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## **PRESS RELEASE**

### **Portugal keeps on investing on its flag**

*-with effect from 1<sup>st</sup> September, updated Portuguese mortgage legislation and further improvements come into force-*

The ship registry of Madeira (MAR) and the government of the Portuguese Republic get closer together, for improvement of responsibilities and administrative processes – as well as to adopting the mortgage legislation to international standards.

By the recent update of the Decree-Law for the establishment of the International Ship Registry of Madeira (MAR; Decree-Law 96/89), the Portuguese mortgage legislation in regard of registration of merchant ships is as of today being modernised. In addition, all respective documents will be issued electronically and for streamlined communications on the administrative level the so called Maritime Support Group will be established, at the national Maritime Authority (DGRM). The Maritime Support Group will consist of professionals from the maritime transport industry and is supposed to ease the communication between shipowner and flag administration.

Albrecht Gundermann, Honorary Associate of the EISAP Management Board: „The recent legal update is a big milestone for the International Ship Registry of Madeira (MAR). Thereby, the Portuguese mortgage law will become one of the most modern in Europe. The right ship mortgage legislation is an important condition for ship finance – but also for registrations and operations of a vessel under Portuguese jurisdictions.

Additionally, the new streamlined responsibilities and procedures lead to more attractiveness of the registry. This will lead to further growth and satisfied clients in MAR. The newly established Maritime Support Group will contribute to continuously and consistently ensure maritime safety.”

Following main changes have been adopted:

- Mortgage regime based on Civil law having now incorporated traditional features of Common law in accordance with international standards, namely mortgage in possession (MIP) and creditors approval before the sale of a vessel. Also, it allows parties to agree that the sale or encumbrance of the mortgaged ship is dependent on the prior consent of the mortgagee. This is an usual among common law jurisdictions and not known in continental law jurisdictions like Germany for example.
- Registration process is now fully electronic, allowing the registration of vessel and mortgage within the hour; all certificates are digital; 24/7 all year round registrations.
- Maritime Support Group for the Technical commission of MAR at the Portuguese Maritime Administration DGRM

The update of the Portuguese mortgage law became necessary to adopt to international developments. Due to these regulatory changes, the control of possession will become more clear and transparent for all parties involved. Also, the issuance of all respective documents will be fully electronical.

The new Maritime Support Group is a group of experts at the Portuguese Maritime Administration DGRM which will be responsible for issues regarding MAR’s Technical Commission. It is now concerned with communications between flag state authority (DGRM) and the Recognised Organisations (classes). Thereby, the proper assurance of maritime safety shall be further guaranteed and continuously further improved.

Contact:

*Peter Lehmann, Representative Berlin/EU, EISAP Board Member, Tel. +49/1525/4731003*