristics for conducting the agreed transport.

Article 453

The shipowner must, with the due care and attention of a good shipowner, on time and by the start of the voyage, prepare the ship for navigation, equip the ship in an appropriate manner, provide the crew, supply the ship with the necessary supplies, and prepare it in such a manner that cargo may be loaded, stacked, stored, transported and unloaded in the same state as when it was accepted for carriage.

The shipowner must act with the due diligence and attention of a good shipowner referred to in the preceding paragraph for the entire duration of the voyage.

The shipowner must provide evidence that he has acted with the due diligence and attention mentioned in the first and second paragraphs of this Article.

An agreement concluded in contravention of the provisions of the first to third paragraphs of this Article shall have no legal effect.

Article 454

Space on a ship which is not intended for the carriage of cargo may be used for that purpose only with the explicit agreement of the contractual parties, unless such an agreement is contrary to regulations.

Article 455

The shipowner may, with the consent of the charterer, replace the agreed ship with another.
The consent of the charterer to the replacement of a ship shall not be required if the carriage is performed on the basis of a contract of carriage.

Article 456

The shipowner shall be responsible for the correctness of the information on the carrying capacity of the ship cited in the charter party, if the difference is more than 5%.

Article 457

If a charter party for the entire ship or a specific space on the ship is concluded and the space is not used completely, the shipowner may not use this space without the consent of the charterer.

Loading of cargo

Article 458

The shipowner must bring the ship which is to be loaded with cargo to the agreed port.

Article 459

If the ship, for reasons for which the charterer is not responsible, cannot be brought to the agreed port, the charterer shall have the right, taking into account the purpose of the contract, to determine the first suitable port that the ship can reliably arrive at for loading.

Article 460

The charterer must secure a place in the port for the loading of cargo.
In liner shipping, the shipowner shall secure a place in the port for the loading of cargo.

Article 461

The shipowner must bring the ship to the place of loading determined in line with the preceding paragraph by the charterer, if this can be done without any danger to the ship and if the cargo can be loaded in that place without any danger to the ship.

If the place of loading does not meet the conditions mentioned in the preceding paragraph, the shipowner must bring the ship as close to that place as possible, if this can be done without endangering the ship and if the cargo can be loaded in that place without any danger to the ship.

Article 462

The shipowner may accept cargo at an anchorage if so agreed or if this is customary for the local area, and shall have to accept cargo at an anchorage if ordered to do so by the Maritime Directorate of the Republic of Slovenia.

Article 463

If the charterer or any other person has the right under the contract to determine the port of loading and the shipmaster has received no such order within an agreed or suitable period, or if the accepted task cannot be fulfilled, he shall act in the best manner according to his judgement, taking into consideration the interests of the parties concerned.

Article 464

If, under the contract, the ship has to arrive at a specific port by a specific time, it shall be considered that it has arrived on time if it arrived at the port or its anchorage by that time.

Article 465

The shipmaster must notify the charterer in writing that the ship is ready for loading (letter of readiness). The letter of readiness must be sent to the charterer's address during working hours. If the shipmaster does not have the charterer's address or if the letter of readiness cannot be delivered to that address, the letter of readiness must be published in the public media and attached to the notice board of the Maritime Directorate of the Republic of Slovenia.

Article 466

Letters of readiness shall not be used in liner shipping. In liner shipping, the cargo shall be loaded immediately upon the ship being ready for loading at the agreed place.

Article 467

The shipmaster may deliver a letter of readiness if the ship is ready for loading and in the location in the port mentioned in Articles 458, 459, 461 and 462 of this Article. A letter of readiness may be delivered even if the ship has not been brought to the location mentioned in the preceding paragraph, if this could not be done for reasons for which the charterer is responsible.

Article 468

In maritime shipping, the cargo shall be taken over by the shipowner when loaded on the pulleys.

Article 469

The shipmaster must give instructions to the shipper who is loading cargo on the ship on stowage so as to prevent damage caused by the carriage of cargo on a ship. When loading cargo, the shipper must follow the instructions from the shipmaster on the cargo plan on board the ship and take into account other circumstances relating to the safety of the ship, its facilities and equipment and other cargo on the ship, and the prevention of environmental pollution.

Article 470

The cargo may not be loaded on deck without a special written permit from the charterer, unless it is customary for this type of trade that cargo be loaded on deck.

Article 471

The quantity of cargo tendered for transport may be specified by number of items, by weight or by volume, or in any other manner customary for that cargo. If in doubt, the quantity of cargo shall be specified according to the measure which is customary for the port of loading.

Article 472

Another cargo may be delivered for carriage instead of the agreed cargo, if this does not alter the conditions of carriage to the disadvantage of the shipowner, delay the ship or endanger the safety of the ship or of other cargo, and if the charterer supplies the shipowner, at his request, with security for the claims which may arise due to the cargo being replaced.

If the agreed cargo has already been loaded, the costs of its unloading and replacement with another cargo shall be covered by the charterer.

Article 473

The charterer and/or the shipper must issue the shipowner with instructions on the cargo handling if the cargo is not in regular trade and if the shipmaster has to undertake special measures when stacking or transporting it.

Article 474

If the cargo is hazardous, the charterer and/or the shipper must inform the shipowner, even when not requested by him, of the nature of the hazard and what must be done to ensure safety.

Article 475

The shipowner may not accept for carriage any cargo whose import, transit or export is prohibited, nor may he accept contraband for carriage.

The shipowner shall not be obliged to accept for carriage any cargo which, by its nature, is hazardous if, at the time the contract was concluded, it was not known that it was hazardous, or if it could not have been known.

The shipowner shall not be obliged to accept for carriage cargo whose condition and the condition of its packaging is dangerous to the crew, the ship, the environment and other cargo with which it comes or may come into contact during transportation.

Article 476

The charterer shall be liable to the shipowner for the damage inflicted on people, the ship, the cargo or the environment, and for any other damage and costs caused by faulty or inappropriate packaging and a deficient or incorrect description of the cargo.

Article 477

The charterer shall be liable to the shipowner for the damage inflicted on people, the ship, the cargo or the environment, and for any other damage and costs caused by the natural properties and condition of the cargo, if the shipowner was unaware of these properties or was not obliged to know about them.

Article 478

The provisions of Articles 460, 465 and 468 of this Act shall apply, unless different practices apply in the port of loading.

Loading time

Article 479

The shipowner must accept cargo for carriage during the working hours of the port.

The working hours of the port shall be prescribed in compliance with the law by the authorised person operating the port.

Article 480

Lay days shall start with the start of morning or afternoon working hours, if the letter of readiness has been delivered at least two hours prior to the end of the previous morning or afternoon working hours.

The duration of lay days shall be prescribed by the port regulations or in line with the practices of the port.

Lay days shall be specified in working days and parts of working days; an unbroken 24-hour period shall count as a working day.

Sundays, national holidays and other non-working days at the port, and those times when weather conditions or obstacles on the part of the ship prevent loading, shall not count as working days.

Article 481

Demurrage shall commence with the end of lay days. Demurrage may last for half the duration of the lay days.

Demurrage shall be counted in unbroken days and parts of days with no intervals.

The time when no work can be performed as a result of an obstacle on the part of the ship shall not count towards demurrage.

Article 482

The shipowner shall be entitled to a special payment for demurrage.

Demurrage payments shall be calculated on the basis of the demurrage payments by other similar ships in the same port at the same time and, if this is not possible, from the demurrage payments by other similar ships in the nearest port at the same time.

Demurrage payments shall be made in advance for a full day each day. If the loading ends before the end of the day which has been paid for in advance, the shipowner must return a proportionate part of the payment.

Article 483

If demurrage is not paid by its due date, the ship may leave immediately with the loaded part of the cargo. In the cases mentioned in the preceding paragraph, the shipowner shall retain the right to payment of the full freight, demurrage and other claims to which he is entitled under the contract.

Article 484

The ship may depart immediately after the end of demurrage with that part of the cargo which has been loaded on the ship.

In the cases mentioned in the preceding paragraph, the shipowner shall retain the right to payment of the full freight, demurrage and other claims to which he is entitled under the contract.

Article 485

Until the end of lay days or possible demurrage, the shipowner may not refuse to load cargo which is ready on the port side of the ship, even though the loading and stacking of such cargo may delay the ship beyond the duration of lay days or demurrage.

In the cases mentioned in the preceding paragraph, the shipowner shall be entitled to a payment for delaying the ship beyond demurrage (exceptional demurrage).

The payment for exceptional demurrage shall be 50% higher than the demurrage payment.

The shipowner shall, in addition to the payment for exceptional demurrage, be entitled to compensation for the delaying of the ship if the damage is higher than the payment for exceptional demurrage.

Article 486

When a ship leaves with the loaded part of the cargo on board because demurrage was not paid by its due time (Article 483 of this Act) or because demurrage ended (Article 484 of this Act), the shipowner shall be entitled to withdraw from the contract and unload the cargo if the loaded part of the cargo on board is not sufficient security for his claims under the contract of carriage.

When unloading the cargo, the shipowner must act with the due care and attention of a good shipowner and take into account the circumstances of the case.

If the shipowner withdraws from the contract and unloads the cargo, he shall retain the right to full freight, demurrage and to reimbursement of the costs incurred through the unloading, if they are not included in the freight, and to other claims to which he is entitled under the contract.

Article 487

The provisions of this Act relating to lay days and demurrage shall not apply to liner shipping.

In liner shipping, the shipper must deliver the cargo at the speed the ship can accept it.

Article 488

A cargo liner shall not have to wait for loading beyond the time specified according to the sailing schedule, unless the obstacle to loading was on the part of the ship.

Article 489

The charterer must deliver to the shipmaster the customs documents and other documents required to load, transport and unload the cargo on time.

If the charterer has not delivered these documents by the commencement of lay days or demurrage, and in contracts of carriage by the time scheduled for departure, the shipmaster shall have the right to unload the cargo.

In the cases described in the preceding paragraph, the shipowner shall retain the right to full freight, demurrage and exceptional demurrage and/or to compensation for delaying the ship and to compensation for any other damage.

Article 490

The provisions of the first paragraph of Article 479 and of Articles 480, 481, 482, 485, 487 and 488 of this Act shall be applied unless other practices apply at the port of loading.

Transport documents

Article 491

After loading, the shipowner must issue the charterer, at his request, with a bill of lading.

Article 492

If the cargo has been delivered to the shipowner before loading, the charterer may request a bill of lading from the shipowner for the accepted cargo with "received for shipment bill of lading" clearly marked on it. Instead of issuing a bill of lading, the shipowner who issued a received for shipment bill of lading may write "shipped" on it and state the date, thus certifying that the cargo has been loaded.

Article 493

If the shipowner issued a received for shipment bill of lading, the shipowner must return it when he receives the bill of lading.

Article 494

If the cargo which is to be carried is loaded onto several ships, if different types of goods are involved, or if the cargo is divided into several parts, the shipowner and the charterer may request a separate bill of lading for each ship used, for each type of goods or for each part of the cargo.

If the cargo is loaded in bulk, the charterer shall have the right to request a separate bill of lading for specific quantity of cargo.

Article 495

Any agreement between the parties which is contrary to the provisions of Article 491 of this Act and the first paragraph of Article 492 of this Act shall have no legal effect.

Article 496

A bill of lading may be straight, order or blank.

If an order bill of lading contains no name for the person under whose order the shipowner is to deliver the cargo, it shall be delivered under the order of the charterer.

Article 497

A straight bill of lading shall be transferred through assignment, an order bill of lading with an endorsement, and a blank bill of lading with a delivery.

The form and effect of an endorsement shall be regulated *mutatis mutandis* by the provisions on bills of exchange, except for the provisions on recourse.

Article 498

The shipowner must issue the charterer, at his request, with several originals of the bill of lading and mark on each of the originals the number of originals issued.

Article 499

Each of the parties may request several copies of the bill of lading for their own needs.

It shall be stated on each of the copies that it is a copy.

The charterer must, at the request of the shipowner, sign for a copy of the bill of lading.

Article 500

A bill of lading shall contain the following:

1. the title and registered office or the name and permanent residence of the shipowner issuing the bill of lading;
2. the name or other data on the identity of the ship;
3. the title and registered office or the name and permanent residence of the charterer;
4. the title and registered office or the name and permanent residence of the consignee, or an "order" or "to the bearer" note;

5. the port of destination, or when or where that port shall be determined;
 6. quantity of cargo by number of items, weight, volume or any other unit of measurement, depending on the type of cargo;
 7. the type of cargo and its markings;
 8. the condition of the cargo or of the packaging by external appearance;
 9. the provisions on the manner of payment of freight;
 10. a statement on the number of originals of the bill of lading;
 11. the place and date the cargo was loaded and the bill of lading issued.
- The bill of lading may also contain other data and conditions of carriage.

Article 501

A received for shipment bill of lading must also contain the data mentioned in the preceding paragraph, except for data on the identity of the ship and the place and date of loading.
When the shipowner writes "shipped" on a received for shipment bill of lading, he must also enter data on the identity of the ship and on the place and date of loading.

Article 502

A bill of lading shall be signed by the shipowner or his authorised representative.
The signature may be handwritten, printed as a facsimile, punched through, stamped, or reproduced in any other mechanical or electronic fashion.

Article 503

A bill of lading shall be drawn up by the shipowner on the basis of written data supplied by the charterer.

Article 504

If the shipowner has justifiable grounds to doubt the veracity or completeness of the data provided by the charterer with regard to the type of cargo, the markings on it or the amount of cargo by number of items, weight, volume or other unit of measurement and no reasonable possibilities exist for examining whether the data is correct at the time of loading, or if the markings on the cargo are unclear or insufficiently durable, the shipowner may enter a clause on the bill of lading.

Article 505

A signature by the charterer on the bill of lading or on the copy of the bill of lading (Article 502 of this Act) shall not mean that the charterer agrees with the clauses entered in the bill of lading by the shipowner under the preceding Article of this Act.

Article 506

If the shipowner does not enter clauses on the bill of lading referred to in Article 504 of this Act, it shall be considered in the relation between him and other legal and honest holders of the bill of lading that the shipowner has accepted the cargo in the state described in the bill of lading.
If the shipowner enters clauses on the bill of lading under Article 504 of this Act it shall be presumed that the cargo was accepted as it was delivered to the consignee until proved otherwise by a legal holder of the bill of lading.

Article 507

The conditions written in the contract of carriage and the general conditions set by the shipowner shall only be binding for the entitled holder of the bill of lading who is not the charterer, if specific reference to the conditions is made on the bill of lading.
The verbal conditions of a contract of carriage not recorded on the bill of lading shall not be binding for the entitled holder of a bill of lading who is not the charterer, not even when the bill of lading specifically refers to him.
If the bill of lading makes only a general reference to the conditions in the contract of carriage and the general conditions of the shipowner, the holder of the bill of lading mentioned in the preceding paragraph of this Article shall not be bound by those provisions of the contract of carriage and the general conditions of the shipowner which are stricter than the customary conditions for the type of carriage.

Voyage

Article 508

If the duration of a voyage is not specified by the contract, the shipowner shall be obliged to complete the voyage within a reasonable period.

Article 509

If the route is not specified by the contract, the shipowner shall conduct the voyage along the customary route.

Article 510

If a ship is unable, for whatever reason, to start a voyage or continue a voyage which has already been started, and if the obstacle may last for some time or its duration is unknown, the shipmaster must request instructions from the charterer or a person entitled to deal with the cargo.

If the shipmaster is unable to act in accordance with the preceding paragraph or to fulfil the instructions received, he shall be obliged, depending on the circumstances, to unload the cargo, to return with it to the port of departure or to take alternative action and, in so doing, to take into consideration the interests of the shipowner and the beneficiary of transport.

If, in the cases mentioned in the first and second paragraphs of this Article, the contract of carriage expires by law or due to withdrawal, the provisions of this Act regulating relations between contractual parties in the event of the termination of contracts shall apply *mutatis mutandis* to the rights and obligations of contractual parties created as a result of actions by the shipmaster.

If the contract has not expired or if the charterer's instructions could not be fulfilled, the damage arising as a result shall be incurred by the party who is responsible for the obstacle or on whose part the reasons for the obstacle exist. If the reasons for the obstacle were the fault of both parties, each party shall bear responsibility for its own damage.

If both parties are responsible for the obstacle, they shall share the damage in proportion to their responsibility.

Article 511

The charterer or legal holder of the bill of lading may, immediately after the start of the voyage, withdraw from the contract under the conditions cited in the third paragraph of Article 449 of this Act and in Articles 451 and 452 of this Act.

Article 512

The shipowner who does not fulfil the order which he received from the beneficiary of carriage and which he should have fulfilled under the provisions of this Act shall be liable to the beneficiary for the damage incurred.

The shipowner shall reimburse the consignee who is the legal holder of the bill of lading if he fills out a charterer's order, even though not all of the originals of the bill of lading have been returned to him.

The amount of the damages referred to in the first and second paragraphs of this Act may not exceed the amount that would have to be paid by the shipowner if he were liable for the loss of the entire cargo.

Article 513

The shipowner's obligation to compensate for the damages under the provisions of the second paragraph of the preceding Article shall not adversely affect his entitlement to recourse in relation to the beneficiary of carriage.

Delivery of the cargo to the consignee

Article 514

The shipowner shall deliver the cargo to the consignee in the port of destination.

Article 515

The provisions of Articles 459 to 463 of this Act and Articles 465 to 468 of this Act shall apply to the port of destination and the delivery of cargo to the consignee.

Article 516

The shipowner must deliver the cargo to the authorised holder of the bill of lading or to a person authorised under the contract of carriage.

Article 517

If no transportation document has been issued for the transported cargo, the consignee may request that the shipowner deliver the cargo to him when the ship arrives at the port of destination, on the condition that he has fulfilled his obligations arising from the contract.

The shipowner must act on the requests of the consignee referred to in the preceding paragraph, unless something else arises from the charterer's order on the free use of the cargo which the shipowner must complete.

Article 518

The authorised holder of the bill of lading may, immediately upon the arrival of the cargo at the port, request that the shipowner hand over the cargo to him, provided he has fulfilled all the obligations arising from the bill of lading.

The authorised holder of the bill of lading must, upon acceptance of the cargo, return the bill of lading to the shipowner.

If the cargo has been delivered in the port of destination to the person who submitted one original from a set of bills of lading, other originals shall no longer be binding on the shipowner.

Article 519

If no transportation document has been issued for the transported cargo, the consignee may request that the shipowner hand over the cargo to him before the ship arrives at the port of destination, if authorised to do so by the charterer under contract with the shipowner.

The legal holder of the bill of lading shall, under the conditions mentioned in the third paragraph of Article 449 of this Act and Articles 451 and 452 of this Act, have the right to request that the cargo be handed over before the ship arrives at the port of destination.

Article 520

The shipowner may request that the person to whom he handed over the cargo issue a receipt for the received cargo.

Article 521

If cargo listed in one transportation document is to be delivered in sections, the shipowner may request that the reception of part of the cargo be confirmed on the document itself or with a separate receipt.

Article 522

If no bill of lading has been issued for the transported cargo, the charterer may order the shipowner to deliver the cargo in the port to a person other than the person named in the contract.

The charterer shall lose the right mentioned in the preceding paragraph when the consignee, under the provisions of this Act, acquires the right to request, and also requests, delivery of the cargo from the shipowner.

Article 523

The provisions of Articles 479 to 482 of this Act and Article 490 of this Act shall also apply to the time of unloading.

Article 524

If unloading has not been completed by the end of demurrage, or if demurrage has not been paid by its due date, the shipmaster may, in order to secure payment of demurrage and of other claims arising from the contract of carriage and at the expense and risk of the consignee or other person who is entitled to free use of the cargo, unload the cargo and store it himself, or store it in a public warehouse or with another suitable entity.

Article 525

The shipowner shall, in the cases mentioned in the preceding paragraph, have the right to a payment for the delaying of the ship beyond demurrage; this shall be determined in accordance with the third and fourth paragraphs of Article 485 of this Act.

Article 526

If the consignee makes no objections in writing in respect of damaged or missing cargo immediately upon acceptance of the cargo, it shall be presumed that the cargo was delivered in the same state as described in the bill of lading; if no transportation document has been issued, it shall be presumed that the cargo was delivered in the same state as it was accepted for carriage, until proven otherwise by the consignee.

If damaged or missing cargo is not readily apparent, the consignee may submit a written objection as mentioned in the preceding paragraph within three days of accepting the cargo.

The objection mentioned in the first and second paragraphs of this Article must be sufficiently specific.

If the consignee submits a written objection within the period stipulated in the first and second paragraphs of this Article, it shall be presumed that the statements in the objection are true, until proved otherwise by the shipowner.

If the shipowner and the consignee, during unloading and delivery, together establish in writing the damage or that some of the cargo is missing, an objection shall not be required.

Any agreement between the parties which is in contravention of the provisions of the first to fifth paragraphs of this Article, concluded to the disadvantage of the beneficiary of carriage, shall have no legal effect.

The shipowner and the consignee must, as far as possible, facilitate the other party's establishing the condition and quantity of the cargo at the time of its acceptance.

Article 527

The customary ullage during transportation must be taken into account when establishing the amount of a shortfall.

When the cargo is lost, the ullage shall not be taken into account.

The ullage mentioned in the first paragraph of this Article shall be calculated in accordance with the practices which apply at the port of unloading.

Article 528

Damage created by a delay in the delivery of cargo, which is not a shortfall or damage to cargo, must be proved by the consignee.

Article 529

If the consignee does not turn up, cannot be found, or refuses or is unable to accept the cargo, or if several legal holders of the bill of lading turn up prior to the delivery of cargo, the shipowner must request instructions from the shipper and/or charterer.

Article 530

If the shipowner requests instructions from the shipper and/or the charterer in accordance with the preceding paragraph and does not receive instructions on time or is unable to carry them out, he may act in accordance with Article 524 of this Act and inform all those beneficiaries of carriage of whom he is aware of his actions.

If the carriage is conducted on the basis of a contract of carriage, the shipowner must immediately notify all beneficiaries of carriage of whom he is aware of any obstacles in connection with the delivery of the cargo. He shall not have to wait for instructions and may immediately take action under Article 524 of this Act.

Article 531

If the shipowner stores the cargo in a public warehouse or with any other entity, he shall only be liable for the choice.

Article 532

If cargo which was stored by the shipowner himself or was given to someone else to be stored under Articles 524 and 530 of this Act is not accepted within 30 days of the day it was stored at the port of destination, and if the

freight and other claims arising from the contract of carriage have not been paid, the shipowner may sell the cargo or a part thereof, if this is required in order to cover these claims.

The shipowner may also sell the cargo before the end of the period from the preceding paragraph if he would not otherwise be able to obtain a sufficient amount to cover his claims and the costs of storage by selling the cargo, or if the cargo consists of spoiled or perishable goods.

The cargo shall be sold at an auction, with the exception of perishable goods, spoiled goods and goods with a stock market value.

The shipowner must act with due care and attention when selling perishable or spoiled goods.

Article 533

The shipowner must deposit the amount accrued by selling the cargo in line with the preceding paragraph, after deducting the amount required to settle his claims arising from the carriage of cargo and the costs of storing and selling the cargo, with the court with jurisdiction over the location of the auction, for the benefit of the person who is entitled to free use of the cargo; he must, without delay, inform all beneficiaries of carriage of whom he is aware.

Article 534

In contracts of carriage, the shipowner, who through the fault of the beneficiary of carriage is unable to unload cargo at the port of destination by the time scheduled in the navigation timetable as the time of departure of the ship from that port, may unload this cargo in another nearby port; he shall retain the right to an increased fare for freight and to a reimbursement of the damage created as a result.

If the beneficiary of carriage is not guilty of the obstruction to unloading at the port of destination, the shipowner must cover the costs of delivery to that port; if the obstacle to unloading is his own fault, he shall also reimburse for the damage caused by delay.

Shipowner's liability for damage to goods and for delay

Article 535

A shipowner shall be liable for any damaged, missing or lost cargo accepted for transport from the time of acceptance to the time of delivery, as well as for any damage created as a result of a delayed cargo delivery.

Article 536

A cargo delivery shall be considered to be delayed if it is not delivered to the consignee within the agreed time or, when no such time has been agreed upon, within a reasonable period.

Article 537

A shipowner shall not be liable for any damaged, missing or lost cargo or for a delayed cargo delivery if he proves that, despite the due care and attention of a good shipowner, he could not have prevented the reasons for the damaged, missing or lost cargo or delayed cargo delivery.

Article 538

A shipowner shall be liable for the actions and omissions of the shipmaster, other crew members and other persons on board who work for the shipowner as part of their duties, as if they were his own actions and omissions.

The shipowner shall not be liable for damaged, missing or lost cargo or a delayed cargo delivery if these were consequences of the actions or omissions of persons mentioned in the preceding paragraph conducted during the navigation and handling of the ship.

Article 539

A shipowner shall be liable for the damage to cargo caused by fire only if it is proved that he personally caused the fire through his own actions or omissions.

Article 540

The shipowner shall not be liable for damage to cargo if it is proved that it was caused by the following:

1. hidden faults of the ship or through the ship not being seaworthy, but only if the conditions mentioned in Article 453 of this Act are met;
2. *force majeure*, accident at sea, military events, international crime at sea, unrest or mutiny;
3. health restrictions or other measures and actions taken by State authorities;
4. actions or omissions by beneficiaries of carriage or by persons working for them;
5. work stoppages or strikes, mass exclusions of staff from work, or any other full or partial obstacles to work;
6. rescue or salvage and attempted rescue or salvage of people and property at sea;
7. changes of course in cases mentioned in the preceding point or for other justified reasons;
8. loss of weight or volume of the cargo that is natural or due to damage, or loss as a result of a mistake involving the cargo, hidden faults or the special nature of the cargo;
9. unsuitable packaging, or unclear or insufficiently durable markings on the cargo.

Despite the evidence described in the preceding paragraph, the shipowner shall be liable for the damage if the beneficiary of carriage proves that the shipowner, or the person for whose actions and omissions the shipowner is responsible and which are not connected with the navigation and handling of the ship, was guilty of the damage caused.

Article 541

When this is not in contravention of regulations, the shipmaster may unload hazardous cargo at any time and in any place, render it non-hazardous or may dispose of it if the shipowner was not informed of the danger before loading.

In the cases mentioned in the preceding paragraph, the shipowner shall retain the right to the full freight payment and shall not be liable for the damage.

Article 542

If the shipowner accepted dangerous cargo for transportation and knew of the hazard, he may unload it or render it non-hazardous if the safety of the ship, people or other cargo on board, as well of the environment, is endangered.

When the shipowner in line with the preceding paragraph unloads the cargo before the arrival at the place of destination, he shall be entitled to the freight payment for the distance travelled; responsibility for other damage caused by the loading of dangerous cargo and the shipowner's actions shall be borne by each party on its own behalf.

Article 543

The ship shall not be liable for damage caused by damaged, missing or lost cargo or for a delayed cargo delivery, if the shipper knowingly stated the wrong type or value of the cargo.

Article 544

The charterer shall be liable to the shipowner for the damage caused to him by the charterer or shipper who stated untrue or incorrect data on the quantity, type and markings of the cargo.

Article 545

The charterer shall be liable to the shipowner for the damage caused to him by the loading or carriage of goods whose import, export or transit is prohibited or which is contraband, if the shipowner was unaware of these properties at the time of loading, or could not have known about them.

Article 546

A person who loads anything without the knowledge of the shipowner shall be liable to the shipowner for the damage thus created.

Article 547

The shipowner may, at his own discretion, at any time and in any place unload or dispose of cargo which was loaded without his knowledge or which is incorrectly or incompletely listed if people, the ship, the cargo on the ship or the environment are endangered.

The shipowner shall, in the cases described in the preceding paragraph, retain the right to full freight payment and compensation, and shall not be liable for damage created by his actions.

Article 548

Cargo whose import, export or transit is prohibited may be returned by the shipmaster to the port of loading or unloaded at any place and, if urgently required, disposed of as well.

If the shipowner, in the cases mentioned in the preceding paragraph, did not know or could not have known of the properties of the cargo, he shall retain the right to full freight payment and shall not be responsible for the damage created by such actions.

If the shipowner knew or should have known of the properties of the cargo mentioned in the first paragraph of this Article, he shall retain the right to the freight payment for the distance travelled, while other damages shall be borne by each party separately.

Article 549

If a ban is placed on the import, export or transit of certain goods during the time they are being transported on a ship, the provisions of the first paragraph of the preceding Article shall apply to shipmasters handling such goods.

The shipowner shall, in cases described in the preceding paragraph, retain the right to full freight and compensation and shall not be liable for the damage created by such actions.

Article 550

The shipowner shall not be liable for damaged, missing or lost cargo or for a delayed cargo delivery in excess of SDR 666.67 per unit of damaged, missing, lost or delayed cargo, or SDR 2 per kilogram of gross weight of damaged, missing, lost or delayed cargo, whereby the highest amount shall be used.

A cargo unit as referred to in the preceding paragraph shall mean a package or an item, and with bulk cargo it shall mean a metric tonne or cubic metre or other unit of measurement, depending on which unit of measurement was used in the agreement to determine the freight. If the freight was not agreed upon on the basis of a unit of measurement, the unit of measurement for bulk cargo shall be that unit of measurement which is ordinarily used at the place of loading to determine the freight.

If cargo is shipped in containers or on pallets or similar articles of transport, a cargo unit shall have the meaning specified in the first paragraph of this Article:

1. package or a cargo unit listed in the bill of lading - if the bill of lading lists an ordinary package or a cargo unit in a container or on a pallet or similar article of transport;
2. a container, pallet or other similar article of transport of cargo - if the bill of lading does not list a package or cargo unit .

Article 551

The shipper may, in agreement with the shipowner, increase the level of the shipowner's liability in accordance with the preceding Article by stipulating the increased value of goods per unit of cargo.

If a transportation document has been issued, an agreement on increasing the shipowner's liability not stated in that document shall have no legal effect benefiting a consignee who is not the shipper.

Article 552

It shall be presumed that the value of the cargo corresponds to the amount agreed upon by the parties under the preceding Article, until proved otherwise by the shipowner.

Article 553

The shipowner may not refer to the provisions of this Act relating to the limitation of liability (Articles 550 and 551 of this Act) if it is proved that he himself caused the damage either intentionally or through gross negligence.

Article 554

The shipowner shall be liable for the value of a lost item or a part thereof, and for the fall in the value of a damaged item.

The shipowner shall, with items delivered late, also be liable for the damage created because of the delay.

Notwithstanding the provisions of the first and second paragraphs of this Article, a shipowner who, under Article 553 of this Act may not limit his liability, shall be liable for any damage created because of lost, missing, damaged or delayed goods.

Article 555

The amount of damages for lost goods shall be determined on the basis of the trade value for the same amount of other goods with the same properties at the port of destination as of the day they arrived at this port or as of the day they should have arrived.

If the amount of damages for lost goods cannot be determined under the preceding paragraph, the trade value of the goods at the port of loading at the time of the ship's departure shall be determined and the costs of transportation added.

The amount of damages for damaged goods shall equal the difference between the trade value of the goods in good condition and its trade value in damaged condition.

The amount of damages for lost or damaged goods which cannot be determined under the first or second paragraphs of this Article shall be determined by the court.

The costs which were saved because the cargo did not arrive at the place of destination or because they arrived damaged shall be deducted from the amount which must be paid by the shipowner in compensation for damaged, missing or lost cargo.

Article 556

The provisions of Articles 550, 554 and 555 of this Act shall also apply when the shipmaster, a crew member or any other person who works for the shipmaster under general regulations is liable for the damage created by missing, damaged or lost goods, if it is proved that they were created during work, in connection with work, while performing a service, or in connection with service.

The persons mentioned in the preceding paragraph may not refer to limitation of liability if they caused the damage intentionally or through gross negligence.

Article 557

The total compensation amount paid by the shipowner and persons mentioned in the first paragraph of the preceding Article may not exceed the amount specified in Article 550 of this Act.

The provisions of the preceding paragraph shall not interfere with the provisions of the second paragraph of the preceding Article of this Act.

Article 558

The persons mentioned in the first paragraph of Article 556 of this Act shall be liable up to the amount specified in Article 550 of this Act, even if the shipowner raises the limit of liability in line with Article 551 of this Act.

Article 559

The provisions of this Act relating to the shipowner's liability may not be altered with a contract to the detriment of the beneficiary of carriage.

Notwithstanding the preceding paragraph, the provisions of this Act relating to the shipowner's liability may be altered with a contract to the benefit of the shipowner:

1. if damaged, missing or lost cargo arose prior to the start of loading or after unloading;
2. in the event of damage caused by delay;
3. in the transport of live animals;
4. in the transport of cargo which, with a written permit from the shipper, is stored on the main deck.

Article 560

Any contractual provisions contrary to the preceding Article shall be void.

The nullity of one contractual provision as described in the preceding paragraph shall not affect the validity of other contractual provisions.

Article 561

The provisions of this Act relating to the shipowner's liability shall apply to all contractual and non-contractual claims made by any person on any grounds against the shipowner due to damaged, missing or lost cargo.

Article 562

The provisions of this Act relating to the shipowner's liability shall not interfere with the provisions of this Act relating to the general average.

Freight

Article 563

Freight shall be determined with a contract.

If the freight has not been determined with a contract, it shall be determined according to the average freight item which was used to determine contractually the freight for the type of cargo in question when loading the cargo at the port of loading.

Article 564

If more cargo is loaded than is specified in the contract, the freight shall increase proportionately.

If cargo other than that specified in the contract is loaded and for which the freight is higher than the agreed amount, the freight shall be paid for that cargo which was actually loaded.

If less cargo than specified or none is loaded, the freight for the entire agreed quantity of the cargo shall be paid.

If less cargo is loaded than is specified in the agreement and the freight for the cargo on board is higher than what has been agreed, the full agreed freight shall be paid along with the difference between the agreed and the higher freight for the cargo on board.

The provisions of the third paragraph of this Article shall not interfere with the provisions of Article 449 of this Act.

Article 565

If only a part of the cargo agreed under the charter party has been loaded, and the shipowner used the unoccupied part of the ship, the agreed upon freight shall be reduced correspondingly.

If the shipowner used the unoccupied part of the ship despite an explicit prohibition by the charterer, he shall be liable to the charterer for the damage.

Article 566

The freight specified under the voyage charter party voyage shall not change, regardless of the duration of the voyage, unless agreed per time unit.

If the voyage is extended at the request of the charterer or for the benefit of the beneficiary of carriage, the freight shall be increased correspondingly in order for the voyage to be continued beyond the agreed place of destination.

Article 567

If the freight is set with a voyage charter party by time unit, and the time it starts is not determined, it shall start on the day the letter of readiness for the ship is issued, namely from noon if the letter is issued in the morning, and from midnight if the letter is issued in the afternoon.

If the loading started at the order of the consignee before the time specified in the preceding paragraph, or if the ship departed without cargo, the time the freight starts shall be the start of the loading or the departure of the ship.

The time for which freight is to be paid shall expire with the unloading of the cargo and, if the ship arrived without cargo, when the ship anchors or moors in the port where the voyage ends. The last day of the voyage shall count as a full day.

Article 568

If the freight is determined under a voyage charter party on the basis of a time unit and during the voyage an obstacle to fulfilling the contract emerges on the part of the shipowner and without any guilt on the part of the charterer and/or the shipper, no freight shall be paid for the duration of the obstacle.

Article 569

The hire determined under a time charter party shall be paid by the charterer in equal monthly advance instalments; however, the shipowner shall be entitled to the hire only for the duration of the fulfilment of the contract.

For the duration of the obstacle to the use of the ship during the validity of a time charter party, the hire shall only be paid if the obstacle is on the part of the charterer or caused by the fulfilment of his orders.

The shipowner may withdraw from the contract even if the freight has not been paid by the due date.

Article 570

With a time charter the charterer must, in addition to paying the hire, at his own expense supply the ship with the fuel, lubricants and water required for the ship's engines and other ship's machinery, and shall pay port and other fees.

Article 571

The time period for paying the hire pursuant to a time charter party shall start in the same manner as for a voyage charter party, where the freight is determined on the basis of a time unit (Article 567 of this Act).
For the time the ship is on a voyage for the benefit of charterer after the expiry of a time charter party without any guilt on the part of the shipowner, double hire shall be paid.

Article 572

The reward received by a ship for salvage during a bareboat charter shall be divided equally between the shipowner and the charterer, after deducting the salvage costs and the share for the crew.

Article 573

For cargo that was loaded without a permit from the shipowner and for cargo which is incorrectly or incompletely listed, the freight shall be paid under the highest freight rates used to agree on the freight when loading the same type of cargo, for the same or approximately the same voyage, if the freight agreed in this manner is higher than the agreed amount.

Article 574

Freight shall be paid only for cargo that has been transported and tendered to the consignee at the port of destination.
In addition to the examples given in Articles 449, 450, 451, 483, 486, 541, 547, 548 and 549 of this Act, the freight shall be paid, notwithstanding the preceding paragraph, for cargo which was not transported and tendered to the consignee, if this was through the fault of the charterer, the shipper, the person entitled to handle the cargo, or any person for whom these persons are responsible, or if the reason for the cargo not arriving at the port of destination lies with the cargo and the shipowner is not responsible for this reason.
Notwithstanding the preceding paragraph, the shipowner shall be entitled to freight in proportion to the usefully travelled distance when he is not responsible for the suspension of the voyage for the cargo transported only part of the way in addition to the cases described in Articles 447, 542, 548, 575 of this Act.

Article 575

In the event of shipwrecks or other shipping accidents, or the seizing or detaining of the ship or cargo due to a military event, international crime at sea, unrest or mutiny, the shipowner shall be entitled to the freight for the remaining cargo in proportion to the usefully travelled distance.

Article 576

If the cargo is transported without any transportation document being issued, the consignee must pay the freight and other claims in connection with the transport before accepting the cargo, unless otherwise agreed between the charterer and the shipowner.

Article 577

If the consignee accepts cargo on the basis of a bill of lading, he shall only have to pay for the claims listed in the bill of lading, or for those created after its issuing.

Article 578

If the consignee fails to fulfil his obligations under Articles 576 and 577 of this Act, the shipowner shall have the right to retain and sell the cargo under the provisions of Articles 531 to 533 of this Act.
The shipowner shall retain the right described in the preceding paragraph even when he delivers the cargo to a person who was not the consignee.

Article 579

The shipowner who delivered the cargo to the consignee may not demand from the charterer the amount he has not recovered from the consignee under the preceding Article.

If the shipowner, by selling the cargo, succeeds only partially in repaying his claims, he shall, in line with the conditions of the preceding paragraph, have the right to demand from the charterer that the outstanding amount be settled.

The first paragraph of this Article shall not apply if the shipowner can prove that, despite due care and attention, he could not have acted in accordance with the preceding Article.

Maritime lien on cargo on board a ship

Article 580

Maritime lien on cargo on board a ship shall be used to secure the following:

1. court costs, in the joint interest of all creditors in procedures of executing or securing and the protection and sale of this cargo, and the costs of their protection and supervision from the time of the arrival of the ship at the last port;
 2. salvage rewards and contributions from general averages encumbering this cargo;
 3. claims arising from the contract of carriage, together with the costs of storing the cargo that was loaded.
- A maritime lien on the principal shall include the interest.

Article 581

Maritime lien shall not expire with a change in the ownership of the cargo, unless otherwise stipulated by this Act.

Article 582

The order of precedence of claims secured by the lien on cargo which was placed on board shall be determined by applying the order of precedence referred to in the first paragraph of Article 580 of this Act.

If the claims under points 1 and 3 of the first paragraph of Article 580 of this Act cannot be settled in full, they shall be settled in proportion to their amounts.

If the claims under point 2 of the first paragraph of Article 580 of this Act cannot be settled in full, a more recent claim shall have precedence over an older claim.

It shall be considered that claims associated with the same event have arisen concurrently.

Article 583

In executing the right to retain cargo mentioned in Article 578 of this Act, the shipowner shall not interfere with the order of precedence of claims secured by maritime lien.

Article 584

A claim secured by a maritime lien shall not expire with the termination of the maritime lien.

A maritime lien on cargo which was placed on board shall be transferred with the assigning of the claim secured by this lien.

Article 585

Maritime lien on cargo which was placed on board shall expire as follows:

1. with the expiry of the claim secured by the maritime lien;
2. with the sale of cargo in an execution or bankruptcy procedure;
3. if the creditor, within 15 days of unloading, does not request a temporary order from the court of jurisdiction;
4. if the unloaded cargo, even before the end of the period mentioned in point 3 of this Article, has legally passed into the hands of others who are not its owners on behalf of a debtor;
5. if the cargo is claimed as sea booty or spoils of war at sea.

b) Carriage of passengers and luggage

Article 586

For the application of the provisions of this Act on the carriage of passengers and their luggage, the individual terms used shall have the following meanings:

1. a shipowner shall be a person who enters into a contract of carriage or on whose behalf such a contract is concluded, whether he conducts transport himself or via an actual shipowner;
2. an actual shipowner shall be a person other than the shipowner who is either the owner or charterer of the ship or a person who uses the ship and who actually carries out the transport or only a part thereof;
3. a passenger shall be a person who travels by ship on the basis of a contract of carriage, or who accompanies a vehicle or live animals;
4. luggage shall be any item, including a vehicle, transported on the basis of the contract of carriage, except for the following:
 - a) goods and vehicles transported on the basis of a bareboat charter, a bill of lading or a contract that applies mainly to the carriage of goods;
 - b) live animals.
5. hand luggage shall mean the luggage which the passenger keeps in his cabin or looks after and supervises, including luggage in or on a vehicle;
6. damage caused by delay shall be the material damage which was created because the luggage was not delivered to the passenger within a reasonable period, calculated from the day of the arrival of the ship which carried or should have carried the luggage, and shall not include any delays caused by work stoppages, strikes or similar events.

Article 587

With the contract on the carriage for passengers, the shipowner shall promise the client to transport one or several passengers, and the client shall promise to pay the fare.

Article 588

The fare shall be determined with a contract.

Article 589

The shipowner must issue a passenger with a ticket at his request.

A ticket may be assigned to a specific person (whose name is shown) or may simply be valid for the bearer (blank).

Article 590

It shall be presumed that the content of the ticket corresponds to the concluded contract, until proven otherwise. The fact that a passenger is without a ticket, or that the ticket is incorrect or has been lost, shall not affect the existence, validity and content of the contract of carriage.

Article 591

Objections to the content of a blank ticket may be made only at the time of its issuing.

Article 592

A ticket assigned to a specific person may not be transferred to another person without the permission of the shipowner.

A blank ticket may not be transferred to another person without permission from the shipowner once the passenger has started the voyage.

Article 593

A passenger who boards a ship without the ticket that should have been purchased prior to boarding must immediately report to the shipmaster or to an authorised crew member.

A passenger without a ticket as described in the preceding paragraph may justifiably be put ashore by the shipmaster.

A passenger without a ticket shall pay the full fare from the port of embarkation to the port of disembarkation; passengers who fail to report to the shipmaster or the authorised crew member promptly shall pay a double fare for the distance travelled.

When the port where the passenger boarded the ship cannot be established, the passenger shall be deemed to have boarded at the ship's port of departure.

Article 594

If the ship does not embark on an international voyage within three hours of the time specified in the contract or navigational timetable, the passenger may withdraw from the contract.

In the case described in the preceding paragraph, the passenger shall be entitled to reimbursement of the fare.

If the start of the voyage on a ship is delayed intentionally or through the gross negligence of the shipowner or the persons working for him, the shipowner shall reimburse the passenger for the damage.

Article 595

The fare shall not be reimbursed when the passenger does not board the ship by the time of its departure or when he abandons further travel during the voyage.

Article 596

The shipowner must reimburse the fare of a passenger whose name is on the ticket if the passenger decides at least six hours before the start of a voyage not to undertake an international voyage.

If the passenger decides not to undertake a voyage in line with the preceding paragraph, the shipowner shall have the right to retain a maximum of 10% of the fare.

Article 597

If the ticket is blank, the shipowner must reimburse the fare of a passenger who decides not to undertake the voyage at least 2 hours before the start of the voyage, unless the ticket states otherwise.

If the passenger decides not to undertake a voyage in line with the preceding paragraph, the shipowner shall have the right to retain a maximum of 10% of the fare.

Article 598

If the voyage is suspended once it has started for reasons which are not attributable to the passenger, and the suspension lasts for more than 24 hours, the passenger shall have the following rights:

1. to request that the shipowner transport him and his luggage to the destination using his own or other suitable means of transport;
2. to request that the shipowner transport him and his luggage within a reasonable time period to the port of departure and reimburse the fare;
3. to withdraw from the contract and request that the shipowner reimburse the fare.

If the voyage was suspended intentionally or through the gross negligence of the shipowner or of the persons working for him, the shipowner must reimburse the passenger for the damage.

Article 599

A passenger who requests to be reimbursed for the fare or for the damage must, within eight days of the end of the voyage, request in writing that the shipowner reimburse him for the fare or for the damage, or file a suit with a court within that period.

The passenger must, within 24 hours of the end of the period specified in the first paragraph of the preceding Article, send the shipowner a written request to be returned to the place of departure or to continue the voyage.

A passenger who does not act under the first or second paragraphs of this Article shall lose the right to request that the shipowner reimburse him for the damage or fare, to continue the voyage, or to be returned to the port of departure.

Article 600

The provisions of this Act relating to the shipowner's liability for the death of or physical injury to a passenger shall also apply even when transport is free of charge.

Article 601

The shipowner shall be liable for the damage caused by the death of or physical injury to a passenger, for damaged, missing and lost luggage if the event which caused the damage occurred during the transport, and for delays in the delivery of luggage to the passenger if guilt for the damage or delay may be assigned to the shipowner and the persons who work for him.

A person who requests reimbursement under the preceding paragraph must prove that the event which caused the damage occurred during transport, as well as the amount of damage.

Article 602

The shipowner shall be liable for the damage mentioned in the preceding Article caused by the persons who work for him while performing their duties.

Article 603

Until proven otherwise, it shall be presumed that the shipowner is liable for the death of or physical injury to a passenger, or for damaged, missing or lost hand luggage or any delay in its delivery, which was created directly or indirectly by a shipwreck, collision, running aground, explosion, fire or faults on the ship.

Until proven otherwise, it shall be assumed that the shipowner is liable for damages arising from damaged, missing or lost luggage and any delay in its delivery, regardless of the nature of the event that caused this damage.

Article 604

The shipowner shall be liable to the passenger under the second paragraph of the preceding Article for damaged, missing or lost valuables or a delay in their delivery only when they were accepted for storage.

The shipowner must issue the passenger a receipt for the items mentioned in the preceding paragraph which he has accepted for storage.

Article 605

The shipowner must, at the request of the passenger, issue a luggage receipt for any luggage he has accepted for storage.

A luggage receipt must state the type and number of items of luggage.

It shall be presumed that the data on the luggage receipt is true, until proven otherwise.

Article 606

If, at the end of the voyage, the luggage is not collected or removed from the ship, the shipowner must store it himself or in a suitable storeroom, at the expense of the passenger and at the latter's risk.

Article 607

If the shipowner proves that the death of or physical injury to a passenger or damaged, missing or lost luggage or a delay in its delivery were the responsibility in full or in part of a passenger or actions on his part which cannot be considered to be normal, the court shall exclude or mitigate the shipowner's liability.

Article 608

The shipowner's liability for the death of or physical injury to a passenger shall be limited in all cases to SDR 46 666 per passenger per voyage.

If compensation is awarded in the form of an annuity, the capitalised annuity amount may not exceed the amount mentioned in the preceding paragraph.

The amount given in the first paragraph of this Article shall be used to pay all those creditors whose claims originate in the same event that caused the death of or physical injury to a passenger.

Article 609

The shipowner's liability for damaged, missing or lost luggage or a delay in its delivery shall be limited in all cases as follows:

1. for hand luggage - up to SDR 833 per passenger per voyage;
2. for vehicles, including the luggage transported in or on the vehicle - up to SDR 3 333 per vehicle per voyage;

3. for other luggage, except for the luggage stipulated in points 1 and 2 of this paragraph - up to SDR 1 200 per passenger per voyage.

The provision of point 3 of the preceding paragraph shall also apply to the shipowner's liability and to compensation for valuables.

Article 610

The shipowner and the passenger may agree that the shipowner shall be liable under the preceding paragraph only with a compensation amount in excess of SDR 117 for damage to vehicles and SDR 13 per passenger in cases of damage to other luggage, caused by damaged, missing or lost luggage or a delay in its delivery. The provisions of this Article shall not apply to valuables.

Article 611

The shipowner shall lose the right to the limitation of liability mentioned the preceding Articles if he caused the damage intentionally or through gross negligence.

Article 612

The shipowner and the passenger may agree in writing to a liability limit higher than the amounts set in the preceding Articles.

Article 613

The interest and the costs of the procedure, awarded in an action for damages over the death of or physical injury to a passenger, or over damaged, missing or lost luggage or a delay in its delivery, shall be paid in full, in addition to the amount which must be paid by the shipowner under the provisions of the preceding Articles.

Article 614

If a suit has been filed against persons who work for the shipowner or the actual shipowner because of the damage envisaged in the provisions of this Act relating to the carriage of passengers and luggage, these persons may, if they acted within the duties they perform on the ship, assert the exclusion or limitation of liability that the shipowner may refer to under the provisions of this Act.

Persons mentioned in the preceding paragraph who work for the shipowner or the actual shipowner may not refer to the limitation of liability described in the preceding paragraph if they caused the damage intentionally or through gross negligence.

The liability limits that the shipowner and the passenger agree on under Article 612 of this Act shall not apply to the persons listed in the first paragraph of this Article.

Article 615

Carriage of a passenger and hand luggage shall cover the time the passenger is on board the ship, embarkation and disembarkation, and the time of transferral from the shore to the ship and vice versa by water, if the cost of the side voyage is included in the price of the ticket or if the shipowner provides the use of a ship for transfer. The carriage of a passenger shall not include the time spent by the passenger in the port facilities on shore. In addition to the time mentioned in the preceding paragraph, the carriage of hand luggage shall include the time from the moment the shipowner accepted it on shore or on board ship for storage to the moment it was delivered back to the passenger.

Article 616

When grounds exist for the liability limits mentioned in the preceding Articles, these limits shall apply to the entire compensation amount which may be achieved with all contractual and non-contractual suits arising from liability for the death of or physical injury to a passenger, or for damaged, missing or lost luggage or a delay in its delivery.

With carriage conducted by an actual shipowner, the total compensation amount which may be enforced against the shipowner or the actual shipowner and the persons who work for him and who were performing their working duties, may not exceed the highest compensation amount that may be demanded either from the shipowner or the actual shipowner, whereby none of them shall be liable beyond the limit which may be applied with respect to him.

In all cases where persons who work for the shipowner or for the actual shipowner under Article 614 of this Act may refer to the limitation of liability from the preceding Articles, the total amount which may be received from the shipowner or the actual shipowner and the persons who work for him may in no way exceed this limit.

Article 617

A passenger must submit a written objection to the shipowner or his authorised agent:

- 1) if there is visible damage to the luggage;
 - a) in the case of hand luggage - before or during disembarkation;
 - b) in the case of any other luggage - before or at the time of delivery;
- 2) if the damage to the luggage is not apparent or if the luggage was lost - 15 days from disembarkation or delivery, or from the day the luggage should have been delivered.

If the passenger does not act in accordance with the preceding paragraph, it shall be considered that the luggage was received in perfect condition, until proven otherwise.

A written objection shall not be required if the state of the luggage was established in the presence of both parties at the time of delivery.

Article 618

A passenger may make a statement that, in his opinion, the luggage has been lost, if it is not delivered within 30 days of the end of the voyage.

When making the statement mentioned in the preceding paragraph, the passenger shall have the right to request that the shipowner inform him if the luggage is found within one year of payment of compensation for lost luggage.

The passenger may, within 30 days of being notified of found luggage, request that the luggage be delivered to a place determined by him, against payment of transportation costs.

The passenger who accepts found luggage must return to the shipowner the amount that was paid in compensation for the lost luggage, after deducting reimbursement for the freight, and shall keep the right to compensation for delayed delivery.

If the passenger did not assert the claim under the second and third paragraphs of this Article, the shipowner shall have the right to the free use of the luggage.

Article 619

Any provisions of a contract concluded prior to the occurrence of an event that caused the death of or physical injury to a passenger, or caused luggage to be damaged, go missing, become lost or be delayed, whose purpose is to free the shipowner of liability towards the passenger or the setting of a lower liability limit than the amount set in this Act, except for the limitations mentioned in Article 610 of this Act, or whose intention is to place the burden of proof, which is normally on the shipowner, onto someone else, shall be void.

The nullity of the individual contractual provision mentioned in the preceding paragraph shall not affect the validity of other contractual provisions.

Article 620

The provisions of Articles 601, 602, 603, 604 and 607 of this Act shall apply to all contractual and non-contractual claims against the shipowner for whatever reason, for damage caused by the death of or physical injury to a passenger, and for damaged, missing or lost luggage or a delay in its delivery.

Article 621

The shipowner shall have the right to retain and sell the luggage tendered for transport and the valuables accepted for storage to repay his claims arising from transporting the passenger and luggage and storing valuables.

c) Towage and pushing

Article 622

With a contract of towage, the shipowner of a towing or pushing vessel shall undertake to tow or push another vessel to a specific location, or over a specific time, or to perform a specific task; the shipowner of the vessel towed or pushed shall undertake to pay a towage fee for the service.

The towage fee shall be determined by a contract.

The provisions of Articles 625 to 628 of this Act shall also apply to pushing.

Article 623

Towage or pushing shall be conducted under the command of the master of the towed or pushed vessel, unless explicitly otherwise stipulated in the contract.

Article 624

Under this Act:

1. towage shall start when the towage vessel under the orders of the master of the towed vessel is in such a position that it may conduct towage or, if under the orders of the master of the towed ship, when the towage vessel accepts or delivers the towing rope or when it begins to push the towed ship or engages in any other manoeuvre required for towage, depending on which occurred sooner;
2. towage shall end when the order of the master of the towed ship to untie the tow rope or pushing or any other manoeuvre required to tow is completed, depending on which occurred last.

Article 625

If a towage vessel tows an unmanned vessel, the shipowner of the towage vessel must ensure, by applying the customary measures, that the towed vessel remains in the same state of seaworthiness as at the time it was received for towage.

The shipowner of the towage vessel must ensure that the cargo on board a towed unmanned vessel is preserved only if he explicitly assumed such an obligation.

The shipowner of the towage vessel may arrange for the cargo of the towed vessel to be transported by his or another vessel. If in doubt, it shall be presumed that a contract of towage has been concluded.

The shipowner of a towage vessel which, under the second and third paragraphs, is in charge of the cargo, shall be liable for the damage to the cargo under the provisions of this Act relating to the shipowner's liability for the carriage of goods.

Article 626

The reimbursement of damage created by a collision between vessels in towage or a collision between them and other ships shall be governed by the provisions of this Act relating to the reimbursement of damage created by the collision of vessels.

Article 627

If the towed vessel finds itself in danger due to circumstances for which the shipowner of the towage vessel is not responsible under the contract, and the towage vessel is salvaging (rescuing) it, the shipowner of the towage vessel shall be entitled to a reward following successful salvage.

The shipowner of the towage vessel shall not be entitled to a salvage reward if it is stipulated in the contract that the towage fee includes a salvage reward.

If it is agreed that a towage fee shall be paid only for successful towage, the shipowner of the towing vessel shall be entitled to the towage fee even if the towage was unsuccessful, if he can prove that the shipowner of the towed vessel was to blame for the failure of towage.

If the towage fee was not agreed only for successful towage, the shipowner of the towing vessel shall have no right to the fee if the shipowner of the towed vessel can prove that the shipowner of the towage vessel was to blame for the failure of towage.

Article 628

The provisions of this Act relating to the general average shall also apply to relations between the towage and towed vessels.

d) Other services in connection with navigation

Article 629

The provisions of this section of the Act shall apply to contracts between the client and the shipowner in which the shipowner promises to conduct a certain transaction with the ship other than the carriage of passengers, luggage or goods, or towage and pushing, and the client promises to pay for the service.

The provisions of Articles 443, 563 and 566 to 575 of this Act shall also apply to contracts referred to in the preceding paragraph.

The provisions of this Act relating to freight for the carriage of goods shall apply *mutatis mutandis* to the contracts referred to in the first paragraph of this Article.

Article 630

Unless otherwise agreed, the shipowner shall be liable for the seaworthiness of the ship under the provisions of the second, third and fourth paragraphs of Article 453 of this Act.

Article 631

Unless otherwise agreed by the parties, the shipowner shall be liable for the actions and omissions of the persons who work for the shipowner on the fulfilment of the contract, and for his own actions and omissions if this does not interfere with the provisions of Article 629 of this Act.

The shipowner and the persons who work for him shall, under the provisions of this Act relating to liability for the death of and physical injury to crew members, be liable for the death of and physical injury to the client's people who are on board as part of the fulfilment of the contract.

e) Through carriage

Article 632

A contract on the carriage of goods, passengers or luggage may specify that the shipowner perform the carriage partly on his own ship and partly on ships of other shipowners ('through carriage').

A shipowner who accepts cargo under a contract for the through carriage of goods shall issue a bill of lading for the entire agreed voyage (through bill of lading).

A shipowner who concludes a contract on the through carriage of passengers shall issue the passenger with a ticket for the entire agreed voyage (through ticket).

A shipowner who accepts luggage from passengers for carriage under the contract on the through carriage of passengers shall issue a luggage ticket for the entire agreed voyage (through luggage ticket).

Each subsequent shipowner shall enter into a contract for the through carriage of goods or luggage if he accepts the cargo or luggage and a through carriage document.

Each subsequent shipowner shall enter into a contract for the through carriage of passengers if he agrees to transport a passenger with a through ticket.

Article 633

A shipowner who signed a contract of through carriage, a shipowner who issued a through carriage document, a shipowner who delivered cargo to a consignee, and a shipowner during whose carriage an event occurred which gave rise to compensation claims for damaged, missing or lost cargo, shall be held in joint and separate liability to the beneficiary for such claims.

A shipowner who signed a contract of carriage and a shipowner who delivered cargo to a consignee shall be liable for the damage caused to the beneficiary of carriage by a delay in the carriage of goods.

The first and second paragraphs of this Article shall also apply to the through carriage of luggage.

Article 634

A shipowner who has settled the claims referred to in the preceding Article shall be entitled to recourse from the shipowner during whose carriage the event occurred which gave rise to the claim.

If the shipowner during whose carriage the event from the preceding paragraph occurred cannot be established, the amounts of the settled claims shall be debited to the shipowners who participated in through carriage in proportion to their shares in the agreed freight except for the shipowners who can prove that the event did not occur on those sections of the voyage in which they provided the carriage.

If the shipowner who settled the claim without any guilt on his part cannot assert his right of recourse from the shipowner during whose carriage the event occurred, the amount of the settled claim shall be debited to all the shipowners participating in through carriage, in proportion to their shares in the agreed freight.

Article 635

A shipowner who participates in through carriage and who entered no clauses on the through carriage documents as specified by Article 504 of this Act must prove to the other shipowners participating in such carriage that he delivered the cargo to the subsequent shipowner or the consignee in the same state as he received it from the previous shipowner and/or the shipper.

Other shipowners must prove to the shipowner who participates in through carriage and who enters a clause on the through carriage document from Article 504 of this Act that they received the cargo from the shipper or the previous shipowner in the state described in the through carriage document.

Article 636

A shipowner who has concluded a contract for the through carriage of a passenger shall be liable for the entire agreed voyage.

Each subsequent shipowner who participates in the through carriage of the passenger shall be liable to the passenger only for the damage caused on that section of the voyage where he provided the carriage.

The shipowner on whose section of the voyage the hand luggage was damaged, or was partly or completely lost, shall be liable for the damage. The passenger must submit a written objection under the first paragraph of Article 617 of this Act to the shipowner on whose section of the voyage the damage occurred no later than by the time of disembarkation from the ship.

The shipowners mentioned in the first and second paragraphs of this Article shall be held in joint and separate liability for the damage as a result of the death of or physical injury to a passenger.

Article 637

If a shipowner who signed a contract for the through carriage of a passenger settles a claim by that passenger for which another shipowner is also liable under the second paragraph of the preceding Article of this Act, he shall be entitled to recourse from the other shipowner.

Article 638

A special agreement whereby a shipowner assumes liabilities not envisaged by this Act or waives a right which he possesses under this Act shall only have a legal effect against an actual shipowner if the latter has given explicit written permission for this.

Article 639

A shipowner who entrusted an actual shipowner with the entire carriage or a part thereof shall be liable for the entire carriage.

The provisions of this Act relating to the through carriage of a passenger shall apply to an actual shipowner who has been entrusted with the carriage under the preceding paragraph.

f) Combined transport

Article 640

A person (combined transport operator) may, with a contract, undertake to perform carriage by various means of transport, one of which shall be maritime transport, and the client shall undertake to pay freight for the entire carriage.

Article 641

The operator shall be liable for damaged, missing or lost cargo, or for a delay in its delivery from the time of acceptance to the time of delivery of the cargo.

In cases referred to in the preceding paragraph, the operator shall not be liable if he can prove that the damage originated for reasons which, despite the due care and attention of a good operator, could not have been prevented.

Article 642

The provisions of Article 550 of this Act shall apply *mutatis mutandis* with regard to the limitation of the liability of the operator.

3. Bareboat charter

Article 643

Under this Act the Owners shall, with a bareboat charter party for a ship, deliver the ship for use in shipping trade to the charterers against a payment of hire.

Article 644

A bareboat charter party must be drawn up in written form.
A bareboat charter party which is not drawn up in written form shall be void.

Article 645

The owners must deliver the ship to the charterer in a condition in which the charterer shall be able to use it for the purpose specified in the contract, or which is customary.

Article 646

The operating costs of the ship shall be debited to the charterer.
While the contract is valid, the charterer must maintain the ship. Following the expiry of the contract, he shall redeliver the ship in the same condition and to the same place as it was delivered to him.
The charterer shall not be liable for the normal depreciation of the ship.
The charterer shall not bear the costs of ship repair required for the removal of hidden faults which the ship already had when it was delivered to the charterer or of damage caused by the loss of the ship due to *force majeure*.

Article 647

The owners shall be liable for the damage caused by faults which make the ship incapable of providing its agreed or usual operation or less capable than the ship had been at the time of its delivery to the charterer, unless he can prove that, with the due care and attention of a good shipowner, he could not have discovered these faults.

Article 648

If the ship is chartered out with a crew, the crew must fulfil the orders of the charterer if so stipulated in the bareboat charter party.
The charterer may replace the crew.

Article 649

If there is any doubt as to whether a bareboat charter party or a charter party has been signed, it shall be considered that a charter party has been signed.

Article 650

The charter hire shall be paid one month in advance, counted from the day when it starts to run.
The owner shall not have the right to payment for a charter hire for the time the charterer was not able to use the ship through the fault of the owner or because of a hidden fault which the ship already had at the time it was delivered.

Article 651

If the charterer does not pay the charter hire by its due date, the owner may request the immediate payment of the charter hire for the entire duration of the bareboat charter party, or he may withdraw from the contract.
The provision of the preceding paragraph shall not interfere with the owner's right to reimbursement for damages.

Article 652

A bareboat charter party may be signed for a specific or unlimited period, and for one or several voyages.

Article 653

A time-limited bareboat charter party may be extended only with a written agreement.
An unlimited bareboat charter party shall be cancelled in writing with at least three months' notice.

Article 654

A bareboat charter party shall expire if the ship is destroyed, permanently unusable, or if, due to *force majeure*, the ship could not be used during the charter.

If the repairs that are to be debited to the owner take too long or if it can be expected that they will take too long, the charterer may withdraw from the contract.

Article 655

If the charterer does not redeliver the ship to the owner following expiration of the bareboat charter party, he shall pay a double charter hire for the overdue period.

If the delay in redelivery of the ship was caused by the charterer, he shall also be liable to the owner for any damage in excess of the amount mentioned in the preceding paragraph.

Article 656

During the bareboat charter party the charterer shall be entitled to a salvage reward for the chartered ship.

Article 657

The charterer may subcharter the ship only with the written permission of the owner.

4. Statute of limitations

Article 658

The statute of limitations on claims arising from contracts for the exploitation of ships shall be one year, with the exception of claims arising from contracts on the carriage of passengers and luggage.

The statute of limitations on claims arising from a contract of passage shall be two years.

After a claim has arisen, the parties may agree in writing to a statute of limitation that is longer than the period mentioned in the first paragraph of this Article.

A contract described in the preceding paragraph which is not drawn up in written form shall have no legal effect.

The statute of limitations shall begin as follows:

1. for contracts on the carriage of goods:

- for compensation for damaged, missing or lost cargo - on the day the cargo was delivered and/or should have been delivered to the place of destination;
- for compensation for a delay - on the day the cargo was delivered;
- for other unfulfilled contractual obligations - on the day the particular obligation should have been fulfilled;

2. for contracts of passage:

- for physical injury - on the day the passenger disembarked;
- for the death of a passenger during carriage - on the day of arrival or the scheduled day of arrival of the ship at the port at which the passenger intended to disembark;
- for physical injury to a passenger during carriage as a result of which the passenger dies after leaving the ship - on the day the passenger dies; if an action for damages has not been filed within three years of disembarkation, the right shall be lost;

3. for contracts on the carriage of luggage:

- that has been tendered for carriage - on the day the luggage was delivered or should have been delivered to the port at which the passenger disembarked or intended to disembark;
- for hand luggage - on the day the passenger disembarked or, if the passenger dies during transport, when the ship arrived or was scheduled to arrive at the port at which the passenger intended to disembark;

4. for contracts of towage or pushing - on the day the towage or pushing was completed, except for the claims for a towage fee, for which the statute of limitations shall start on the day the towage fee is due;

5. for bareboat charter parties - on the day the party ceases to apply, except for the charter hire, whose statute of limitations shall start on its due date;

6. for claims to recourse - on the day the action was committed that gives the right to recourse.

Section III - SHIPPING AGENCY CONTRACTS

Article 659

With a shipping agency contract the agent shall undertake to conduct, on the basis of a general or special authorisation, shipping agency transactions on behalf and for the account of the client, and the client shall undertake to reimburse the costs and pay the reward.

The client may be the shipowner or the owner of the equipment on behalf of whom and for whose account the agent of the vessel shall conduct transactions.

An offer by the agent of the vessel shall be binding on the client, if made within the limits of the authorisation. The agent of the vessel may appoint a sub-agent, unless prohibited by a shipping agency contract; the agent of the vessel must inform the client of such an appointment.

Article 660

A shipping agency contract based on a general authorisation must be drawn up in writing.

A verbal or written contract may be concluded to execute an individual order. At the request of the agent of the vessel, each verbal contract must be confirmed in writing.

Article 661

Shipping agency business shall include the business of brokerage, representation and other services relating to navigation and the use of a ship, in particular: receiving and forwarding ships; marketing; concluding contracts on the use of ships and equipment; the purchase and sale of ships and equipment; the construction and repair of ships; the concluding of stevedoring and storage contracts; the conclusion of insurance contracts; the issuing of transport and other documents; the cashing-in of claims; staffing and care for the crew; the organisation of ship supplies.

Article 662

The agent of the vessel shall, on the basis of a general authorisation, undertake to perform, for a specified or unlimited period, one or several types of shipping agency transactions contained in the authorisation (general agency).

If any doubts arise with regard to the bounds of the general authorisation, it shall be considered that the authorisation applies to transactions connected with the reception and forwarding of ships.

If the agent of the vessel only acts as a broker and/or represents the client in concluding contracts on the use of ships, it shall be considered, in the event that any doubts arise with regard to the bounds of the general authorisation, that it applies to actions as a broker in the conclusion of these contracts, with the exception of bareboat charter parties and time charter parties, but always within the bounds of the client's transactions.

Article 663

If the client limits the authorisations of the agent of the vessel that apply to ordinary shipping agency transactions, this limitation shall have no legal effect against third parties who did not know or who, under the circumstances, could not have known of this.

Unless the agent of the vessel states explicitly that he is acting as an agent, it shall be considered that he is acting in his own name against a bona fide person.

It shall be considered that the agent explicitly stated that he was acting as an agent if he states to the third party that he is acting "on behalf and for the account of the client" or "solely as an agent", or makes any other statement to this effect citing the title or name of the client.

Article 664

The agent has the duty and right to carry out, with the diligence of a good manager, the tasks that lie within the scope of his jurisdiction and that are required or normal in order to execute an order which has been accepted.

Article 665

An agent of the vessel may, with the explicit authorisation of the contracting parties, sign contracts for the exploitation of ships on behalf and for the account of both contractual parties (broker).

Article 666

An agent of the vessel shall be entitled to reimbursement of costs and to a reward for acting as a broker or for concluding contracts.

An agent of the vessel shall be entitled to request an advance to cover costs.

Article 667

An agent of the vessel shall have the right to retain and lien the items belonging to the client in order to cover his claims.

Section IV - CONTRACT ON STEVEDORING SERVICES

Article 668

A contract of stevedoring services shall be a contract by which the stevedore undertakes to conduct stevedoring services for the client and the client undertakes to pay for the services rendered.

Article 669

The stevedore shall be liable for damaged, missing or lost goods from the time he accepted the goods to the time he delivered the goods or made the goods available to the beneficiary.

Article 670

The stevedore shall not be liable for damaged, missing or lost cargo, or for a delay in the conduct of stevedoring services if he can prove that the damage, shortage, loss or delay arose for reasons which, despite the due care and attention of a good stevedore, he could not have prevented.

Article 671

The stevedore shall not be liable for the damage caused because of damaged, missing or lost cargo and a delay in the performance of the stevedoring service if the client provided incorrect information on the amount, type or value of the cargo.

Article 672

The stevedore shall conduct stevedoring services on the basis of a contract with the client and shall not enter into any legal relationship between the parties to the contract of carriage, and shall not accept or deliver legally any goods, except when he undertakes to do so. The stevedore shall also legally take over goods in cases where, by the order of the shipowner, he takes over goods which the shipowner could not deliver to the person stated in the contract of carriage.

Article 673

The client must present objections regarding visible defects in the goods within three days of acceptance and regarding hidden faults within 15 days of the delivery of the goods to the final consignee, but not later than 60 days after acceptance by the client.

If the client has not objected to the faults in due time and in due form, it shall be considered that the goods are without faults unless proven otherwise by the client.

Article 674

The stevedore shall not be liable for damaged, missing or lost goods in excess of SDR 2.75 per kilogram of gross weight of damaged, missing or lost goods.

In the event of a delay in conducting a stevedoring service, the liability of the stevedore shall be limited to 2.5 times the amount of the client's payment for the stevedoring services rendered.

The total compensation amount as mentioned in the first and second paragraphs of this Article may not exceed the amount that would be determined on the basis of the first paragraph of this Article for completely lost goods.

Article 675

The stevedore may not refer to the provisions of this Act relating to limitation of liability if it is proved that he caused the damage intentionally or through gross negligence.

Article 676

The provisions of this Act relating to the liability of the stevedore may not be altered by means of a contract to the detriment of the client.

Any contractual provisions contrary to the preceding paragraph shall be void.

The nullity of one contractual provision in accordance with the preceding paragraph shall not affect the validity of other contractual provisions.

Article 677

The provisions of this Act relating to the liability of the stevedore shall apply to all contractual and non-contractual claims raised by anyone on any grounds whatsoever against the stevedore because of damaged, missing or lost goods, or a delay in the performance of the stevedoring service.

Article 678

The stevedore shall be entitled to retain goods (right of retention) for claims arising from the contract of stevedoring services for goods and for other claims in connection with stevedoring services.

Article 679

The statute of limitations on claims arising from stevedoring contracts shall be two years.

The statute of limitations shall start on the day the stevedore actually concluded or should have concluded the stevedoring services, except in the case of delays (when the statute of limitations shall start from the day the stevedoring services were actually completed).

The client or another person may file a recourse suit against the stevedore after the end of the statute of limitations mentioned in the preceding paragraph if the suit is filed within 90 days of having settled the claim, the basis of which was determined in a procedure, and if he has notified the stevedore of filing a suit against him, which could result in a recourse claim from the stevedore, within a reasonable time.

Section V - CONTRACT OF MARINE INSURANCE

1. General provisions

Article 680

The provisions of this section of the Act shall apply to the following:

1. the insurance of the ship, its engines, machines, equipment and supplies, as well as of goods and other objects transported by or on the ship;
2. the insurance of freight, fares, insurance costs, ship equipment costs, general average costs, salvage rewards, expected profit, commissions, crew wages, and liens and other rights and tangible benefits which exist or may justifiably be expected in connection with the navigation or carriage of goods with the ship and which can have their value determined in financial terms;
3. insurance of liability for the loss or damage suffered by other persons in connection with the use of the ship and other items listed in point 1 of this paragraph.

The provisions of this section of the Act shall also apply to the insurance of ships under construction and of articles intended for their construction, the insurance of items which, prior to or after transport, are stored in warehouses, unloading or other locations or which are transported by other means of transport, for the re-insurance of objects listed in this Article and other similar insurances and re-insurances, if concluded under policies or conditions customary for maritime insurance.

The provisions of this section of this Act shall also apply to the insurance of boats.

Other persons in this section of the Act shall be persons who are not subjects covered by insurance policies.

Article 681

Only a person who has or may expect to have a justifiable material interest in the insured loss not occurring may become an insured person.

An insured person may request compensation for the damage covered by the insurance (insurance benefit) only in the event that he has an interest in the insured object at the time of the occurrence of the insured loss, or if he acquired it subsequently.

Article 682

The party taking out insurance (insurer) may conclude an insurance contract for himself, for a specified other person or for an unspecified person with an interest in the insured item.

If it is not clear from the insurance contract whether the insurance was taken out for a specified person, it shall be considered that it was taken out for the party taking out insurance or for a specified other person.

When taking out insurance the party taking out insurance shall not be obliged to state whether the insurance is for himself or for another specified person.

A person who concludes an insurance contract explicitly on behalf of the person who issued him with an authorisation shall not be considered to be the party taking out insurance.

Article 683

Insurance taken out for a specified other person shall be valid without an order from this person if this other person (the insured person) subsequently gives his consent to the concluded insurance.

The consent to the concluded insurance referred to in the preceding paragraph may be issued after the damage covered by the insurance has already occurred.

The act of submitting a claim for the payment of the insurance benefit shall count as that other person's consent to the concluded insurance.

Article 684

Insurance for an unspecified person shall be considered to have been taken out for the person who, in the event of an insurance event occurring, has interests in the insured object or who may, under the second paragraph of Article 681 of this Act, claim the insurance benefit for the actual damage.

Insurance for an unspecified person shall be valid if the person who has an interest in the insured object at the time of the insured event occurring, or the person who may claim the insurance money for the actual damage specified by Article 681 of this Act, is the policy-holder or has acquired the policy and he agrees to the insurance previously concluded.

Article 685

If the party taking out insurance or his authorised agent, when concluding insurance, fails to report all the circumstances that he knew or should have known of and which were of importance for the assessment of the risk, or reports them incorrectly, the insurance company shall be entitled to request that the party taking out insurance settle the difference between the premium for the actual risk and the one that was paid.

With insurance for a specified other person it shall be considered that the party taking out insurance must have known of the circumstances which were known to the insured person and of which he could have notified him in good time.

The first paragraph of this Article shall not apply to circumstances which are generally known, or which the insurance company knew of or could have justifiably been assumed to have known of.

The insurance company shall lose the right mentioned in the first paragraph of this Article if it does not request the party taking out insurance to pay the difference in the premium within three months of the end of the insurance or, if the insured loss has occurred, by the end of the full payment of the insurance benefit at the latest.

Article 686

If, when taking out insurance, the party taking out insurance or his authorised agent, intentionally or through gross negligence, does not report to the insurance company all the circumstances that he knew of or should have known of and which would have had an essential influence on the decision at the time of signing and on the terms of insurance, or reported them incorrectly, the insurance company shall be entitled to request that the insurance be annulled, unless it has requested that the party taking out insurance pay the difference in the premium referred to in the preceding Article.

If the insurance company has made a payment of insurance benefit under such a contract to a dishonest insured person, it may request that the insured person return the insurance benefit he received.

The second and third paragraphs of the preceding Article shall apply *mutatis mutandis* in the cases described in the first paragraph of this Article.

The insurance company shall have the right to charge and retain a premium despite an annulment of the insurance contract under the provisions of this Article.

Article 687

The insurance company shall be obliged, at the request of the party taking out insurance, to issue him with a correct and signed copy of the insurance policy.

If the insurance company, at the request of the party taking out insurance, issues the insurance policy in two or more originals, each of the copies must state the number of originals issued.

The policy must cite all the provisions of the concluded insurance contract which oblige the insurance company to reimburse the damage from the insurance.

If the policy was issued and handed over to the party taking out insurance, the insurance company shall not be obliged to fulfil its obligations arising from the insurance until it has been presented with the policy and/or if the insured party proves as plausible that the policy has been lost or destroyed before it has received an appropriate insurance from the insured person.

The insurance company shall be free from its obligations deriving from the insurance if it has paid the policyholder fairly or, if the policy was issued in several originals, if it paid the bearer of one of the originals who proves as plausible his right to the insurance benefit pursuant to this policy.

Article 688

The insured person may transfer his right arising from the insurance before damage occurs only to another person who is an insured person, as stipulated in the first paragraph of Article 681 of this Act.

If a policy has been issued, the rights deriving from the insurance may be transferred by endorsing the policy or in another suitable manner.

The insurance company may assert the same objections from the concluded insurance against the new insured person as it did against the original insured person.

Notwithstanding the preceding paragraph, the insurance company may not, against a new bona fide insured person, apply an objection with which it would contest the contents of the policy it issued, except in the event of an obvious error which the new insured person could have noticed.

The assigning of rights on an insured object to another person shall not result in the transfer of the rights arising from the insurance, unless the insured person and the person acquiring the right explicitly or tacitly came to an agreement to this effect.

The insured person may not transfer his right deriving from the insurance as stipulated in the first paragraph of this Article if the possibility of such transference has been explicitly ruled out in the insurance contract.

Article 689

The insured object must be identified in the insurance contract and the eventual policy in a manner which allows its identity to be established.

If the insured object is deficiently or incorrectly identified, making it impossible to establish even indirectly if it has been exposed to an insurance risk and damaged, the insurance company shall not be obliged to pay the insurance benefit for the actual damage.

Article 690

The value of an insured item that was determined consensually in the insurance contract or the insurance policy (the agreed value) shall be compulsory for the insurance company and the insured person.

The insurance company may only contest the agreed value if an obvious error or fraud has been committed.

Article 691

The value of an insured item at the start of insurance (the actual value) shall be taken as the value of the insured item, unless explicitly agreed otherwise.

The actual value of an insured item shall be its market value at the start of insurance.

It shall not be necessary for the actual value of the insured item to be quoted in the contract or the insurance policy.

Article 692

The insurance company must pay the insurance benefit only up to the amount quoted in the insurance contract as insured (hereinafter: the sum insured), unless stipulated otherwise by this Act or the contract.

Unless explicitly agreed otherwise, the sum insured shall not also mean the agreed value of the insured item.

Article 693

If the sum insured is higher than the agreed or actual value of the insured object, only the agreed or actual value shall be taken into account in the liquidation of the damage.

Article 694

If the sum insured is lower than the agreed or actual value of the insured object, the insurance company must pay the insurance benefit for the actual damage only in proportion to the sum insured and the agreed or actual value of the insured object.

Article 695

If the same item is insured for the same risk, at the same time and for the benefit of the same insured person with two or more insurance companies, and the total sum insured is higher than its agreed or actual value, the insured person may request from the insurance company a part of or the entire insurance benefit from the insurance of his own choice; the total insurance benefit received may not exceed the damage which may be covered by the insurance.

Insurance companies which, at the request of the insured person, pay the insurance benefit in the cases referred to in the preceding paragraph shall be entitled to recourse from other insurance companies in proportion to their liabilities deriving from the insurance contract.

Notwithstanding the preceding paragraph, the insurance companies which, under the provisions of the insurance contract or the law governing their insurance contract, are not obliged to pay a proportionate part of the damage that has been paid for by other insurance companies, shall not be entitled to recourse from these insurance companies for the damage they paid directly to the insured person.

Unless agreed otherwise, the insurance companies shall be entitled to the entire premium for the concluded insurance, independently of whether the case described in the first paragraph of this Article occurred accidentally or intentionally.

Upon submitting his claim for the payment of the insurance benefit with one of the insurance companies, the insured person must notify it of all other contracts insuring the same item against the same risk for the same period for his benefit.

Article 696

Unless otherwise agreed, the party taking out insurance must pay the insurance company a premium immediately after concluding the insurance contract.

The insurance company shall not be obliged to hand the policy over to the party taking out insurance until he pays the outstanding premium.

The insurance company may, upon the liquidation of damage, subtract from the insurance benefit the premium which still remains to be paid by the insured person.

Unless agreed otherwise, late payment of the premium shall not absolve the insurance company of its liabilities deriving from the insurance contract and shall not give it the right to terminate the contract.

If it is agreed in the insurance contract that the insurance premium is to be determined subsequently, the premium must be appropriate and proportionate to the risk.

The parties taking out insurance must pay the insurance company the premium for insurance concluded even when the insured object at the time when the contract was concluded was no longer exposed to the insurance risks, on condition that the insurance company was unaware of this fact at the time the contract was concluded.

Article 697

The insurance company must return the premium paid to the party taking out insurance if the insured object was not exposed to the insurance risks, or if the insurance contract was terminated without any blame on the part of the party taking out insurance or the insured person.

If an insurance policy has been issued, the insurance company must return the premium to the entitled policyholder.

When returning the premium, the insurance company may keep a part of the customary or agreed part of the premium to settle its own costs arising from the concluded insurance.

Article 698

If a significant detour from the insured voyage (a change in the plan of travel, a steering-off from the course, an unjustified delay, etc.) occurs on a specific insured voyage due to the actions of the insured person or with his permission, the insurance company shall not be obliged to repay the damage created following such a detour.

The preceding paragraph shall also apply if the damage arose after the ship returned to its original course. Detours which were in the interests of the insurance company, or which were made in order to salvage property and people at sea or to provide someone with medical assistance, and cases where such detours did not have any significant effect on the occurrence and size of damages, shall be exempt from the first paragraph of this Article.

Article 699

With fixed-term insurance, the insurance shall start at 0 hours on the first day and end at 24 hours on the last day determined in the insurance contract.

The time referred to in the preceding paragraph shall be determined using the official local time of the place where the policy was issued, and if there is no policy, by using the official local time of the place the insurance contract was concluded.

Article 700

Unless otherwise stipulated in the insurance contract, the maritime insurance shall cover the risks that the insured object is exposed to, namely; shipping accident, natural disaster, explosion, fire and theft.

An insurance contract may also cover other risks to which the insured object is exposed during insurance, such as: theft, non-delivery, handling risks, shore risks, war and political risks, etc.

Article 701

A change in risk after the conclusion of the insurance contract which occurred independently of the will of the insured person shall not affect the validity of the insurance or the obligations of the parties.

If the risk worsened considerably through the actions of the insured person or with his permission, the insurance company shall not have to repay the damage which may be attributed to such a change.

If the risk improved significantly through the actions of the insured party or with his permission, the insurance company shall not have to return to the insured party a proportionate part of the premium paid or reduce the agreed premium proportionately.

Article 702

Unless otherwise agreed, the insurance shall cover the damage due to the insured risks, i.e.:

1. total loss of the insured object;
2. partial loss of or damage to the insured object;
3. salvage costs and costs caused directly by the occurrence of an insured loss;
4. general average;
5. salvage reward;
6. costs of establishing and liquidating the damage covered by the insurance.

Unless otherwise stipulated in the insurance contract, the insurance shall not cover the liability of the insured person for the damage caused to other persons.

Article 703

The insurance may also cover the damage created before the insurance contract was concluded, on condition that the party taking out insurance and the insured party were, at the time the contract was concluded, unaware or unable to have been aware, that the insured loss had already occurred or if, at the moment the contract was concluded, both contractual parties were aware that the insured loss had occurred but did not know the extent of the actual damage.

Article 704

The damage caused directly or indirectly as a result of intentional actions by the insured person shall be exempt from insurance.

Unless otherwise stipulated in the insurance contract, the damage caused directly or indirectly by the following shall also be exempt from insurance:

1. gross negligence of the insured person;
2. intentional actions or gross negligence on the part of those for whose actions the insured person is responsible by law;
3. the emergence of war or political risks.

The preceding paragraph shall not apply to damage which was created through the intentional actions or gross negligence of the ship's crew, nor to the damage which was created due to the actions and omissions of the insured person/shipmaster or other members of the ship's crew or the pilot when navigating or handling the ship.

Article 705

Under this Act, a total loss shall be considered to have occurred when the entire insured cargo has sunk without any possibility of salvaging it, if it has been destroyed or has been permanently seized, or if damage to the insured objects occurred such that it cannot be repaired and as a result of which the insured object ceases to be an object of a certain type.

If the insured object has been completely lost, an amount equalling its actual value shall be paid from the insurance and/or, if the value was agreed on, in the amount of the agreed value but not more than the sum insured.

With the payment of the insurance benefit referred to in the preceding paragraph all the rights of the insured person on the insured object shall pass to the insurance company, unless the insurance company waives the rights on this occasion.

If the insured object has been under-insured, the right on the insured object shall pass to the insurance company, as stipulated by the preceding paragraph, only in proportion to the sum insured and the agreed or actual value of the insured object.

Article 706

The insured person shall have the right to claim the insurance benefit for a total loss from the preceding Article if the total loss was unavoidable or if the salvage and repair costs that would be necessary exceed the agreed or actual value of the insured object.

The insured person shall also have the right to claim the insurance benefit for complete loss when, due to the emergence of an insured risk, he is unable to use the insured object freely and completely for 12 months without interruption.

If the insured person decides to claim the insurance benefit described in the first and second paragraphs of this Article, he shall have to submit to the insurance company a written explanation of his claim for payment of the insurance benefit. The insured person shall lose the right to such a claim if he does not submit it within two months of the day he learned of the circumstances upon which his right is based, and, in the case referred to in the preceding paragraph, immediately after expiry of the period mentioned in the second paragraph.

The claim by the insured person in the preceding paragraph must be unconditional, and must apply to the entire insured object.

If the insurance company grants the claim by the insured person made in line with the third paragraph of this Article, or if it does not contest it within 15 days of receiving it, it shall repay the damage as stipulated by the second, third and fourth paragraphs of the preceding Article.

If the insurance company contests a claim made in line with the third paragraph of this Article and a dispute between the company and the insured person arises, the court shall assess whether the conditions referred to in the first paragraph of this Article have been met with regard to the circumstances as they were on the day when the insured person submitted the claim and/or the conditions referred to in the second paragraph of this Article with regard to the circumstances on the day when the period mentioned in the second paragraph of this Article expired.

Article 707

If the insured object is damaged or if any of its component parts are lost, the damage shall be compensated from the insurance in an amount equalling the costs of the required repairs and the restoration of the original state of the insured objects, but not in excess of the sum insured.

If the insured object was under-insured, the cost of repair in line with the preceding paragraph shall be repaid in proportion to the sum insured and its agreed or actual value.

If the insured object cannot be repaired or restored to its original state, or if a certain quantity and/or part of the insured object has been lost (partial loss), the damage shall be compensated from the insurance in a percentage of the sum insured that corresponds to the percentage of the lost value of the insured object.

If the insured object was over-insured, the percentage of lost value shall be calculated in accordance with the preceding paragraph, from its agreed or actual value.

Article 708

The costs incurred by the insured person in order to avoid damage due to direct danger or in an attempt to mitigate damage that has already been caused (salvage costs) shall be settled from the insurance, if they were spent appropriately or in agreement with the insurance company and if these costs are covered by the insurance. Regardless of a positive outcome, the costs referred to in the preceding paragraph shall also be compensated from the insurance when they are, together with the compensation for damages, higher than the sum insured, but the compensation for these costs may not be higher than the sum insured.

The costs of the insured person, caused directly by the occurrence of the insured loss, shall be compensated from the insurance up to the sum of the insured amount only.

If the insured object was under-insured, the costs of salvage and the costs created directly by the occurrence of the insured loss shall be compensated in proportion to the sum insured and the agreed or actual value of the object.

Notwithstanding the preceding paragraph and the provisions relating to under-insurance, the costs of salvage, spent at the request of the insurance company, shall be compensated in full despite a justified objection by the insured person.

Article 709

In the event of a general average created in connection with the insured risks, the insurance shall be used to compensate for the loss and damage of the insured object and the costs of the insured person relating to the insured object, which were acknowledged on a valid allotment basis, and the contributions to the general average as determined for the insured objects on such an allotment basis.

When establishing the compensation amount referred to in the preceding paragraph, the provisions of Articles 707 and 708 of this Act shall apply *mutatis mutandis*, independently of the value of the insured object established on the valid allotment basis.

With a payment of compensation for the loss, damages and costs mentioned in the first paragraph of this Article, the right of the insured person to a contribution from the general average shall pass to the insurance company, but only up to the amount of the paid compensation, increased by the appropriate amount for the interest and commissions that were admitted to on the valid allotment basis.

Article 710

Salvage rewards for salvaging an insured object in danger which is covered by the insurance and which must be paid by the insured person, and the costs of the procedure of determining the reward, shall be reimbursed from the insurance.

If the insured object was under-insured, the provisions of Article 694 of this Act shall apply to the reimbursement from the preceding paragraph, regardless of the value that was used as the basis for determining the salvage reward.

Article 711

The costs of the insured person necessary to establish and liquidate damage covered by the insurance shall also be fully reimbursed from the insurance in the event of under-insurance.

Article 712

The insurance company must compensate the subsequent damages arising during the same insurance, even if the total insurance benefit to cover the damage is higher than the sum insured.

If the total loss of the insured object occurs after partial loss or damage under the same insurance, the insurance company shall be obliged to reimburse, in addition to the insurance benefit for the total loss, only those costs connected to the partial loss and damage covered by the insurance.

Article 713

Unless all the specially agreed conditions which are essential for the decision on coverage in general are met, the insurance company may request that the insurance contract be terminated.

Unless all the specially agreed conditions which were only important for the weight of individual risks and the size of damage are met, the insurance company may deduct from the insurance benefit a part of the damage which was probably created because these conditions were not met.

Article 714

During insurance, the insured person shall be obliged to look after the insured object with the due care and attention of a good manager and may not do anything which would rule out the assertion of the right to compensation from the person who is responsible for the damage.

If the insured risk materialises, the insured person must:

1. take, if possible in agreement with the insurance company, all action which is sensible and necessary in order to avoid or mitigate the damage;
2. inform the insurance company or its authorised representative of the damage which has arisen immediately upon learning about it;

3. ensure the right to compensation from the person responsible.

If, during the validity of the insurance cover, the insured person intentionally or through gross negligence does not take care of the insured object or does not fulfil his obligations under point 1 of the preceding paragraph, the insurance company shall not be obliged to cover the damage thus caused.

If, during the validity of the insurance cover, the insured person intentionally or through gross negligence prevents the assertion of the right to compensation from the person who is responsible for the damage, or if he does not fulfil his obligations under points 2 and 3 of the second paragraph of this Article, the insurance company may subtract from the insurance benefit the amount equalling the damage which it suffered as a result.

Article 715

When the insured person submits a claim for the payment of the insurance benefit, he must supply the insurance company, at its request, with data, and must submit any documentation available and other evidence required in order to establish the nature, cause and amount of damage and other circumstances that could be the basis for establishing his right to the insurance benefit or to at least proving it as plausible.

If the insured person intentionally or through gross negligence does not establish the damage on time in the agreed manner, and if there are no provisions relating to this in the contract in the usual manner, the insurance company must compensate him for the damage only if the insured person supplies reliable evidence on the nature, causes and amount of the damage and on the circumstances that are essential for establishing that the damage is covered by the insurance.

Article 716

The insurance company shall be obliged to pay the insurance benefit within one month of the day the insured person submitted the claim mentioned in the preceding Article and supplied all the claims and documentation for establishing its obligations arising from the insurance contract.

Article 717

If an insurance contract concluded with several insurance companies quotes their individual shares, each of the insurance companies shall only be obliged to reimburse the damage in proportion to its own share.

Article 718

With the payment of the insurance benefit, all the rights of the insured person against other persons which arose in connection with the damage for which he received the insurance benefit shall pass to the insurance company, but only up to the amount that was paid.

If the insured object was under-insured, the right of the insured persons referred to in the preceding paragraph shall pass to the insurance company only in proportion to the sum insured and the agreed or actual value of the insured object.

The insured person shall be obliged to provide the insurance company, at its request, with all assistance in asserting his rights against other persons, and must submit correctly filled-in and signed documents on the assigning of his rights.

Article 719

The statute of limitations on claims arising from an insurance contract shall be five years.

The period mentioned in the preceding paragraph shall start to run as follows:

1. for the insurance benefit for contributions to the general average and salvage rewards - from the day the contribution and the reward which was to be paid by the insured person were established;
2. for the insurance benefit for damage inflicted on others - from the day the insured person received a compensation claim from another person;
3. for other claims - on the first day after the end of the calendar year in which the claim arose.

Article 720

The provisions of Article 681, the first paragraph of Article 688, the fifth paragraph of Article 695 and the first paragraph of Article 704 of this Act may not be modified even with the explicit provisions of an insurance contract.

2. Hull insurance

Article 721

Hull insurance shall cover the hull of the ship, its engines, machines and equipment, ordinary supplies of fuel, lubricants and other ship materials, and supplies of food and drink required for the ship's crew. Exceptional supplies of fuel, lubricants and other materials, and supplies of food and drinks not intended for the regular needs of the ship's crew, as well as the cost of furnishing and insuring the ship, shall be included in the hull insurance only if this is explicitly stipulated in the contract.

Article 722

Hull insurance for a specific voyage shall start with the commencement of the loading of cargo at the port of departure cited in the insurance contract, and shall last until the end of unloading at the port of destination cited in the same contract, but shall not extend for more than 21 days after the arrival of the ship at this port. If the cargo has begun to be loaded for a new voyage at the port of departure before the unloading from the preceding paragraph has been concluded, the insurance shall cease with the start of the loading of the new cargo. If the cargo is not loaded at the port of departure, the insurance shall start when the ship lifts anchor or when the rope is untied in that port in order to set off on the insured voyage. If the cargo is not unloaded at the port of destination, the insurance shall cease when the ship anchors or is secured by ropes at that port. If the voyage is suspended before the port of destination, insurance shall cease at the port where it was suspended, whereby the provisions of the first, second and fourth paragraphs of this Article shall apply *mutatis mutandis*. A ship shall also be insured during urgent repairs of damages covered by the insurance which are conducted while the ship is passing through a port without the ship being actually delayed, or at the port of destination immediately after the end of an insured voyage, if the ship cannot be used during repair work for commercial or other purposes.

Article 723

If fixed-term hull insurance ends while the ship is on a voyage, the insurance shall be extended to the first port of destination, unless the insured person waives this right before the end of the insurance period. The provisions of the preceding Article shall apply *mutatis mutandis* for the end of insurance at the first port of destination. Insurance shall be extended for the duration of urgent repairs on damage covered by the insurance which start while the insurance is still valid or immediately after the end of the insurance, and which are conducted so as to avoid undue delays to the ship, if the ship cannot be used for commercial and other purposes in the meantime. If insurance is extended under the first paragraph of this Article, the insurance company shall be entitled to a supplementary premium that corresponds to the duration of extension of the insurance.

Article 724

The damage created directly or indirectly because of a fault on the ship or because the ship was not seaworthy shall be exempt from hull insurance if the insured person knew of it or could have known and prevented its consequences with the due care and attention of good shipowner. The provision of the preceding paragraph shall not apply to the damage caused due to a fault on the ship or because the ship was not seaworthy and the insurance company was informed of this or learnt of it in any other manner when concluding the insurance contract. In this Article, the non-seaworthy condition of the ship shall mean non-seaworthiness in general and the inability to carry out a specific voyage and transport with the ship, either because of technical deficiencies or insufficient equipment, unsuitable crew, an excess or incorrect load, an excess number of passengers on board, or for other reasons. In fixed-term insurance, the damage caused directly or indirectly due to risks created outside the limits of the navigation as foreseen in the contract shall also be excluded from the insurance.

Article 725

If the ship is missing, it shall be presumed that a total loss occurred on the day the last report on the ship was received. If individual costs were insured together with the ship, as stipulated in Article 721 of this Act, the insured costs which the insured person saved because of the loss of the ship shall be subtracted from the insurance benefit for a total loss.

Article 726

If a damaged ship is repaired or the lost parts of the hull, engines, machines, equipment and supplies are replaced, the damage shall be reimbursed in the amount equalling the actual costs of urgent repair or replacement of parts, but not also the damage for the lost value of the ship which occurred despite repair and replacement. If the actual value of the ship increases due to repair or the replacement of parts, the increased value thus created shall be subtracted from the insurance benefit.

If a damaged ship is not repaired or the lost parts are not replaced while the insurance is valid or immediately afterwards and the insured person requests compensation for the damage before the repair or replacement takes place, the damage shall be reimbursed from the sum insured which corresponds to the percentage of the lost value of this ship, but not in excess of the estimated cost of repair and/or replacement of parts.

3. Cargo insurance

Article 727

A single agreed value, and if there is no agreed value then a single insurance sum, may, in addition to the value of goods at the place of departure, also insure the insurance costs, the freight costs, customs costs and other costs connected to the carriage and supply of goods, and expected profits. It shall not be necessary for the costs and expected profits covered by the insurance contract to be those quoted in the contract.

Article 728

The cargo insurance for a specific voyage shall start as of the day when the goods are loaded on the first means of transport at the place specified in the contract as the place of departure for the insured voyage, and shall end when the goods have been unloaded from the last means of transport at the place of destination specified in the insurance contract.

If the voyage is interrupted, the insurance shall end when the goods are unloaded from the last means of transport in that place.

The provisions of this Act shall not interfere with the provisions of Article 698 of this Act relating to withdrawal from the insured voyage.

Article 729

Damage created as a result of a fault or of the natural properties of the goods shall be exempt from insurance, unless otherwise agreed.

The provision of the preceding paragraph shall also apply to those cases where the damage was caused by a delay to the means of transport due to an insured risk.

Article 730

If the goods are lost in full, the value of the goods at the place of departure and the value of other interests included in the agreed value and/or in the same insurance sum mentioned in Article 727 of this Act shall be reimbursed from the insurance.

If, due to a total loss of goods or for other reasons the insured person saves individual costs which were insured together with the value of the goods at the place of departure, the costs thus saved shall be subtracted from the compensation for the total loss.

Article 731

Under the third paragraph of Article 707 of this Act, the percentage of lost value of insured goods shall be established by comparing the value of goods in their undamaged and damaged state at the place where the insured voyage ended.

If, in order to avoid even greater damage, the damaged goods are sold in agreement with the insurance company prior to the arrival of the ship at the place of destination, the difference between the net proceeds from the sale and the sum insured shall be reimbursed from the insurance. If the goods were over-insured, the difference between the net proceeds of the sale and the agreed and/or actual value of the goods shall be reimbursed.

Article 732

If the goods are unloaded before the place of destination due to the occurrence of an insured loss, the costs of storage and the surplus costs of the further forwarding of goods to the place of destination which are debited to

the insured party shall, in addition to the costs of unloading, be paid from the insurance in line with the third paragraph of Article 708 of this Act.

Article 733

In addition to the cases mentioned in the first paragraph of Article 706 of this Act, the insured person shall have the right to claim the insurance benefit as if a total loss of the insured goods from Article 705 of this Act had occurred in the following cases:

1. if the ship becomes unseaworthy during the voyage because an insured risk has occurred and the goods cannot be forwarded to the place of destination within six months of the event, or if the costs of forwarding the goods which would be debited to the insured person are higher than the agreed or actual value of the insured interests in the goods;
2. if the goods are damaged such that they lose four-fifths of their value and cannot be repaired or restored to their original state;
3. if the costs required to salvage and repair and forward the goods to the place of destination that would be debited to the insured person are higher than the agreed or actual value of the insured interests on goods.

Article 734

If a single contract covers several shipments which are to be forwarded successively in general outline only (general insurance contract), the party taking out insurance must report such shipments, once they have been forwarded, to the insurance company, along with all the data required to establish conclusively the obligations of the parties under the general insurance contract.

If the general insurance contract does not specify the extent of the coverage or the insured values of individual shipments, the party taking out insurance must report his claims in this respect to the insurance company before the start of a voyage, if possible.

If the party taking out insurance fails to meet his obligations under the preceding paragraph on individual shipments before the damage has arisen or, if there is no damage before the end of the insured voyage, it shall be considered that these shipments were insured against the risks mentioned in the first paragraph of Article 700 of this Act, i.e. for the actual value as stipulated in Article 691 of this Act, increased by the freight, which is debited to the insured person, and by the insurance costs.

If the party taking out insurance intentionally or through gross negligence fails to fulfil his obligations under the first paragraph of this Article, the insurance company shall be entitled to terminate a general insurance contract and decline to pay the insurance benefit for the damage to the unreported shipments.

The insurance company shall also be entitled to the insurance premium for the unreported shipments if they were, even for a short period of time, exposed to the risks under the general insurance contract, as well as in the event of the contract being terminated as stipulated in the preceding paragraph.

The insurance company must, at the request of the party taking out insurance, supply a policy for each reported shipment, as stipulated in Article 687 of this Act.

4. Freight insurance

Article 735

Unless agreed otherwise, freight insurance shall cover its gross value.

Article 736

In the event of a total loss of freight due to a total loss of goods for which the freight has been paid or has to be paid, the damage shall be reimbursed as stipulated in the second paragraph of Article 705 of this Act; however, the rights which the insured person has on the goods shall not be conveyed to the party taking out insurance for the freight.

Article 737

If the insured freight which has been paid or which has to be paid for certain goods and the insurance benefit cannot be established in any other manner due to the insured risks, they shall be established by using the same proportion as for the insurance benefit for damage to the goods to which the freight applies.

Article 738

Unless otherwise stipulated by this Act, the provisions applying to freight insurance shall apply *mutatis mutandis* to freight insurance for the carriage of specific goods, while for the insurance of other freight the provisions which apply to ship insurance shall be applied.

5. Liability insurance

Article 739

When insuring a person for liability for damage inflicted on other persons, the amount which the insured person must repay to all such persons in connection with his liability covered by insurance, and the costs of establishing his liability, shall be paid from the insurance.

With compulsory insurance against liability for damage caused by a vessel, the injured party may claim indemnity for the damage for which the insured person is responsible directly from the insurance company, but only up to the amount of the insurance company's obligation.

The insurance shall also be used to reimburse the costs of the measures applied at the request of the insurance company, its representatives or in agreement with those who took out insurance against any unjustified or excessive claims by others, and the costs of rational measures applied by the insured person with the same intent but without the consent of the insurance company or its representatives, if such consent could not have been obtained in good time.

If the insurance company specifies the amount of insured liability, the insurance benefit mentioned in the first paragraph of this Article shall only be paid up to the sum insured.

Article 740

If the shipowner's liability is covered with the same contract as the ship, the insurance benefit from the insurance for liability under the preceding Article shall be independent of the amount of insurance benefit for other damages covered by the ship insurance.

Unless a special sum is determined in the contract for insuring the shipowner's liability, it shall be considered that his liability is insured for the same amount as the ship.

Article 741

In the event of a collision between two ships belonging to the same insured person, the provisions on the insurance of the shipowner's liability shall apply as if the ships belonged to different people.

The preceding paragraph shall apply *mutatis mutandis* in the case of an insured ship inflicting damage on other assets or property of the same insured person.

6. Various types of insurance

Article 742

In the event of a total loss of expected profits as a result of a total loss of goods, the damage shall be reimbursed as stipulated by the second paragraph of Article 705 of this Act, whereby the rights of the insured person on goods shall not be transferred to the insurance company insuring the expected profit.

The provisions governing the cargo insurance shall apply *mutatis mutandis* to the insurance of expected profits.

Article 743

The costs of insuring may be insured with one agreed value, and if the value is not agreed, with one sum insured together with the object for which insurance costs have been paid or have to be paid. It shall not be necessary for these costs to be explicitly quoted in the insurance contract.

PART SEVEN - MARINE INCIDENTS

Section I - COLLISION OF SHIPS

Article 744

The provisions of this section of this Act shall apply to all vessels and to seaplanes.

Article 745

The provisions of this section of this Act shall apply to liability for damage:

1. sustained by a ship, persons and goods on board a ship through the collision of ships;
2. caused by one ship to another due to a manoeuvre, failure to carry out a manoeuvre or failure to comply with safety of navigation regulations, even if a collision has not occurred;
3. caused by, or to, an anchored ship;
4. caused by a ship to another ship in tow.

Article 746

Liability for damage occurring in the instances set out in the preceding Article shall rest with the ship or ships proven to be at fault and responsible for the damage.

Liability of a ship shall be understood to mean the liability of the owner of the ship or the shipowner.

Article 747

Under the provisions of this section of this Act, liability of a ship shall also be considered to exist where the damage is caused by an act or the omission of an act by the pilot, regardless of whether or not pilotage was compulsory.

Article 748

Where two or more ships are to blame for the damage, each ship shall be held responsible in proportion to the respective degree of fault.

If the degree of fault cannot be established, liability for damage shall be divided equally between the ships involved.

Article 749

In the event of damage caused by a collision of ships, the loss of profit shall be compensated regardless of the degree of fault.

Article 750

If a collision of ships causes death or physical injury, the ships at fault for the collision shall be held jointly and separately liable for the death or injury.

Article 751

A ship which, in the instances set out in the preceding Article, pays higher indemnity than is proportionate to its fault shall be entitled to claim from the other ship as much indemnity as the other would be liable to pay in proportion to its fault.

A ship which, for reasons beyond its control, cannot recover from another ship or other ships the sum to which it is entitled under the preceding paragraph may claim that amount from the other ships responsible for the occurrence of damage in proportion to their respective fault.

Article 752

If damage is caused accidentally or by *force majeure*, or the cause of a collision of ships cannot be established, the damage shall be borne by the injured party.

Article 753

In the event of a collision, the shipmaster must prioritise the rescue of the people and, thereafter, the ship with which his ship has collided if it is possible for him to do so without seriously endangering the ship under his command and the people on board it.

If possible, the shipmaster shall inform the ship with which his ship has collided of the name of his own ship and its port of registration, the name of the last port from which it put to sea, and the name of the port it is bound for. The ship shall not be liable for damage caused by a shipmaster who fails to honour the obligation referred to in the preceding paragraph.

The obligation referred to in the second paragraph shall not be binding on the commander of a military vessel, but he shall be bound to abide by the obligation set out in the first paragraph of this Article.

Article 754

The statutory limitation for indemnity claims for damage caused by a collision between ships shall be two years from the day of collision.

The statute of limitation of a claim to recourse referred to in Article 751 of this Act shall be one year.

Statutory limitations for the claims referred to in the first and second paragraphs of this Article shall be counted:

1. as of the day the court decision fixing the amount of joint and separate liability becomes final;
2. as of the day of payment, in instances where no court proceedings took place;
3. in the event of claims for the division of the amount owed by an insolvent debtor (second paragraph of Article 751 of this Act), as of the day the creditor came to know of the insolvency of his debtor, whereby the period set by the statute may not be longer than two years from the day of payment or the day the court judgement becomes final.

Article 755

The provisions of this section of this Act shall not interfere with the provisions of this Act governing the limitation of shipowner's liability, nor upon the rights and obligations stemming from contracts on the use of ships or from some other contract.

Section II - SALVAGE

Article 756

Within the meaning of this section of this Act, salvage shall be considered to include the rescue of people, ships and goods on board ships, and extending help in salvaging.

Article 757

The provisions of this section of this Act shall apply to all vessels and floating objects.

The provisions of Articles 770 to 773 and the provisions of the second paragraph of Article 774 of this Act shall not apply to military vessels.

Article 758

Except where stipulated otherwise by a contract of salvage, the provisions of this section of this Act shall apply to the salvage of ships and the goods therein.

The shipmaster or shipowner of a ship in danger shall be entitled to conclude a contract of salvage on behalf of the owner of goods on the ship.

The contract may not exclude or diminish the obligations of the parties with respect to the protection of the marine environment, as stipulated by Article 767 of this Act, nor disregard the provisions of Article 761 of this Act.

Article 759

There shall be no reward for the rescue of people.

Notwithstanding the preceding paragraph, a person who was rescuing only people as a member of a rescue team in which some were saving people and some salvaging the ship and the goods therein shall be entitled to a fair portion of the reward granted to the salvager of the ship and the goods therein.

Article 760

A salvager shall be entitled to a fair reward for each successful salvage of a ship or the goods therein.

A reward may not exceed the value of the salvaged ship or goods.

Article 761

At the request of a party, the court may declare a contract of salvage invalid, or change it, in the following instances:

1. if the contract was concluded at the time of and under the influence of an impending danger and if the court finds that the provisions of the contract are unfair;

2. if it establishes that a party was induced to enter into contract by fraud or the deliberate withholding of facts;
3. if it establishes that the agreed reward was overly high or overly low in relation to the service in question.

Article 762

Where parties have not concluded a salvage contract, or have concluded it without specifying the amount of the reward for salvage, and a dispute about the reward arises between them, the amount of the reward shall be fixed by the court.

In determining the amount of the reward, the court shall take into account the following criteria, in no particular order of precedence:

1. the value of the ship and the goods salvaged;
2. the skill and effort invested by the salvager in preventing or reducing damage to the marine environment;
3. the degree of success achieved by the salvager;
4. the nature and degree of danger;
5. the skill and effort invested by the salvager in saving people, the ship and the goods on board;
6. the time spent and the expenses and losses incurred by the salvager;
7. the risks to which the salvager and his equipment were exposed;
8. the speed with which the services were rendered;
9. the accessibility of the ship and the use of a vessel or other equipment for salvaging;
10. the degree of preparedness and efficiency of the salvager, and the value of his equipment.

The provisions of the preceding paragraph shall also apply in instances where the court, in accordance with the preceding Article, changes the agreed amount of the salvage reward.

Article 763

If several salvagers were involved in the salvage and they fail to agree on the proportion in which to divide the reward for the salvage of a ship or goods therein between them, the matter shall be decided by the court, in accordance with the preceding Article.

Where several salvagers were involved in the effort, each may make his claim for the reward separately.

Article 764

The court may reduce the reward or rule that an individual salvager is not entitled to it if salvaging operations were made necessary, or were made more difficult, through omissions or negligence, or if the salvager was found guilty of fraud, embezzlement or theft.

Article 765

A salvager who begins salvaging a ship or the goods therein in spite of an explicit and sensible interdiction by the shipmaster, shipowner or owner of the ship being salvaged shall not be entitled to a reward.

Article 766

If a contract of salvage was concluded by the shipmaster or shipowner of a ship in danger and such a contract does not provide otherwise, the reward shall be paid by the shipowner of the salvaged ship.

If a contract of salvage was concluded, the owner of the goods salvaged or the person entitled to dispose thereof shall be jointly and separately liable, together with the person obliged to pay the salvage reward, for only that part of the reward that relates to the goods salvaged.

If a contract of salvage was not concluded, the reward for the salvaged ship shall be paid by the shipowner, and the reward for the goods salvaged by the owner of the goods or the person entitled to dispose thereof.

Article 767

If a salvager has completed the salvage of a ship which, in itself or with its cargo, threatened to damage the marine environment but has not succeeded in earning a reward that would at least be equivalent to the special compensation stipulated by the second paragraph of Article 762 of this Act, the shipowner shall be bound to pay him a special compensation in the amount of the expenses incurred by him.

If, under conditions defined in the preceding paragraph, a salvager, by his own action, has prevented or diminished damage to the marine environment, the special reward due to the salvager from the shipowner may be increased by up to 30% of the expenses incurred by the salvager. The court may, if it finds it fair and legitimate and applying the criteria from the second paragraph of Article 762 of this Act, additionally increase the special reward to a maximum of 100% of the expenses incurred by the salvager.

The expenses for the salvage referred to in the first and second paragraphs of this Article should be understood to mean reasonable cash expenses incurred during the salvage and a fair amount for the equipment and crew actually and reasonably engaged in the salvage, taking into consideration the criteria set out in points 8, 9 and 10 of the second paragraph of Article 762 of this Act.

The entire special compensation under this Article shall be paid out only when and if this compensation is higher than the reward for salvage normally due to the salvager under Article 770.

If, through his own fault, a salvager fails to prevent or diminish damage to the marine environment, the court may reduce or withdraw the special compensation referred to in this Article.

The provisions of this Article shall not exclude or affect the possibility of the owner of the ship which put the marine environment in danger making a claim for recourse.

Article 768

At the request of the salvager, the person obliged to pay for the salvage under Article 766 of this Act shall be bound to provide adequate insurance for the claims of the salvager, including possible interest and the costs of the proceedings.

In addition to the personal liability referred to in the preceding paragraph, the shipowner and the owner of a salvaged ship shall be bound to take all reasonable measures to ensure that the owners of goods on board the ship or persons authorised to dispose thereof should provide adequate security for their liabilities to the salvager, inclusive of possible interest and the costs of proceedings.

Without the consent of the salvager, a salvaged ship and the goods therein may not be removed from the port or the place to which they have been brought immediately upon salvage until the salvager is given adequate security for his claims against them.

Article 769

The salvager may collect the amount of the reward or special compensation (Article 767 of this Act) as determined by the final decision directly from the insurance company which insured the ship and the goods therein.

Article 770

The net reward shall be the sum remaining after deducting the damage caused to the rescue ship during the salvage, and the expenses incurred through the salvage.

The crew of the rescue ship shall be entitled to a part of the net reward.

Article 771

Without the consent of the crew of the rescue ship, the salvager may not waive the part of the reward that belongs to the crew.

Article 772

If the shipowner of the rescue ship fails to bring an action for payment of the salvage within one year of the day salvaging was completed, each member of the crew of the rescue ship may file a claim against the shipowner of the salvaged ship for the part of the reward due to him.

Article 773

The provisions of this section of this Act relating to the reward for salvage shall also apply to salvage involving ships belonging to the same owner or shipowner.

Article 774

The statute of limitations for claiming the reward for salvage shall be two years from the day salvage was completed.

The statute of limitations for claims by members of the crew referred to in Article 772 of this Act shall be one year.

Upon the occurrence of a claim, the parties may agree in writing to extend the statutory time periods for action beyond those cited in the first and second paragraphs of this Article.

Section III – SALVAGING OF SUNKEN GOODS

Article 775

The provisions of this section of the act shall apply to the salvaging of vessels, floating objects and aircraft, their parts and cargo, and other objects (hereinafter: sunken goods) that have sunk or run aground in the territorial sea and internal waters of the Republic of Slovenia.

Article 776

The salvaging of goods that have sunk at, or shortly before, the beginning of salvage shall be subject to the provisions of this Act relating to salvage.

Article 777

Sunken goods may be salvaged by the person who owns them or has a right to dispose thereof in some other way (rightful claimant). Sunken goods may be salvaged with the permission of the Maritime Directorate of the Republic of Slovenia. In the permission for salvaging sunken goods, the Maritime Directorate of the Republic of Slovenia shall determine the conditions for the safety of navigation and the deadline for the start or end of the operation to salvage sunken goods.

The Maritime Directorate of the Republic of Slovenia or the maritime inspector may order that goods lying in a location where they hinder navigation or pose a pollution risk be salvaged, removed or destroyed immediately. If the rightful claimant fails to act in accordance with the decision of the Maritime Directorate of the Republic of Slovenia or the maritime inspector, the Maritime Directorate of the Republic of Slovenia may, at the expense and risk of the rightful claimant, have the sunken goods removed from the place where they lie by itself or by its authorised agent.

Article 778

If the rightful claimant for the salvaging of sunken goods is not known to the Maritime Directorate of the Republic of Slovenia or the maritime inspector, or he is known to them but has no intention of salvaging the sunken goods, or if that party stops the salvaging for unjustified reasons or abandons a salvage operation in progress, another person authorised by the Maritime Directorate of the Republic of Slovenia may take over the salvaging.

It shall be considered that the known rightful claimant has no intention of salvaging sunken goods or that he has discontinued or abandoned the salvaging if he does not announce within 90 days that he intends to salvage the sunken goods, or does not start salvaging them within that time limit, or fails to resume the commenced or abandoned salvage operation without a valid reason.

It shall be considered that the unknown rightful claimant has no intention of salvaging sunken goods if, within the time limit set out in the preceding paragraph, he does not submit a request for salvaging and does not produce evidence of his right to salvage the sunken goods.

Article 779

If the salvaging of sunken goods requires special nautical and technical equipment and special skills, the rightful claimant without such equipment or skills may leave the salvaging of his sunken goods to another person.

Article 780

An authorised person who has started salvaging sunken goods under Article 778 of this Act may not, without good reason, temporarily halt or abandon the salvaging if the halting or abandonment of the works is likely to inflict damage on the rightful claimant.

Article 781

If sunken goods to which a person holds title are not salvaged within 10 years of the day of their sinking, such goods shall become the property of the State.

If the time of the sinking of a vessel or aircraft cannot be established, it shall be presumed that they sank on the day when the notice of them was last received. As for other goods, it shall be presumed that they sunk on the day their position in the sea was identified.

Article 782

The contractor who salvages sunken goods, pursuant to a decision of the Maritime Directorate of the Republic of Slovenia or the maritime inspector, shall be liable for the damage caused by the operations performed by him, unless he proves that, in spite of due care and attention, the damage could not have been avoided.

Unless otherwise agreed between the rightful claimant and the contractor, the provisions of the preceding paragraph shall also apply to sunken goods salvaged under a contract between the rightful claimant and the contractor.

The liability for damage caused by the salvaging of sunken goods in instances other than those cited in the first and second paragraphs of this Article shall rest with the contractor, unless he proves that the damage was occasioned by the rightful claimant or by a person for whom the latter is responsible.

Article 783

The contractor shall be entitled to payment for the salvaging of sunken goods.

The contractor shall not be entitled to payment for the salvaging of sunken goods if he undertakes the salvaging in spite of an explicit prohibition by the rightful claimant.

Unless the parties agree to the contrary, the payment for the salvaging of sunken goods may not exceed the value of the salvaged goods.

The limitation set out in the preceding paragraph shall not apply to payment for the salvaging, removal or destruction of sunken goods executed under the order of the competent authority mentioned in the second paragraph of Article 777 of this Act.

Article 784

Unless agreed otherwise, the contractor shall have a lien on the salvaged sunken goods as a security for the reward due to him for the salvaging and storage of the goods. He may hold the salvaged goods until the owner of the goods has effected payment.

Article 785

The statute of limitations for claims for payment for the salvaging, removal or destruction of sunken goods shall be three years from the day the salvaging, removal or destruction was carried out.

Article 786

If sunken goods are owned by a foreign person, the Maritime Directorate of the Republic of Slovenia or the maritime inspector shall be obliged to send their decision ordering the salvaging, removal or destruction of those goods to the minister responsible for foreign affairs.

Article 787

The salvaging of goods of military importance shall be subject to approval from the minister responsible for defence.

Permission to salvage sunken goods which have or are presumed to have the character of protected cultural values shall be issued by the minister responsible for culture.

Section IV - GENERAL AVERAGE

1. Common provisions

Article 788

The provisions of this section of this Act shall apply to the recovery of damage suffered through the general average by parties in a maritime venture.

The provisions of this section of this Act shall apply to ships, unless the parties have agreed otherwise, and to boats, if so agreed explicitly by the parties.

Article 789

The individual terms used in this section shall have the following meanings:

1. the general average shall be any intentional and rational extraordinary cost and any intentional and rationally inflicted damage caused by the shipmaster or his substitute in order to save the value of the property of the participants in the same maritime venture from a real danger that threatens them all;
2. a participant in a maritime venture shall be the owner of the ship, the shipowner and the person entitled to dispose of the cargo carried on board;
3. a maritime venture shall be the voyage of a ship from the beginning of the loading until the end of the unloading of the cargo of each individual participant;
4. contributory interest and values shall be the property whose value, under the provisions of this Act, is the criterion of contribution for compensation of damages or to a refund of the costs caused by the general average;
5. the amount to be made good shall be the damage or the costs caused by the general average which, under the provisions of this Act, are to be refunded from contributory interest and values;
6. the port of a completed joint venture shall be the port in which the last part of the cargo on board is unloaded during the general average.

Article 790

In accordance with the provisions of this Act, the damage and costs that constitute a general average shall be shared by all participants in the maritime venture in proportion to the value of property included in the contributory interest and values referred to in point 1 of Article 794 of this Act.

The shipmaster shall be obliged to submit a statement on the sustained average to the notary at the port of destination. The notary shall, in a notarial record, sum up the shipmaster's log of events during navigation; the shipmaster's liability for the damage caused shall be excluded from this.

The notary shall be obliged to enclose with the notarial record the extract from the ship's logbook for the days of the event which are the subject of the maritime accident report.

Article 791

Unless otherwise provided for by this Act or a contract between the parties, a general average shall be considered to include the sacrifices, damages and costs that are a direct or inevitable consequence of the general average, excluding only such sacrifices, damages and costs which, in universally accepted international maritime practice, are not considered as a general average.

The sacrifices, damages and costs which do not fall within the category referred to in the preceding paragraph shall nevertheless be recognised as a general average if, in universally accepted international maritime practice, they are treated as an accident.

Article 792

Any cost that is not by its nature a general average cost and which was disbursed in the place of another cost which, had it been spent, would have been recognised as a general average, shall be considered as a general average and recognised as such, irrespective of possible savings, but only up to the amount of the general average cost saved.

2. General average contribution

Article 793

The obligation to contribute to a general average shall be considered to exist even when damages or costs were caused through the fault of a participant in a maritime venture.

The provisions of the preceding paragraph shall not encroach upon the rights of a participant in a maritime venture who has contributed to the general average in relation to those responsible for the occurrence of damages or costs.

Article 794

Unless otherwise stipulated by this Act, it shall be considered that:

1. the contributory interest and values consists of the property saved by the general average, the value of the sacrificed property, and the reduced value of damaged property;
2. the general average allowance consists of the value or reduced value of damaged property sacrificed by the general average and of the costs considered as the general average, including the expenses for general average adjustment.

Article 795

Notwithstanding the provisions of the preceding Article, it shall be considered that:

1. objects for the personal use of the crew and passenger baggage for which no baggage receipt or bill of lading was issued do not make up part of the contributory interest and values;
2. the loss of or damage to jettisoned cargo which was loaded on board contrary to recognised practice, cargo loaded on board unbeknownst to the shipowner, and cargo marked erroneously on purpose do not make up part of the amount to be reimbursed.

If the cargo that has been saved was loaded without the knowledge of the shipowner or was erroneously marked on purpose, such cargo shall make up part of the contributory interest and values.

Article 796

Excluding costs, the value of the property included in the amount to be reimbursed and in the contributory interest and values shall be determined according to the value at the time when, and in the port where, the joint venture is concluded, unless otherwise stipulated by this Act.

The costs shall depend on their actual amount.

Article 797

Deductions according to the “new-for-old” principle shall not apply to the costs of repair of a ship which are included in the amount to be reimbursed in instances where old material or old parts are replaced by new ones, except where the ship is more than 15 years old, in which case one-third shall be deducted. Deductions shall depend on the age of the ship, which shall be counted as of 31 December of the year in which it was finished until the day of the general average, with the exception of insulation devices, rescue boats and similar vessels, communication and navigational devices and equipment, and machinery and boilers, for which deductions shall be determined according to the age of the parts to which the deductions refer.

Deductions shall only be counted from the price of the new material or new parts that have already been processed and are ready for incorporation in or installation on the ship.

There shall be no deductions for foodstuffs, supplies, anchors and anchor chains.

Dock and slipway taxes and charges and expenses for the moving of a ship shall be recognised in full.

The costs of cleaning, painting and coating the bottom of the ship shall not make up part of a general average, except where the bottom was painted or coated within one year prior to the general average, in which case half the costs shall be recognised.

In the event of temporary repairs, there shall be no deductions according to the “new-for-old” principle.

Article 798

In the event of the total loss of a ship, the sum included in the amount to be reimbursed shall be determined according to the estimated value of the ship in an undamaged condition, with the deduction of the estimated repair expenses for damage not included in the general average, and the deduction of possible proceeds from the sale of the wreck.

Article 799

The value of damaged cargo which is included in the general average shall be determined on the basis of the value of the cargo at unloading, established on the basis of a commercial invoice made out to the consignee. If such an invoice does not exist, the value shall be determined on the basis of the value at loading. Insurance costs and freight shall be included in the value of the cargo at loading, except where the risk of the loss of freight is assumed by persons with an interest in the cargo.

If cargo damaged in this way is sold, the damage shall be the difference between the net sale proceeds and net value of the cargo in an undamaged condition on the last day of unloading at the port of destination, or on the day of the conclusion of a maritime venture if that venture ends in some other port.

Notwithstanding the first paragraph of this Article, the damage to or loss of cargo whose value at loading was incorrectly declared as lower than the value set out in the first paragraph of this Article shall be determined according to the value so declared.

Article 800

If sacrificed goods are subsequently recovered, their value shall be determined on the basis of the market price effective on the day of salvage in the region in which they were salvaged, diminished by the necessary and useful expenses for the salvage.

The second paragraph of the preceding Article shall apply *mutatis mutandis* to the cargo referred to in the preceding paragraph.

Article 801

Included in the amount to be reimbursed shall be a 2% commission on general average expenses, except for the expenses for the salaries and maintenance of the crew and for propulsive fuel, lubricants and supplies not replenished during the voyage. If, however, the amounts required for these expenses are not obtained from any of the participants in a maritime venture but are acquired by the sale of the cargo, the cost incurred by the acquisition of the necessary amounts, or the loss suffered by the party entitled to dispose of the cargo that was sold for that purpose, shall be included in the amount to be reimbursed.

Article 802

Until the day of general average adjustment, a 7% annual interest shall be allowed on the amounts included in the amount to be reimbursed.

As of the day of general average adjustment, the creditor shall have a right to charge statutory default interest.

Article 803

The value included in the contributory interest and values shall be:

1. for a ship - the net value at the end of a maritime venture, determined without taking into account the more favourable or less favourable influence of a bareboat charter or time charter for that particular ship;
 2. for cargo - the value according to the first paragraph of Article 779 of this Act, reduced by each loss or damage to the cargo before or after unloading;
 3. for freight and fare - the amount of freight and/or fare reduced by all the expenses, including the salaries of the crew, which would not have been spent for freight or fare had the ship been completely lost when the general average occurred, and which were not recognised as a general average;
 4. for the general average allowance - the amount established as stipulated by Articles 797 to 800 of this Act.
- Additional expenses incurred in connection with the values that, under the general average, are included in the contributory interest and values shall be deducted from the value referred to in the preceding paragraph, except for those expenses that were recognised as general average.

If the cargo is sold before the place of destination, it shall contribute to the general average with the actual net proceeds from the sale. The sum recognised as the general average shall be added to this amount.

Article 804

The amount recognised as the general average for damage to or loss of the ship or its parts caused by a general average shall be:

1. in the event of a repair or replacement of parts - the actual reasonable cost of the repair or replacement or loss, with deductions as stipulated by Article 798 of this Act;
2. if no repair or replacement of parts was performed - a reasonably reduced value as a consequence of such damage or loss which does not exceed the estimated cost of repair.

If the ship is completely destroyed or the costs of the repair exceed the value of the repaired ship, the recognised general average shall be the difference between the estimated value of an undamaged ship, reduced by the repair costs that are not recognised under the general average, and the estimated value of the ship in damaged condition. If the ship is sold, this value may be determined on the basis of the net proceeds of the sale.

Article 805

The shipowner shall have the right to retain the cargo which, under Article 794 of this Act, forms part of the contributory interest and values until he is given security that the debtor will pay his contribution due to the general average.

The shipowner shall be obliged to retain the cargo or to procure adequate security for claims by other participants in a maritime venture, and to act with due care in protecting these interests.

If the shipowner does not abide by the provision of the preceding paragraph, he shall be obliged to pay part of the contribution which a general average creditor, according to the evidence he has produced, could not collect from the person entitled to dispose of the cargo.

The provisions of the first, second and third paragraphs of this Article shall not encroach on the right of the shipowner and other participants in a maritime venture to recover the paid-out amount from the rightful claimant to whom the cargo was delivered without his giving a security.

Article 806

A general average creditor who does not receive security that his claim will be settled shall be entitled to stop the ship and the cargo in order to collect his claims.

3. General average adjustment

Article 807

General average adjustment shall be performed by the general average adjuster (hereinafter: adjuster) in accordance with the provisions of this Act.

Article 808

The adjuster shall be a person qualified and authorised to perform general average adjustment.

Article 809

The shipowner shall have the right to appoint an adjuster for the adjustment of the general average until the expiry of the statute of limitations from Article 823 of this Act. He shall be obliged to inform the court mentioned in the second paragraph of Article 819 of this Act on the appointment of an adjuster within that period.

If, within 30 days of the arrival of the ship at the port of the concluded joint venture, the shipowner does not act as stipulated by the preceding paragraph, the participants in the maritime venture in which a general average has occurred shall, until the expiry of the statute of limitation, have a right to request the court to appoint an adjuster. Each participant in the joint venture shall, within 10 days of the receipt of notification about the appointment of the adjuster, have the right to file a complaint against the appointment of the adjuster with the court referred to in the second paragraph of Article 819 of this Act. The court shall handle the complaint in accordance with the rules of civil procedure that apply to the disposition of complaints against the appointment of court experts.

Article 810

The adjuster shall work out a distribution basis for the general average adjustment.

Article 811

Each party to a general average adjustment procedure shall be bound to make available to the adjuster the documents and other evidence he requires.

Article 812

On receiving the documents referred to in the preceding Article, the adjuster shall work out the distribution basis for the general average adjustment.

If, within a period of 60 days or within a longer term set by the adjuster, a party does not provide him with the required information and documents, the adjuster shall prepare the distribution basis using the information available to him.

Article 813

The distribution basis shall consist of a list indicating the general average allowance and the contributory interest and values, the values of their individual items and their total value, the contribution percentage, and the amount payable by each participant in the venture as his contribution to the general average.

Each participant in a maritime venture in which a general average occurred shall be entitled to demand that the adjuster explain the segment of the distribution basis that refers to him.

Article 814

The distribution basis shall be delivered in as many copies as there are participants in the maritime venture.

If there are many participants in the maritime venture, the distribution basis shall only be delivered to the shipowner who appointed the adjuster, or to the participant who first requested the court to appoint the adjuster (second paragraph of Article 809 of this Act). In that case, the distribution basis shall be appended with extracts relating to individual participants in the maritime venture.

An extract from the distribution basis shall contain the sum total of the amount to be made good and the contributory interest and values, the contribution percentage, the value of the contribution due from the participant concerned, and the amount payable as his contribution to the general average.

Article 815

A participant in a maritime venture shall have the right, within 30 days of the day he received the distribution basis or the extract referred to in the second paragraph of the preceding Article, to raise objections to the distribution basis.

The distribution basis or the extract from the distribution basis shall contain a note indicating that the participant in the maritime venture has a right to complain in the sense of the preceding paragraph.

Article 816

The complaints shall be handled by the adjuster, after which the adjuster shall work out the final distribution basis as stipulated by Article 813 of this Act.

Article 817

The final distribution basis or its extract shall be delivered to the participants in the maritime venture, in accordance with Article 814 of this Act.

Article 818

If, within 30 days of the day of receipt of the final distribution basis or its extract, no participant in the maritime venture files with the court the complaint in accordance with Article 819 of this Act, the distribution basis shall become enforceable.

The adjuster and each participant in the maritime venture may ask the court to issue a certificate of enforceability of the final distribution basis.

Article 819

Participants in the marine venture shall have the right to file with the court complaints against the final distribution basis within 30 days of the date of receipt thereof.

The procedure to test the complaints against the final distribution basis shall be conducted by the court in Koper with subject matter jurisdiction.

The court shall assign the final distribution basis and the complaint of the participant to the notary.

The notary shall be obliged to conduct the procedure to test the complaint of the participant against the distribution basis at the hearing. The notary must summon the general average adjuster and all participants in the maritime venture to the hearing to test the complaint against the final distribution basis.

All the participants in the maritime venture are entitled to appear at the hearing and make statements concerning the complaints of individual participants. If a participant who lodged a complaint against the final distribution basis does not appear at the hearing, it shall be considered that he has waived his complaint.

The notary shall, at the hearing, present to the participants in the maritime venture the complaints against the final distribution basis which were filed in good time.

If, at the hearing to test the complaints, an agreement on the content of the final distribution basis or its disputed part is reached, the notary shall draw up a notarial protocol on the agreed final distribution basis or part thereof and the notarial protocol shall acquire an executory title.

If no full or partial agreement is reached between the participants of the maritime venture, the notary shall return the final distribution basis with the complaints and the notarial protocol concerning the test of complaints against the final distribution basis to the competent court.

The notary shall conduct the hearing even if none of the participants in the maritime venture appear at the hearing.

It shall be considered that the participants in the maritime venture who have not appeared at the hearing do not acknowledge the complaints by other participants.

Article 820

If, at the hearing to examine the complaints, no full or partial agreement of all the participants in the maritime venture is reached, the court shall, by means of a decision, instruct the party who lodged the complaint to bring an action, within 30 days of the day the decision is served, to establish that the complaint against the participant in the maritime venture whose rights are contested is justified.

If, within the time limit from the preceding paragraph, the party who filed the complaint does not act as instructed by the court or withdraws the complaint, it shall be considered that he has withdrawn the complaint. At the request of any participant in a maritime venture, the court shall issue a certificate of enforceability for the undisputed segment of the final distribution basis, even before the judgement in the civil suit referred to in the second paragraph of this Article becomes final.

Article 821

The competent court for the disputes mentioned in the preceding Article shall be the court referred to in the second paragraph of Article 819 of this Act.

If, in the civil suit instituted under the second paragraph of the preceding Article, it is finally established that the complaints are not justified, the contested final distribution basis or a part thereof shall become enforceable.

If, in the civil suit mentioned in the second paragraph of the preceding Article, it is found that the complaints are justified in full or in part, the court referred to in the second paragraph of Article 819 of this Act shall, after the judgement has become final, work out a new distribution basis.

Within the framework of the procedure referred to in the preceding paragraph, it shall not be possible to enter pleas concerning the existence of a claim and the amount thereof, and concerning the contribution to the general average.

If the proposal for a new final distribution basis requires professional knowledge which the court cannot provide, the court may entrust the production of the document to an expert.

Article 822

In the general average adjustment procedure, a foreign shipowner may appoint as an adjuster a foreign natural person who, under the regulations of his country of domicile, is authorised for general average adjustment. No revision shall be allowed in the procedure for the adjustment of the general average.

4. Statute of limitations

Article 823

The statute of limitations for claims for the payment of a general average contribution shall be one year from the day when the ship arrived at the last port of the joint venture during which the event on which the claim for the contribution from the general average is based occurred.

The limitation from the preceding paragraph shall be counted as of the day the shipowner appointed the adjuster, or as of the day some other participant in the maritime venture requested the court to appoint an adjuster in accordance with Article 809 of this Act, until the day the final distribution basis became final.

Section V - NON-CONTRACTUAL SHIPOWNER'S LIABILITY FOR DAMAGES

1. Common provisions

Article 824

The provisions of this section of this Act shall apply to damage inflicted by the ship on persons and goods outside it or on the environment (non-contractual liability for damage).

The provisions of this section of this Act shall not apply to collisions of ships or to nuclear damage.

Article 825

The provisions of this section of this Act shall apply to all vessels and to seaplanes.

The provisions of Articles 829 to 837 of this Act shall not apply to military vessels.

2. Liability for death and physical injury

Article 826

Liability for death and physical injury inflicted by the ship on bathers and other people in the sea shall be borne by the owner of the ship or the shipowner as well as the person who was in control of the ship at the time of the event if:

1. the death or physical injury occurred in a swimming beach area or an area in which navigation is forbidden, unless he proves that the victim caused the damage intentionally or through gross negligence;
2. death or physical injury occurred in the sea belt extending 150 metres from the coast which does not belong to the area specified in points 1, 3 and 4 of this paragraph, unless he proves that the cause of death or physical injury was *force majeure* or the fault of the dead or injured person;
3. death or physical injury occurred in a port, a port access, a usual sea lane, an area used exclusively for sports and similar navigation (rowing and sailing regattas, water-skiing, etc.), or an area more than 150 metres away from the coast, but not the area specified in point 4 of this paragraph, if it has been proven that the ship is to blame for the death or physical injury;
4. death or physical injury occurred in an area in which specific ways or means of navigation are forbidden (e.g. hydrofoils, water skis, excessive speed) if caused during navigation in a forbidden way or using forbidden means.

The minister shall propose the conditions on the basis of which the extent of the sea belt specified in point 2 of the preceding paragraph may be extended or reduced.

The owner of the ship and the shipowner shall not be liable in line with the first paragraph of this Article if they were unlawfully dispossessed of the ship.

In the instance referred to in the preceding paragraph, liability shall be borne by the person who was in charge of the ship and the person who took possession of it unlawfully.

3. Liability for damaged goods and environmental pollution

Article 827

The owner of the ship and the shipowner shall be liable for damage caused in an operational area of the coast, to breakwaters, port facilities, floating objects, underwater and other facilities in the port, and at sea, unless the damage was caused by the person managing such facilities.

Article 828

The owner of the ship and the shipowner shall be liable for the damage caused by a ship polluting the environment.

4. Liability for pollution from tankers carrying oil as cargo

Article 829

Liability for damage inflicted by spillages from an oil tanker of oil not intended for the propulsion of the ship shall be borne by the owner of the ship, unless it proves that the cause thereof was:

1. war, hostility, civil war, rebellion or an extraordinary, inevitable and uncontrollable natural event;
2. exclusively an act or omission of another person with intent to cause damage;
3. exclusively an act or omission by authorised persons responsible for navigation safety in the discharge of their functions.

If the owner of the ship proves that blame for damage lies completely or partly with the injured party, the court shall absolve him completely or partly from responsibility for the damage suffered.

A claim for damages under the first paragraph of this Article may not be filed against members of the ship's crew or other persons working on behalf of the shipowner.

The provision of the preceding paragraph shall not encroach upon the right of recourse of the owner of the ship against the person who caused the damage.

Article 830

Where two or more ships spill oil or throw it overboard and it is impossible to ascertain the extent of damage done by each individual ship separately, they shall be held jointly and severally liable for the damage.

The provision of the preceding paragraph shall not encroach upon the provisions of the preceding Article.

Article 831

The shipowner may limit his liability for damage referred to in Article 829 of this Act up to the amounts specified in the second paragraph of this Article by setting up a limited liability fund for damage caused by ejected or spilt oil.

The shipowner may limit his liability for damage referred to in Article 829 of this Act to SDR 133 per case and tonnage of the ship with the aggregate amount not being allowed to exceed SDR 14 million.

The shipowner may not limit his liability for damage under the first and second paragraphs of this Article if the event that caused the damage occurred through his own fault.

Article 832

The shipowner may recover from the limited liability fund referred to in the preceding Article the costs he incurred voluntarily in order to avoid or reduce pollution of the environment.

Article 833

The determination of the tonnage of a ship pursuant to Article 831 of this Act shall be performed as specified in the fourth paragraph of Article 388 of this Act.

If the tonnage of the ship cannot be determined pursuant to the preceding paragraph, its tonnage, taking into consideration the provisions of Articles 829 to 837 of this Act, shall be taken to be 40% of the carrying capacity of the space for carrying oil as freight.

Pursuant to the preceding paragraph, one tonne of load capacity shall mean 1000 kg.

Article 834

The limited liability fund referred to in Article 831 of this Act may also be set up by an insurance company or some other party that provided security under Article 67 of this Act.

The setting-up of the fund according to the preceding paragraph shall have the same legal effect as the setting-up of the fund by the owner of the ship.

The fund referred to in the first paragraph of this Article may also be set up in cases where damage was inflicted through the fault of the owner of the ship, provided the rights of the injured party in relation to owners are not thereby affected.

Article 835

Action for damages caused by pollution may be brought directly against the insurance company or the party that provided the security referred to in the preceding Article.

The insurance company or the guarantor shall have the right to enter against the plaintiff any plea to which the owner of the ship would be entitled, with the exception of the plea of bankruptcy or liquidation.

Notwithstanding the preceding paragraph, the insurance company or the guarantor shall have the right to plead that the damage inflicted by pollution was caused by a deliberate act on the part of the owner of the ship.

The insurance company or the guarantor shall have the right to demand that the owner of the ship intervene in the proceedings.

Article 836

The task of distributing of a limited liability fund set up in the Republic of Slovenia shall lie within the exclusive competence of the District Court of Koper.

Article 837

The right to damages under Articles 829 to 836 of this act shall expire three years from the day the damage occurred.

The right to damages under Articles 829 to 836 of this Act shall expire if an action is not brought within six years of the event which caused the damage.

In the case of a recurring event, the 6-year period mentioned in the preceding paragraph shall start as of the day the event commenced.

PART EIGHT - EXECUTION OF JUDGEMENTS AND INSURANCE OF CLAIMS ON SHIPS

Section I – COMMON PROVISIONS

Article 838

This part of the Act shall govern the process of the execution of judgements in civil matters and the insurance of claims on ships, on parts thereof and on ships under construction.

Where specific provisions are not given in this Act, the provisions of the Execution of Judgments in Civil Matters and Insurance of Claims Act shall apply *mutatis mutandis*.

The court with subject-matter jurisdiction in Koper shall decide on the proposal for and the process of the execution of judgements and insurance of claims on ships.

The court mentioned in the preceding paragraph shall also have jurisdiction in matters of the execution of judgements and insurance of claims on cargo on board ships subjected to the execution process.

Article 839

A court of the Republic of Slovenia shall have jurisdiction in matters of the execution of judgements and insurance of claims on ships in the territorial sea and internal waters of the Republic of Slovenia.

A court of the Republic of Slovenia shall also have jurisdiction in matters of the execution of judgements and insurance of claims on ships that are not in the territorial sea of the Republic of Slovenia if the register of ships in which such ships are entered is kept in the Republic of Slovenia.

Notwithstanding the provisions of the first paragraph of this Article, a court of the Republic of Slovenia shall not have jurisdiction in matters of the execution of judgements and insurance of claims on foreign military vessels and public carriers.

Section II – EXECUTION OF JUDGEMENTS FOR THE COLLECTION OF PECUNIARY CLAIMS - SALE OF SHIP

1. Exemptions and limitations to execution of judgements

Article 840

The object of the process of execution of judgements or insurance of claims may not be:

1. a Slovenian military vessel and a ship indispensable for the performance of the tasks of the State or a local community;
2. a ship which is indispensable to the debtor for the performance of a public service;
3. a foreign ship enjoying the innocent passage through the territorial sea of the Republic of Slovenia;
4. a foreign ship which makes a halt in the territorial sea or ports of the Republic of Slovenia because of *force majeure* or navigational needs until the end of the *force majeure* or navigational needs.

A ship described in points 3 and 4 of the preceding paragraph may be the subject of the execution process or insurance if the reasons for that process are claims that have occurred during its transit through or stay in the territory of the Republic of Slovenia.

Article 841

A ship owned by a debtor who engages in an economic activity may not be subjected to the execution process if the ship is indispensable for the performance of that activity.

A ship referred to in the preceding paragraph shall not be exempt from the execution process if the process is undertaken to repay claims against a loan with which the ship was bought or a claim secured by a lien on that ship.

A ship referred to in the first paragraph of this Article shall not be exempt from the execution process if the process is undertaken to repay the following claims:

1. against damage caused by the collision of the ship being subjected to the execution process, or against damage caused in some other way;
2. against death or physical injury caused by the ship being subjected to the execution process;
3. against salvage or a salvage agreement including special rewards for salvaging activities in cases when there was a risk of a ship or its cargo polluting the environment;
4. arising from an agreement relating to the use or chartering of a ship and from an agreement relating to the carriage of goods or persons on a ship, irrespective of whether such agreements are included in the contract of exploitation of a ship being subjected to the execution process;
5. arising from the general average;
6. arising from pilotage and towage;
7. arising from the supply of a ship for the maintenance and use of the ship being subjected to the execution process;
8. arising from construction, conversion, repair, equipping and docking of the ship being subjected to the execution process;
9. arising from the rights of the crew to salaries, including the costs of the return voyage of seamen and social security;
10. against the expenses incurred in connection with the ship by its captain, shipper, client or agent of the vessel and/or owner of the ship or shipmaster;

11. arising from the insurance premiums that the owner or charterer of the ship subject to the execution process has with that ship;
 12. arising from damage, or risk of causing damage, due to the pollution of the sea or the shore; measures for the prevention, reduction or removal of such damage; compensation for damage; costs of justified measures already carried out or to be carried out to remedy the damage caused; damages suffered or likely to be suffered by third parties due to pollution; damages, costs or loss of a similar nature specified in this point;
 13. arising from the costs or expenditure relating to salvaging, removal, preservation, destruction or measures necessary for ensuring the harmlessness of sunken ships, wrecks, ships that have run aground or that were abandoned, including all the equipment on board such ships, and the costs and expenditure for the preservation of an abandoned ship and maintenance of its crew;
 14. arising from the loss of or damage to the goods (including luggage) carried on a ship which is subjected to the execution process;
 15. arising from port fees;
 16. arising from disputes regarding ownership or possession of a ship, disputes between co-owners regarding the use and earnings of the ship and disputes arising from contracts on the sale of a ship which is subjected to the execution process;
 17. arising from maritime liens, mortgages or similar encumbrances of a ship which is the subject of the execution process.
- A ship owned by a legal entity not included in the first paragraph of this Article may only be subjected to the execution process if such a ship is not indispensable for the performance of that entity's activity.

Article 842

A ship which is the debtor's only or chief source of income may not be subjected to the execution procedure if the sale of that ship would jeopardise the subsistence of the debtor or those whom he is bound by law to support. In determining whether the circumstances described in the preceding paragraph exist, the court shall examine the possibilities for the debtor to find employment or earn his living in some other way, taking into consideration the age of the debtor, his state of health, his ability to work and the number of persons he is obliged to support. A ship which, under a lifelong maintenance contract, becomes the property of the maintenance provider upon the death of the owner, may not be subjected to the execution process if the maintenance right is entered in the register of ships prior to the entry of the right on the basis of which the creditor is demanding the sale of the ship. The first paragraph of this Article shall apply to the sale of foreign ships under conditions of reciprocity.

Article 843

Limitations under the preceding paragraph shall not apply to repayment of the claims referred to in the second and third paragraphs of Article 841 of this Act. Limitations under the first paragraph of the preceding Article shall not apply to the repayment of claims referred to in the third paragraph of Article 841 of this Act.

Article 844

The debtor may, within eight days of the execution order being served, propose that the court permit execution of judgements against another property of his or execution by the use of another means of execution. The court shall serve the proposal on the creditor and allow him eight days to make a declaration on the matter. After the creditor has made a declaration or after the deadline for this has expired, the court shall issue a decision on the proposal. The court shall grant the proposal if the debtor demonstrates that it is probable that the debt can be recovered by execution of judgements against another property of his or by using another means of execution. In determining the matter, the court shall be guided by the proportion between the amount of the claim for which repayment is requested and the value of the ship to be subjected to the execution process. If, by way of another means of execution, the debtor proposes encumbering his salary, pension, disability pension or other permanent incomes, the court shall grant the proposal only if the debtor shows that it is probable that the claim will be settled within one year of the issue of the decision concerning his proposal. If the court grants permission for execution of judgements against another property or by another means after the decision on execution has been rendered, the book entry of the decision authorising the execution against the ship shall remain valid until the creditor's claim for which the execution was authorised has been satisfied.

2. Proposal for sale

Article 845

The proposal for sale shall contain, in particular:

1. the name or company, place of residence or registered office and citizenship of the creditor;

2. the name or company, place of residence or registered office and citizenship of the debtor;
3. the name, mark, type, port of registration and nationality of the ship;
4. the place in which the ship is to be found;
5. the amount of the claim for which the sale of the ship is requested;
6. documents on the basis of which the execution of a judgement is requested;
7. the list of known lien creditors;
8. a statement as to whether any insurance security regarding the ship for which the execution is requested was granted;
9. if possible, the quantity and kind of cargo on the ship and the number of crew members.

Article 846

The following enclosures shall be attached to the proposal referred to in the preceding paragraph:

1. the original or certified copy of the executory title;
 2. the document testifying to the existence of mortgages, property encumbrances and pre-emptive rights recorded in the register of ships and data about the known maritime liens of the ship subjected to the execution process. If the ship being subjected to the execution process is a Slovenian vessel, an extract from the register of ships proving that the debtor has the right of ownership of the ship shall be enclosed with the proposal; if the ship is not entered in the register of ships, the document proving that the ship being subjected to the execution process is in the possession of one or more debtors shall be enclosed with the proposal.
- If, at the time the proposal for sale is submitted, a foreign ship for which an execution process is requested has already been stopped, a certified copy of the document providing evidence, in accordance with the law of that foreign country, on the ownership and country of domicile of the ship, as well as the translation of the document into the language in official use at the court shall be enclosed in the proposal for execution of a judgement.
- If, at the time the proposal for sale is submitted, a foreign ship for which an execution process is requested has not yet been stopped, the creditor shall be obliged to prove the probability that the ship is owned by the debtor. After a foreign ship subjected to an execution of a judgement by sale has been stopped, the court shall call on the creditor to submit the documents referred to in the third paragraph of this Article within three days.
- If the creditor does not abide by the preceding paragraph, the court shall issue a decision to discontinue the execution procedure.

Article 847

If the ship for which execution by sale is requested is entered in the register of ships and the person entered in the register of ships as the owner of the ship is a person other than the debtor, the creditor shall submit to the court the appropriate documents for the entry of the ownership right of the debtor in the register of ships. If the creditor does not have the documents mentioned in the preceding paragraph, the right to have the ownership right entered in the register of ships must be proven by a final judgement rendered in a civil procedure.

In the instances set out in the first and second paragraphs of this Article, the ownership right of the debtor shall be entered in the register of ships *ex officio*.

3. Decision on execution by sale

Article 848

The court shall decide on the proposal for execution of a judgement by sale of a ship by rendering a decision on execution.

In accordance with the civil procedure provisions which stipulate the personal serving of writs, the court shall serve the decision on execution by sale to the parties and to all those who, according to data in the documents on the ship subjected to the execution process, hold any lien, right to repayment or right of pre-emption.

The court shall advise all those who have their pre-emptive right to the ship registered that they cannot invoke that right in the course of the sale.

If the place of residence of the debtor is not known or the debtor is abroad, the court shall appoint the shipmaster as a temporary representative of the debtor and shall serve him with the decision on execution by sale of the ship. If the shipmaster has abandoned the ship, the court shall appoint some other person suitable for discharging the duties of a temporary representative of the debtor.

Article 849

Under the decision on execution by sale of a ship which is entered in the register of ships, the court shall order *ex officio* that the decision be noted in the register of ships.

Under the decision on execution by sale of a ship which is not entered in the register of ships, the court shall authorise the seizure of the ship.

The time the proposal for execution by sale was submitted shall be the element determining the order of precedence for the rights to repayment.

Article 850

In the event of the sale of a ship, creditors who have a lien on the ship being sold shall have the right to repayment even though they did not propose the sale.

Article 851

From the moment a note on the decision on execution by sale is entered in the register of ships and/or the record of seizure is made until the procedure of the sale is discontinued, it shall not be possible to subject the same ship to another execution by sale in order to satisfy some other claim from the same or another creditor.

If, in the case cited in the preceding paragraph, the court permits the seizure of the ship in order that another claim from the same or another creditor be satisfied, the court shall enter in the record of the seizure the data from the subsequently issued decision on execution.

The creditor whom the court, by a subsequent decision, permitted to satisfy a claim with the execution by sale of the same ship shall be included in the process as it is at the time he joins in.

All those on whom, under Article 848 of this Act, the court is obliged to serve the decision on execution shall be notified by the court of the admission of new creditors to the execution procedure.

4. Course of execution

Article 852

After issuing a decision on execution, the court shall immediately:

1. order that the ship be stopped (Article 946 of this Act) and ask the Maritime Directorate of the Republic of Slovenia to take from the ship the certificate of registration, the crew list and the certificate of seaworthiness, and in the case of a foreign ship, the equivalents of these Slovenian documents;
2. order that the ship be guarded, if necessary;
3. seize the ship and its appurtenances, whose value shall be determined separately according to Article 860 of this Act;
4. make a list of crew and passengers who remain on board and of the kinds and quantities of cargo.

Article 853

The court may give custody of the ship to the shipmaster and allow him to retain for that purpose the necessary crew, or it may order the shipmaster and the crew to disembark and appoint other guards instead.

In deciding whether to place the ship in the charge of the shipmaster or somebody else, the court shall take into consideration the suggestions of the creditors, the safety of the ship, the costs of guarding and other relevant circumstances.

Article 854

Upon the proposal of the parties, the shipmaster or the guard of the ship, the court may order that the ship be moved to another location if it finds that such removal is necessary for safety reasons or advisable for other important considerations, such as expenses for guarding and maintenance of the ship.

Article 855

If the person entitled to dispose of the cargo on the ship being subjected to the execution process does not appear in court within three days of the stopping of the ship, the court shall appoint a person to temporarily represent him.

While the cargo is on board the ship it shall be in the charge of the shipmaster or the person appointed by the court to guard it.

At the proposal of the person entitled to dispose of the cargo, his temporary representative, the debtor or the shipmaster, or where justified reasons exist at the proposal of the guard, the court shall allow the cargo to be unloaded and placed in a public warehouse or some other suitable place.

The court shall allow the person entitled to dispose of the cargo or his temporary representative to dispose freely of the cargo if the shipowner, shipmaster or other representative of the shipowner do not object thereto.

If, under a court order or of his own volition, the shipmaster disembarks, this shall have no effect on his authority to represent the shipowner or the person entitled to dispose of the cargo in matters concerning the cargo on board at the time the ship was stopped.
The provisions of the preceding paragraphs shall not encroach upon the rights and duties of the parties stemming from the contract of affreightment.

Article 856

Passengers must disembark with their baggage from the ship being subjected to the execution process. Notwithstanding the preceding paragraph, the court shall, at the proposal of the debtor, allow the passengers and their baggage to remain on board if the creditor or the guard do not object thereto and if the debtor makes an advance payment for the passengers' catering expenses.
The provisions of the preceding paragraphs shall not encroach upon the rights and duties of the parties stemming from the contract of passage.

Article 857

The costs incurred due to the execution, guarding and maintenance of the ship shall be paid in advance by the creditor.
The court may order the creditor to make the necessary advance payment for expenses relating to execution. If the creditor does not make an advance payment within the time limit set by the court, the court shall issue a decision to discontinue the execution process.

Article 858

Complaints against the decisions referred to in Articles 852, 853, 854 and 855 of this Act shall not delay their application.

Article 859

In the event of particularly valid reasons, the court may, at the proposal of an interested person and upon hearing the parties and creditors known to have a lien or a property encumbrance on the ship, allow the ship to make one or more voyages during the execution process.
The court shall disallow the voyage described in the preceding paragraph if no insurance contract under the terms deemed appropriate by the court has been concluded for the ship, and if the party who proposed the voyage does not provide adequate insurance for damages that might arise from the voyage.
The court may hear the parties and other creditors referred to in the first paragraph of this Article at a hearing, or it may advise them in writing of the proposal and conditions under which the permission for the voyage was requested, and ask them to make a declaration regarding the proposal within three (days of the notice being served).
Persons summoned who do not appear at the hearing or do not make a declaration regarding the proposal within the time limit cited in the preceding paragraph of this Article shall be considered to have agreed to the proposed voyage.
The person at whose proposal the voyage was allowed shall, upon the request of the court, make an advance payment for the costs of the voyage. Should he fail to do so within the time limit set by the court, the court shall withdraw permission for the voyage.

5. Seizure and appraisal of the ship

Article 860

After the decision on execution by sale has become final, the court shall establish the value of the ship and its appurtenances.
The appurtenances of higher value not normally found on a similar type of ship, as well as parts temporarily separated from the ship, shall be seized and appraised separately.
The value of the ship shall be its market price on the day of sale.
In determining the value of the ship, it shall be necessary to specify its value with the liens and property encumbrances, without the liens and property encumbrances and, separately, the value of the liens and property encumbrances combined.
If the ship being subjected to the execution process was appraised in an earlier execution or bankruptcy procedure and the value established at that time has not significantly changed, the court may take that value as the current value of the ship. The court shall decide thereon after hearing the parties.

In the case referred to in the preceding paragraph, the court shall, at the proposal of a party at the sale session, re-appraise the ship by a decision if the party demonstrates that it is probable that the value of the ship has changed considerably between the earlier appraisal and the day of sale.

Article 861

The court shall summon the parties to the seizure and appraisal session.
The court shall typically fix the venue of the seizure and appraisal session at the place where the ship is situated.
The court shall appoint one or more experts for the appraisal of the ship.
The court shall render a decision establishing the value of the ship at its discretion, taking into account expert opinion and other information obtained during the procedure.
No complaint shall be allowed against the decision on the appointment of experts referred to in the third paragraph of this Article.
The parties and any other persons entitled to repayment from the purchase price achieved by the sale of the ship shall be allowed to complain against a decision determining the value of the ship.

Article 862

A person who is entitled to repayment from the purchase price achieved by the sale of the ship and who, according to the order of precedence, comes before the creditor who proposed the execution of a judgement, may propose that the execution be discontinued if the established value of the ship does not cover his claims even in part.
The proposal referred to in the preceding paragraph may be submitted within eight days of the order on sale being served.
The court shall decide whether, in view of the circumstances and the probable amount of partial repayment of the creditor who proposed the discontinuation of the execution, the sale is worthwhile.

Article 863

The ship shall be sold at a public auction.
The parties and lien creditors may, at any time, agree to the ship being sold privately within a specific time period, as well as which mode of sale to adopt.
The private sale contract shall be made in writing.
The private sale contract shall be effective as of the day a decision awarding the ship to the highest bidder (Article 888 of this Act) becomes final.

6. Terms of sale

Article 864

After the decision determining the value of the ship has become final, the court shall call on the creditor to submit, within the set time, the draft terms of sale, unless he has already done so.
If the creditor fails to submit the draft terms of sale within the time period fixed in the preceding paragraph, he shall be deemed to have agreed to the sale under the conditions stipulated by this Act.
If the terms of sale as proposed by the creditor concord with the provisions of this Act on the terms of sale, the court shall confirm them without a prior hearing.
If the terms of sale as proposed by the creditor differ from the provisions of this Act the court shall fix the hearing to try the terms of sale.
The court shall summon to the hearing referred to in the preceding paragraph the parties and all those for whose benefit any liens or property encumbrances are recorded, according to documents, on the ship being subjected to the execution process.
The court shall appoint a temporary representative for parties on whom, in the opinion of the court, it will probably be impossible to serve a summons, and shall serve the representative with the summons for the hearing.

Article 865

All persons summoned to the hearing in which the proposed terms of sale are being considered may put forward proposals for changes therein.
On the basis of the results of the hearing, the court shall determine the terms of sale in accordance with the provisions of this Act.
If the discontinuation or suspension of the sale is proposed at the hearing for the determination of the terms of sale, the terms of sale may be discussed only after such a proposal has been rejected.

The court shall decide whether or not to postpone issuing a decision on the terms of sale until a decision rejecting the proposal mentioned in the preceding paragraph becomes final.

Article 866

The terms of sale shall include:

1. the name or company, place of residence or registered office and citizenship of the creditor;
2. the name or company, place of residence or registered office and citizenship of the debtor;
3. the name and/or marking, type, port of registration and nationality of the ship, its gross and net tonnage and/or displacement, load draft of the ship, data for the determination of the condition and usefulness of the ship, such as: purpose, year of construction, material that the ship is built from, type and power of the main propulsion engines and special-purpose devices; for ships under construction: data about the phase of construction and a list with the values of the unincorporated material included in the sale;
4. liens and property encumbrances which the buyer must assume and which are not included in the purchase price;
5. the established value of the ship;
6. the lowest acceptable bid;
7. provisions on the amount and method of deposit of the insurance by buyers;
8. provisions on the method of payment of the purchase price;
9. the time when the risks and benefits pass on to the buyer;
10. the time when, and the conditions under which, the ship will be delivered to the buyer, especially if the cargo is not to be unloaded until the decision on the award becomes final, and the conditions under which the ownership rights of the buyer will be recorded in the register of ships;
11. where relevant, the provisions on the sale of a co-owned part of the ship.

Article 867

The public auction may only be attended by those who have made the required security deposit.

In the event of a private sale, the buyer shall deposit the guarantee with the person with whom he is concluding the contract immediately before the conclusion thereof.

Unless the court, at the proposal of the parties, rules otherwise, the security deposit due from the bidders shall be one-tenth of the ascertained value of the ship.

The security shall be deposited in cash, securities or other property value.

The creditor who proposed the execution of a judgement and the lien creditors shall be exempt from the payment of the security deposit if their claims equal the amount thereof and if, in view of their order of precedence and the ascertained value of the ship subjected to the execution process, that sum could be paid out of the purchase price achieved by the sale.

Article 868

The security deposited by the bidder whose bid has been accepted shall remain with the court until the bidder meets all the obligations under the terms of sale, or until a court decision rejecting the award becomes final.

The court shall return their security deposit to other bidders after the sale session has been concluded.

The security deposit of the highest bidder shall constitute his lien for all claims arising against him from the sale.

Article 869

Unless the court, at the proposal of the parties and with the consent of rightful claimants, rules otherwise, the buyer shall take over the ship being subjected to the execution process free of all liens and property encumbrances.

Article 870

The lowest acceptable bid shall normally amount to half of the assessed value of the ship.

At the proposal of the creditor whose claim is secured by lien or at the proposal of the debtor, in agreement with the creditor who proposed the execution of a judgement, the court may rule that a higher amount be taken as the lowest acceptable bid.

Article 871

Unless the court, at the proposal of the parties, rules otherwise, the buyer shall be bound to prove, within 15 days of the award being delivered, that he has deposited with the court the purchase price for the ship awarded to him.

The buyer shall not be required to deposit in cash the purchase price or a part thereof if the creditors whose claims are secured by lien on the ship agree that the buyer shall assume those debts.
If the buyer has met all obligations under the terms of sale, the cash which he has deposited with the court as a security deposit may be used towards the purchase price.

Article 872

The risks for the ship sold shall pass to the buyer on the day the ship is finally awarded to him. As of that day, the buyer shall also assume all encumbrances connected with the ownership rights to the ship.
The awarded ship shall be delivered to the buyer, together with its appurtenances, and the ownership rights of the buyer shall be recorded only after he has fulfilled all the conditions of the sale.

7. Sale of the ship

Article 873

After the decision determining the value of the ship has become final and the terms of sale have been determined, the court shall announce the sale. In the announcement, the court shall indicate the method of sale and, in the event of an auction, the place and the time thereof.

The time period between the first announcement and the day of sale may not be less than 15 days or more than 30 days.

The sale may not take place before the decision on execution and the decision determining the terms of the sale become final.

Article 874

The announcement of the sale shall contain:

1. the name or marking of the ship and appurtenances put up for sale, and the value of the ship being subjected to the execution process;
2. the name or company, place of residence or registered office and citizenship of the parties;
3. the day of the sale and, in the event of an auction, the venue of the sale session;
4. the lowest acceptable bid and the amount of the security deposit;
5. information to the effect that the terms of sale and the documents relating to the ship being subjected to the execution process can be viewed at the court;
6. an invitation to lien creditors whose rights are not recorded in the register of ships to report their claims by the day of the sale, or on the day of the sale session at the latest, with a notice to the effect that their rights shall otherwise be taken into consideration in the procedure only insofar as they stem from the executory title;
7. an invitation to all those whose rights, if any, on the ship being subjected to the execution process might render the sale thereof unlawful to report their rights to the court by the day of sale, or on the day of the sale session at the latest, before the beginning of the public auction, with a notice to the effect that it will otherwise be impossible to exercise those rights to the detriment of a fair buyer;
8. a notice to the effect that a person having any right or encumbrance on the ship being subjected to the execution process will be served with information on the course of the process only if he is a permanent resident of the Republic of Slovenia, or has an authorised representative or a person authorised to be served with information in the Republic of Slovenia.

Article 875

The court shall serve the announcement of the sale to the parties and to all those who, according to data in the documents, have any lien, property encumbrance or right of pre-emption on the ship subjected to the execution process.

The court shall at the same time invite creditors who have claims secured by lien on the ship subjected to the execution process to state, not later than five days before the sale session, whether they want their claims paid in cash or whether they agree to the buyer assuming the debt and freeing the debtor thereof. If the creditors do not declare themselves by the fixed deadline, they shall be assumed to want their claims to be paid in cash.

If a mortgage on the ship subjected to the execution process is entered in the register of ships, the court shall invite creditors to report, before the beginning of the sale at the latest, the amounts of their claims under legal relationships secured by those liens.

The announcement of the sale shall be served to the parties according to the provisions relating to personal serving of notices contained in the Civil Procedure Act.

If the court assesses that it will probably be impossible to serve the announcement to a particular party, or if an attempt to serve the announcement has failed, the court shall appoint for that party a temporary representative to whom the announcement of the sale shall be served.

Article 876

The court shall publish the notice of sale in the Official Journal of the Republic of Slovenia, on the notice-board of the court, on the notice-board of the Maritime Directorate of the Republic of Slovenia in the port, or in some other appropriate manner.

The parties are entitled to request that the announcement of the sale be published at their expense in a manner proposed by them.

Article 877

If a Slovenian ship is to be put up for sale, the court shall order that the intended sale be noted in the register of ships in which the ship is entered.

Article 878

The debtor shall be bound, in the period between the announcement and the day of sale, to enable those who intend to attend the sale to inspect the ship subjected to the execution process and the documents relating thereto. With the order concerning the inspection of the ship subjected to the execution process, the court shall fix the days and hours for inspection, taking care not to interfere with the operation of the ship.

Article 879

The sale session shall be public and shall be held, as a rule, in the court building.

The court may order that the sale session be held in the place where the ship subjected to the execution process is situated.

At the sale session the court shall allow the participants to inspect the terms of the sale and other documents relating thereto.

If the sale session is attended by only one bidder, the court shall decide whether to adjourn or continue.

Article 880

After establishing that there are no obstacles to holding the sale session, the court shall announce the terms of the sale, data about the claims of creditors entitled to repayment from the achieved purchase price, the statements of creditors concerning the payment or assumption of debts, data about the claims secured by mortgages, and other factors relevant to the sale session.

Article 881

The debtor, judge, court reporter and any other person attending the sale *ex officio* shall not be allowed to make bids on their own behalf or on behalf of others.

The representatives of bidders must prove their right to act as representatives at the hearing in question by means of a public document or a publicly certified authorisation.

Persons referred to in the preceding paragraph may not be buyers in the event of a private sale.

Article 882

The court may order that a foreign ship be sold in foreign currency and the purchase price obtained for it be paid in foreign currency.

The provisions of the preceding paragraph may also be applied when a Slovenian ship is being sold to pay debts to foreign creditors and when foreign persons attend a public auction as creditors.

At the request of a foreign mortgagee, the court shall be bound by law to allow the ship to be sold in foreign currency if the amount of the secured claim as entered in the register of ships is expressed in foreign currency.

Article 883

A bidder shall be bound by his bid until a higher bid is made (Article 884 of this Act).

Article 884

The court shall invite those present to make bids only after a lapse of half an hour from the time fixed for the beginning of the sale session.

The public auction shall go on for as long as higher bids are made.

If a bidder so requests, the court shall allow a brief time for reflection.

The public auction shall end if, five minutes after the second call, no higher bid has been made. The court shall specifically warn those present thereof.

Before closing the sale, the court shall once again announce the last bid and then declare the sale concluded.

Article 885

After the sale has been concluded, the court shall call on those present to immediately lodge any objections against the award at the same sale session.

Objections against the award to the best bidder may be lodged only for the following reasons:

1. if less than 15 days have elapsed between the day of the announcement and the sale (Article 866 of this Act);
2. if the announcement of the sale session was not made or published in the correct manner;
3. if not all those whom the court is bound to notify of the sale session were informed thereof;
4. if the sale continued although a decision to discontinue the procedure had been issued;
5. if the provisions of this law relating to public auctions were violated during the auction;
6. if the conditions under which the highest bid was made were not in accordance with the terms of sale;
7. if the best bidder or his representative were not able to attend the sale of a specific ship being subjected to the execution process;
8. if the highest bid was insufficient to satisfy in full the claim secured by the lien of a creditor who lodges an objection and whose claim has priority over the claim of the creditor who proposed the execution of a judgement.

Article 886

The court must, *ex officio*, be mindful of the irregularities set out in points 4, 6 and 7 of the second paragraph of the preceding Article. Other irregularities shall be considered by the court only if an objection against them is entered.

The court shall, *ex officio*, examine and establish the facts upon which the objections are based.

Article 887

The court shall, as a rule, deal with the lodged objections at the sale session itself.

If the court grants the lodged objections and rejects the award, it shall examine, after hearing those present whom it was bound to inform of the sale session, whether to resume the sale immediately or to fix a new sale session. If it decides to resume the sale immediately, the bidders who participated in the sale shall be considered bound by their previous bids, unless these have been rendered irrelevant by higher bids.

If the court does not dispose of the objections at the sale session itself, it shall serve a decision thereon on the best bidder, on the parties, and on all those entitled to file an objection against the award.

Article 888

If there are no objections and the court does not find any irregularities in accordance with points 4, 6 and 7 of the second paragraph of Article 885 of this Act, the court shall, in the same sale session, issue a decision awarding the ship to the best bidder whose bid it finds acceptable. The court shall announce the decision in the same sale session and shall deliver it to the persons referred to in the first paragraph of Article 868 of this Act and other participants in the sale.

The court shall, within eight days, post the decision on the award on the notice board of the court and shall enter it in the register of ships. The consequence of the note made in the register shall be that later entries in the register of ships will create rights against the previous owner of the ship only if the decision on the award is annulled. In the published decision, the court shall cite the highest offered price and the deadline for entering a superbid, with an indication of the lowest amount thereof.

Those whom the court was bound to notify of the sale session shall be entitled to demand that the decision referred to in the preceding paragraph be published at their expense in the Official Journal of the Republic of Slovenia, or made public in some other way.

Article 889

In the event of the private sale of a ship, the court shall deliver a decision on the award of the ship to the highest bidder after establishing that the conditions of sale have been fulfilled.

The publication and the effects of the decision on the award shall be subject to the provisions of the second paragraph of Article 881 of this Act.

Article 890

The ship being subjected to the execution process may not be awarded if the price achieved at the sale is lower than the lowest acceptable bid (Article 870 of this Act).

The court shall issue a decision rejecting the award if it finds that the lodged objections are well-founded, that an irregularity of which it must be mindful *ex officio* has occurred, or if the sale had been executed before the decision on the execution by sale and the decision on the determination of the terms of the sale became final.

The decision rejecting the award shall be entered in the register of ships.

If, in deciding on an appeal against the decision referred to in the first and second paragraphs of this Article, the court of second instance delivers a verdict on the award, the entry of the award shall take effect as of the moment when it was registered that the award was rejected (first and second paragraphs of this Article).

Article 891

The decision on the award may be challenged with an objection for the reasons referred to in the second paragraph of Article 885 and the first paragraph of Article 890 of this Act, and because the decision does not concord with the substance of the court documents upon which it is based.

The person to whom the ship subjected to the execution process has been awarded may challenge the decision on the grounds that the court should either have rendered a decision rejecting the reward or have rendered a decision on the award under other conditions than those cited in it.

A decision rejecting the award may be challenged on the grounds of discrepancy with the substance of the court documents upon which it is based and/or because of the absence of a legitimate reason for rejecting the award.

Those who objected to the award at the sale session shall have no right to complain against the decision rejecting the award.

8. New sale

Article 892

If the award is finally rejected because of the failure to attain a price equalling the lowest acceptable bid, the court shall schedule a new sale session or set a new deadline for the private sale of the ship if, within eight days of the unsuccessful attempt to sell, the creditor who proposed the execution of a judgement so demands. Before scheduling a new sale session or setting a new deadline for the private sale of the ship, the court may order a new appraisal of the ship subjected to the execution process and announce a hearing to discuss changes in the terms of sale.

The time period between the first and second sale sessions shall be at least 30 days.

If the creditor who proposed the execution of a judgement does not propose a new sale by the deadline set in the first paragraph of this Article, the court shall issue a decision to discontinue the execution and shall annul the accomplished execution acts.

Article 893

If the court rejects the award for reasons other than those referred to in the preceding Article and if there are no irregularities that might make a resumption of the procedure unlawful, the court shall schedule a new sale session or a new deadline for private sale *ex officio*.

The sale on the basis of the first paragraph of the preceding Article and the first paragraph of this Article shall be carried out according to the previously defined conditions.

9. Finality of the decision on the award

Article 894

After the decision on the award has become final, the court shall return the security deposit to the highest bidder or to a buyer in a private sale.

Article 895

After the decision on the award of the ship becomes final, the court shall order, at the proposal of the buyer, the rightful claimant of the cargo or his temporary representative, that the cargo be unloaded, and/or at the proposal of the buyer, that the passengers disembark with their baggage.

The advance money for the expenses relating to unloading referred to in the first paragraph of this Article shall be deposited, at the request of the court, by the person who requests the unloading, unless the terms of sale stipulate otherwise.

If the person who had been the shipowner before the ship was sold, or his representative, object to the delivery of the cargo to the rightful claimant for the free disposal thereof, the court shall order that the cargo be placed in a public warehouse or some other suitable place at the expense of the shipowner.
The provisions of the first, second and third paragraphs of this Article shall not encroach upon the rights and duties of the parties stemming from the contract of affreightment.

Article 896

The owners of appurtenances included in the sale of the ship under the execution process shall be entitled to carry them away at their expense and risk after the decision on the award has become final.

Article 897

The rights the buyer has acquired with the final award of the ship may not be challenged on the grounds that the executory title upon which the decision on execution was based is changed or annulled after the decision on the reward becomes final.

10. New sale in the event of annulment of the decision on the award

Article 898

If the buyer does not prove that he has paid the purchase price referred to in the first paragraph of Article 871 of this Act, the court shall, at the proposal of a rightful claimant, annul the final decision on the award and order a new sale at the expense and risk of the buyer.

A new sale may be proposed by the parties, by creditors whose claims are secured by registered liens on the ship subjected to the execution process, and by creditors who have no executory title for their maritime liens.

A new sale shall be proposed not later than 10 days after the expiry of the deadline referred to in the first paragraph of Article 871 of this Act. If no proposals for a repeat sale are received by that time, the court shall issue a decision discontinuing execution and shall annul the execution acts performed.

The new sale shall be carried out in accordance with the provisions applying to the first sale and the terms of sale determined previously.

At the proposal of the rightful claimants, the court may allow that, in the new sale, the ship be sold at half the price determined for the first sale.

The court shall disallow a new sale if the buyer in arrears with the payment of the purchase price proves before expiry of the deadline for a complaint against the decision which authorised a new sale that he has paid the outstanding amount complete with interest and the damages incurred in the meantime.

Article 899

If the price achieved in the new sale is lower than that achieved in the previous sale, the buyer who is in arrears with the purchase price shall be bound to cover the difference in price, the costs of the new sale, as well as any damages caused by his delay in payment, by making use of his security deposit, part of the purchase money deposited in advance and any other assets and/or property he owns.

The court shall decide *ex officio* on the payment of the difference in price, the costs and the damage cited in the preceding paragraph.

On the basis of the final decision referred to in the preceding paragraph, the court shall seize the security deposit made and part of the purchase money and, if necessary, other assets and property of the debtor.

The execution of judgements shall be to the credit of distributable assets. The difference between the price achieved in the repeated and previous sale shall also make up part of the distributable assets.

The buyer in arrears with payment shall not be entitled to the amount of the purchase price above the purchase price achieved in the previous sale.

11. Discontinuation of sale

Article 900

In addition to the reasons for discontinuing execution stipulated by this Act and the Execution of Judgments in Civil Matters and Insurance of Claims Act, the sale shall also be discontinued if:

1. eight days before the sale session at the latest, a person gives adequate security and states that he is prepared to take over the ship subjected to the execution process for a price that exceeds its established value by a minimum of one-quarter and states that he will pay all the expenses that would otherwise be charged to the debtor;

2. discontinuation is requested by a lien creditor who, before the start of bidding at the sale session, buys out the debts because of which the sale was authorised and refunds the expenses that would otherwise be charged to the debtor;
3. a creditor withdraws from the sale before the beginning of the sale; such a creditor shall not be allowed to propose execution by sale in order to satisfy the same claim on the ship until six months after the discontinuation of the sale have elapsed;
4. before the beginning of the sale, a creditor deposits with the court the amount necessary to pay in full the claims of all creditors who proposed the execution of a judgement and to pay the costs of the procedure;
5. at the second sale session or in the second attempt to sell (first paragraph of Article 892 and first paragraph of Article 893 of this Act), the ship could not be sold at a price equal to the lowest acceptable bid.

Article 901

If the court grants the proposal described in point 1 of the preceding Article, the court shall postpone the execution.

If, within the time period set for it, the proposer mentioned in point 1 of the preceding Article does not provide the appropriate security, the court shall resume the postponed execution *ex officio*.

In the case referred to in the preceding paragraph, the security deposit deposited by the proposer shall accrue to the distributable assets.

As regards the payment of the price for which the proposer agreed to buy the ship subjected to the execution process, the third and fourth paragraphs of Article 899 of this Act shall apply *mutatis mutandis*.

When the proposer has paid the amount referred to in point 1 of the preceding Article, the court shall discontinue the execution process.

Article 902

The court shall notify the postponement and discontinuation of execution referred to in the preceding Article to all parties upon whom it is bound to serve the order of sale under the first paragraph of Article 875 of this Act. The court shall at the same time inform the creditor who proposed the execution of his right as referred to in Article 903 of this Act.

When 15 days have elapsed after the final decision to discontinue the process, the court shall order that all notes relating to the sale be deleted from the register of ships or that the executed seizure of the ship be annulled.

Article 903

The creditor in whose favour the permission for sale was entered in the register of ships may, within 15 days of the final decision to discontinue the execution, propose that the court order that a lien on a ship subjected to the execution process be recorded in favour of his claim in the order of precedence of the aforesaid entry.

The fact that the debtor has meanwhile alienated or encumbered the ship subjected to the execution process shall not prevent the recording of the lien in the register of ships.

The proposal referred to in the first paragraph of this Article shall not be granted if the sale was discontinued because the execution was not permissible at all, because the executory title was annulled, changed or abolished, because the claim on account of which the execution was undertaken had been settled, or because it was finally determined that the claim did not belong to the creditor.

12. Distribution of purchase money

Article 904

After the purchase price has been paid and the decision on the award has become final, the court shall schedule a hearing for the distribution of the purchase price.

The court shall summon to the session the persons referred to in the first paragraph of Article 875 of this Article and shall notify the buyer that he may also attend it.

In the summons referred to in the first paragraph of this Article, the court shall advise the creditors that the claims of those who do not attend the hearing will be taken into consideration according to their standing based on the register of ships and the executory titles, and that the hearing for the distribution of the purchase price is the last opportunity for creditors to challenge the existence, amounts and order of repayment of the claims of others.

The order scheduling the hearing shall be published on the notice board of the court.

Article 905

The hearing shall consider the claims to be taken into consideration in the distribution of the purchase price and the order of payment thereof.

The debtor shall be bound to give the court all the necessary explanations for verifying the regularity of the order of precedence of claims to be repaid from the purchase price.

A creditor whose claim could be taken into consideration in the distribution of the purchase money if a contested claim were eliminated may be the last to complain at the hearing for the distribution of the purchase price against the reported claims or those arising from executory documents. The objection may be as to the existence of a claim, amount or order of precedence of repayment.

The debtor shall only be entitled to object to those claims which he deems to be totally unwarranted.

Claims that would not be satisfied from the purchase price, even if the contested claims with a more favourable order of precedence were eliminated, shall not be dealt with.

Article 906

Distributable assets shall consist of:

1. the purchase price;
2. the security deposit and part of the purchase price deposited by the buyer in arrears with the purchase money, and other amounts paid by such a buyer;
3. such earnings and incomes of the ship subjected to the execution process which the buyer must return;
4. income from voyages made during the sale;
5. the amounts referred to in the second and third paragraphs of this Article.

The purchase price of the ship subjected to the execution process, claims held by the ship subjected to the execution process, and freight or fares shall make up a separate amount of distributable assets, depending on which of the aforesaid items relate to the mortgages of the creditors who proposed the execution of a judgement. Freight, fares and the amounts owed to the ship that were paid before the end of the hearing for the division of the purchase price shall be distributed together with the purchase price achieved by the sale of the ship subjected to the execution process.

Article 907

The creditors shall be paid out of the distributable assets in the following order of precedence:

1. privileged creditors;
2. mortgage creditors;
3. other creditors.

The determination, within individual payment classes, of the order of precedence for creditors under points 1 and 2 of the preceding paragraph shall be subject to the provisions of this Act relating to maritime liens and mortgages on ships.

The expenses incurred during the sale procedure shall be settled before the division of the purchase price and before the claims of lien creditors.

Article 908

The order of precedence applying to the principal shall also apply to that interest on the principal which, on the day of the award, was less than three years overdue, and to the expenses incurred by civil and executive actions to enforce such claims.

Recurring payments which, on the day of the award were less than three years overdue, shall have the same order of precedence as the right on which they are based.

If distributable assets are insufficient to pay all the creditors, the costs and accessory claims shall be settled before the principal.

Article 909

If the distributable assets are insufficient to pay the creditors of the same payment class (first and second paragraphs of Article 907 of this Act), their claims, together with the costs and accessory claims, shall be settled in proportion to the total amount of those claims.

Article 910

Surplus distributable assets after all the claims cited in Article 907 of this Act have been settled shall be delivered to the debtor by the court.

Article 911

If, at the proposal and with the consent of the participants, the court does not rule otherwise, the recurring payments shall be settled by first paying the amounts overdue until the day of the award and then depositing, against interest, as much of the principal as is needed to settle with interest the payments which become due after the day of the award.

The principal which, by reason of the termination of the right to payment will remain free, shall, if possible, be assigned by the court in advance to those claimants who have not been repaid in full from the distributable assets, in the order corresponding to the order of precedence of their claims. If there are no such claimants, the court shall assign it to the debtor.

Article 912

Claims conditional on a termination clause shall be paid in cash only if the creditor posts security that he will return the cash thus received if the conditional event occurs.

If the creditor does not post the security within 15 days of receiving the decision on payment, the amount needed to settle his claim shall be delivered to the bank as a savings deposit.

The creditor's claim shall be settled when it becomes certain that the event will not occur.

If the conditional event occurs, the amount returned by the creditor or delivered to the bank shall be used to settle the claims of creditors who have not been paid in full from the proceeds of the sale. If there are no such creditors, the amount shall be delivered to the debtor.

Article 913

If the payment of a claim is conditional on a deferment clause, the claim shall be settled by appropriating the necessary amount and delivering it to the bank as a savings deposit to be paid to the creditor when the conditional event occurs.

If the event does not occur, the deposited amount shall be paid to creditors who have not been paid in full from the proceeds of the sale. If there are no such creditors, the amount shall be delivered to the debtor.

Article 914

If, in connection with a lien or with encumbrances under the law of property upon a ship subjected to execution, a note on a dispute or on an action brought for the removal of such a right is entered in the register of ships, the claim or compensation for that right shall be settled in the manner applying to the settling of claims conditional on a termination clause.

If a preliminary note of a lien or encumbrance under the law of property upon a ship subjected to execution is entered in the register of ships and the beneficiary proves that a procedure to validate the note is pending or the deadline for commencing the procedure has not yet expired, the claim or compensation for that right shall be settled in the manner applying to claims conditional on a deferment clause.

Article 915

Claims secured by a consolidated mortgage shall be settled from the distributable assets in cash.

If all the ships that are jointly and separately liable for a claim are sold in the sale procedure, the distributable assets of each individual ship shall contribute to the settling of claims secured by a consolidated mortgage only in that amount which stands in the same proportion to that claim, including incidental dues and costs, as does the remainder of the distributable assets of each individual ship subjected to execution, to the sum total of the remainders of all distributable assets combined. That remainder shall be obtained after deducting the amount of the claims which, in order of precedence, come before the claim secured by a consolidated mortgage.

If the creditor whose claim is secured by a consolidated mortgage demands that payment be made in some other proportion, the creditors whose claims come after his in the order of precedence and who therefore receive less than they would if the creditor was paid as stipulated by the preceding paragraph may, where necessary for covering the deficit, demand to be paid from individual distributable assets the amount that would appertain to the claim secured by a consolidated mortgage if the distribution were carried out as stipulated by the preceding paragraph.

If not all jointly and severally liable ships are sold in the sale procedure, the basis for the calculation of payments to creditors who come after the creditor whose claims are secured by a consolidated mortgage shall not be the individual distributable assets, but the value of individual ships encumbered with a consolidated mortgage. The claim of these creditors shall be entered in their favour against unsold ships in the same order of precedence as the fully or partly settled claim of the creditor that has been secured by a consolidated mortgage. The court shall cancel the consolidated mortgage on unsold ships *ex officio*.

Article 916

Beneficiaries of easement not assumed by the buyer shall be paid out by acquiring compensation for their rights from the proceeds of the sale.

If easement beneficiaries and the creditors who come after them in the order of precedence do not come to an agreement as to the payment referred to in the preceding paragraph, the amount of compensation due to easement beneficiaries shall be assessed by the court by taking into account, above all, the possible duration of easement, its value and benefits for the beneficiary and the age of the beneficiary.

The buyer, the easement beneficiary and the creditors who, in the order of precedence, come after them, may agree for the buyer to assume easement and, consequently, for the assessed compensation for assuming easement to be deducted from the purchase price.

Article 917

The claim of a lien creditor that has not become due prior to the issue of the decision on settlement shall be paid before maturity, together with the agreed interest calculated until the day of the decision on the distribution of the purchase price.

If no interest was agreed upon for such a claim, the claim shall be diminished by the equivalent of the statutory interest from the day the decision on settlement was issued until maturity.

Article 918

If the identity or a place of residence of the current creditor of a contractual lien which according to the order of precedence would be covered from the distributable assets is unknown, the court shall deposit the amount due under that claim at a bank as a savings deposit and shall determine in the decision on the distribution of the purchase price who the amount shall devolve upon if the creditor does not withdraw it.

If the creditor for whom the amount from the preceding paragraph was deposited at a bank does not withdraw it within three years of the day of the deposit being made, each creditor entitled to that amount or a part thereof may demand the payment of the amount equivalent to his claim. If there are no such creditors, the payment may be requested by the debtor.

Article 919

If lien creditors claiming payment from the purchase price cannot be paid in full, the court shall, at the proposal of one of them or of the creditor who proposed the execution, order those to whose debts a maritime lien or a mortgage extends to deposit the amounts due with the court within a fixed time limit, if this is necessary to compensate the proposer and those with liens of a higher order of precedence.

The proposal referred to in the preceding paragraph shall be made during the execution procedure, at the hearing for the distribution of the purchase price at the latest.

The consequence of the orders issued to debtors of the debtor under the first paragraph of this Article is that no payment to a debtor or another person which would contravene the court decision shall have a legal effect against lien creditors.

If the amounts referred to in the first paragraph of this Article are not deposited by the deadline fixed by the court, the court shall, at the proposal of the creditor to whom the payment refers, act in accordance with the provisions on the enforcement of pecuniary claims and, in so doing, shall determine the claims and the amounts thereof pertaining to individual lien creditors.

13. Sale of parts of a ship

Article 920

Execution by sale of parts of a ship shall be subject to the provisions of this Act relating to sale, with the following exceptions:

1. the stoppage of a ship may be authorised only if the execution requested is for the parts of ship whose value exceeds half of the value of the entire ship subjected to the execution process and/or if the creditor who proposed the execution proves the probability that without the stoppage the collection of the claim would be impossible, or made much more difficult;
2. if more than half the ship is subjected to the execution process, the creditor who proposed the execution may demand that the whole ship be sold and that his claim be paid from that part of the purchase price alone which relates to the share of the debtor;
3. each co-owner of a ship subjected to the execution process shall have the right, before the opening of the sale session, to settle the claim, together with accessory claims, of the creditor who proposed the execution, and thereby to take his place;

4. in respect to the award of the ship subjected to the execution process, the co-owners shall, all other conditions being equal, take priority over other participants in the auction;
5. if several co-owners offer the same terms of sale, the court shall award them equal shares of the part of the ship being sold.

14. Decision on the distribution of the purchase price

Article 921

Upon the conclusion of the hearing for the distribution of the purchase money, the court shall render a decision on the payment of creditors and other persons enforcing their right to payment, taking into consideration the situation as it derives from the register of ships, the documents of the execution process and the hearing for the distribution of the purchase price.

In the decision on the distribution of the purchase price, the court shall rule on the objections enforced by individual creditors and other participants in the execution process, if the objections refer to a question of law. If the decision on an objection depends on the determination of disputed facts, the court shall instruct the party to initiate, within 15 days, a civil suit or an administrative procedure to establish the justifiability of the objection. If the person who is objecting does not act in accordance with the court order, it shall be considered that the objection has not been made.

The court shall postpone a decision on the payment of a creditor whose claim is being tried in a civil suit or administrative procedure, and shall place the amount of the distributable assets pertaining to the contested claim in a bank as a savings deposit.

The court shall deliver the decision on the distribution of the purchase price to all those who should be summoned to the hearing for the distribution of the purchase price (second paragraph of Article 904 of this Act). The provision of the third paragraph of this Article shall not impinge on the right of the person who contested a particular claim but did not start a civil suit within the set time period to start legal action against the person whose claim he contested.

Article 922

The decision in the dispute on objections of creditors raised during the procedure for the distribution of purchase money shall have effect against all creditors and rightful claimants to whom the distribution refers, as well as against the debtor.

Article 923

After the decision on the distribution of the purchase price becomes final, the court shall order that all the registered rights and encumbrances on the sold ship be removed from the register of ships, except for those which remain after the sale.

Article 924

After the decision on the distribution of the purchase price becomes final, the court shall deliver to individual creditors the amounts payable in cash, provided no civil suit or administrative procedure against them is pending and the deadline for bringing a lawsuit or starting an administrative procedure has expired unsuccessfully. The court shall issue the necessary orders in respect of the amounts which, under a court ruling, should be placed with a bank as a savings deposit, unless the persons to whom these amounts or the interest thereon are destined agree otherwise.

If the decision on the distribution of the purchase price cannot be enforced because a civil suit or administrative procedure is pending, the amount relating to that part of the decision shall be placed and kept at a bank as a savings deposit until the decision on the distribution of the purchase price becomes final.

Section III - EXECUTION OF JUDGEMENTS TO COLLECT NON-MONETARY CLAIMS - DELIVERY OF THE SHIP

Article 925

Provisions of Articles 847, 849, 855 and 856 of this Act shall apply *mutatis mutandis* to the execution procedure for the delivery of a ship entered in the Slovenian register of ships.

The proposal for execution by delivery of a ship shall contain all the data under Article 845 of this Act, except for the data under point 5 of the same Article.

Article 926

Execution by delivery of a ship held by the debtor is effected by an official person taking the ship from the debtor and delivering it to the creditor against a certificate of receipt.
Execution by delivery of a ship shall also be conducted as stipulated by the preceding paragraph in cases where the ship is held by a person other than the debtor, if that person agrees to deliver it to the official person.
If that person refuses to deliver the ship to the official person, the creditor may propose to the executive court that the liability of the debtor for the delivery of the ship be transferred to him.

Article 927

Creditors whose claims are secured by liens entered in the register of ships, and creditors about whom the court can find information in the execution procedure documents, shall be notified by the court of the completion of the execution procedure for delivery of the ship.

Article 928

Where, in an execution by delivery, a foreign ship is involved, the court shall not act as stipulated by Article 849 of this Act but shall take the necessary steps for the foreign authority in charge of the register of ships in which the foreign ship subjected to execution is entered to be informed of the start of the procedure for delivery, unless stipulated otherwise by a treaty.

Section IV - SECURING OF CLAIMS

1. Establishing liens on ships

Article 929

A creditor may propose that the court establish a lien on the ship of a Slovenian debtor as a way of securing pecuniary claims on the basis of an executory title.

Article 930

The establishment of the lien referred to in the preceding Article on ships that are entered in the register of ships shall be performed by way of book entry.
The establishment of the lien referred to in the preceding Article on ships that are not entered in the register of ships shall be performed by way of seizure.
The establishment of a lien by the seizure referred to in the preceding paragraph shall be recorded in the appropriate ship document.

Article 931

The enforceability of a claim in favour of which a lien is entered should be recorded in the register of ships in which entries of liens are recorded.
If a lien on a claim has already been entered, or if only a preliminary entry thereof has been made, the court shall order the enforceability of the claim to be entered in the register of ships.
For ships not entered in the register of ships, the enforceability of a claim shall be noted in the record of seizure.

Article 932

For ships not entered in the register of ships, the court may order that, in addition to the entry in the record of seizure as under the third paragraph of Article 931 of this Act, the enforceability of a claim also be entered in the appropriate ship document.

Article 933

The seizure of a ship may only be performed if the ship is in the possession or co-possession of the debtor. If facts about possession are not known to the court and the available documents give rise to doubts, the court shall examine the debtor before ordering the seizure.

Article 934

The court shall notify the debtor that it has ordered the seizure and shall notify him of the place and date thereof. The seizure of a ship shall be carried out on the spot by entering a description of the object seized in the record. If a document upon which the ownership right of the debtor is based or which testifies thereto is found in the course of seizure, the court shall enter that the seizure has been performed in a document. When the lien on the ship subjected to seizure terminates, the court shall make a note thereon in the document. The court shall notify the parties of the seizure.

Article 935

Until irregularities are established in the execution of a seizure, the securing of another claim of the same or some other creditor, for which the establishment of a lien on the same ship is afterwards requested, shall not be performed by a new seizure but only by entering a note of the lien in the existing record of seizure.

Article 936

A complaint against a decision authorising the securing of a claim by the establishment of a lien shall not delay its application.

2. Preliminary entry of liens

Article 937

A creditor may request the securing of pecuniary claims by the preliminary entry of a lien as a preliminary order based on a Slovenian court decision that has not yet become final or enforceable, or on a judicial settlement whose term for a voluntary execution of an action has not expired, if he makes it probable that without that security the recovery of his claim would be rendered impossible or much more difficult.

Article 938

The securing, under the preceding Article, on ships entered in the register of ships shall be made by a preliminary entry in the register of ships in which the ship is entered.
The securing, under the preceding Article, on ships not entered in the register of ships shall be made by the seizure of the ship.

Article 939

In a decision by which it issues a preliminary order as per Article 937 of this Act, the court shall specify *inter alia* the amount of the claims secured, together with the interest and costs, and the duration of that security. If the deadline referred to in the preceding paragraph expires before the decision or judicial settlement on the basis of which the temporary order was issued becomes enforceable, the court shall, at the proposal of the creditor, extend the security, provided that the circumstances in which the preliminary order was issued have not changed.

The court shall discontinue the procedure and annul the acts performed if, within 15 days of the expiry of the period for which the preliminary order was issued, the conditions for execution by settling the claim of the creditor or for securing the claim by entering the lien (Article 929 of this Act) have not been met.

The court shall discontinue the procedure and annul the acts performed before the expiry of the deadline for the securing of claims authorised by its order, if:

1. the debtor deposits with the court the amount of the secured claim, together with the interest and costs;
2. the debtor demonstrates that it is probable that the claim had already been paid or secured adequately when the decision referred to in the first paragraph of this Article was issued;
3. it is finally ascertained that the claim did not occur or was terminated;
4. within 15 days of the enforceability of the decision or judicial settlement on the basis of which the preliminary order was issued, the proposer does not propose to secure his claim by entering a lien (Article 929 of this Act) and/or the execution by the sale of the ship for the repayment of his claim.

Article 940

In the procedure to secure claims by the preliminary entry of a lien as a preliminary order, the provisions on the securing of claims by establishing a lien as set out in the third paragraph of Article 930 and provisions of Articles 932 to 936 of this Act shall apply *mutatis mutandis*.

3. Lien on a ship on the basis of an agreement between parties

Article 941

The creditor and debtor may agree and request the court to authorise and register a lien on the ship of the debtor which is entered in the register of ships and/or, in the case of an unregistered ship, to authorise and execute the seizure of the ship in order to secure the pecuniary claim of the creditor by a lien on the ship of the debtor. Claims may also be secured by a lien on a ship which is the property of a third person. In this case, this person is also a party to the agreement as the pledger.

Article 942

At the proposal of the parties, the court shall schedule a hearing at which it enters in the record the agreement of the parties as to the existence of a claim, its date of maturity and the consent of the parties as to the securing of the claim by registering the lien on the ship or by seizing it.

Future and conditional claims may also be secured in the manner described in the preceding paragraph.

The signed record of the agreement of the parties referred to in the first paragraph of this Article shall have the effect of a judicial settlement.

Article 943

On the basis of the agreement referred to in the preceding Article, the court shall authorise the entry by an order and carry out all the necessary acts for the registration of the lien on the ship, or shall authorise and execute the seizure of the ship.

The provisions of Articles 931, 932 and 933 of this Act shall apply *mutatis mutandis* to the securing of a pecuniary claim of the creditor by lien on a ship.

The decision referred to in the first paragraph of this Article shall have the character of a decision on the securing of claims.

Article 944

On establishing that the agreement between the parties referred to in Article 942 of this Act has become enforceable, the court shall, at the proposal of the creditor, authorise by means of a decision and carry out the execution of a judgement on the debtor's ship for the repayment of the secured pecuniary claim of the creditor. The authorisation and execution shall be subject to the application of the provisions on execution by sale of the ship.

The decision referred to in the preceding paragraph shall have the nature of a decision on execution.

The entry in the register of ships of the decision on the sale of the ship (first paragraph of Article 849 of this Act) shall take legal effect from the day the lien on the ship is registered within the claim-securing procedure.

The court shall not repeat the seizure of the ship, and the executed seizure of the ship shall have legal effect from the day the lien is acquired within the claim-securing procedure.

4. Temporary order

Article 945

Prior to and during a civil, executive or administrative procedure, the court may, at the proposal of a creditor, authorise as a temporary order a ban on the alienation, encumbering or disposal of a ship, the stoppage of a ship and the custody of a ship as security for the pecuniary claim of a creditor, if the latter demonstrates as probable the existence of his claim and the danger that the debtor might otherwise alienate the ship, hide it, move it to another place, or prevent or make it much more difficult to recover his claim at a later date.

Temporary orders shall also be authorised to secure the non-monetary claims of a creditor, when such measures are necessary to preclude violence or irreparable damage.

Article 946

The temporary stoppage of a ship shall be understood to mean the prohibition on its leaving a Slovenian port if reciprocity for carrying out such an act exists between the Republic of Slovenia and the flag state of the foreign ship.

Article 947

The court shall authorise the temporary stopping of a ship at the proposal of the creditor only for the claims referred to in the second and third paragraphs of Article 841 of this Act.

Article 948

Any ship owned by the same individual debtors or which, by virtue of the claim for which its stoppage is requested, is encumbered with a maritime lien or mortgage or any other foreign law lien, as well as with other claims cited in the third paragraph of Article 841 of this Act relating to that ship, may be stopped. Where the debtor is the charterer of a ship or a client who, under the law applying to contractual relations between him and the owner of the ship or the shipowner, is individually liable to others, such a ship or any other ship owned by the debtor may be stopped. The provision of the preceding paragraph shall also apply to all other instances where the shipowner or client, who is the individual debtor but not the owner of the ship, is individually liable for the claim for which the stoppage of the ship is requested. At the request relating to ownership rights, co-ownership rights and lien on a ship, only the ship to which that particular request refers may be stopped.

Article 949

Where the temporary order of stoppage and/or custody is issued in order to secure a pecuniary claim, the court may release the ship and permit it to leave the port if the debtor posts security in the amount of the claim, the interest and the anticipated expenses of a civil suit. The security shall be of such a nature as to enable the creditor to realise his claim, either in the Republic of Slovenia or abroad. In the event of claims against which the debtor may limit his liability, the amount of the deposit or other security from the first paragraph of this Article shall not be required to exceed the amount of limited liability. Once the court has released the ship, it may not authorise the stoppage of any other ship for the same claim of the same creditor if that creditor has already posted adequate security in accordance with the first paragraph of this Article.

Article 950

The court shall not authorise stoppage and shall cancel an already-authorised stoppage if the debtor proves that he has already posted the security for the same claim of the same creditor in another country.

Article 951

The posted security should not be understood to be an acknowledgement of liability for claims against which it was given, nor as a waiving of the possibility of limited liability.

Article 952

The court shall specify the duration of an temporary order in the decision by means of which the order is issued. If the court authorises the stoppage of a ship before the opening of a civil, executive or administrative procedure, the creditor shall be bound to prove, within 15 days, that he has instituted the civil, executive or administrative procedure. If, within the time period referred to in the preceding paragraph, the creditor does not prove that he has instituted the civil, executive or administrative procedure, the court shall, at the proposal of the debtor, cancel the authorised temporary order. If the time period referred to in the first paragraph of this Article expires before the conditions for execution of judgements or for the securing of claims by the book entry or preliminary entry of a lien have been fulfilled, the court shall extend, at the proposal of the creditor, the duration of the temporary order, provided that the circumstances in which the order was issued have not changed. If the time period referred to in the first paragraph of this Article expires and the conditions for extending the temporary order stated in the preceding paragraph have not been met, the court shall, at the proposal of the debtor, discontinue the procedure and annul the acts performed.

Article 953

The costs of the maintenance of the ship and crew during the stoppage shall be borne by the owner of the ship or the shipowner.

If the resources for the maintenance of the crew are inadequate, the court shall order the creditor to give an advance in the amount needed for the maintenance of the crew.
The expenses for custody of the ship shall be advanced by the creditor.
The provisions of the first and third paragraphs of this Article shall have no bearing upon who will be bound to eventually pay the aforesaid costs.

Article 954

The temporary stoppage of a ship shall be without prejudice to the rights and obligations of the parties stemming from the contract of affreightment or contract of passage.

Article 955

When authorising an temporary order for a ship, the court shall immediately apply *mutatis mutandis* the provisions of Article 852 of this Act with respect to the nature of the order authorised.

Article 956

When authorising a ban on the alienation, encumbering or disposal of a ship, the court shall, at the same time, order the entry of a temporary order in the register of ships.
When finally cancelling the temporary order referred to in the preceding paragraph, or when such an order has lost its effect in law, the court shall order the removal of the entry referred to in the preceding paragraph.

Article 957

In securing the pecuniary and non-monetary claims of creditors against the person entitled to dispose of the cargo on the ship, the court may authorise a temporary order to unload the cargo and place it in a public warehouse or some other suitable place, if the person who requests the temporary order pays the shipowner the full amount of the outstanding freight and reimburses him all the costs incurred and not included in the freight. If the unloading of the cargo under the preceding paragraph is carried out in a port in which, under the contract of carriage, it should not have been unloaded, the court shall authorise the temporary order solely on condition that the cargo be unloaded without any risk to the ship and the remaining cargo, that the unloading causes no delay in the departure of the ship or interference with the navigation timetable, that no damage is done to other persons entitled to dispose of the cargo, and that there are no other convincing reasons that make unloading unacceptable.

Article 958

In the procedure for issuing a temporary order of stoppage of a ship directly encumbered with a maritime claim or a claim on account of sea pollution, the interlocutory order shall be served on the master of the ship in question. If the shipmaster refuses to accept it, delivery of the order shall be effected by pasting the order on the hull of the ship against which it is issued, on the notice board of the Maritime Directorate of the Republic of Slovenia and on the notice board of the court.

Article 959

On receiving an objection from the debtor against the decision issuing the temporary order to stop a ship, the court shall, without delay, schedule a hearing to consider the facts and evidence on the basis of which the interlocutory order was issued.
If evidence in a foreign language is not submitted in the form of a certified translation, a sworn court interpreter, who is hired and whose expenses are paid by the submitter of evidence, shall perform the interpreting at the hearing.
Upon completion of the hearing, the judge shall deliver a decision forthwith.

PART NINE - CONFLICT OF LAWS

Article 960

Where this Act stipulates that the law of a foreign country is to be applied, the rules of this Act that determine which law shall be applied shall be disregarded.

Article 961

The following shall be judged according to the law of the country of nationality of a ship:

1. the duties and rights of the shipmaster in operating the ship and in exercising rights and assuming obligations on behalf of the owner of the ship or the shipowner;
2. rights *in rem* on ships;
3. the legal consequences of events on ships for which the law of the place in which the event occurred should be applied.

Article 962

The law of the country in which the ship is being built shall apply to rights *in rem* to a ship under construction.

Article 963

The law of the country of nationality of a ship shall apply to the liability of the shipowner or person assimilated to the shipowner under this law.

Notwithstanding the preceding paragraph, this Act shall apply in instances where its provisions on the limitation of the liability of the responsible person are more rigorous than the corresponding regulations of the country of nationality of the ship.

Article 964

The law chosen by the parties to the contract shall apply to marine contracts.

Article 965

Notwithstanding the provisions of the preceding Article, this Act shall apply in respect of contracts for the exploitation of ships:

1. to the shipowner's liability for damage to, deficit or loss of cargo, as stipulated by the provisions of this Act, whose application may not be excluded by an agreement between the parties when the port of loading or destination is in the Republic of Slovenia;
2. in cases where the application of some other law would place a passenger in a less favourable position than he would otherwise be in were this Act applied.

Any agreement signed contrary to the preceding paragraph shall be null and void.

Article 966

If it is impossible in cases of contracts for the exploitation of ships to apply the law the parties have chosen to an entire contract or a relationship arising therefrom, or if the parties have not explicitly indicated which law should apply and their intentions as to the application of a particular law cannot be ascertained from the circumstances of the case, the law with which they have the closest relation shall apply to the contract or to the contractual relationship.

Unless the specific circumstances of a particular case command the application of some other law, it shall be considered that the closest relation is with the law of the country in which the shipowner has permanent residence or a registered office.

In line with the preceding paragraph, the provisions of this Act shall be applied to contracts of towage.

In cases referred to in the second paragraph of this Article, the law of the place where individual acts were or should have been performed shall apply to the way in which the secondary rights and duties of the contractual parties are exercised (loading or delivery of cargo, calculation of the time for demurrage and exceptional demurrage, method of payment of freight, etc.).

Article 967

If it is impossible to apply the law the parties have chosen for a salvage agreement to the entire contract or a relationship arising therefrom, or if the parties have not explicitly indicated which law should apply and their intentions as to the application of a particular law cannot be ascertained from the circumstances of the case, the law with which they have the closest relation shall apply.

Unless the specific circumstances of a particular case command the application of some other law, it shall be considered that the closest relation is with the law of the country in whose port the salvage was completed or with the law of the first port in which the ship arrived after salvage.

In all other instances, the provisions of this Act shall apply.

Article 968

Notwithstanding the provisions of the preceding Article, the following shall apply:

1. the provisions of this Act - in cases where only persons and not ships and goods on board were salvaged and all such persons were citizens of the Republic of Slovenia, and in cases where the rescue ship or salvaged ship or one of several ships involved is a Slovenian military vessel or public ship;
2. the provisions of the first and second paragraphs of Article 627, Articles 759 to 765, and Articles 770 and 773 of this Act;
3. the provisions of the statute of limitations relating to the limitations for claims and provision of this Act relating to the statutes of limitations (Article 774 of this Act);
4. the law of the country of nationality of the salvage ship - to the division of the reward for salvage between the owner or shipowner of the salvage ship and its crew.

Any agreement signed contrary to the preceding paragraph shall be null and void.

Article 969

The following shall apply to the recovery of damage caused by the collision of ships:

1. the law of the country in whose territorial sea or internal waters the collision occurred;
2. the provisions of this Act - if the collision occurred on the high seas.

Notwithstanding the preceding paragraph, the following shall apply for the recovery of damage caused by collision of ships:

1. where all the ships that collided are of the same nationality - the law of that country;
2. where the ships which collided are of different nationalities and the law of all those countries is identical - the law of those countries.

Article 970

Notwithstanding the provisions of the preceding paragraph which refer to the application of a foreign law, the following shall apply:

1. the provisions of this Act - if all the persons concerned are citizens of the Republic of Slovenia or Slovenian legal entities, or if one of the ships involved in the collision is a Slovenian military vessel or publicly owned ship;
2. the provisions of the second paragraph of Article 745, the first paragraph of Article 746, and Articles 747 to 752 of this Act;
3. the provisions of the law governing the statute of limitations relating to the limitations for claims and provision of this Act relating to the statutes of limitations (Article 754 of this Act).

Any agreement signed contrary to the preceding paragraph shall be null and void.

Article 971

If it is impossible in the event of a general average to apply the law the parties have chosen to the entire contract or a relationship arising therefrom, or if the parties have not explicitly indicated which law should apply and their intentions as to the application of a particular law cannot be ascertained from the circumstances of the case, the law of the port of unloading of the last part of the cargo that was on board the ship at the time of the general average shall apply.

If all the parties to a general average are citizens of the Republic of Slovenia or Slovenian legal entities, Slovenian law shall apply to the instances referred to in the preceding paragraph.

Article 972

If it is impossible in the case of the contract for the building, conversion or repair of ships to apply the law the parties have chosen to the entire contract or a relationship arising therefrom, or if the parties have not explicitly indicated which law should apply and their intentions as to the application of a particular law cannot be ascertained from the circumstances of the case, the law with which they have the closest relation shall apply to the contract or contractual relationship.

Unless the specific circumstances of a particular case command the application of some other law, it shall be considered that the closest relationship is with the law of the country in which the shipyard is situated.

Article 973

The law of the registered office of the insurance company shall apply to a marine insurance contract and the relations arising therefrom, if:

1. the parties have not explicitly indicated which law should apply to the contract and their intentions as to the application of a particular law cannot be ascertained from the circumstances of the case;
2. the law which the parties have chosen cannot be applied to a particular part of the contract or a legal relationship arising from the contract, but only insofar as that part of the contract or that legal relationship is concerned.

Notwithstanding the preceding paragraph, Slovenian law shall apply to relations arising from a marine insurance contract if all the persons concerned are citizens of the Republic of Slovenia with permanent residence in the Republic of Slovenia, or Slovenian legal entities with registered offices in the Republic of Slovenia, and the insured objects are exposed to risks covered only in the territory of the Republic of Slovenia.

Article 974

The provisions of this Act relating to the salvaging of sunken goods shall apply *mutatis mutandis* to the salvaging of goods sunk beyond the territorial sea and internal waters of the Republic of Slovenia, if the holder of ownership rights on the object is held by legal entity or a natural person with a registered office and/or permanent residence in the Republic of Slovenia and the ship is being salvaged by another such person.

Article 975

A Slovenian court shall have exclusive jurisdiction in:

1. disputes over rewards for the salvage of Slovenian military vessels and public ships, and the recovery of damage from the collision of ships in which a Slovenian military vessel or public ship were involved;
2. disputes referred to in Articles 406 to 408 of this Act occurring in the course or on account of the proceedings for the limitation of shipowner's liability conducted by a Slovenian court;
3. disputes referred to in Article 820 of this Act occurring in the course or on account of the general average adjustment procedure, if the authority to decide on objections against the final distribution basis is vested in a Slovenian court;
4. disputes occurring in the course or by reason of judicial execution proceedings conducted by a Slovenian court.

PART TEN - OFFENCES

Article 976

A legal person shall be fined an amount between SIT SIT 800 000 and SIT SIT 9 000 000 for the following offences:

1. if it does not organise monitoring of the implementation of tasks related to the safety of navigation (point 1 of Article 25 of this Act);
2. if it does not effect continual monitoring of the safety of navigation (point 2 of Article 25 of this Act);
3. if a ship does not, upon the order of the competent authority, immediately head for the location of the fire and/or accident (Article 68);
4. if an action which might endanger the safety of people or vessels, pollute the sea or damage the shore or navigation safety facilities and installations or an action which violating the regulations on order in ports and in other parts of the territorial sea and internal waters is carried out (Article 69);
5. if it does not abide by the order of the competent body concerning the removal from the sea lanes of a damaged, stranded or submerged vessel which obstructs or endangers navigational safety (Article 75).

The responsible person of the legal person which commits an offence mentioned in the preceding paragraph shall be fined an amount between SIT SIT 100 000 and SIT SIT 500 000.

The individual responsible for the offence referred to in points 4 or 5 of the first paragraph of this Article shall be fined an amount between SIT SIT 70 000 and SIT SIT 100 000.

Article 977

A legal person shall be fined an amount between SIT 750 000 and SIT 8,500 000 for the following offences:

1. if it does not manage the obligatory information of importance for the safety of navigation (point 3 of Article 25);
2. if it does not manage documents and gather information on seafarers on board vessels, their experience, training, medical fitness and abilities to perform their assigned duties and work on ships (point 4 of Article 25);
3. if it does not organise the operation of the port in such a way as to guarantee safe navigation (Article 41).

The responsible person of the legal person which commits an offence under the preceding paragraph shall be fined an amount between SIT 75 000 and SIT 400 000.

Article 978

A legal person shall be fined an amount between SIT 500 000 000 and SIT 6 000 000 000 000 for the following offences:

1. if a person operating a vessel or performing other work in connection with safety of navigation is under the influence of alcohol, drugs, psychoactive medicines or other psychoactive substances (Article 63);
2. if a company performing embarkation, transshipment or disembarkation of oils or other liquid chemicals does not implement the safety measures necessary to prevent pollution of the sea or the spread of spilt liquids into the sea (Article 71);
3. if a ship, boat and other floating objects navigating in the coastal waters do not observe the regulation on the minimum distance of vessels from the shore (Article 77);
4. if pilotage is performed in contravention of the provisions of Article 78;
5. if it does not request, immediately upon the arrival of the ship at the first Slovenian port, the measuring of a Slovenian ship which had been built, purchased or converted abroad for a Slovenian client and was not measured abroad according to the provisions of this Act (Article 111);
6. if it does not request the measuring of a Slovenian ship built in a Slovenian or foreign shipyard immediately after the hull, decks and bulkheads have been fitted (Article 112);
7. if it does not request a repeat measurement of a Slovenian ship before the end of a conversion which changes its gross or net tonnage or maximum displacement or dead-weight, or does not request it upon the arrival of the ship at the first Slovenian port in the event of the ship being converted abroad, and its measurement abroad was not performed according to the provisions of this Act (third and fourth paragraphs of Article 113);
8. if it delivers a ship for navigation or has it navigating without any of the ship documents or logbooks prescribed by this Act (Articles 118, 120 to 133 and Articles 135 to 138);
9. if the person operating the boat does not, during navigation, act in accordance with regulations and technical rules on safety of navigation, the protection of human life and the environment;
10. if it registers a crew member without a seaman's book or boarding permit and a written contract of employment (first paragraph of Article 153);
11. if the crew member omits a duty to inform the officer on duty or the shipmaster of the events stipulated in Article 158;
12. if the shipmaster acts in contravention of the provisions of Articles 162, 163 and 164;
13. if the position of the load line or the freeboard does not correspond to the data in the documents mentioned in Article 183 of this Act or if a ship is not loaded in accordance with the established load line or freeboard line or if the cargo is not correctly distributed (Article 184);
14. if a ship has no name and port of registration (Articles 204 and 205);
15. if it salvages sunken goods without authorisation (first paragraph of Article 777).

The responsible person of the legal person who commits an offence mentioned in the preceding paragraph shall be fined an amount between SIT 70 000 and SIT 350 000.

An individual who commits an offence mentioned in the first paragraph of this Article shall be fined an amount between SIT 50 000 and SIT 150 000.

Article 979

A master of a foreign merchant ship or his deputy shall be fined at least SIT 90 000 for the following offences if a foreign person or a person not authorised for pilotage pilots the ship in the territorial sea or internal waters of the Republic of Slovenia (Article 79).

A fine of at least SIT 85 000 shall be imposed for the following offences:

1. on the captain, or his deputy, of a foreign ship carrying more than 2 000 tonnes of oil, if the ship does not have a certificate of insurance or other financial security in respect of civil liability for oil pollution damage caused while entering or leaving a Slovenian port or while loading or unloading oil in that port (first paragraph of Article 67);
2. on the captain of a Slovenian ship or his deputy:
 - if a ship which must be equipped with a radio station does not organise a round-the-clock watch service in accordance with the regulations on radio communication (third paragraph of Article 31);
 - if his ship leaves the port without the appropriate number of crew members with prescribed professional qualifications (Article 151);
 - if he does not personally take charge of the ship every time this is required for its safety when entering or departing from a port, channel, canal or river (second paragraph of Article 163);
 - if, in conditions of imminent danger of war or of war between the Republic of Slovenia and another country, he does not take every necessary action to save the ship, persons and cargo on board (first and second paragraphs of Article 169);
 - if, in the event of war between other countries while which the Republic of Slovenia remains neutral and a Slovenian ship is in a port belonging to a warring country or is bound for such a port or has to pass through the

territorial sea or internal waters of a such a country, he does not request instructions from the shipowner or, if this is not possible, from the competent Slovenian authorities (third paragraph of Article 169); if he does not take all necessary action to deal with a crew member, passenger or another person on board who commits a criminal offence during the voyage in order to prevent or mitigate any adverse effects arising from the criminal act and call the perpetrator to answer for his actions (first, second and fourth paragraphs of Article 175).

Article 980

A crew member shall be fined at least SIT 80 000 for violating the rules of his duty prescribed by this Act if he does not act in accordance with navigational rules, thereby endangering the safety of traffic, damages the ship or cargo, endangers the safety of passengers or other crew, or endangers the environment with dangerous and noxious substances (oil, waste liquid fuels and mixtures thereof, other waste matter from the ship, and radioactive and similar waste) from the ship (Article 157).

Article 981

A captain or his deputy shall be fined at least SIT 75 000 for an offence if a ship coming from abroad conducts traffic with other ships, bodies and persons on shore before receiving free pratique from the Maritime Directorate of the Republic of Slovenia (second paragraph of Article 65).

A shipmaster or his deputy shall be fined at least SIT 70 000 for the following offences:

1. if a ship, while in port, does not hand over the ship-generated waste to the person in charge of the reception of waste from ships (Article 72);
2. if the ship sails beyond the permitted navigational limits or contrary to the specified purpose of the voyage, or if it undertakes a voyage for which it has not been declared seaworthy (Articles 91 and 101);
3. if, in contravention of this Act (Article 102), he carries passengers on board a ship which is not a passenger ship;
4. if, in contravention of this Act (Article 104), he takes on board more passengers than is permitted;
5. if he takes and arranges cargo on board in contravention of Article 105;
6. if, in contravention of this Act, the ship does not have any one of the required ship's documents and books (first paragraph of Article 116);
7. if he does not produce the ship's papers or logbooks when so requested by authorised bodies (second paragraph of Article 116);
8. if he does not organise practice exercises with rescue boats and other rescue equipment, and with fire detection, prevention and extinguishing equipment within the set time limits (second paragraph of Article 162);
9. if he does not take due care with regard to the ship supplies, ship administration and maintenance, the safety of the ship's equipment, the correct loading, stacking, transfer and unloading of cargo, the correct embarkation, care and disembarkation of passengers, and the execution of all duties in connection with the work process (first paragraph of Article 162).

Article 982

A shipmaster or his deputy shall be fined at least SIT 60 000 for the following offences:

1. if, when all action taken to save a ship in distress has failed and it is inevitable that the ship will sink, he does not make every possible effort to save the ship's logbook and, circumstances permitting, other ship's logbooks, documents, nautical charts for the voyage in question and cash in the ship's cashbox (second paragraph of Article 165);
2. if he does not submit to the competent authority at home or abroad a report, with a transcript from the logbook, on the events referred to in Article 170 of this Act;
3. if he does not send a telecommunications message regarding an immediate danger to the safety of navigation encountered by him (first paragraph of Article 167);
4. if he does not record, in the prescribed manner, the birth, death or last will and testament of a person and does not deliver the record to the competent body in the first Slovenian port or to the nearest diplomatic or consular mission of the Republic of Slovenia abroad (Article 168);
5. if he does not report the committing of a criminal offence on board the ship while it was abroad to the diplomatic or consular mission of the Republic of Slovenia in the country in which the ship first puts to shore after the criminal offence was committed, or if he does not treat the perpetrator in accordance with the instructions issued by that diplomatic or consular mission (third paragraph of Article 175);
6. if he fails to inform the competent body if a crew member who is a citizen of the Republic of Slovenia abandons ship abroad in an unauthorised manner (first paragraph of Article 176);
7. if he does not, in the manner and by the deadline specified, record in the logbook the events, acts and measures which he is obliged to record (first paragraph of Article 166; second paragraph of Article 167; second paragraph of Article 172; second paragraph of Article 174; fifth paragraph of Article 175; third paragraph of Article 176);

8. if he does not record in the logbook the reasons why he did not set out to rescue people in distress and initiate the rescue of these people or the reasons why he did not salvage the ship or goods on board that ship (second paragraph of Article 179 and third paragraph of Article 180);
9. if, while being in a position to do so, he did not inform the ship with which his ship had collided of the name of the last port from which his ship put to sea and the name of the port for which it was bound (second paragraph of Article 753).

Article 983

A member of a ship's crew shall be fined at least SIT 60 000 for an offence if he discharges into the sea lane objects or substances which may obstruct or endanger navigational safety or pollute the sea or shore (Article 76).

Article 984

A legal entity shall be fined at least SIT 400 000 for the following offences:

1. if he permits the use of a boat that has no navigation licence (Article 142);
 2. if he permits an untrained person to operate a boat;
 3. if he permits the use of a boat that has not been entered in the register of boats (Article 218).
- An individual sole trader who commits an offence mentioned in the preceding paragraph shall be fined at least SIT 200 000 on the spot.

The responsible person of the legal person who commits an offence mentioned in the preceding paragraph of this Article shall be fined with a fine of SIT 40 000 on the spot.

Article 985

A fine of at least SIT 40 000 shall be imposed on individuals for the following offences:

1. if they refuse a test by means, devices or an expert examination to establish whether they are under the influence of alcohol, drugs, psychoactive medications or other psychoactive substances (Article 63);
2. if they operate boats and are not qualified to do so (Article 144);
3. if they operate a boat that has not been entered in the register of boats (Article 218).

Article 986

A fine of at least SIT 20 000 shall be imposed on individuals operating a boat for offences whereby:

1. the number of persons or quantity of cargo on board a boat is more than is allowed (Article 60);
2. they do not observe the rules of navigation, as set out by the Regulations for Preventing Collisions at Sea or other regulations on the safety of navigation (Article 61);
3. the boat does not have the prescribed equipment (Article 142).

Article 987

A person bathing in a port or fishing in a cargo port shall be fined at least SIT 5 000 (Article 74).

Article 988

If, during navigation by boat, an accident which results in property damage or physical injury occurs, a legal entity or sole trader shall be fined at least SIT 800 000, and a natural person at least SIT 150 000. In addition, protection and safety measures for the prohibition of navigation and deprivation of the navigational license for the duration of two years may be passed.

A natural person who caused the accident and failed to provide the data to the other participant for the enforcement of compensation and other claims, or who left the site of the accident before the arrival of the competent body, except in cases where staying would hinder safety of navigation or in order to rescue or to provide assistance, shall be fined in the same manner.

Article 989

A fine of at least SIT 5 000 shall be imposed on individuals operating a boat for offences whereby:

1. they do not have a valid document on the entry of the boat in the register of boats or a navigational licence (third paragraph of Article 141);
2. during navigation by boat, they do not have a valid document on their qualifications to operate a boat (Article 144);
3. the boat does not have a marking (Article 204).

PART ELEVEN – TRANSITIONAL AND FINAL PROVISIONS

Article 990

Papers issued on the basis of the Maritime and Inland Waterways Navigation Act before this Act enters into force shall apply under the conditions and for the period laid down by regulations in force until now, but for no more than two years after this Act enters into force.

Article 991

Unless they contradict the Constitution and this Act, the regulations and other acts listed below shall be applied *mutatis mutandis* until the enactment of regulations which, under this Act, fall within the competence of the Government of the Republic of Slovenia or the minister:

- Rules on the minimum number of crew members for the safe navigation of the merchant marine ships of the Socialist Federal Republic of Yugoslavia¹ (Official Journal of the SFRY, Nos. 29/81, 32/81),
 - Rules on the minimum number of crew members for the safe navigation of inland navigational ships of the merchant marine of the SFRY (Official Journal of the SFRY, No. 32/82),
 - Rules on the special powers of crew members on ocean-going vessels and on the examination programme for the acquisition of special powers (Official Journal of the Republic of Slovenia,² Nos. 20/86, 33/98),
 - Rules on the maritime and boat books, and embarkation books for crew (Official Journal of the SFRY, No. 13/81),
 - Rules on the uniforms of crew on Slovenian ocean-going vessels on inland waterways (Official Journal of the SFRY, No. 37/66),
 - Instructions on procedures in the event of the desertion of a crew member who is a Yugoslav citizen from a Yugoslav merchant marine ship abroad, and in the event of the desertion of a foreign ship by a foreigner in a Yugoslav port (Official Journal of the SFRY, No. 19/66),
 - Rules on the content, form and method of keeping ship's documents and books on board ships of the merchant marine of the SFRY (Official Journal of the SFRY, Nos. 16/80, 25/88),
 - Order on the navigational categories of ocean-going vessels (Official Journal of the SFRY, No. 59/78),
 - Rules on the determination of the name, mark and distinctive markings of ships, and on the keeping of records of names of ships (Official Journal of the SFRY, No. 77/82),
 - Rules on the flying of the flag of the merchant marine of the SFRY and on the markings on ships of the merchant marine of the SFRY (Official Journal of the SFRY, No. 2/81),
 - Rules on the determination of the freeboard for ships of the merchant marine of the FPRY which do not engage in international voyages (Official Journal of the SFRY, Nos. 32/51, 29/61),
 - Rules on ranks, conditions for acquiring ranks, and powers of crew members on inland navigational ships of the merchant marine of the SFRY (Official Journal of the SFRY, Nos. 32/82, 30/83, 30/87),
 - Rules on ranks, conditions for acquiring ranks, and powers of crew members on inland navigational ships of the merchant marine of the SFRY (Official Journal of the Republic of Slovenia, Nos. 33/98, 65/99),
 - Order on compulsory coastal pilotage at specific sections of the coastal waters of the SFRY (Official Journal of the SFRY, No. 22/88),
 - Rules on trial voyages of ships (Official Journal of the SFRY, No. 22/88),
 - Ordinance on safety devices for engine-room hatchways on the freeboard deck of tankers of the merchant marine of the Federal People's Republic of Yugoslavia³ (Official Journal of the FPRY, No. 45/57),
 - Ordinance on the use of covers and movable beams on hawsers or exposed parts of the main and upper decks on ships of the merchant marine of the FPRY (Official Journal of the FPRY, No. 39/59),
 - Ordinance on the closure of measurement openings on ships of the Yugoslav merchant marine (Official Journal of the SFRY, No. 25/69),
 - Rules on determining the stability of passenger ships of the merchant marine of the FPRY (Official Journal of the FPRY, No. 31/59),
 - Instructions on the programme and method of work of weather stations on ocean-going vessels of the Yugoslav merchant marine (Official Journal of the SFRY, No. 15/80),
 - Rules on the navigational equipment on merchant marine ships of the FPRY (Official Journal of the FPRY, No. 15/55),
 - Rules on ship's lights and equipment for sending optical and sound signals on ships of the Yugoslav merchant marine (Official Journal of the SFRY, Nos. 51/66, 7/67),
 - Rules on electrical installations and fire protection of merchant marine ships (Official Journal of the FPRY, Nos. 22/60, 24/60, 28/60),
 - Rules on the determination of transactions on merchant marine ships (Official Journal of the FPRY, No. 5/50),
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- Rules on the entry of ships in specific registers, on the data to be entered in the insert of the main book of the register of ships, on the collection of certificates, on auxiliary books kept in addition to ship's records, and on forms, certificates and books (Official Journal of the SFRY, No. 68/78),
- Rules on the determination of load lines for ocean-going vessels (Official Journal of the SFRY, No. 20/70);
- Rules on the prevention of collisions at sea (Official Journal of the SFRY, Nos. 4/79, 25/85, 84/89),
- Rules on the investigation of ship accidents (Official Journal of the SFRY, No. 24/89),
- Rules on sea lane markers on the coastal waters of the SFRY (Official Journal of the SFRY, No. 13/81),
- Order on the access, passage and stay of foreign military vessels and research ships in the coastal waters of the SFRY (Official Journal of the SFRY, No. 74/89),
- Order on the access, passage and stay of foreign yachts, sports and pleasure boats in the coastal waters, rivers and lakes of the SFRY (Official Journal of the SFRY, Nos. 38/87, 33/88),
- Decision on the determination of ports in which pest control certificates and pest control exemption certificates are issued (Official Journal of the SFRY, Nos. 8/76, 21/77),
- Decree on the conditions that have to be met by ports relating to international traffic and sea lanes on which international or intergovernmental rules of navigation apply (Official Journal of the SFRY, No. 37/83),
- Act on the determination of ports intended for international traffic (Official Journal of the SFRY, Nos. 28/84, 36/89),
- Act on the determination of sea lanes for international traffic (Official Journal of the SFRY, Nos. 21/65, 32/74, 39/75, 58/76),
- Rules on the investigation of marine accidents (Official Journal of the SFRY, No. 24/89),
- Instruction on the professional part of the examination programme for the acquisition of the title of seafarers (Official Journal of the Republic of Slovenia, No. 33/98),
- Decision on the temporary determination of organisations for the performance of professional work regarding safety and capabilities of the ship and navigational objects (Official Journal of the Republic of Slovenia, No. 16/96),
- Decision on the temporary determination of organisations for the performance of professional technical work in the area of maritime safety and inland navigation (Official Journal of the Republic of Slovenia, No. 37/95),
- Decision on the determination of organisations for the performance of professional technical work for the determination of fulfilment of conditions for marketing recreational vessels (Official Journal of the Republic of Slovenia, No. 2/99),
- Decision on the temporary determination of organisations for the performance of professional work regarding safety and capabilities of fishing ships and boats for navigation and fishing (Official Journal of the Republic of Slovenia, No. 76/99),
- Rules on the records compiled by the shipmaster on the birth, death or last will and testament on a merchant marine ship (Official Journal of the Republic of Slovenia, No. 17/80),
- Rules on the composition of examination commissions and professional examinations for the acquisition of the title of seaman (Official Journal of the Republic of Slovenia, Nos. 33/98, 87/99),
- Instructions for keeping trainees' record books and for a training programme carried out on board merchant ships (Official Journal of the Republic of Slovenia, No. 33/98),
- Rules on boats and floating objects (Official Journal of the Republic of Slovenia, Nos. 13/89, 90/98, 100/00)
- Order on the amount of expenses for the determination of seaworthiness of boats and their measuring, and the amount of expenses for the performance of examinations for boat operators and tests for the operation of boats (Official Journal of the Republic of Slovenia, No. 5/92),
- Order on the determination of organisations for the performance of inspections of boats for inland navigation (Official Journal of the Republic of Slovenia, No. 9/91-I),
- Rules on the order in ports and other areas of coastal sea (Official Journal of the Republic of Slovenia, Nos. 14/89, 16/94),
- Rules on professional qualifications, number of years in navigation, professional examination and manner of passing the professional examination for a pilot of coastal pilotage (Official Journal of the SFRY, No. 20/67),
- Instructions for sea-pilot identity cards (Official Journal of the SFRY, No. 46/65),
- Order on the marking of piloted ships and call signs for piloting (Official Journal of the SFRY, No. 49/65),
- Order on the maximum allowed draft of the ship for navigation in pool III of the Port of Koper (Official Journal of the Republic of Slovenia, No. 11/98),
- Order on the fee for the use of navigation safety facilities on sea lanes (Official Journal of the Republic of Slovenia, Nos. 73/98, 77/98 – correction, 26/00, 1/01),
- Order on the fee for the use of navigation safety facilities on sea lanes which must be paid by boats and yachts (Official Journal of the Republic of Slovenia, No. 98/99),
- Act on the health inspection of merchant ship crews (Official Journal of the SRS, No. 45/73, 42/86),
- Rules on the assessment of medical fitness of ship crew members (Official Journal of the SRS, Nos. 38/84, 22/89),
- Order on the determination of medical organisations which perform medical examinations and immunisation of the crew members on ships (Official Journal of the SRS, No. 38/84),

- Order on the reduction of port fee rates for segregated ballast oil tankers (Official Journal of the Republic of Slovenia, Nos. 1/00, 23/00)
- Rules on the boatmaster's examination and testing of skills for operating a boat (Official Journal of the Republic of Slovenia, Nos. 42/00, 87/00)
- Order on the fixing of remuneration and reimbursement of costs related to the work in examination boards (Official Journal of the Republic of Slovenia, No. 2/01).

Article 992

On the day this Act enters into force, the following shall cease to be in force:

- Article 103 of the Courts Act, insofar as it has a bearing on the keeping of registers of ships (Official Journal of the Republic of Slovenia, Nos. 19/94, 45/95, 38/99);
- the Maritime and Inland Waterways Navigation Safety Act (Official Journal of the Republic of Slovenia, No. 17/88), insofar as it has a bearing on navigation;
- the Ports Act (Official Journal of the SRS, Nos. 7/77, 21/78, 29/86);
- the Maritime and Inland Waterways Navigation Act (Official Journal of the SFRY, Nos. 22/77, 13/82, 30/85, 80/89, 29/90), insofar as it has a bearing on sea navigation;
- the Act on the coastal waters and continental shelf of the SFRY (Official Journal of the SFRY, No. 49/87);
- the Act on the Yugoslav Register of Ships (Official Journal of the SFRY, No. 6/89);
- Institution for the Maintenance of Sea Lanes Act (Official Journal of the SFRY, Nos. 50/74, 22/77, 17/81).

Article 993

Relations created before the entry into force of this Act shall be governed by the regulations or legal rules in force at the time of their creation.

Article 994

Operators of existing ports must, within the period of six months of the day the regulation mentioned in Article 39 of this Act enters into force, lodge with the Maritime Directorate of the Republic of Slovenia an application for the issuing of a permit for opening a port to public traffic (operating licence).

Article 995

The Government and individual ministers shall issue regulations foreseen by this Act within the period of one year of the day of entry into force of this Act.

Article 996

Procedures for entering in the register of ships in respect of which no final decision has been adopted by the day when this Act enters into force shall continue to be carried out according to the regulations in force at the beginning of the procedure.

Article 997

The first concession contract for the operation, management, development and regular maintenance of port infrastructure in the cargo port of Koper shall be concluded by the Republic of Slovenia with the private-law legal person who performs these activities on the day when this Act enters into force.
The concession contract from the preceding paragraph must be concluded within six (6) months of the entry into force of this Act.

Article 998

The provisions of the second paragraph of Article 90 of this Act shall not apply to members of the European Union as of the day when the Republic of Slovenia becomes a member of the European Union.
The condition of reciprocity referred to in Article 7 of this Act shall not apply to members of the European Union as of the day when the Republic of Slovenia becomes a member of the European Union.

Article 999

This Act shall enter into force 30 days after its publication in the Official Journal of the Republic of Slovenia.

Ljubljana, 23 March 2001.

President of the National Assembly of the Republic of
Slovenia

Borut Pahor,

[signed]