



AN ACT TO AMEND TITLE 21 OF THE LIBERIA CODE OF LAWS REVISED, LIBERIA MARITIME LAW, THEREBY AMENDING SECTIONS 14, 21, 65, 66, 75, 85, 93, 100 (A), 101, 105, 107, 110, 112 (A), 116 (A), 356 AND 361 AFFECTING LEASE FINANCING OF VESSELS MORTGAGES AND ALL MATTERS PERTAINING THERETO.

**AUTHORIZED BY:
THE HONORABLE HOUSE OF REPRESENTATIVES
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AN ACT TO AMEND TITLE 21 OF THE LIBERIA CODE OF LAW REVISED, LIBERIA MARITIME LAW, THEREBY AMENDING SECTIONS 14, 21, 25, 65, 66, 75, 85, 93, 100 (A), 101, 105, 107, 110, 112(A), 116(A), 356 AND 361 AFFECTING LEASE FINANCING OF VESSELS MORTGAGES AND ALL MATTERS PERTAINING THERETO.

Preamble:

WHEREAS, certain provisions of the Maritime Law, Title 21, Liberian Code of Laws Revised, have become obsolete and inadequate and require edits, corrections and changes to address issues and gaps,

WHEREAS, the inadequacies of such provisions necessitate amendments to the Maritime Law, Title 21, Liberian Code of Laws Revised;

WHEREAS, the amendments to the Maritime Law, Title 21, Liberian Code of Laws Revised, will enable Liberia maintain its maritime program to conform to international standards and best practices as required in a globalized economy;

Now, Therefore, It Is Enacted by the Senate and the House of Representatives of the Republic of Liberia in Legislature Assembled:

§14. Records Relating to Vessels. - (1) There shall be recorded in respect of each Liberian vessel in a public register in the form of a separate index in respect of each category of certificates and documents specified in paragraph (2) (hereinafter referred to as the “relevant index” in respect of that category of certificate or document) the information required by this Title and Regulations, Rules and Notices made hereunder to be so recorded in the relevant index and each such index shall be maintained in duplicate at the office of the Commissioner in Monrovia and at the office of a Deputy Commissioner, designated by the agent and approved by the Commissioner as the central office in respect of that relevant index.

(2) The categories referred to in paragraph (1) are:

(a) The category of certificates issued for the purpose of registration:

(i) Certificates of Provisional Registry;

(ii) Certificates of Permanent Registry;

(b) The category of documents relevant in relation to a registered vessel:

(i) Bills of Sale, Builder’s Certificates and other instruments of conveyance of vessels;

- (ii) Mortgages or hypothecations of vessels and instruments affecting mortgages, including but not limited to Subordination Agreements, Inter-creditor Agreements, Assignments of Mortgages, which may include assignments by way of security of another debt, Mortgage Amendments and Supplements;
 - (iii) Instruments of bareboat charter in respect of vessels registered in accordance with Section 85;
 - (iv) Financing charters;
- (c) The category relevant to all other documents relating to a registered vessel and which are entitled to recordation.

(3) A duplicate copy of a certificate of the kind referred to in paragraph (2)(a) shall be retained in the office of the Commissioner and the central office designated in respect of the relevant index and shall form part of the public register in respect of the vessel to which it relates.

(4) Documents of the kind referred to in paragraph (2)(b) filed for the purpose of recordation in the relevant index shall be registered and retained in the office of the Commissioner and the central office designated in respect of the relevant index, and:

- (a) In respect of documents falling within paragraph (2)(b)(ii) and 2(b)(iv), Chapter 3 shall apply to the recordation of the documents, and the documents shall form part of the public register in respect of the vessel to which they relate; and
- (b) In respect of documents falling within paragraph (2)(b)(iii), Section 85 shall apply to the recordation of the documents.

(5) For the purpose of recordation in the relevant index at the central office in respect of that index, documents of the category specified in paragraphs (2)(b) and (c) may be deposited, registered or recorded from:

- (a) An office of a Deputy Commissioner;
- (b) Any other location,

appointed for this purpose by the duly authorized agent of the Commissioner and from which electronic access may be made to the relevant index for the purpose of inspection and recordation:

Provided that, any location from which an instrument is electronically transmitted for the purpose of recordation shall always be considered an appointed location, and provided further that, where the fact, date and time of recordation is of the essence of the recordation, the fact, date and time, and any matter of priority of recordation shall be determined by the fact, date and time of recordation in the relevant index at the central office in respect of that index.

(6) There shall be recorded in respect of each Liberian vessel in a public register in the form of a separate index at the office of the Commissioner and at the office of a Deputy Commissioner designated by the agent as the central office in respect of the index:

(i) Licenses and Certificates of Officers of a registered ship's crew;

(ii) Licenses and Certificates of Members of a registered ship's crew.

(7) The Commissioner, by Regulation acting alone in accordance with section 11, or the Deputy Commissioner duly appointed and designated for this purpose, by Regulation in accordance with section 12, may add to, but not remove from, the list of categories specified in paragraph (2).

§29. Definitions. - (1) The words "to document" and "enroll" or any of their derivatives, as used throughout this Title, shall have the same meaning as the word "to register" or its derivatives.

(2) The term "citizen" or "national", as used throughout this Title, shall, unless the context shall otherwise require, include corporations, trusts, foundations, partnerships, limited partnerships, limited liability companies and other entities of Liberia having legal personality and the capacity to own a ship.

(3) The term "documented owner", as used throughout this Title, shall mean the person identified as the owner of a documented vessel in the application for documentation of the vessel filed with the Commissioner or Deputy Commissioner. A person who retains only legal title to a vessel may be a documented owner, notwithstanding any transfer by such person of all or any part of his equitable or beneficial ownership interest in such vessel.

(4) The term "financing charter", as used throughout this Title, shall mean a contract in the form of a demise or bareboat charter between the documented owner and the finance charterer of an entire vessel, which contract is agreed by the parties, or determined in judicial or arbitral proceedings, to create a security interest in such vessel granted by the finance charterer in favor of the documented owner.

(5) The term "finance charterer", as used throughout this Title, shall mean a person identified in a financing charter as the charterer of a vessel.

(6) The term "vessel", as used throughout this Title, shall mean any watercraft registered under this Title, including any manned ocean-going watercraft that is or is intended to be permanently moored.

(7) The term "judicial sale", as used throughout this Title, shall mean any sale of a vessel of a competent authority by way of public auction or private treaty or by any other appropriate ways provided for by the law of the State of judicial sale by which title to the vessel free of mortgages

and any other encumbrances is issued to the purchaser and the proceeds of sale are made available to the creditors.

§51. Vessels Eligible to be Documented and Re-documented. - Vessels of the following classes are eligible to be documented or re-documented under the laws of the Republic of Liberia:

- (1) Any vessel of 20 net tons and over, owned by a citizen or national of Liberia, and engaged solely in coastwise trade between ports of Liberia or between those of Liberia and other West African nations.
- (2) Any sea-going vessel of more than 500 net tons engaged in the foreign trade, wherever built, owned by a citizen or national of Liberia. An application for waiver of tonnage is required for consideration by the Commissioner or Deputy Commissioner to register a vessel of less than 500 net tons:
 - (a) Anything in this Section to the contrary notwithstanding, if applicable conditions and all other requirements for registration in accordance with, Section 51(6), Section 51(7), Regulations and Rules are met to the satisfaction of the Deputy Commissioner, a waiver may be granted by the Commissioner or Deputy Commissioner.
- (3) Any yacht or other vessel used exclusively for pleasure, of 24 meters or over, owned by a citizen or national of Liberia.
- (4) Vessels referred to in paragraphs (2) and (3) above will not be eligible for initial documentation or re-documentation if, on January 1 of the year in which initial documentation or re-documentation is sought, such vessels are over 20 years of age, computed from completion of first construction.
- (5) Anything in this Section to the contrary notwithstanding, the ownership requirement referred to in paragraph (2) above may be waived by the Commissioner or Deputy Commissioner where:
 - (a) The vessel meets, or there is waived in accordance with Section 51(6) or (7), all other requirements for registration;
 - (b) It has been satisfactorily demonstrated that there is an absolute and genuine need for such waiver; and
 - (c) The owner, or the bareboat charterer in the case of registration under Subchapter II of this Chapter, of the vessel qualifies for, secures and maintains registration in the Republic of Liberia as a foreign maritime entity and appoints a qualified registered agent in the manner prescribed by law.

- (6) Anything in this Section to the contrary notwithstanding, the 20-year maximum age limitation in paragraph (4) above may be waived by the Commissioner or Deputy Commissioner, and a vessel over 20 years of age may be documented or re-documented when:
 - (a) The vessel meets, or there is waived in accordance with Section 51(5) or (7), all other applicable requirements; and
 - (b) It has been satisfactorily demonstrated that there is a genuine need for such waiver.
- (7) For a vessel registering under this Title the Commissioner or Deputy Commissioner may, for good cause shown, including but not limited to:
 - (a) Cases of international, civil, political or military crisis;
 - (b) A case in which a vessel that has been the subject of a judicial sale in Liberia or in any other jurisdiction, without registration in another jurisdiction intervening between the judicial sale and the application for registration,

temporarily suspend or modify the requirements of this Chapter with respect to de-registration documentation of a foreign jurisdiction as well as related requirements for recordation of documents under Chapter 3 in respect of that vessel, and permit such a vessel to be documented under this Chapter, or such instruments to be recorded.

- (8) For a vessel registering under this Title while under construction the Commissioner or Deputy Commissioner may temporarily for the period of construction vary those requirements of this Title with which the ship, by virtue of being under construction, cannot during that period comply.

§65. Provisional Registry Certificates to Vessels Abroad. - (1) Upon compliance with the requirements of Sections 66, 87 or 94, a Provisional Certificate of Registry may be issued by the Commissioner or any Deputy Commissioner, or by a representative of either duly appointed for this purpose or by a Liberian consular or diplomatic officer or consular agent upon direction by the Commissioner or any Deputy Commissioner, or by any other person designated by the Commissioner, to vessels abroad which are to be documented under the Flag of Liberia.

(2) Copies of Provisional Certificates issued by persons other than the Commissioner or Deputy Commissioner shall be furnished as soon as practicable by the issuing officer to the Commissioner and Deputy Commissioner.

(3) Unless sooner revoked or suspended, a Provisional Certificate shall entitle the vessel to the privileges of a vessel of Liberia in the foreign trade, as endorsed thereon.

(4) The Commissioner, acting alone in accordance with section 11, or the Deputy Commissioner duly appointed and designated for this purpose, acting in accordance with section 12, may make such Regulations and Rules and the agent, acting in accordance with section 13, may promulgate Notices which shall prescribe the conditions in accordance with which Provisional Certificates shall be issued and renewed and the manner in which they shall be surrendered in exchange for permanent Certificates of Registry.

§66. Conditions Precedent to Issuance of Provisional Certificate. - (1) Upon receipt by the Commissioner or any Deputy Commissioner of the written application of an owner of a vessel eligible for documentation under the laws of the Republic of Liberia and requesting the issuance of a Certificate of Registry for the vessel, accompanied by the oath or oaths required by Section 57, and upon payment of the prescribed fees to the officer receiving said application, the Commissioner or any Deputy Commissioner or any issuing official listed in Section 65 may issue a Provisional Certificate of Registry for the vessel, provided the owner shall furnish proof satisfactory to the officer receiving said application:

- (a) As to his ownership of the vessel;
- (b) That if there is an outstanding foreign marine document for the vessel, the government that had issued it has consented to its surrender and that either said marine document has been surrendered for cancellation or that the owner has issued orders to the Master of the vessel to surrender said foreign marine document for cancellation immediately upon receipt of the Liberian Provisional Certificate of Registry on board the vessel; or that the outstanding document has been legally canceled;
- (c) That the vessel is in a seaworthy condition;
- (d) That the owner has paid to the duly authorized agent designated in Section 13 a sum equal to the prescribed initial registration fee and the fee of the duly authorized agent;
- (e) That either the markings of name, official number, home port, and draft required by Section 75 have either actually been made or that the owner has issued orders to the Master of the vessel to have said markings made immediately upon receipt of the Liberian Provisional Certificate of Registry on board the vessel.

(2) Unless the owner within thirty days after issuance of the Provisional Certificate of Registry shall furnish satisfactory proof to the officer to whom the application for documentation has been presented, showing that the vessel's outstanding foreign marine document has actually been surrendered for cancellation and that the markings required by Section 75 have actually been made and otherwise provide to said officer all documents and proof required under Section 56 for a Permanent Certificate of Registry for the vessel to be issued, or if before such thirty day period it is established that, in the opinion of the officer to whom the application was made, any of the obligations hereunder will not or cannot be complied with, said officer may declare said Provisional Certificate of Registry to be null and void. If a Provisional Certificate of Registry is

declared null and void, said officer shall notify the owner in writing that the Provisional Certificate of Registry has been annulled and that the vessel is considered having never been documented under the laws of the Republic of Liberia.

(3) As soon as reasonably practicable after admeasurement of the vessel and the surrender for cancellation of any outstanding foreign marine document of the vessel and the making of the markings required by Section 75, a Permanent Certificate of Registry shall be issued in place of any Provisional Certificate theretofore issued, and such Provisional Certificate shall be surrendered as promptly as circumstances permit to the Commissioner or a Deputy Commissioner. When the Permanent Certificate is issued after the issuance of a Provisional Certificate, the charges originally paid shall be adjusted in accordance with the prescribed fee provisions and the Certificate of Measurement.

(4) For good cause shown the Commissioner or any Deputy Commissioner may, from time to time, renew a Provisional Certificate of Registry for a period not exceeding two years.

§75. Names, Numbers and Marks on Vessels. - (1) Every registered vessel, except a vessel registered under construction, shall have her name marked upon the bow port and starboard and upon the stern. The name of a vessel shall be set out only in upper-case classical Roman letters, either alone or together with a number in Arabic numerals or Roman numerals. The home port of the vessel shall also be marked upon the stern. These names shall be painted or gilded or cast letters in light color on a dark background, or in a dark color on a light background, permanently affixed and distinctly visible. The smallest letters used shall not be less than four inches in size.

(2) The Commissioner, acting alone in accordance with section 11, or the Deputy Commissioner duly appointed and designated for this purpose, acting in accordance with section 12, may make such Regulations and Rules and the agent, acting in accordance with section 13, may promulgate Notices prescribing a system of numbering documented vessels. The designated number of each vessel shall be marked permanently on her main beam.

(3) The draft of every registered vessel except a vessel registered under construction shall be marked upon the stem and stern post, in English feet or in decimeters, in Arabic numerals. The bottom of each numeral shall indicate the draft to that line.

§85. Recording of Bareboat Charter-Party. - (1) A citizen or national of the Republic of Liberia, or a foreign entity that qualifies for, secures and maintains registration in Liberia as a foreign maritime entity and obtains a waiver pursuant to Section 51(5), desiring to obtain provisional Liberian registration under this Title of a vessel which such citizen, national or foreign maritime entity possesses by bareboat charter, and which in all respects, taking into account the waiver under Section 51(5), complies with the requirements of Sub-Chapter I of this Chapter, shall file in accordance with Section 14 the following documents:

- (a) A true copy of the bareboat charter party, acknowledged as may be required by Regulation, Rule or Notice;

- (b) An official certificate from the foreign State of registration setting forth the ownership of the vessel and any recorded encumbrances;
- (c) The written consents of the ship owner, of the mortgagee(s) and of the holder of a recorded encumbrances, if any, to the provisional Liberian registration of the vessel under this Sub-Chapter; and
- (d) Satisfactory evidence that the foreign State of registration will withdraw from the vessel the right to fly the flag of that State while the vessel is subject to the bareboat charter recorded under paragraph (2) of this Section.

(2) The Commissioner or Deputy Commissioner duly appointed and designated for this purpose shall cause the terms of the bareboat charter party specified in paragraph (3) to be duly recorded in the relevant index kept in accordance with Section 14 for this purpose.

(3) The terms of the bareboat charter party to be recorded in the index in accordance with paragraph (2) are:

- (a) The name of the vessel;
- (b) The names of the bareboat charterer, the ship owner and the holders of any registered mortgages, hypothecations or similar charges;
- (c) The date of recording of the bareboat charter party;
- (d) The period of duration of the bareboat charter party; and
- (e) The foreign State of registration of the vessel.

(4) Any subsequent amendments or addenda to the bareboat charter party recorded under paragraph (2) and any and all present or subsequent bareboat sub-charter parties shall be submitted in accordance with this Section for recording within 30 days of execution.

§89. Notice of Foreign Preferred Ship Mortgages. - (1) Evidence of encumbrances and mortgages, hypothecations and similar charges of record in respect of a vessel registered under Section 85, which if that vessel was registered under Subchapter I of Chapter 2 would be eligible for recordation under Section 14(2)(b)(ii), if any, existing on a vessel at the time of registration under Section 85 may be filed in accordance with this Section in respect of that vessel at the time of registration and such evidence shall be in the form and executed and acknowledged as may be required from time to time by Regulation, Rule or Notice made under this Title.

(2) Without prejudice to the continuing foreign legal status of a ship mortgage, hypothecation or similar charge made and registered in accordance with the laws of a foreign State, the existence

of that mortgage may be noted in respect of that ship in the relevant index, that is to say the index provided for in Section 14(2) (b)(iii) and such notice shall terminate without more at the date that the registration of the vessel under Section 85 terminates.

(3) Existence of a ship mortgage, hypothecation or similar charge, or any other instrument related thereto shall not be noted under this Section unless that mortgage, similar charge or other instrument has first been duly and validly executed and registered in the foreign State of registration of the vessel (“the underlying registration”). If there is more than one such mortgage, hypothecation or similar charge so executed and registered, then evidence of all such instruments shall be filed and noted under the provisions of this Section in the same order as they are registered in the State of underlying registration.

(4) If the existence of a foreign mortgage, hypothecation or similar charge has been noted pursuant to paragraph (2) of this Section, then evidence of any subsequent mortgage, hypothecation or similar charge and any other instrument related thereto which is subsequently registered in accordance with the laws of the State of underlying registration of the vessel shall also be filed and noted in the same order as they are registered in the State of underlying registration.

(5) Notwithstanding that in respect of any mortgage, hypothecation or other instrument of which evidence is filed and noted under this Section the law of the State of underlying registration shall have effect, any such mortgage, hypothecation or other instrument which has been duly and validly executed and registered under the law of that State shall be fully enforceable within the meaning of Sections 107 and 112A.

§93. Right to Fly Liberian Flag Withdrawn. - (1) The Certificate of Permission for bareboat charter registration in a foreign State shall declare that the right to fly the Flag of Liberia and to show the home port of Monrovia is withdrawn while the vessel is subject to the bareboat charter identified in the Certificate. The Certificate shall also state that Liberia recognizes the named foreign State as the competent authority to exercise exclusive jurisdiction and control over the vessel in accordance with the applicable international conventions and agreements.

(2) Notwithstanding that the right to fly the flag of Liberia shall have been withdrawn during the period of the bareboat charter registration in the foreign State, in the event that the vessel was at the time of the issuance of the Provisional Certificate of Registry under Section 94 or subsequently during the period of the bareboat registration becomes, subject to one or more preferred ship mortgages recorded under this Title such mortgage or mortgages, until satisfied, released or discharged of record, shall remain in full force and effect and governed solely by the laws of the Republic of Liberia.

§100A. Registration, Recordation, and Discharge of Financing Charters. - (1) Without adversely affecting the documentation, eligibility for documentation or renewal of documentation of a vessel, a documented owner and a finance charterer may enter into a financing charter and either party may file with the Commissioner or Deputy Commissioner a true copy thereof for the purpose of recordation in the relevant index in respect of such vessel. A financing charter shall be

signed by the documented owner and the finance charterer, and shall be acknowledged as may be required by Regulation, Rule or Notice, and shall include the name and official number of the vessel, the date of the financing charter, the names and addresses of the documented owner and the finance charterer and the maximum aggregate of the nominal amount of all charter hire payments termination payments, purchase or put option amounts payable, or which may become payable, thereunder, exclusive of any interest, indemnities, expenses or fees. A security interest in a vessel in favor of a documented owner evidenced by a financing charter recorded in compliance with this Section 100A shall for all purposes be deemed a preferred mortgage on the vessel in favor of the documented owner, effective as of the date and time of filing. All provisions of this Chapter 3 shall apply to any financing charter filed in accordance with this Section 100A.

(2) A documented owner may also file for the purpose of recordation any renewals, amendments, supplements, assignments or other instruments related to any financing charter filed pursuant to paragraph (1) of this Section 100A.

(3) A documented owner shall have the power to grant one or more preferred mortgages encumbering the whole of a vessel, and any supplements, amendments, assignments or other instruments related thereto notwithstanding that such documented owner or predecessor in interest shall have entered into a financing charter deemed to be a preferred mortgage on the vessel pursuant to paragraph (1) of this Section 100A.

(4) The mere filing or recording of a contract as a financing charter hereunder shall not constitute evidence that such contract in fact is a financing charter or that it creates a security interest.

(5) With respect to any financing charter, the documented owner party thereto shall be deemed a mortgagee under a preferred mortgage and the finance charterer shall be deemed the mortgagor for all purposes under the Laws of the Republic of Liberia, including this Title and any Regulations, Rules and Notices thereunder.

§101. Mortgages: preferred status.- (1) A valid mortgage, whenever made, which at the time it is made includes the whole of any vessel, shall have a preferred status in respect of such vessel as of the date of its recordation if the mortgage is recorded as provided herein and the mortgage does not stipulate that the mortgagee waives the preferred status thereof.

(2) The preferred status of a mortgage under this Chapter shall not be prejudiced or impaired by reason of the fact that such instrument secures the payment, pledge or assignment of monies or rights due or to become due to the vessel owner or other party, such as, but not limited to, guarantee fees, insurance options, charter hire, freight revenues or any other fees, costs or charges, direct or contingent, incidental to the sale, purchase or operation of a registered vessel or the applicability of or compliance with any provision of Section 106A, or by reason of the fact that no advance of monies is or has been made at the time of its recordation.

(3) A valid mortgage, whenever made, which:

- (a) Includes the whole of any vessel;
 - (b) Is recorded as provided herein;
 - (c) Is granted in continuation of a prior recorded mortgage, hypothecation or similar charge on such vessel, whether granted under the laws of Liberia or the laws of another jurisdiction in which the vessel was documented at the time such prior mortgage was recorded, shall have preferred status in respect of such vessel as of the date of recordation of such prior mortgage.
- (4) For the purposes of paragraph (3) a mortgage “granted in continuation of a prior recorded mortgage, hypothecation or similar charge” shall mean a mortgage on a Liberian vessel where:
- (a) The vessel covered by such mortgage is a vessel covered by the prior mortgage, hypothecation or similar charge;
 - (b) The obligations secured by such mortgage are obligations secured by the prior mortgage, hypothecation or similar charge;
 - (c) Such mortgage is granted by the current vessel owner, whether or not the owner is the vessel owner which granted the prior mortgage, hypothecation or similar charge, to secure obligations secured by the prior mortgage, hypothecation or similar charge; and
 - (d) For a vessel entering the register, such mortgage is recorded during the period defined in paragraph (6).
- (5) Nothing in paragraphs (3) and (4) shall be construed to pre-empt any non-statutory law which, taking into account the foregoing and/or other circumstances, would recognize the preferred status of a mortgage of a Liberian vessel prior to the date of recording thereof.
- (6) For a vessel entering the register, the preferred status of a mortgage, hypothecation or similar charge on such vessel recognized under Section 112A shall continue for a period of 30 days following registration of the vessel if the information with respect to such mortgage is furnished as required in compliance with Section 100 or Section 100A at the time of registration as a Liberian vessel.
- (7) The preference status provided for in paragraph (6) shall not be adversely affected by the deletion or release of the mortgage as a matter of record from the prior registration of the vessel in connection with or as a condition or a consequence of the deletion of the vessel from the register under which it was formerly registered and the mortgage recorded.
- (8) In the interpretation and application of this Section a certified extract from the index maintained by the office of the Deputy Commissioner under Section 14(2)(b)(ii), a certificate of

ownership and encumbrance issued by that Deputy Commissioner or, in the case of a mortgage, hypothecation or similar charge recorded in another jurisdiction, similar documentation, including a transcript of registry, certified or issued by the appropriate governmental agency of that jurisdiction, shall be accepted as evidence of the granting and recordation of a mortgage, hypothecation or similar charge, including the date of recordation thereof.

§105. Mortgages: Recording. – (1) In accordance with Sections 14, 100 and 100A:

- (a) The Commissioner; or
- (b) The Deputy Commissioner whose office is the central office of the relevant index; or
- (c) A person duly appointed for this purpose at a location so appointed,

may accept for recording in the relevant index any mortgage on a Liberian vessel whenever made which recites the interest of the mortgagor in the vessel and the interest so mortgaged, provided it bears the Hague Convention apostille or has been acknowledged or is submitted with such other proof of due execution as may be required by Regulation, Rule or Notice.

(2) A mortgage or other similar document shall be recorded in its proper form and, on request and payment of the prescribed fee, there shall be issued a certified extract of the relevant index, as evidence of the recordation of the mortgage as a Preferred Mortgage.

(3) On request, there may be issued a certificate of ownership and encumbrance setting forth all recorded mortgages, encumbrances and similar instruments with respect to a vessel registered under this Title as at the time and date of issue of the certificate.

(4) A mortgage which complies with the conditions enumerated in this Chapter is designated as a Preferred Mortgage and the relevant index may be known as the Preferred Mortgage Index.

(5) Every builder's mortgage recorded in accordance with this Chapter and Regulations made hereunder:

- (a) Binds the ship under construction to which it relates during the period from the commencement of the building thereof until launching;
- (b) Binds the ship under construction to which it relates at and from the time of the launching of that ship unless released, satisfied or discharged; and
- (c) Operates in all respects as if it were a Preferred Mortgage under this Chapter,

and the provisions of this Chapter shall apply to such a mortgage, with such modifications as the circumstances require.

(6) Without prejudice to his other lawful rights and remedies, a mortgagee of a ship under construction shall have the right to:

- (a) Take possession of such ship at any time before its completion, and sell the ship in accordance with the terms and conditions of the mortgage or other recorded instrument;
- (b) Obtain an order of an appropriate court or other duly constituted authority to take possession and sell the ship; or
- (c) Apply to the appropriate court for an official or judicial sale of the ship under construction.

(7) The provisions of Sections 14 and 100 shall apply in respect of the registration and recording of mortgages and related instruments in respect of a ship under construction.

§107. Lien of Preferred Mortgage. - A Preferred Mortgage shall constitute a lien upon the mortgaged vessel in the amount of the outstanding mortgage indebtedness secured by such vessel. The lien of a Preferred Mortgage shall not be in any way impaired or affected as a result of: (i) the vessel's ceasing to be a vessel, until the craft's document is surrendered in accordance with Section 72; or (ii) the expiration, restrictive endorsement, suspension, revocation or cancellation of the vessel's document.

§110. Notice of Mortgage: Exhibition. - Upon recording a Preferred Mortgage, the mortgagor shall place and use due diligence to retain a Notice of Mortgage on board the mortgaged vessel, and cause such Notice of Mortgage to be exhibited by the Master to any person having business which may give rise to a maritime lien or to the sale, conveyance, or mortgage of the vessel.

The license of a Master who willfully fails to exhibit such Notice of Mortgage may be suspended or revoked.

§112A. Preferred Status.—(1) As used in Sections 107, 112, 113 and 115 of this Title, the term "Preferred Mortgage" shall include, in addition to a Preferred Mortgage made pursuant to the provisions of this Chapter, any mortgage, hypothecation or similar charge created as security upon any documented foreign vessel if such mortgage, hypothecation or similar charge has been duly and validly executed and registered in accordance with the laws of the nation where the vessel's ownership is documented; and the term "Preferred Mortgage lien" shall also include the lien of such mortgage, hypothecation or similar charge.

(2) As used in Section 113 of this Title, Preferred Mortgage also means a financing charter of a foreign vessel that has been registered in a public registry at the port of registry of the vessel or at a central office (i) in the foreign country under whose laws the ownership of the vessel is registered in the name of the person stated to be the owner in the financing charter, and (ii) if applicable, in the foreign country under whose bareboat charter registry laws the financing charter of the vessel is registered in order to permit the vessel to sail under the flag of such foreign country.

§114. Necessaries: Lien; Enforcement - (1) Whoever furnishes repairs, supplies, towage, use of dry dock or marine railway, or other necessaries, to any foreign or domestic vessel upon the order of the owner or person authorized by the owner, shall have a maritime lien on the vessel.

(2) The managing owner, ship's husband, Master, or any person to whom the management of the vessel at the port of supply is entrusted, including any such appointed by a charterer, owner *pro hac vice* or agreed purchaser in possession, shall be presumed to have authority from the owner to procure such necessaries; but a person tortuously or unlawfully in possession or charge of the vessel shall not have authority to bind it.

§116A. Insolvency of Foreign Mortgagee. - (1) This section shall apply when a foreign Mortgagee under this Chapter is the subject of a collective judicial or administrative proceeding, including an interim proceeding, in the Country where the Mortgagee has its home jurisdiction, pursuant to a law relating to insolvency in which proceeding the assets and affairs of the Mortgagee are subject to control or supervision by foreign court for the purpose of reorganization or liquidation.

(2) In an proceeding arising under Liberian Law against a foreign Mortgagee or its assets, full recognition shall be given to a foreign insolvency proceeding described in (1), any interim or final decisions reached therein, and the procedural rules and the substantive provisions of laws applicable in the home jurisdiction of the Mortgagee in such a foreign insolvency proceeding.

(3) Upon a showing of the commencement of foreign insolvency proceedings as described in (1), the following shall be stayed in any proceedings arising under Liberian Law:

- (a) Commencement or continuation of individual actions or individual proceedings concerning the Mortgagee's assets, right, obligations or liabilities;
- (b) Execution against or other actions concerning the Mortgagee's assets;
- (c) The right to transfer, encumber or otherwise dispose of any assets of the Mortgagee; and
- (d) The examination of witnesses, the taking of evidence or the delivery of information concerning the Mortgagee's assets, affairs, rights, obligations or liabilities.

(4)(a) Upon a showing of the commencement of foreign insolvency proceedings as described in (1), the distribution, administration or realization of all or part of the Mortgagee's assets shall be entrusted to the person or body authorized in the foreign proceedings to administer the reorganization or the liquidation of the Mortgagee's assets or affairs.

- (b) Notwithstanding the provisions for stay in subsection (3), the authorized person or body identified in (4a) shall be entitled to (i) act in accordance • with the procedural

rules and the substantive provisions of the laws applicable in the home jurisdiction of the Mortgagee, and (ii) initiative or continue proceedings with regard to the matters identified in subsection (3) (a-d).

§356. Provisions Prohibited in Labor Contracts. - It shall be unlawful for any employer or employer organization or employee or labor organization to attempt to bargain for, or to enter into, any labor contract containing any provision which attempts to set aside the application of or is inconsistent with or is in violation of the laws of the Republic of Liberia, or which prescribes terms or conditions of employment less favorable to seamen than those set forth in this Chapter, or which discriminates as to terms and conditions of employment on the basis of race, color or creed; and any such prohibited provisions shall be deemed null and void.

§361. Rules and Regulations. - The Commissioner, acting alone in accordance with section 11, may make Regulations not contrary to the provisions of this Title relating but not limited to conditions and terms of employment, wages, vacations and leave, hours of work, repatriation, minimum age, compensation for sickness, injury, abandonment or death of masters, seamen, and seagoing laborers employed on vessels documented under the Maritime Law. Title 21, and the laws of the Republic of Liberia and the Deputy Commissioner duly appointed and designated for this purpose, acting in accordance with section 12, may make such Regulations and Rules and the agent, acting in accordance with section 13, may promulgate any Notice necessary and appropriate to ensure the administration and compliance with the provisions and the requirements of this Law and Regulations made by the Commissioner.

This Act shall become effective immediately upon publication into handbills.