

**THE NATIONAL
ASSEMBLY**

Law No. 95/2015/QH13

**THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**

Hanoi, November 25, 2015

VIETNAM MARITIME CODE

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly hereby promulgates the Vietnam Maritime Code.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of application

1. This Code provides for maritime operations, including regulations on sea-going ships, seafarers, seaports, navigational channels, inland ports, marine transportation, maritime safety and security, environmental protection, state administration of maritime and other operations relating to use of ships for economic, cultural, social, sports, official duty and scientific research purposes.

Military vessels, official duty ships, fishing vessels, inland watercraft, submarines, submersibles, hydroplanes, floating warehouses, movable platforms, floating docks, military ports, fishing ports and harbors, and inland waterway terminals, shall only be subject to this Code in the event that this is specifically provided for by this Code.

2. Where there is any difference between regulations enshrined in this Vietnam Maritime Code and other regulations on the same content relating to maritime operations, the first shall prevail.

Article 2. Applicable entities

This Code shall apply to Vietnamese organizations or individuals; overseas organizations or individuals engaging in maritime operations within the territory of Vietnam.

Article 3. Rules of application of laws in case of conflict of laws

1. Any legal relation concerning the ownership of property onboard a ship, ship charter-party, seafarer employment contract, passenger and baggage carriage contract, division of remunerations paid for rescue service between the owner of a rescue vessel and all crew members working onboard such rescue vessel who save and salvage property sunk in international waters, or cases that may happen onboard a ship underway in international seas, shall be governed by laws of the country of which the national ensign is flown on that ship.

2. Any legal relation concerning a common loss shall be subject to the laws effective in the location where a ship ends its journey immediately after such loss occurs.

3. Any legal relation concerning a maritime accident, collision or emergency case, remuneration paid for rescue and salvage of property sunk in internal or territorial waters of a country shall be governed by the laws of this country.

Any legal relation concerning a maritime accident, collision or emergency case, or rescue activities that take place in international waters shall be governed by the laws of the country of which the Arbitral Body or Tribunal first handles dispute settlement proceedings.

Any maritime accident or collision that occurs in international waters between ships of the same nationality shall be governed by the laws of the country whose national ensign is flown by these ships.

4. Any legal relation concerning a freight shipping contract shall be governed by the laws of the country to which freight is shipped as agreed upon in this contract.

Article 4. Definition

For the purposes of this Code, terms used herein shall be construed as follows:

1. *Watercraft* refers to means operating above or under water surface, including ships, vessels and boats, and others with or without any engine.
2. *Official duty ship* refers to purpose-built watercraft used for performing state-assigned public duties without serving commercial purposes.
3. *Submarine* refers to a means capable of independently operating above and under water surface.
4. *Submersible* refers to a means capable of underwater operations assisted by another means or equipment operating above water surface or on the shore.
5. *Floating warehouse* refers to a floating structure specially designed to contain and preliminarily treat oil for the purpose of petroleum exploration, extraction and processing.
6. *Movable platform* refers to a floating structure specially designed to serve the purpose of exploration, extraction activities and marine operations.
7. *Floating dock* refers to a floating structure which is not self-propelled one and is used for lifting and commissioning watercraft to serve the purpose of ship building, repair and overhaul.
8. *Port land area* refers to an enclosed area of land used for constructing wharves, warehouses, storage yards, facilities, work offices, service establishments, traffic, communications, electricity and water supply systems, and other auxiliary facilities as well as installing necessary equipment.
9. *Port water area* refers to an enclosed area of water used for forming the sea space facing against wharves, or used as turning basin, anchorage, transshipment, storm shelter, pilot embarkation or disembarkation, phytosanitary inspection area, navigational channel, and for construction of other auxiliary facilities.
10. *Port terminal* refers to an area which is composed of an area of land and an area of water in a seaport and is used for constructing wharves, warehouses, storage yards, facilities, work offices, service establishments, traffic, communications, electricity and water supply systems, and an area of water facing against wharves, navigational channels and other auxiliary facilities. A port terminal includes one or a lot of wharves.
11. *Wharf* refers to a fixed or floating component of a port terminal which is used for anchoring vessels, handling cargoes, embark and disembark passengers as well as providing other maritime services.
12. *Dry port* refers to a component of traffic infrastructure system which plays its role as a center of transportation activities associated with operations of seaports, airports and inland ports, rail terminals, land bordergates, and concurrently functions as the port of departure or arrival of goods transported by sea.

13. *Anchorage* refers to an area of water which is formed and made known to the public in order for ships to anchor before landing at the wharf, floating warehouse, entering into the transshipment area or passing the navigable channel or rendering other services.

14. *Transshipment area* refers to an area of water which is formed and made known to the public as well as serves the purpose of cargo and passenger transshipment and rendering of other maritime services.

15. *Storm shelter* refers to an area of water which is formed and made known to the public in order for ships to be protected from storms and other natural disasters.

16. *Pilot embarkation and disembarkation area* refers to an area of water which is formed and made known to the public in order for ships to carry out pilot embarkation and disembarkation.

17. *Phytosanitary inspection area* refers to an area of water which is formed and made known to the public in order for ships to anchor to perform phytosanitary inspection activities in accordance with laws and regulations.

18. *Turning basin* refers to an area of water which is formed and made known to the public in order for ships to turn around.

19. *Navigational channel* refers to a limited section of an area of water which is determined by maritime signaling systems and other auxiliary facilities to ensure safety for operations of ships and other watercraft. A navigational channel is composed of public and dedicated navigational channels.

20. *Public navigational channel* refers to the navigational channel which is invested in, developed, managed and operated to serve the purpose of marine operations.

21. *Dedicated navigational channel* refers to the navigational channel which is invested in, developed, managed and operated for the purpose of dedicated port activities.

22. *Marine signaling system* refers to marine instructional facilities or equipment, including warning or cautious images, lights, sounds and radio signals, which are formed and operated in order to provide safety instructions for ships.

23. *Inland sea transportation* refers to carriage of cargoes, passengers, baggage by sea between the point of departure and the point of arrival of cargoes, passengers and baggage located within the territorial waters of Vietnam.

24. *Maritime infrastructure* includes infrastructural systems of seaports, offshore oil ports, navigational channels, maritime support systems, marine signaling systems, electronic marine information systems, sea wave and sand prevention embankments, flow redirection embankments and other marine structures which have been invested in, constructed or established within seaport water areas and territorial waters of Vietnam to serve the purpose of marine operations.

25. *GT* refers to an abbreviated symbol of total tonnage of a ship determined under the 1969 International Convention on Tonnage Measurements of Ships.

Article 5. Negotiating rights in contracts

1. Parties to contracts concerning marine operations have rights to enter into private negotiations, unless otherwise restricted by this Code.

2. Parties to contracts relating to marine operations under which there is at least one party that is an overseas organization or individual shall have rights to negotiate which foreign law or international maritime practice governs contractual relations, and to decide on the Arbitral Body or Tribunal in either of countries or in a third country for dispute settlement purposes.

3. If stipulated by this Code or agreed upon by parties in contracts, foreign laws may be applied in Vietnam with respect to contractual relations pertaining to marine operations provided that such laws are not inconsistent with basic rules of Vietnamese laws.

Article 6. Marine operation rules

1. Marine operations must comply with regulations enshrined in this Code, other regulations of Vietnamese laws and the international agreements to which the Socialist Republic of Vietnam is a signatory.

2. Marine operations must ensure maritime safety and security; national defence and security; protection of interests, sovereignty, sovereignty right and jurisdiction of the Socialist Republic of Vietnam.

3. Marine operations must be consistent with the national socio-economic development strategy and the scheme, planning and proposal for traffic and transportation development.

4. Marine operations must ensure economic effectiveness in collaboration with protection, regeneration and sustainable development of natural environment and landscape.

Article 7. Regulatory policies on marine development

1. The State shall adopt regulatory policies on marine development for marine economic development and national defence purposes.

2. Prioritize development of maritime infrastructure by adopting preferential policies applied to the seaport planning and attraction of capital invested in construction and operation of such maritime infrastructure.

3. Prioritize development of the fleet of ships for sea transportation through incentive policies on taxes and loan interest rates imposed for investment in development of such fleet and sea transportation activities.

4. Prioritize development of marine workforce; development of crew members that can meet domestic and international demands by adopting seafarer training and education policies; employment standards and benefits of seafarers.

5. Enhance international cooperation, promote participation in international maritime organizations, and sign, join and implement international maritime agreements.

6. Stimulate research into and transfer of advanced and modern scientific and technological applications in the maritime sector.

7. Encourage every organization or individual to invest in developing the fleet of ships, seaports and shipbuilding industry; involvement in provision of public services in the maritime sector and perform other marine operations in accordance with Vietnamese laws and regulations.

Article 8. Inland sea transportation rights

1. Cargoes, passengers and baggage carried within inland areas by sea shall be transported by Vietnamese ships.

Organizations or individuals participating in inland sea transportation shall conform to the Government's stipulated conditions.

2. Inland transportation which is not subject to regulations laid down in paragraph 1 of this Article shall be allowed under the following circumstances:

- a) Carry overmass and oversized freight or other cargoes by dedicated ships; ease cargo, passenger and baggage congestion in ports when Vietnamese ships stipulated in paragraph 1 of this Article do not have capacity for transporting them;
- b) Carry passengers and baggage from cruise ships to the mainland and in the opposite direction by using feeder ships of these cruise ships.
- c) Serve the purpose of preventing and mitigating natural disasters and epidemics, or providing urgent humanitarian aids.

3. The Minister of Transport shall set regulations on licensing authority and procedure for ship operations as referred to in paragraph 2 of this Article.

Article 9. Elements of state port authority

- 1. Draw, approve, adopt and direct implementation of the scheme, plan, strategy and policy for marine development in accordance with laws.
- 2. Introduce and conduct implementation of documents on legislation, standards and national technical regulations as well as maritime economic—technical norms.
- 3. Manage investment, construction and conduct operation of seaports, navigational channels or routes in accordance with laws and regulations. Announce the opening and closure of seaports, port water areas and areas under the management of the Port authority; announce port terminals, wharves, water regions or areas as well as other maritime facilities are put into operation.
- 4. Manage sea transportation activities; examine and oversee operations of sea transport service enterprises, seaports and maritime service enterprises.
- 5. Conduct registration and inspection of ships and registration of rights to ships. Manage design, shipbuilding, ship repair, demolition, operation, export and import of ships and equipment or materials used for marine operations.
- 6. Issue, recognize and revoke professional certificates of seafarers, certificates of maritime technical safety and security, labor and environmental pollution prevention of ships, seaports and other relevant documents or materials relating to marine operations.
- 7. Administer the work of training and drilling for maritime workforce development.
- 8. Manage scientific and technological activities in the marine area; protect environment; environmental protection, natural disaster prevention and sheltering as well as response to climate change in marine operations.
- 9. Manage price, fee and charge in the maritime sector.
- 10. Conduct the work of marine rescue and life-saving activities; salvage of sunken property; investigation and handling of maritime accidents and emergencies, assurance of maritime safety and security and sea environment pollution prevention.
- 11. Establish maritime cooperations.

12. Inspect, examine and resolve complaints or accusations as well as handle violations in marine operation in accordance with laws and regulations.

Article 10. Responsibilities for state port authority

1. The Government shall carry out consistent state port authority.
2. The Ministry of Transport shall take responsibility to the Government for carrying out its state port authority.
3. Competent maritime regulatory authorities directly affiliated to the Ministry of Transport shall assist the Minister of Transport in carrying out state port authority in accordance with laws and regulations.
4. Ministries, Ministry-level bodies shall, within their assigned duties and delegated powers, cooperate with the Ministry of Transport in state port authority.
5. The People's Committees at all levels shall, within their assigned duties and delegated powers, carry out state port authority duties at their localities under their management.

Article 11. Maritime inspectorate

1. The maritime inspectorate directly affiliated to a competent state regulatory agency must perform its function of specialized maritime inspection.
2. Maritime inspectorate shall be assigned and vested with respectively duties and powers as follows:
 - a) Inspect compliance with regulations enshrined in maritime laws and related international agreements to which the Socialist Republic of Vietnam is a signatory;
 - b) Prevent, detect, terminate and settle violation acts that may arise in marine operations;
 - c) Impound ships;
 - d) Implement other duties and powers in accordance with laws.
3. Inspectors of the maritime inspectorate shall be issued inspector's identity card, provided with uniforms, badges, support equipment and instruments in accordance with laws.
4. The maritime inspectorate shall operate under the provisions of this Code, laws on inspection and related international agreements to which the Socialist Republic of Vietnam is a signatory.

Article 12. Prohibited acts in marine operations

1. Harm or pose threatened harms to national sovereignty and security.
2. Carry people, goods, baggage, weapons, radioactive substances, hazardous discarded substances and narcotics in contravention of laws.
3. Intentionally create obstacles which can pose dangers or obstructions to marine traffic.
4. Use and operate ships which have not been registered or inspected or exceed the validity duration of registration and inspection; use counterfeit registration and inspection.
5. Refuse to participate in marine search and rescue activities if practical conditions permit.
6. Cause environmental pollution.

7. Infringe upon life, health, honor and dignity of persons aboard ships; embezzle and intentionally damage or ruin property aboard ships; take flight after causing any shipwreck.
8. Cause the public disorder, impede or react against implementation of duties of law enforcers onboard ships and at seaports.
9. Destroy, damage, disassemble or steal components, parts, raw materials, building materials and equipment of marine construction works.
10. Damage, destroy and intentionally move or reduce the efficacy of marine signaling systems.
11. Explode bombs or other explosive materials within the boundaries of a seaport, port water area or navigational channel without authorization granted by competent authorities.
12. Illegally build and operate seaports and other structures within the planned boundaries of approved seaports, navigational channels and within the protective enclosure of marine structures.
13. Develop construction projects which may reduce or eliminate effects of marine structures.
14. Commit abuse of title, position and authority to contravene regulations on port authority; abet and screen persons who commit violations against maritime laws from any punitive measures.

Chapter II

SEA-GOING SHIP (hereinafter referred to as ship)

Section 1. GENERAL PROVISIONS

Article 13. Sea-going ship

Ship refers to floating movable means specially designed for operations at sea.

Ship referred to in this Code shall not include military ships, official duty ships, fishing ships, inland watercraft, submarines, submersibles, hydroplanes, floating warehouses, movable platforms and floating docks.

Article 14. Vietnamese ship

1. Vietnamese ships are ships which have been registered into the national register of ships of Vietnam, or which have been licensed for temporary flying of Vietnamese national ensign aboard by Vietnam's overseas representative offices.
2. Vietnamese ships shall have the right and obligation to fly Vietnamese national ensign.
3. Only Vietnamese ships are entitled to fly Vietnamese national ensign.

Article 15. Ship owner

1. Ship owner refers to the person who owns a ship.
2. Bareboat manager, operator or charterer shall be allowed to exercise rights and fulfill obligations as a ship owner prescribed by this Code as agreed upon with a ship owner.
3. An organization authorized by the State to manage and operate ships shall be entitled to apply regulations laid down in this Code and others set forth in relevant laws, which is the same as a ship owner.

Article 16. Flying of ensign aboard vessels

1. A Vietnamese ship must fly the national flag of the Socialist Republic of Vietnam as an ensign aboard it.

Other watercraft operating within the boundary of Vietnam's seaports must fly the national flag of the Socialist Republic of Vietnam as an ensign aboard it.

2. A watercraft with the national ensign of an overseas country operating within the boundary of a Vietnam's seaport must comply with applicable regulations of Vietnam when it desires to fly its national flag or blow its horn on its national celebrations.

3. The Government shall provide detailed provisions on this issue.

Section 2. SHIP REGISTRATION

Article 17. Registration of Vietnamese ship and registration form

1. Ship registration is the work of recording and storing information about ships in the national register of ships of Vietnam and issue of the Certificate of registration of Vietnamese ship under the provisions of this Code and other relevant laws and regulations.

2. Forms of registration of Vietnamese ship shall be included as follows:

- a) Indefinite registration of ship;
- b) Definite registration of ship;
- c) Registration of information change;
- d) Temporary registration of ship;
- dd) Registration of ship under construction;
- e) Registration of small-sized ship.

Article 18. Rules of ship registration

1. Registration of Vietnamese ship must be carried out according to the following rules:

a) A ship of a Vietnamese organization or individual is registered in the national register of ships of Vietnam, including registration of flying of the Vietnamese national ensign and registration of ownership of such ship. In the event that a ship is owned by more than two organizations or individuals, owners and ownership ratios of such ship should be specified in such registration.

A ship of a foreign organization or individual conforming to conditions defined in Article 20 of this Code is registered in the national register of ships of Vietnam. Registration of a Vietnamese ship owned by a foreign organization or individual includes registration of flying of the Vietnamese national ensign and registration of ownership of such vessel or registration of flying of only Vietnamese national ensign.

A foreign ship hired by a Vietnamese organization or individual under the bareboat charter and ship hire-purchase agreement can be allowed to register flying of Vietnamese national ensign;

b) A ship which has been already registered in overseas countries shall not be allowed to register flying of Vietnamese national ensign, except when the preexisting registration has been temporarily ceased or permanently erased;

c) The registry of Vietnamese ships shall publicly disclose and collect fee for registration of a Vietnamese ship; an organization or individual applying for such registration shall be entitled to

request registration excerpts or copies from the national register of ships of Vietnam, and shall be liable for such fee.

2. A ship owned by a Vietnamese organization or individual may be allowed to register flying of the foreign ensign.

Article 19. Types of ships subject to registration

1. Types of ships subject to registration recorded in the national register of ships of Vietnam include:

- a) Engine-powered ship that has the capacity of main engine of more than 75 kilowatt (KW);
- b) Ship without engine which has the total capacity of more than 50 GT, or gross tonnage of more than 100 tonnes, or has the design waterline length of more than 20 meters (m);
- c) Ships which have smaller sizes than those stipulated in subparagraph a and b of this paragraph, but operate on international navigation routes.

2. Registration of types of ships which are not governed under paragraph 1 shall be stipulated by the Government.

Article 20. Eligibility requirements for registration of Vietnamese ships

1. Ships must meet the following requirements to be eligible for registration:

- a) Legitimate written proof of ownership of a sea vessel;
- b) Certification of capacity and certification of ship classification;
- c) Ship's name;
- d) Certification of temporary suspension or removal of registration, which is applicable to ships that have been registered abroad except for temporary registration;
- dd) Ship owner's business office, branch or representative office located within the territory of Vietnam;
- e) With respect to the initial registration or reregistration of a foreign second-hand ship in Vietnam, its age must be corresponding to the Government's stipulated age of specific ships;
- g) All statutory fees or charges have been paid.

2. With respect to registration of flying of Vietnamese national ensign for a foreign ship hired by a Vietnamese organization or individual under the bareboat charter or hire-purchase agreement, in addition to conditions stipulated in subparagraph a, b, c, d, e and g paragraph 1 of this Article, this bareboat charter or hire-purchase agreement must be submitted.

Article 21. Naming of Vietnamese ship

Vietnamese ship must be named and this naming process must adhere to the following rules:

- 1. Name of a ship must be given by its owner and is not allowed to be the same as other vessels' names which appear in the national register of ships of Vietnam;
- 2. Do not use name of the state agency, armed force unit, political organization or socio-political organization to create the whole or partial name of ship, unless approved by this agency, unit or organization;

3. Do not use words or signs in breach of historical, cultural, moral and traditional values.

Article 22. Ship owner's responsibilities for registration of Vietnamese ship

1. The ship owner shall be responsible for submitting a full amount of documents, adequate and accurate information about the ship which has been registered under Article 20 and 24 hereof to apply for registration to the registry of Vietnamese ships.

2. If the ship is newly constructed, purchased, gifted or donated to, or inherited by a Vietnamese organization or individual, its owner shall take responsibility for registering the ship in accordance with applicable regulations.

3. The ship owner shall be liable for the registration fee in accordance with laws.

4. After completion of such registration, the certificate of Vietnamese ship registration shall be issued. This kind of certificate is considered as the proof of this ship's flying of Vietnamese national ensign and its ownership status.

5. The ship owner shall be responsible for notifying the registry of Vietnamese ship of all changes made to registration information recorded in the national register of ships of Vietnam in an accurate, sufficient and timely manner.

6. Regulations laid down in this Article shall apply to any Vietnamese organization or individuals entering into a bareboat charter or hire-purchase agreement.

Article 23. Registration of ship under construction

1. The owner of a ship under construction shall be vested with the right to apply for registration of this under-construction ship in the national register of ships of Vietnam and shall be issued the certificate of under-construction ships. This certificate shall not have legal value to replace the certificate of Vietnamese ships.

2. A ship under construction must meet the following requirements to be eligible for registration:

- a) Contract for construction, sale or purchase of under-construction ship must be available;
- b) The ship under construction must have its name;
- c) The keel of the ship under construction must be completely constructed.

Article 24. Basic contents of the national register of ships of Vietnam

1. The national register of ships of Vietnam must have the following basic contents:

a) Old and new name of a ship; office name and address of the ship owner; name and address of the branch or representative office of the foreign ship owner located in Vietnam; name and address of the office of the bareboat charterer or ship hire-purchaser; name of the ship operator (if any); type of ship and its useful purpose;

b) Port of registration;

c) Registration number;

d) Registration date;

dd) Name and address of shipbuilding factory and shipbuilding year;

e) Main technical specifications of ship;

- g) Ownership status and ownership-related changes;
- h) Registration removal date and reasons;
- i) Information about registration of a ship mortgage.

2. All changes to the registration contents referred to in paragraph 1 of this Article must be clearly entered into the national register of ships of Vietnam.

Article 25. Removal of registration of Vietnamese ships

1. A Vietnamese ship shall be subject to removal of registration from the national register of sea vessels of Vietnam under the following circumstances:

- a) It is demolished, disassembled, wrecked or sunken without possibility of salvage;
- b) It has gone missing;
- c) It fails to meet conditions for flying of Vietnamese national ensign;
- d) It has no longer had sea-going capability;
- dd) This removal is requested by the ship owner or the person bearing the name in the application for registration of ship.

2. For the purposes of regulations laid down in subparagraph d and dd paragraph 1 of this Article, the mortgaged ship shall be allowed to remove its registration from the register of ships of Vietnam only if this removal is approved by the mortgagee.

3. When removing the registration of ship or removing the registration of ship under construction, the registry of Vietnamese ships shall revoke the certificate of registration of Vietnamese ship or the certificate of registration of ship under construction as well as issue the certificate of removal of registration.

Article 26. Specific provisions on registration and removal of registration of Vietnamese ship

The Government shall provide detailed provisions on procedures for registration or removal of registration of Vietnamese ship; cases in which a ship owned by a Vietnamese organization or individual is allowed for registration of its flying of the foreign ensign; cases in which a ship owned by an overseas organization or individual is allowed for registration of its flying of Vietnamese national ensign.

Article 27. Registration of official duty ship, submarine, submersible, floating warehouse and movable platform

Official duty ship, submarine, submersible, floating warehouse and movable platform shall be registered in accordance with regulations laid down in this Section.

The Government shall provide detailed provisions on such regulation in this Article.

Section 3. INSPECTION OF VIETNAMESE SHIPS

Article 28. Inspection of Vietnamese ships

1. Vietnamese ships must be inspected, graded and issued the certificate of technical maritime safety, security and conformity with conditions for assurance of maritime labor and environmental pollution prevention by Vietnam's inspecting organization or overseas inspecting

organization authorized by the Minister of Transport in accordance with Vietnamese laws and international agreements to which the Socialist Republic of Vietnam is a party.

2. The Minister of Transport shall adopt statutory regulations on regulatory maritime safety and security and conditions for assurance of maritime labor and environmental pollution prevention applied to ships; introduce regulations on and conduct implementation of inspection of Vietnamese ships.

Article 29. Rules of inspection of Vietnamese ships

1. Vietnamese ships must be inspected, graded, evaluated and issued the certificate of technical maritime safety and security and conformity with conditions for assurance of maritime labor and environmental pollution prevention when being newly constructed, imported, converted, repaired or restored to normal working conditions and during the operational process, which serves the purpose of ensuring technical conditions in compliance with laws and regulations and international agreements to which the Socialist Republic of Vietnam is a party.

2. Inspection and evaluation of Vietnamese ships shall be conducted at the location where such vessels are constructed, converted, repaired or restored to normal working conditions, anchored or currently operated.

3. Vietnamese ships which do not operate on international routes shall be inspected, graded and accredited by certification in accordance with laws, technical regulations and standards of Vietnam.

4. Vietnamese ships which operate on international routes shall be inspected, graded and accredited by certification in accordance with laws and international agreements to which the Socialist Republic of Vietnam is a party.

Article 30. Types of ships subject to inspections

1. Types of ships referred to in paragraph 1 Article 19 hereof shall be subject to inspections.

2. Inspection of ships which are not prescribed in paragraph 1 of this Article shall be subject to regulations adopted by the Minister of Transport.

Article 31. Responsibilities regarding ship inspections

1. The ship owner shall be responsible for implementing regulations on ship inspection when these vessels are constructed, imported, converted, repaired or restored to normal working conditions and currently operated; ensure they conform to requirements of technical maritime safety, security and conditions for maritime labor and environmental pollution prevention during the interval period between two inspections or evaluations under the provisions of laws and related international agreements to which the Socialist Republic of Vietnam is a party.

2. Inspecting organization when on duty must comply with regulations of Vietnamese laws and the international agreements to which the Socialist Republic of Vietnam is a party. The head of an inspecting organization and persons who directly take charge of inspections and evaluations must assume responsibilities for inspection and evaluation results.

Article 32. Technical supervision of Vietnamese ships

Ships which are newly constructed, converted, repaired or restored to normal working conditions must be subject to the technical supervision of technical quality and safety to ensure their

conformity to requirements set out in approved design documents, and relevant certification, of an inspecting organization.

Construction, reconstruction, repair or restoration of ships must be carried out at accredited facilities in accordance with laws.

Article 33. Inspection of official duty ship, submarine, submersible, floating warehouse and movable platform

1. Official duty ship, submarine and submersible shall be subject to inspection under the provisions of this Section.
2. The Minister of Transport shall adopt regulations on inspection and grant of the certificate of technical maritime safety, security and conformity with conditions for assurance of maritime labor and environmental pollution prevention in accordance with Vietnamese laws and international agreements to which the Socialist Republic of Vietnam is a party with respect to floating docks, storage warehouses and movable platforms.

Section 4. CERTIFICATION AND DOCUMENTATION OF SHIPS

Article 34. Certification and documentation of ships

1. Ships must be accredited by the certificate of sea-going registration, certificates in technical maritime safety and security and conformity with conditions for assurance of maritime labor and environmental pollution prevention in compliance with Vietnamese laws and regulations and international agreements to which the Socialist Republic of Vietnam is a party. Original copies of such certificates must be carried along aboard ships underway at sea. Where these certificates are issued in an electronic form, laws and regulations on electronic transactions shall be applied.

The Minister of Transport shall provide detailed regulations on certification and documentation of Vietnamese sea vessels.

2. The validity period of each certificate in technical maritime safety and security and conformity with conditions for assurance of maritime labor and environmental pollution prevention must be specified. This validity period may be extended to a maximum of 90 days in the event that these ships are not, in fact, able to turn up at the designated location of inspection but their actual technical conditions remain conformable to standards of maritime safety and security and conditions for assurance of maritime labor and environmental pollution prevention. This extended period shall end immediately once these ships arrive at the designated port for inspection.
3. Certificates in technical maritime safety and security and conformity with conditions for assurance of maritime labor and environmental pollution prevention shall be annulled if any critical change that causes serious impacts on the capability of ships of assuring maritime safety, security and conformity to conditions for assurance of maritime labor and environmental pollution prevention may be made to these vessels.
4. In the event that it is established that a ship has failed to ensure maritime safety and security and conformity to conditions for assurance of maritime labor and environmental pollution prevention, maritime inspectorate and port authority shall be vested with authority to temporarily suspend operations of ships, autonomously carry out or request Vietnam's inspecting organization to carry out technical inspections of ships.

Article 35. Certificate of capacity of ship

1. In order to operate within port water area and Vietnamese waters, a Vietnamese and foreign ship must have the certificate of capacity granted by an accredited Vietnamese inspecting organization or foreign ship capacity measuring organization. The certificate of capacity of ship must be consistent with Vietnamese laws and regulations and international agreements to which the Socialist Republic of Vietnam is a party.

2. Where there is any suspicion as to the authenticity of the certificate of capacity of ship as defined in paragraph 1 of this Article, competent authorities of Vietnam shall autonomously decide or, upon the request of other relevant organizations or individuals, decide re-examination of capacity of that ship. Once the result of such re-examination is not consistent with the certificate of capacity of ship, the ship owner must pay costs incurred by such re-examination. Once the result of such re-examination is consistent with the certificate of capacity of ship, the competent authority vested with authority to autonomously decide such examination, or relevant organizations or individuals requesting such examination, must pay costs incurred by such re-examination.

Section 5. SHIP OWNERSHIP TRANSFER AND SHIP MORTGAGE

Article 36. Transfer of ownership of ship

1. Transfer of ownership of ship must be expressed in writing under the provisions of Vietnamese laws or laws of the country where transfer of such ownership takes place.

2. Transfer of ownership of a Vietnamese ship shall become effective if such transfer is recorded in the national register of ships of Vietnam.

3. Upon completion of ship ownership transfer, a ship and property aboard such vessel shall be assigned to the ownership transferee, unless otherwise agreed by contracting parties.

The aforesaid property includes physical objects and equipment aboard such vessel but exclude constituent parts of such vessel.

4. Regulations on ship ownership transfer shall be applied to transfer of ownership of share of a ship.

5. The Government shall adopt regulations on conditions and procedures for transfer of ownership of a ship in the form of ship sale and purchase.

Article 37. Vietnamese ship mortgage

1. Ship mortgage refers to a ship owner's putting up his own ship as security for fulfillment of civil obligations to the mortgagee without having to transfer such ship to that mortgagee.

2. The ship owner shall have the right to provide the mortgagee with a Vietnamese ship under his ownership in accordance with regulations enshrined in this Code and other relevant laws or regulations.

3. Agreement on Vietnamese ship mortgage must be in writing. The ship mortgage must be consistent with Vietnamese laws and regulations.

4. Regulations on ship mortgage shall also be applied to mortgaging of a ship under construction.

Article 38. Rules of ship mortgage

1. Transfer of ownership of a mortgaged ship shall not be allowed, unless otherwise approved by the mortgagee.
 2. The shipowner must buy insurance for mortgaged ship, unless otherwise agreed upon in the mortgage agreement.
 3. If the mortgagee has transferred the whole or a part of ownership of the debt secured by a ship secured by a mortgaged ship to other person, such ship mortgage shall also be transferred in an equivalent manner.
 4. One ship may be mortgaged to secure a lot of obligations if value of the mortgaged ship is greater than total value of such obligations, unless otherwise agreed.
- Priority order of ship mortgages shall be determined, based on the order of registration of an equivalent ship mortgage recorded in the national register of ships of Vietnam.
5. The mortgaging of a ship owned by two or more owners must be unanimously agreed by these owners, unless otherwise agreed.
 6. The ship mortgage shall be terminated under the following circumstances:
 - a) Obligations secured by such mortgage come to an end;
 - b) Such ship mortgage is cancelled or replaced by other security alternatives;
 - c) The mortgaged ship has been treated under laws and regulations;
 - d) The mortgaged ship is subject to total loss;
 - dd) As agreed upon by contracting parties.
 7. The mortgagee shall only keep a copy of the certificate of registration of the mortgaged ship.

Article 39. Registration of Vietnamese ship mortgage

1. Registration of Vietnamese ship mortgage shall include the following basic contents:
 - a) Name, place of office of the mortgagee and the shipowner;
 - b) Name and nationality of the mortgaged ship;
 - c) Mortgage sum, interest rate and debt repayment due date.
2. Mortgaging of a Vietnamese ship shall become effective if such mortgaging is recorded in the national register of ships of Vietnam.
3. Information about registration of the mortgaged Vietnamese ship shall be provided for persons who request such information.
4. Persons who register the ship mortgage and those who use information about the ship mortgage shall be liable for statutory fees.
5. The Government shall provide specific provisions on registration of mortgaging of Vietnamese ship.

Section 6. MARITIME LIEN

Article 40. Maritime lien

1. Maritime lien refers to the right of the maritime claimant under Article 41 hereof which gives this claimant a privilege to submit a claim for compensation against the owner, charterer and operator of a ship in the event that there is any maritime claim in connection with that sea-going vessel.

Maritime claim refers to a party requesting another party to secure any obligation that may arise out of marine operations.

2. Any maritime claim that leads to the maritime lien defined in Article 41 hereof shall hold higher position in the priority order than other maritime claims secured by the ship mortgage and other secured transactions.

3. The maritime lien shall be exercised by the competent court's decision to impound a ship in connection with any maritime claim that leads to the maritime lien.

4. The maritime claimant shall be vested with the right to keep custody of a ship to meet any maritime claim referred to in Article 41 hereof even though such sea-going has been mortgaged or the ship owner has performed other secured transactions to ensure other agreed-upon obligations are secured.

5. The maritime lien over a ship shall not be influenced by any change to the owner, charterer and operator of that ship, given that the buyer of that ship has been informed or has not been informed of the fact that that ship is involved in any maritime claim leading to the maritime lien.

Article 41. Maritime claim leading to maritime lien

1. Maritime claims on salary, repatriation cost, social insurance contribution cost and other monetary amount paid to the master, officer and other seafarers that belong to crew members aboard a ship.

2. Maritime claims on compensation for life, disability or other injury to human health in association with operations of a ship.

3. Maritime claims on deadweight tonnage charge, marine safety charge and other seaport fees or charges.

4. Maritime claims on ship rescue remuneration.

5. Maritime claims on non-contractual property loss and damage directly relating to operations of a ship.

Article 42. Priority order of handling of maritime claims leading to the maritime lien

1. Maritime claims leading to the maritime lien shall be handled in the priority order stated in Article 41 hereof; in the event that any claim on remuneration paid for rescue of a ship comes after other maritime claims leading to the maritime lien, it shall take higher position than these maritime claims.

2. Maritime claims leading to the maritime lien provided for by the same paragraph in Article 41 hereof shall take equal positions in the priority order; in the event that distributed remuneration amount is not affordable to pay for value of each maritime claim, the ratio of value of a maritime claim to value of all claims shall be considered as the basis for such payment.

3. Maritime claims that may arise out of the same event shall be considered as those which arise at the same time.

4. Maritime claims leading to the maritime lien against a ship in relation to its final voyage shall be given priority to be settled prior to maritime claims leading to the maritime lien in relation to other voyages.

5. Maritime claims that may arise out of the same employment contract in relation to multiple voyages shall be settled along with those in relation to the final voyage.

6. With respect to maritime claims on rescue remuneration amount as defined in paragraph 4 Article 41 hereof, the maritime claim that may arise after others shall be settled prior to other maritime claims.

Article 43. Statute of limitations for the maritime lien

1. The statute of limitations for the maritime lien shall be 01 year after the date of creating the maritime lien.

2. The date of generating the maritime lien as defined in paragraph 1 of this Article shall be determined as follows:

- a) From the date of completion of a rescue operation with respect to claims on rescue remuneration amount;
- b) From the date of incurring any loss with respect to claims on any loss and damage incurred by marine operations;
- c) From the date of fulfilling payment obligations with respect to other maritime claims.

3. The maritime lien shall be terminated from the date on which the ship owner, charterer or operator repays debts incurred from relevant maritime claims; if the payment amount is in the custody of the ship master or persons authorized to act on behalf of the ship owner, ship charterer or operator to serve the purpose of repaying debts relating to such maritime claims, the maritime lien shall remain in effect.

4. If the Tribunal is not capable of impounding a ship within the inland or territorial waters of Vietnam to protect interests of maritime claimants who permanently reside or whose main offices are located within the territory of Vietnam, the statute of limitations stipulated in Article 1 of this Article shall expire after 30 days from the date of its first arrival at a Vietnamese seaport, but not exceed 02 years from the date of generating that maritime lien.

Section 7. CONSTRUCTION AND REPAIR OF SHIP

Article 44. Ship building and repair industry development plan

1. The ship building and repair industry development plan must be based on the strategy for socio-economic development; national defence and security tasks; the scheme for developing auxiliary industries and world maritime development trends.

2. The Prime Minister shall approve the master plan for development of ship building and repair industry.

3. The Minister of Transport shall assume the following responsibilities:

- a) Formulate and report to the Prime Minister to approve and decide adjustment of the master plan for development of ship building and repair industry; priority policies for domestic ships and ship repair services;

- b) Draw and approve the detailed plan for ship building and repair establishments;
 - c) Prepare the program and plan for high-quality human resource development; contents of vocational training and education programs that assist the ship building and repair industry;
 - d) Adopt the national technical regulation for ship building and repair activities.
4. Investment in construction of ship building and repair establishments must be consistent with the scheme for developing ship building and repair industry and regulations of laws on investment, construction as well as relevant laws.
5. The People's Committee at the provincial level shall be responsible for reserving proper local unoccupied land lots to support ship building and repair industry according to the predetermined scheme.

Article 45. Ship building and repair establishments

1. Ship building and repair establishment refers to an enterprise which is established and operates under legal regulations and must meet the following conditions:
- a) Have appropriate facilities and equipment; have the production and business plan to meet the demands for construction and repair of different nature and size of ships;
 - b) Establish a supervision and quality control department in order to ensure that products must meet all quality, technical safety and environmental protection standards and requirements in accordance with laws and regulations;
 - c) Have an adequate number of personnel to meet production and business requirements;
 - d) Have the plan to fire and explosion prevention, employment safety and sanitation, and the plan for environmental pollution prevention which have been approved in accordance with laws.
2. The Minister of Transport shall adopt the national technical regulation applied to ship building and repair establishments.
3. The People's Committee at the provincial level shall, within their permitted functions, duties and powers, take responsibility to perform the state administration of operations of ship building and repair establishments located within its locality in accordance with prevailing regulations.
4. The Ministry of Public Security, and the Ministry of Natural Resources and Environment, shall be responsible for cooperating with the Ministry of Transport in provision of detailed guidance on the plan for fire and explosion and environmental pollution prevention with respect to ship building and repair establishments.
5. The Government shall provide detailed regulations of paragraph 1 of this Article.

Section 8. SHIP DEMOLITION

Article 46. Plan for development of ship demolition establishments

1. The plan for development of ship demolition establishments must be based on natural and socio-economic conditions; must take into account existing facilities and environmental protection.
2. The Prime Minister shall approve the plan for development of ship demolition establishments.
3. The Minister of Transport shall assume the following responsibilities:

a) Take charge of cooperating with the Ministry of Natural Resources and Environment and relevant local authorities to draw up and request the Prime Minister to approve and decide to revise the plan for development of ship demolition establishments;

d) Adopt the national technical regulation for ship demolition establishments.

4. Investment in construction of a ship demolition establishment must be consistent with the specified plan and must conform to requirements of fire and explosion safety and environmental prevention.

Article 47. Rules of ship demolition

1. The ship demolition must take into account assurance of national defence, security, maritime safety and security, labor safety, fire and explosion prevention, and human health and environmental protection.

2. The ship demolition must only be conducted at the licensed ship demolition establishment in accordance with effective regulations.

3. The ship to be demolished is not mortgaged or subject to any maritime claims.

Article 48. Ship demolition establishment

Ship demolition establishment refers to an enterprise which is established under legal regulations and must meet the following conditions:

1. Be constructed and operate according to the approved plan;

2. Have technical facilities and equipment which facilitate the ship demolition;

3. Complete environmental impact assessment tasks in ship demolition activities under the provisions of laws on environmental protection.

Article 49. Detailed provisions on ship demolition

The Government shall introduce detailed provisions on ship demolition.

Chapter III

CREW MEMBERS AND SEAFARERS

Section 1. CREW MEMBERS

Article 50. Crew members

Crew members refer to seafarers subject to the manning requirements of a ship, including ship master, officers and other professionals working onboard the ship.

Article 51. Responsibilities of the ship owner to crew members

1. Arrange an adequate number of seafarers to meet the manning requirements of a ship and ensure that seafarers must be provided with acceptable working conditions aboard the ship in accordance with regulations laid down in paragraph 2 Article 59 hereof.

2. Define ranks and rank-based roles of seafarers, except for ranks decided by the Minister of Transport.

3. Ensure standard working and living conditions of seafarers aboard a ship in accordance with laws and regulations.

4. Buy accident insurance and other compulsory insurance policies for seafarers working aboard a ship in accordance with laws and regulations.

Article 52. Legal status of the ship master

1. The ship master is the person vested with the supreme command of the ship as an organization's head. All people onboard the ship must observe the ship master's commands.

2. The ship master works under the direction of the ship owner or charterer, operator; in certain necessary cases, with a view to ensuring maritime safety and security and environmental protection during marine operations, the ship master can make his own decision, but has to report to the ship owner, charterer and operator.

Article 53. Obligations of the ship master

1. Manage and operate a ship in accordance with laws.

2. Take charge of ensuring that the ship fully meets maritime safety and security requirements, and necessary conditions for assurance of maritime labor and environmental pollution prevention, and conforms to professional standards and regulations relating to equipment, ship hull, storage and quality of crew members and other matters relating to maritime safety and security, conditions for assurance of maritime labor and environmental pollution prevention for ships and humans aboard a ship before and during the time when the ship is underway at sea.

3. Regularly carry out supervisory activities to ensure that freight are loaded aboard the ship, stowed and stored onboard the ship, unloaded from the ship in a proper manner, even though such work duties have been assigned to responsible persons.

4. Employ methods of preventing freight onboard ships from any damage or loss; apply necessary measures to protect interests of persons who are offered benefits from such freight; summon up all of his capabilities of notifying persons who are granted relevant benefits of special events in relation to such freight.

5. Apply all necessary measures to protect ships, humans and other property aboard ships; prevent illegal carriage of humans or goods aboard ships.

6. Navigate a ship to the nearest safe seaport and implement all necessary measures to protect that ship, humans and property aboard such ship and documentation of such ship in the event that port of freight unloading or passenger disembarkation has been blocked, or exposed to war threats or faced with other emergency conditions.

7. Summon up all of his capabilities of rescuing passengers and then seafarers in the event of threat of shipwreck or damage.

The ship master must be the last person leaving ships after finding all possible ways to collect maritime logbooks, nautical charts and other significant materials aboard ships.

8. Do not abandon ships when the ship is faced with danger, except when leaving the ship is absolutely necessary.

9. Directly maneuver a ship when it is entering or leaving a port, canal, navigational channel, and when it operates in a port water area or when a serious emergency or danger happens.

10. Employ maritime pilots, tugboats if this is stipulated by laws or if this is necessary to ensure safety for the ship.

Employing maritime pilots shall not be grounds for exempting obligations of the ship master defined in paragraph 9 of this Article.

11. Show dedication to his assigned duties in a manner to respect the standard of professional conscience.

12. Conduct search and rescue of persons whose lives are endangered at sea provided that fulfillment of his obligations cause no serious danger to the ship and humans aboard his ship. The ship owner shall not be charged with responsibility for the ship master's breach of obligations defined in this paragraph.

13. Fulfill other obligations in accordance with laws.

Article 54. Rights of the ship master

1. Act on behalf of the ship owner and persons who are offered freight-related benefits when dealing with work duties relating to operation and management of the ship and cargoes carried aboard the ship.

2. Act in the name of the ship owner and persons who are offered freight-related benefits to perform judicial acts within his scope of work duties stipulated in paragraph 1 of this Article, and possibly initiate a lawsuit or participate in the arbitral proceedings in front of a Court or Arbitrary Tribunal when his ship is outside of the registered port, except when the ship owner or persons whose benefits relate to freight declares partial or total restriction on that right of representation.

3. Prevent the ship from sailing at sea if (s)he realizes that it does not meet conditions of maritime safety, security, employment and environmental pollution prevention.

4. Reward or discipline seafarers under his management; have the right to refuse to accept or force unqualified seafarers who fail to meet rank-based requirements or those who offend laws or regulations to leave the ship.

5. Act in the name of the ship owner to take out a credit or cash loan when necessary. Such loan must be within a statutory limit to repair the ship, employ more seafarers and provide necessary supplies for the ship or serve other demands in order for the ship to continue its voyage.

6. Sell a part of the ship's property or abundant reserve amount aboard the ship within the scope of application stipulated by paragraph 5 of this Article in the event that expecting the ship owner to send money or give directions may cause disadvantage or may be impossible.

7. In the course of the ship's making a voyage, if there is no other way to meet conditions for termination of a voyage, the ship master shall be vested with the right to pledge or sell a part of the ship's freight after failing to take an order from the shipper and the ship owner even though all possible actions have been taken. In such case, the ship master must ensure that any loss or damage suffered by the ship owner or the consignor and persons who have relevant interests in such freight must be reduced to the absolute minimum.

8. When the ship is underway at sea without any emergency food supplies, the ship master shall be entitled to decide to use a part of food freight aboard the ship; in case this is found urgent, the ship master shall be allowed to decide to use food supplies of persons onboard the ship. Such use must be documented. The ship owner must pay for the number of food supplies which have been so used.

9. If the ship is in distress at sea, the ship master shall be entitled to send a distress call and, after entering into negotiations with ships providing rescue services, shall exercise his right to make a final decision on a ship which is eligible for rescue operations.

Article 55. Responsibilities of the ship owner regarding civil status

1. Make a nautical logbook and record with participation of the medical staff and two witnesses pertaining to any birth or death that happens onboard the ship and other relevant events; preserve corpses, make a manifest of and keep custody of property of a dead person onboard the ship.
2. Report on any birth or death that happens aboard the ship and send testaments or manifest of property items of a dead person to a competent register office located at the first port within the territory of Vietnam where this ship enters, or to the nearest representative agency if the ship arrives at an overseas seaport.
3. After making every effort to receive the ship owner's order and consult with a dead person's relatives, the ship master shall act in the name of the ship master to complete all required procedures for and arrange a funeral to take place. All costs of such funeral shall be paid in accordance with applicable laws and regulations.

Article 56. Responsibilities of the ship owner regarding the arrest and detainment of persons onboard the ship

1. Once discovering any offence that an offender commits in the act, or any wanted person, or in case of emergency detainment of any person aboard the ship which has left a seaport, the ship master shall assume the following responsibilities:
 - a) Arrest or order an arrest of an offender caught in the act of committing any crime or any wanted person; detain any person in case of emergencies;
 - b) Impose any necessary crime control and prevention and make a record in accordance with laws and regulations;
 - c) Protect evidence and, depending on specific conditions, deliver arrested or detained persons and available documents or records to a competent authority located at the first seaport of Vietnam where the ship arrives or to a public duty ship of Vietnam that such ship comes across at sea, or report to the nearest representative agency of Vietnam and follow all instructions of this agency if this ship enters into an overseas seaport.
2. Whenever necessary, in order to ensure safety and security for a ship, humans and cargoes onboard a ship, the ship master shall be vested with authority to detain any crime suspects, persons caught in the act of committing any crime or any wanted person aboard a ship at a private room.

Article 57. Responsibilities of the ship master for reporting to a representative agency of Vietnam

1. When a ship arrives at an overseas seaport, the ship master must report to the nearest representative agency of Vietnam whenever this reporting is necessary.
2. The ship master shall be charged with responsibilities to present certificates and documents regarding the ship upon the request of the representative agency of Vietnam located within the territory of the country where the ship enters.

Article 58. Responsibilities of the ship master for reporting in case of marine accidents and incidents

Whenever a marine accident and incident occurs, or any accident or other cases relating to maritime safety and security is discovered, the ship master shall be responsible for promptly notifying a competent authority and reporting on such marine accident and incident in accordance with prevailing laws and regulations.

Section 2. SEAFARERS

Article 59. Seafarers aboard a ship

1. A seafarer must meet eligibility requirements and standards for holding ranks onboard a Vietnamese ship.
2. A seafarer working aboard a Vietnamese ship must meet the following eligibility requirements:
 - a) Be a Vietnamese citizen or an overseas citizen authorized to work aboard a Vietnamese ship;
 - b) Meet health standards, working age requirements and achieve professional qualifications in accordance with applied regulations;
 - c) Be assigned to hold professional ranks aboard the ship;
 - d) Hold a discharge book;
 - dd) Possess a passport as a requirement to enter or exit a country, if a seafarer is arranged to work onboard an international ship.
3. A Vietnamese citizen who meets statutory eligibility requirements shall be entitled to work aboard an overseas ship.
4. The Minister of Transport shall adopt detailed regulations on professional ranks and rank-based roles of a seafarer; minimum manning requirements; professional standards and qualifications of each seafarer; registration of a seafarer and a seafarer's discharge book; required conditions that a seafarer who is an alien must meet to work onboard a Vietnamese ship.
5. The Minister of Health shall provide detailed regulations on health standards of a seafarer licensed to work aboard a Vietnamese ship.

Article 60. Obligations of a seafarer

1. A seafarer working aboard a Vietnamese ship must take on the following obligations:
 - a) Strictly observe Vietnamese laws and international agreements to which the Socialist Republic of Vietnam is a party along with laws of the country within which the Vietnamese ship is operating;
 - b) Demonstrate hard work and dedications to their assigned duties and be held accountability to the ship master for these duties;
 - c) Execute the ship master's orders in a timely, strict and accurate manner;
 - d) Prevent any accidents or incidents against the ship, cargoes, humans and baggage onboard the ship. When discovering any dangerous emergency, a seafarer must promptly report to the ship

master or any watchstanding officer, and simultaneously take necessary measures to prevent any accident or incident that may arise from such dangerous emergency;

dd) Manage and utilize certificates, documents, equipment items, instruments and other property aboard the ship which have been assigned.

2. A Vietnamese seafarer working aboard an overseas ship shall be obliged to comply with employment contracts signed with the ship owner or foreign employers.

Article 61. Employment policies and benefits of a seafarer

1. Employment policies and benefits of a seafarer working onboard a Vietnamese ship shall be consistent with Vietnamese legislation and relevant international agreements to which the Socialist Republic of Vietnam is a party.

2. In the event that the ship owner or the ship master orders a seafarer to abandon the ship, the ship owner shall be responsible for covering all living and travel costs which are necessary to be repatriated; in the event that the ship master orders a seafarer to leave the ship, the ship owner must be advised of this.

3. In the event that any legal personal property of a seafarer have been subject to any loss or damage due to any marine accident or incident, the ship owner must compensate for such loss or damage at the market price determined at the time and location of settlement for such accident or incident. A seafarer whose property is lost or damaged at his own faults, (s)he shall have no rights to submit any claim against such loss or damage.

4. Employment policies and benefits of a Vietnamese seafarer working aboard an overseas ship and of a foreign seafarer working aboard a Vietnamese ship must be consistent with employment contracts.

Article 62. Employment contract of a seafarer

Before working onboard a ship, both of a seafarer and ship owner must enter into an employment contract.

2. An employment contract of a seafarer must include basic contents prescribed by laws on employment contracts and must include but not limited to the followings:

- a) Repatriation of a seafarer;
- b) Accident insurance;
- c) Payment for annual leave;
- d) Terms and conditions under which an employment contract is terminated.

Article 63. Work and rest hours of a seafarer

1. Work hours shall be arranged within 24 consecutive hours, including weekly days-off or national holidays.

2. Rest hours shall be stipulated as follows:

- a) Minimum rest hours are 10 hours within any 24 hours, and 77 hours within any 07 days; 77 hours within any 07 days;

b) The number of rest hours within a period of 24 hours may be divided into the maximum of two stages, either of which lasts at least 06 hours, and an interval between two consecutive stages of rest lasts the maximum of 14 hours.

3. If any emergency likely to threaten safety and security for the ship, humans, cargoes aboard the ship occurs, or in order to assist other ships or people in distress at sea, the ship master shall be vested with the right to require any seafarer to be ready to work at any time. Upon completion of emergency duties, the ship master shall be responsible for arranging an adequate amount of rest hours for a seafarer as per subparagraph a paragraph 2 of this Article.

4. The chart of assigned duties specifies work and rest hours of seafarers and is posted in a conspicuous place onboard the ship.

5. In case of mustering seafarers, practicing statutory fire, life-saving or other drills, the ship master can make other rest hour arrangement as stipulated by subparagraph a paragraph 2 of this Article provided that such arrangement is likely to cause minimum impacts on rest hours and does not make a seafarer feel exhausted and is agreed under a collective bargaining agreement or an employment contract with this seafarer according to the following rules:

a) Minimum rest hours are 10 hours within a period of 24 hours, and within a period of 07 days. An exception shall not apply for more than 02 consecutive weeks. An interval between two stages when such exception applied shall not be twice less than the time length of the previous stage in which the previous exception applied;

b) Minimum rest hours stated in subparagraph a paragraph 2 of this Article may be divided into the maximum of three stages, one of which shall not be allowed to last less than 06 hours, and the remaining two of which shall not be allowed to last less than 01 hour;

c) An interval between two consecutive rest stages shall not be allowed to exceed 14 hours;

d) An exception shall be allowed to apply in less than two 24-hour stages within a period of 07 days.

6. The ship master or persons authorized by the ship master shall be responsible for making the record of rest hours and provide it to all of seafarers.

Article 64. Paid annual leaves and public holidays of seafarers

A seafarer working aboard a ship shall be entitled to paid annual leaves and public or national holidays and received their full salary payments. If a seafarer has yet to go on any annual leave or public or national holidays, such seafarer shall be offered a compensatory time-off.

2. The number of paid annual leaves and days-off shall be calculated in accordance with laws and regulations as well as relevant international agreements to which the Socialist Republic of Vietnam is a party. Days-off on the occasion of national, public holidays, those for personal reasons or unpaid ones as prescribed by laws shall not be included in the number of paid annual leaves and days-off.

3. Any agreement under which a seafarer is not entitled to paid annual leaves shall be prohibited.

Article 65. Wage, allowance and other income of a seafarer

The ship owner shall be responsible for paying monthly wage, allowance directly to a seafarer or any person legally authorized by such seafarer.

2. Wage, allowance and other income of a seafarer shall be paid in cash or deposited in a personal account of this seafarer or any of such seafarer's authorized person. In case of making such payment via a bank account, the ship owner must enter into an agreement with a seafarer on costs incurred from account opening, maintenance and money transfer in accordance with applicable laws and regulations.

3. The ship owner shall be responsible for making and providing a seafarer with a monthly income statement which specifies wage, allowance and other income that such seafarer receives.

Article 66. Repatriation of a seafarer

1. The ship owner shall be responsible for arranging repatriation of a seafarer and pay costs incurred under the following circumstances:

- a) Such seafarer's employment contract has expired;
- b) Such seafarer is suffering from any illness or marine occupational accident, which results in his inevitable repatriation;
- c) Such seafarer's ship is wrecked or sunken;
- d) The ship has been sold or its registration has been changed;
- dd) The ship operates within a war zone, which makes such seafarer refuse to continue his work duties aboard the ship;
- e) Other cases are agreed upon between two contracting parties.

2. Where a seafarer unilaterally terminates an employment contract in a illegal manner, or a seafarer is subject to any disciplinary actions in the form of dismissal, the ship owner shall stay responsible for arranging to return this seafarer to the place agreed upon in an employment contract with this seafarer but such seafarer shall be liable, at the own expense, for all costs incurred to the ship owner.

Costs incurred from repatriation of a seafarer shall be covered by the ship owner, including:

- a) Costs paid for making a voyage to the place of repatriation as agreed upon in an employment contract;
- b) Meal and accommodation cost of this seafarer which is calculated from the date of disembarkation from the ship to the date of arrival at the place of repatriation;
- c) Salary and travel cost of this seafarer which are calculated from the date of disembarkation from the ship to the date of arrival at the place of repatriation;
- d) Cost of carrying the maximum of a maximum baggage allowance of 30 kilos (kg) to the repatriation place;
- dd) Necessary medical cost which is calculated till such seafarer is healthy enough to make a voyage to the repatriation place.

4. The ship owner shall be responsible for arranging repatriation of a seafarer by an appropriate and convenient means of transport. The repatriated seafarer shall be moved to the place agreed upon in an employment contract with such seafarer or the place where such seafarer resides.

5. Statute of limitations for any claim regarding the seafarer repatriation shall be 01 year from the date of repatriation.

6. The ship owner shall be responsible for keeping copies of legal documents on repatriation and providing them for seafarers.
7. The ship owner shall be responsible for ensuring financial capability to pay seafarers for their repatriation in accordance with laws and regulations.
8. Where a competent authority of Vietnam has to make any arrangement for the seafarer repatriation, the ship owner shall be liable for reimbursement for costs incurred.
9. The Minister of Finance shall provide guidance on regulations laid down in paragraph 7 and 8 of this Article.

Article 67. Food and drink

1. The ship owner shall be responsible for providing free food and drink which must ensure an adequate amount, nutritional value, accepted quality standards, diverse nature, and conformity to food safety and hygiene requirements for seafarers onboard a ship; must accord with religious beliefs, values and cultural identities of seafarers.
2. The ship owner or any person appointed by the ship owner must regularly carry out checking and keeping a record of the following contents:
 - a) Supply of food and drink;
 - b) Storage warehouse, barrel and other devices used for storage and preservation of food and potable water;
 - c) Galley and other appliances used for preparing and serving meals.
3. The ship owner shall be responsible for assigning a chief cook and catering attendants who serve seafarers with meals. Where there are fewer than ten seafarers aboard a ship, appointment of a chief cook is not compulsory but that of a catering attendant is required.
4. The Minister of Health shall adopt regulations on food and potable water hygiene and safety criteria, and food and drink serving per each meal for each seafarer working onboard a ship.

Article 68. Medical care for seafarers

1. Seafarers shall have access to regular, timely and free medical care during the period of their work onboard a ship and at the port where this ship arrives.
2. The ship owner shall be responsible for providing medical care services for seafarers onboard the ship in accordance with the following provisions:
 - a) Protect and take care of health of seafarers working onboard a ship in a similar manner to medical care services provided for inland employees in terms of medicines, medical equipment and supplies, healthcare manuals, healthcare information and medical consultation;
 - b) Ensure that all seafarers shall have access to medical examination and treatment at healthcare service providers or dental centers located at the port where the ship docks;
 - c) Take measures to prevent marine occupational accidents and illnesses through dissemination and education of healthcare knowledge for seafarers.
3. The ship owner shall be responsible for implementing regulations on employment of doctors on board a ship as follows:

- a) As for a ship carrying at least one hundred of persons and taking more than 3 days' international voyage, at least one doctor must be available;
- b) As for a ship carrying fewer than one hundred of persons and having none of doctors onboard, at least 01 seafarer must take charge of medical care and medicines management duties, or one seafarer competent to give first aid must be assigned.

The seafarer tasked with providing medical care and first aid service must be completely trained in such medical care and first aid service in conformance to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers.

4. The ship master or any person in charge of medical care on board the ship shall be responsible for creating forms or templates of a medical report in accordance with laws and regulations. Forms or templates of a medical report shall be used for exchanging information with inland healthcare service providers. Information provided in a form or template of a medical report must be treated with complete confidentiality and shall be used for diagnosis, care and treatment purposes only.

5. The Minister of Transport shall assume the following responsibilities:

- a) Announce the list of seafarer healthcare service providers;
- b) Provide regulations on medicine cabinets, medical equipment and medical care manuals on board, and medical care report forms or templates.

Article 69. Responsibilities of the ship owner to seafarers suffering from marine occupational accidents or diseases

1. Make co-payment for relevant costs and those which are not covered by health insurance, including medical treatment, surgery, hospitalization, medicine types, equipment necessary for medical treatment, meal and accommodation cost of a seafarer calculated from the date of first aid to the date of recovery or till the date of determination of chronic disease.

Pay a full amount of salary as agreed upon in an employment contract with a seafarer within the medical treatment period.

3. Pay burial costs in the event that a seafarer dies onboard the ship or ashore while such seafarer is employed to work aboard that ship.

4. Carry dead seafarer's corpse or cremated remains to the place of repatriation.

5. The ship owner shall not be liable for costs paid to a seafarer under the following circumstances:

- a) Such seafarer has been injured or has contracted an illness which happens at any time rather than the time when this seafarer is employed to work aboard the ship;
- b) Such seafarer has been injured or has contracted an illness due to this seafarer's intentional acts.

6. Protect and return any property aboard the ship to such seafarer or his relatives in the event that such seafarer has left the ship by reason of illness, injury or death.

Article 70. Providing an account of, investigating, enumerating and reporting marine occupational accidents and diseases

1. If a marine occupational accident occurs, the ship owner or the ship master shall be responsible for providing an account of such accident as per the law on employment for any of the following competent authorities:

- a) Port authority, if the ship is currently operating within the port water area;
- b) Maritime state regulatory agency, if the ship is currently operating within Vietnamese territorial waters and international waters;
- c) Vietnam's representative agency, if the ship is operating within the overseas waters.

2. Investigating, enumerating and reporting marine occupational accidents and diseases shall be consistent with the law on employment and occupational safety.

3. The Minister of Labor, War Invalids and Social Affairs shall adopt regulations on providing an account of, investigating, enumerating and reporting marine occupational accidents.

Article 71. Prevention of marine occupational accidents and diseases

1. The ship owner shall be responsible for developing and applying measures consistent with effective regulations on assurance of safety and sanitation for seafarers' marine occupations and occupational diseases, including:

- a) Instruct and train seafarers in occupational safety and sanitation before assigning them to work aboard a ship or other work duties or any other work activities which have higher level of risk;
- b) Train seafarers in occupational safety and sanitation in a periodic manner as per prevailing laws and regulations;
- c) Examine, evaluate hazardous or harmful elements; propose measures to eliminate and minimize dangers or harms; improve working conditions and medical care for seafarers;
- d) Define specific responsibilities of each seafarer for occupational safety and sanitation activities onboard the ship;
- dd) With respect to a ship carrying at least five seafarers, the ship owner must set up and define roles or powers of the occupational safety board;
- e) Provide seafarers with a full amount of personal safety and protective equipment as well as other devices to prevent occupational accidents from occurring, and provide them with instructions for use for these equipment or devices. Personal protective equipment must meet statutory quality standards;
- g) Ensure that machines, devices and materials available on board the ship which must conform to strict occupational safety requirements must be technically inspected before being brought into operation, and must be periodically inspected during the period of use in accordance with laws and regulations;
- h) Ensure that unauthorized persons shall not be allowed to enter into ship areas which may cause impacts on human health and safety;
- i) Outline the plan for emergency response in respect of marine occupational accidents relating to seafarers and conduct annual drills.

2. The ship owner shall be responsible for purchasing accident insurance or civil liability insurance, and any binding compulsory insurance for seafarers during the period when they are employed to work on board the ship.
3. The ship owner shall be responsible for regularly and periodically expediting and inspection implementation of measures to assure occupational safety and sanitation for seafarers adopted by the ship owner; taking remedial actions against any insecurity aboard the ship and reporting to the ship owner.
4. Seafarers shall be responsible for complying with measures to assure occupational safety and sanitation adopted by the ship owner.
5. The Minister of Labor, War Invalids and Social Affairs shall introduce the list of machines and devices onboard the ship which must conform to strict occupational safety and sanitation requirements upon the request of the Ministry of Transport.

Article 72. Training and drilling seafarers

1. Seafarer training and drilling center must ensure that requirements of facilities and teaching staff are met as prescribed by the Government's regulations.
2. Seafarer training and drilling programs must be consistent with Vietnamese laws and regulations, and relevant international agreements to which the Socialist Republic of Vietnam is a party.
3. The ship owner shall have rights and responsibilities to admit and provide favorable conditions for trainees to work as apprentices on board the ship.
4. The Minister of Transport shall adopt detailed provisions of paragraph 2 and 3 of this Article.

Chapter IV

SEAPORT

Section 1. GENERAL PROVISIONS

Article 73. Seaport

1. Seaport refers to an area enclosing port land and water areas of which infrastructure facilities are constructed and equipment necessary for incoming and outgoing ships is installed in order to load or unload goods, embark or disembark passengers as well as to render other services. A seaport may include one or two port terminals. A port terminal includes one or a lot of wharves.

Offshore oil port refers to a facility constructed and installed at the offshore oil production area for the ship to enter or leave for loading and unloading of cargoes and rendering of other services.

2. Port infrastructure includes wharves, an area of water facing against wharves, warehouses, storage yards, facilities, work offices, service establishments, traffic, communications, electricity and water supply systems which are engineered and installed at fixed positions within a port land area and an area of water.

3. An area or region of water includes pilot embarkation and disembarkation area, phytosanitary inspection area, turning basin, anchorage area, transshipment area and storm shelter area within a port water area.

4. Military port, fishing port and inland port and port terminal located within a port water area shall be subject to the state administration for maritime safety and security, fire and explosion protection and environmental pollution prevention under the provisions of this Code and other relevant laws and regulations.

Article 74. Criteria for determination of a seaport

1. Have a water area thoroughly connecting to a sea.
2. Have natural geographical conditions to meet requirements relating to construction of a wharf, port terminal, anchorage area, transshipment area and navigational channel for the ship to enter, leave and operate in a safe manner.
3. Have advantages in marine transportation.
4. Act as the center of the traffic network to facilitate inland freight transport, carriage and transshipment of exporting and importing goods by sea.

Article 75. Classification of seaports and advertisement of the list of seaports

1. Seaports are classified into the followings:
 - a) Special seaports mean large-scale seaports which are aimed at nationwide or inter-regional socio-economic development, and perform their functions as international transshipment or gateway ports;
 - b) Grade-I seaports mean large-scale seaports which serve the purpose of nationwide or inter-regional socio-economic development;
 - c) Grade-II seaports mean medium-scale seaports which serve the purpose of regional socio-economic development;
 - d) Grade-III seaports mean small-scale seaports which serve the purpose of local socio-economic development.
2. The Prime Minister shall decide classification of seaports and advertisement of the list of seaports after considering the request of the Minister of Transport.
3. The Minister of Transport shall advertise the list of port terminals that belong to Vietnam's seaport system after considering the request of maritime state regulatory agencies.

Article 76. Fundamental functions of a seaport

1. Provide vessel traffic services for ships which enter and leave a seaport.
2. Provide transports, equipment and workforce necessary for ships to anchor, load or discharge goods and embark or disembark passengers.
3. Provide freight transportation, loading, discharge, warehousing and storage services within the territory of a seaport.
4. Play its role as the center to help different traffic networks outside of the seaport to get connected together.
5. Be designed provide shelter, repair and maintenance or other indispensable services for ships in case of emergencies.
6. Provide other services for ships, humans and cargoes.

Article 77. Rules for naming a seaport, offshore oil port, port terminal, wharf, floating terminal, water area and water region

Seaport, offshore oil port, port terminal, wharf, floating terminal, water area and water region must be named according to the following rules:

1. Seaport, offshore oil port, port terminal, wharf, floating terminal, water area and water region must be given a name during the process of developmental plan or construction project formulation. Such name must be utilized as requested by the project owner or relevant agencies or organizations.
2. Names of seaports, offshore oil ports, port terminals, wharves, floating terminals, water areas, and water regions, shall not be allowed to coincide with each other or be misleading, or there may be an inconsistency between designated names and functions of these seaports, offshore oil ports, port terminals, wharves, floating terminals, water areas, and water regions.
3. Names of state agencies, armed force units, political organizations or socio-political organizations shall not be used as whole or partial particular names of these seaports, offshore oil ports, port terminals, wharves, floating terminals, water areas, and water regions, unless otherwise approved by these agencies, units or organizations.
4. Words or signs which offend against historical, cultural, moral and traditional values shall not be allowed to use for naming purposes.

Article 78. Authority to name a seaport, offshore oil port, port terminal, wharf, floating terminal, water area and water region

1. The Minister of Transport shall be vested with authority to decide to give names to seaports and offshore oil ports.
2. Heads of maritime state regulatory agencies shall be accorded authority to decide names given to port terminals, wharves, floating terminals, water areas and water regions.

Article 79. Public notice of opening or closing of a seaport and port water area

The Government shall adopt regulations on authority, conditions and procedures in relation to the opening and closing of a seaport, wharf, port terminal, floating terminal, water area, water region, port water area, and management of a navigational channel and marine operations that take place at a seaport.

Article 80. Temporary refusal of permission for ships to enter or leave a seaport, port terminal, wharf, floating terminal, water area or water region

1. In order to ensure maritime safety, security and environmental protection, national defence and security, or prevent natural disasters or epidemics, the Director of Port authority shall make a decision on temporary refusal of permission for ships to enter or leave a seaport, port terminal, wharf, floating terminal, water area or water region.
2. If there is none of reasons for refusal of permission for ships to enter or leave a seaport, port terminal, wharf, floating terminal, water area or water region, the Director of Port authority shall make a decision to cancel such temporary refusal.
3. Promptly after grant of the decision on temporary refusal or cancellation of temporary refusal of permission for ships to enter or leave a seaport, port terminal, wharf, floating terminal, water

area or water region, the Director of Port authority must report to a maritime state regulatory agency; simultaneously, notify the ship owner or an agent of the ship owner and other relevant specialized state regulatory agencies located at a seaport.

Article 81. Plan for development of a seaport system

1. The seaport system development plan must be based on the strategy for socio-economic development; national defence and security tasks; demands and resources; the scheme for developing transportation, other industries, characteristics of each locality and trends of maritime development in the world.

Whilst preparing the scheme for executing construction projects relating to a seaport, Ministries and provincial People's Committees must seek written advice from the Ministry of Transport.

2. The Prime Minister shall approve the master plan for seaport system development.

3. The Minister of Transport shall ratify the detailed plan for seaport system development.

Article 82. Responsibilities for drawing and managing the seaport system development plan

1. The Minister of Transport shall assume the following responsibilities:

a) Formulate and submit the master plan for Vietnam's seaport system development to the Prime Minister for ratification purposes, and suggest modification of the approved master plan;

b) Publicly disseminate and provide guidance on and conduct inspection of implementation of the approved plan;

c) Ratify the detailed plan for a cluster of seaports, port terminals, wharves, floating terminals, water areas or water regions; grant a decision on detailed modifications of the detailed plan for such cluster which is not inconsistent with functions or scale referred to in the master plan for Vietnam's seaport system development.

2. Ministries, Ministry-level bodies and provincial People's Committee shall assume the following responsibilities:

a) Collaborate with the Ministry of Transport in conducting administration of the plan for seaport system development under the provisions of this Code and other regulations of relevant laws;

b) Reserve an adequate amount of land lots and water areas for seaport system development according to the approved plan.

Article 83. Investment in construction, management and operation of seaports and navigational channels

1. Investment in construction of seaports and navigational channels must be consistent with the plan for development of seaports and navigational channels in accordance with this Code and other provisions of laws on investment, construction and other relevant legal regulations.

2. Domestic or foreign organizations or individuals shall be allowed to invest in construction of seaports or navigational channels in accordance with laws.

Organizations or individuals investing in construction of seaports or navigational channels shall decide the modality of management and operation of seaports and navigational channels.

3. Before approving an investment project, a competent authority must obtain a written consent from the Ministry of Transport.

4. Organizations or individuals investing in construction of seaports, port terminals and wharves shall decide the proper management and operation modality which must be consistent with laws and regulations.

Article 84. Nautical chart of port water area, navigational channel and route

The Ministry of Transport shall take charge of collaborating with the Ministry of National Defense in conducting construction and publication of the nautical chart of a port water area, navigational channel or route for the purpose of ensuring maritime safety after considering the request of a maritime state regulatory agency.

Article 85. Detailed provisions on seaports

1. The Minister of Transport shall adopt detailed provisions on conduct of operations of ships at seaports, inland terminals and fishing ports within the territory of a port water area.
2. The Government shall promulgate detailed provisions on criteria for classification of seaports; investment in construction, management and operation of seaports and navigational channels, and eligibility requirements for seaport operation business; processes and procedures for naming or change of names of seaports, offshore oil ports, port terminals, wharves, floating terminals, water areas or water regions.

Section 2. SEAPORT ADMINISTRATION

Article 86. Administration of operation of port infrastructure projects financed by the state budget

1. The part or whole of a port infrastructure project financed by the state budget shall be leased for operation in accordance with laws.
2. Leasing a port infrastructure project for operation purposes shall be carried out in accordance with laws on procurement and other relevant legal regulations.
3. The authority that makes a decision to invest in a port infrastructure project shall decide the leasing of such port infrastructure project for operation purposes.
4. Lessee must meet all of the following requirements:
 - a) Have the legal entity;
 - b) Have the plan for conduct and operation of such leased project in a manner of effectiveness and right purpose;
 - c) Have the financial competence.
5. The Government shall adopt detailed regulations on leasing of port infrastructure for operation purposes and utilization of revenues generated from such leasing.

Article 87. Port management and operation authority

The port management and operation authority shall be established by the Government, and shall be assigned a port land or water area for the purpose of planning and investing in construction, development and operation of port infrastructure facilities and post-port logistics service area.

Article 88. Duties and powers of the port management and operation authority

1. Formulate and submit the master plan for development of assigned port land and water area to the Ministry of Transport for review before reporting to the Prime Minister to apply for ratification.
2. Formulate and submit the detailed plan for development of assigned port land and water area to the Ministry of Transport to apply for its ratification.
3. Invest in construction and development of port infrastructure facilities in conformance to the approved plan.
4. Apply for investment registration, and inspect, grant, revise and revoke the investment certificate in respect of projects for investment in post-port logistics service area located at such assigned land and water area.
5. Introduce regulations on management of operations that take place within such assigned port land and water area.
6. Conduct administration of investment in and operation of port infrastructure facilities and post-port logistics infrastructure systems.
7. Implement the procurement procedure for operating lease of wharf and port terminal infrastructure system.
8. Examine and supervise operations performed by operators of seaports and post-port logistics service area.
9. Take control of and supply equipment, and ensure safety for port operations and ship's movements under its management.
10. Provide pilotage, towage, logistics and other relevant service within these assigned port land or water area.
11. Maintain, overhaul and repair port infrastructure facilities located within such assigned port land and water area.
12. Decide on amounts of charges paid for services rendered within such assigned land and water area on the basis of the service charge schedule issued by competent authorities.
Determine levels of charges paid for services rendered within such assigned port land and water area on the basis of the service price schedule issued by the Minister of Transport.
13. Be given other duties and powers by the Government.

Article 89. Organizational structure of the port management and operation authority, areas to which the model of a port management and operation authority is applied

1. The Board of Members of a port management and operation authority (the Board) is composed of a President, Vice President and commissioners.
2. President, members of the Board and General Director of the port management and operation authority shall be appointed by the Prime Minister upon the request of the Minister of Transport. It must include representatives of organs such as the Ministry of Transport, the Ministry of Finance, the Ministry of Planning and Investment, the Ministry of Natural Resources and Environment, People's Committees of the provinces to which the model of a port management and operation authority is applied.

3. The Government shall adopt detailed regulations on the organizational structure, duties and powers of the port management and operation authority, and areas to which the model of a port management and operation board is applied.

Article 90. Maritime fees, charges and port service charges

1. Maritime fees or charges and collection, payment, management and utilization of maritime fees or charges shall be consistent with laws and regulations on fees and charges.

2. Port service charges shall include:

a) Charges paid for services relating to container handling, pilotage and utilization of wharf, terminal and floating dock, and towage;

b) Charges paid for other port services.

3. Service enterprises shall, at their discretion, decide on specific port service charges referred to in subparagraph a paragraph 2 of this Article which are subject to the price range decided by the Ministry of Transport.

4. Service enterprises shall, at their discretion, decide on specific port service charges referred to in subparagraph b paragraph 2 of this Article.

5. Service enterprises shall prepare the list of port service charges for submission to competent authorities and make it known to the public in accordance with laws on price.

Article 91. Port authority

1. The port authority refers to an organ directly affiliated to a maritime state agency which is assigned to perform its marine state administration duties at a seaport and other areas that fall under its management.

2. The Director of a port authority is the ultimate commander in this port authority.

3. The Ministry of Transport shall adopt regulations on organization and operation of a port authority.

Article 92. Duties and powers of the Director of a port authority

1. Get involved in formulating the plan and proposal for development of seaports under his delegated powers and conduct oversight of implementation of such plan and proposal after obtaining approval from competent authorities.

2. Conduct implementation of regulations on management of marine operations that take place at seaports and areas that fall under his management; examine and oversee navigational channels and marine signaling systems; check marine operations of organizations or individuals that take place at seaports and areas that fall under his management.

3. Authorize and oversee ships which enter, leave and operate within a seaport; prevent ships from entering or leaving seaports if necessary conditions relating to maritime safety and security, marine occupation and environmental pollution prevention have not been met.

4. Take charge of coordination in navigational operations that take place at seaports and areas that fall under his management.

5. Implement any decision to impound ships granted by competent state agencies.

6. Temporarily impound any ship as stipulated by Article 114 of this Code.
7. Take charge of searching and rescuing people in distress at sea within the territory of the port water area under his management; mobilize necessary personnel and equipment for such search and rescue or for environmental pollution response.
8. Conduct sea-going ship registration or seafarer registration which is assigned by competent authorities; collect, manage and use port fees and charges in accordance with laws.
9. Conduct marine inspection, and investigate and handle, within his jurisdiction, marine accidents that occur at seaports and areas under his management.
10. Take charge of or direct the operational cooperation between state regulatory agencies operating at seaports.
11. Impose administrative penalties for any violation that may arise in the maritime area within his jurisdiction.

Article 93. Collaboration on state administration operations at seaports

1. Marine state regulatory agencies, and security, phytosanitary inspection, customs, taxation, culture, sports and tourism, fire and explosion prevention, environmental protection, and other authorities, shall implement duties and powers at seaports as per laws and regulations. Within their assigned duties and delegated powers, these authorities shall be responsible for collaborating on their operations and putting their collaboration under control of the Director of the port authority.
2. State regulatory agencies which have regular operations at seaports shall be allowed to establish their work offices within the territory of such seaports. Port enterprises shall be charged with responsibility to provide favorable conditions for such agencies to implement their duties and powers.

Section 3. PROCEDURE FOR SHIPS' PORT ARRIVAL AND DEPARTURE

Article 94. Requirements for ships' port arrival

1. All of ships, regardless of their nationality, tonnage and purpose of use, shall be allowed to enter into a seaport if they meet maritime safety, security, occupation, environmental protection and other conditions in accordance with laws and regulations.
2. A ship shall be allowed to operate at seaports, port terminals and wharves which have been advertised for use, and must be relevant to their designed functions.
3. In the event that foreign ships are underway at Vietnamese sea outside of the port water area, procedures for ships' entering and leaving a seaport must be completed at the port authority in charge of managing that seaport. The port authority shall be responsible for overseeing operations of a ship in order to ensure maritime safety, security and environmental pollution prevention.

Article 95. Rules for foreign military vessels' arrival in Vietnam

1. A foreign military vessel must be authorized to enter into Vietnam by competent state regulatory authorities in accordance with laws and regulations.
2. The foreign military vessel that arrives in Vietnam must comply with regulations of Vietnamese laws, unless otherwise diplomatically agreed upon between the country whose

national ensign is flown by that vessel and the competent state regulatory agency of Vietnam prior to such vessel's arrival in Vietnam.

3. The work schedule and members working onboard that vessel must be consistent with specified arrangements; where there is any change or supplementation to the schedule or members, such change and supplementation must be subject to the permission granted by Vietnam's competent authorities.

4. In order to be allowed to enter into a Vietnamese seaport, a foreign military vessel that is heading toward Vietnam's territory waters must comply with the following regulations:

a) A submarine and any other submersible must operate above the water surface and fly the national ensign of the Socialist Republic of Vietnam at the position which is as high as that of its national ensign, unless otherwise permitted by the Government of Vietnam or agreed upon between the Government of Vietnam and the Government of the country whose national ensign is flown by such submarine or submersible;

b) Ship identification numbers and ship name must be inscribed onto the ship's body;

c) All weapons taken onboard that vessel must be placed in a rest or unmounted position or kept in locked storage;

d) That vessel must stop at the pilot embarkation and disembarkation area in order to complete procedures for entry and any procedure under the instructions of the port authority or pilotage in Vietnam;

dd) Only necessary maritime safety equipment or registered frequencies used for marine communications shall be allowed for use.

e) That vessel must enter into the right seaport by sailing along the stipulated navigational route and corridor.

5. If a foreign military vessel heading toward Vietnam wishes to move from this seaport to the other within the territory of Vietnam, it must apply for approval granted by Vietnam's competent authority.

Article 96. Time limit for completion of statutory procedures for a ship's entering and leaving a seaport

1. No later than 02 hours after the time of a ship's anchoring at a wharf or before the proposed time of a ship's leaving a seaport, the responsible persons are required to complete stipulated procedures for the ship's entering or leaving a seaport.

2. No later than 01 hour after completion of such procedures and submission of all required documents, the port authority must make a decision to grant permission for such ship's entering and leaving its seaport.

3. After completion of procedures for a ship's entering and leaving a Vietnamese seaport, that ship shall be exempted from the entry procedures at another Vietnamese seaport. The port authority in charge of managing the seaport where a ship arrives shall be subject to the permit for departure from a seaport issued by the port authority in charge of managing the seaport that such ship has left in order to allow such ship to operate at its seaport. Then, other specialized state regulatory agencies shall refer to the port movement dossier (if any) provided by a relevant port

authority in charge of managing the seaport where the ship has left in order to perform regulatory operations in accordance with laws and regulations.

Article 97. Provisions on exemption or reduction on procedures for ship arrival and departure in certain special cases

1. Public duty ships when on duty, ships used for embarking and disembarking pilots, those specially designed for search and rescue operation, assurance of maritime safety, fire and explosion prevention or for other emergency duties shall be exempted from statutory arrival and departure procedures, but these ships' masters are required to report on this to the port authority in writing, in or by any other relevant form or communications means.

2. Ships arriving in a seaport to deliver rescued humans, property and ships and only staying at a seaport within a period of less than 12 hours shall be allowed to complete only one-time arrival and departure procedures.

Article 98. Rules of a ship's departure from a seaport

1. A ship shall be allowed to leave a seaport after all required procedures have been completed.

2. A ship shall not be allowed to leave a seaport under the following circumstances:

a) That ship fails to meet required maritime safety, security, occupation and environmental pollution prevention conditions;

b) Maritime fees or charges have not been completely paid by the stated deadline;

c) Any other threat to safety for that ships, humans or cargoes onboard that ship and sea environment has been discovered;

d) That ship is subject to the ship detention and temporary impounding order issued by the court or competent authority in accordance with laws and regulations.

3. In the event of refusing to allow a ship to depart from a seaport under the provisions of subparagraph a, b and c paragraph 2 of this Article, the Director of the port authority or authorized organizations or individuals must notify the ship master and any relevant agencies of reasons for such refusal, and must allow such ship to complete departure procedures promptly after such reasons no longer persist.

Article 99. Authority to grant permission, processes and procedures for a ship's entering and leaving a seaport

The Government shall adopt detailed regulations on Authority to grant permission, processes and procedures for a ship's entering and leaving a seaport and for a foreign military vessel's arrival in Vietnam.

Section 4. INLAND PORT

Article 100. Functions of an inland port

1. Receive and deliver goods carried by containers.

2. Load and unload cargoes into and out of shipping containers.

3. Gather freight containers transported to a seaport and in opposite direction.

4. Inspect and complete customs procedures for exporting or importing goods.

5. Consolidate and deconsolidate goods of multiple owners loaded in the same container.
6. Temporarily store exporting and importing goods and containers.
7. Repair and maintain containers.

Article 101. Criteria for determination of an inland port

1. An inland port must conform to the plan for inland port system development which has already been approved.
2. It must be connected to main transportation corridors and seaports, which serve the purpose of regional economic development.
3. It must have at least two transport modes in order to provide favorable conditions for multimodal transport organizations, or must be directly connected to one mode of transport which has high competency.
4. It must provide sufficient space to locate work offices of relevant agencies or organizations.
5. It must meet fire and explosion prevention and environmental protection requirements in accordance with laws and regulations.

Article 102. Plan for development of an inland port system

1. The plan for inland port system development must be based on the strategy for socio-economic development; national defence and security tasks; the scheme for developing transportation.
2. The Prime Minister shall ratify and revise the master plan for inland port system development after considering the request of the Minister of Transport.
3. The Minister of Transport shall ratify the detailed plan for inland port system development. Publicly disseminate and conduct provision of guidance on and inspection of implementation of the approved plan.
4. Ministries and provincial People's Committee shall assume the following responsibilities:
 - a) Collaborate with the Ministry of Transport in conducting administration of implementation of the plan for inland port system development under the provisions of this Code and other regulations of relevant laws;
 - b) Reserve an adequate amount of land lots for inland port system development according to the approved plan.

Article 103. Investment in construction, management and operation of inland ports

1. Investment in construction of inland ports must be consistent with the plan for inland port system development and provisions of laws on investment, construction and other relevant legal regulations.
2. Organizations or individuals shall be licensed to invest in construction and operation of inland ports as per laws and regulations.
3. The Government shall adopt detailed regulations on investment in construction, management and operation of inland ports.

Article 104. Authority to publicly announce opening, temporary suspension and closing of inland ports and responsibilities of state regulatory agencies in charge of state administration of inland ports

1. The Minister of Transport shall issue a public announcement of opening, temporary suspension and closing of an inland port.
2. State security, phytosanitary inspection, customs, taxation, and other regulatory agencies, shall implement duties and powers at inland ports as per laws and regulations.
3. State regulatory agencies which have regular operations at inland ports shall be allowed to establish their work offices within the territory of such inland ports. Inland port enterprises shall be held responsible for providing favorable conditions for such state regulatory agencies to implement their duties and powers.

Chapter V

MARITIME SAFETY, SECURITY, OCCUPATION AND ENVIRONMENTAL PROTECTION

Article 105. Assurance of maritime safety, security, occupation and environmental protection

1. Vietnamese sea-going ships shall only be used for purposes which have been registered in the national register of ships of Vietnam once the structure, equipment, certificates and documents of such ships, and manning requirements and qualifications of crew members, are consistent with Vietnamese laws and regulations and international agreements to which the Socialist Republic of Vietnam is a party.
2. Sea-going ships, military vessels, public duty ships, fishing ships, inland watercraft, submarines, submersibles, hydroplanes, floating warehouses, movable platforms and floating docks must, upon operating within a port water area and territorial waters of Vietnam, comply with instructions conveyed by marine signaling systems and observe rules for preventing collisions at sea in accordance with regulations laid down by the Minister of Transport.
3. When a ship is underway within the territory of a navigational channel and at necessary positions along the coastline, on the island, or in the water environment with obstacles and other marine structures and in the port water area where such ship is licensed for operation, marine signaling system must be kept in place in accordance with regulations adopted by the Minister of Transport.
4. Ships specially engineered to transport oil and petroleum products or other hazardous goods are required to have civil liability insurance purchased by the ship owner against environmental pollution issues when underway within Vietnamese port water area and waters.
5. Foreign nuclear-powered ships, ships used for carrying nuclear materials shall be allowed to operate within the port water area, internal waters and territorial waters of Vietnam only after the Prime Minister grants permission.
6. Organizations or individuals operating within Vietnamese seaports and waters must observe Vietnamese laws and regulations and international agreements to which the Socialist Republic of Vietnam is a party with regard to maritime safety, security, occupation and environmental protection.

Article 106. Ship security and seaport security

1. Passenger-carrying ships and cargo-carrying ships which have the capacity of a least 500 GT and movable platforms, all of which are flying the Vietnamese national ensign to operate in the international route, must have the ship security plan in accordance with laws and regulations.
2. Vietnamese seaports which are allowed to receive foreign and Vietnamese ships as referred to in paragraph 1 of this Article must have the seaport security plan in accordance with applicable regulations.
3. The Minister of Transport shall adopt specific regulations on formulation, evaluation and ratification of the plan for ship, seaport, water area and water region security; those on certification regarding ship and seaport security.

Article 107. Dissemination of maritime security information

1. Maritime security information refers to pieces of information about any illegal act of obstruction of a ship's voyage, or about any past or possible risk that can cause ship accidents or incidents.
2. Ships operating within Vietnamese port water area and waters must send a distress call when in a state of emergency at sea in accordance with regulations.
3. Other ships must, upon receipt of maritime security information from any ship underway at sea, be obliged to transmit such information to responsible authorities or organizations of such ship's country.
4. The authority that has received maritime security information shall be responsible for arranging 24/24 watchstanding work in order to process received information and deliver maritime security information in a timely manner to any relevant authority.
5. The Government shall adopt specific regulations on public dissemination, receipt, processing and delivery of maritime security information.

Article 108. Assurance of maritime safety

1. Assurance of maritime safety shall include the following activities:
 - a) Conduct and manage the work of assurance of maritime security;
 - b) Provide maritime security assurance service.
2. Conduct and management of maritime safety assurance refer to establishment and operation of a maritime safety assurance system, including formulation of the plan and management of investment in construction of infrastructure facilities, and conduct of operation of maritime safety assurance system; standardization, evaluation and control of quality of maritime safety assurance service.
3. Maritime safety assurance service includes:
 - a) Establish, operate, sustain and maintain marine signaling systems, navigational channels and routes;
 - b) Explore, sketch out and publish the nautical chart of port water area, navigational channel and route;
 - c) Issue nautical notifications;

- d) Regulate assurance of maritime safety;
 - dd) Design and issue maritime safety documents and publications;
 - e) Provide electronic maritime information;
 - g) Provide marine pilotage service;
 - h) Provide marine search and rescue service;
 - i) Clear obstructions that can pose risks to the maritime safety;
 - k) Render other maritime safety assurance services in accordance with laws and regulations.
4. Maritime safety service providers must meet all required conditions in terms of equipment, financial and human resource as prescribed by laws and regulations.
5. The Government shall adopt regulations on eligibility requirements for provision of maritime safety assurance service.

The Minister of Transport shall conduct and manage maritime safety assurance duties.

Article 109. Navigational route located within Vietnamese territorial waters

1. Navigational route refers to the path of a ship within Vietnamese territorial waters which is restricted by points that have positions and coordinates defined and announced by competent regulatory authorities to direct ships sailing into Vietnamese waters.
2. Establishment of a navigational route within Vietnamese territorial waters used for safe passing and assurance of maritime safety of ships must be consistent with Vietnamese legislation, 1982 United Nations Convention on Law of the Sea and other relevant international agreements to which the Socialist Republic of Vietnam is a party.

Article 110. Establishment and public announcement of navigational route and categorization of navigational routes within Vietnamese territorial waters

1. The Ministry of Transport shall carry out establishment and public announcement of maritime routes and categorization of navigational routes within Vietnamese territorial waters upon the request of maritime state regulatory agencies.
2. The Ministry of Foreign Affairs shall collaborate with the Ministry of Transport and other relevant agencies to notify international organizations of maritime routes and categorization of navigational channels within Vietnamese territorial waters in accordance with Vietnamese legislation and other relevant international agreements to which the Socialist Republic of Vietnam is a party.

Article 111. Establishment and public announcement of maritime routes and categorization of navigational routes within Vietnamese territorial waters

1. Name of maritime route.
2. Positions, coordinates and technical specifications of maritime routes.
3. Information about categorization of navigational channels.
4. Instructions for ships' operations on a maritime route.
5. Other necessary information.

Article 112. Form of announcement of maritime route and categorization of navigational routes within Vietnamese territorial waters

1. Public announcement of maritime routes and categorization of navigational channels within Vietnamese territorial waters shall take the following forms:

- a) Publish the nautical chart or relevant paper or electronic documents used for sea-going issues;
- b) Disseminate maritime notifications;
- c) Establish the directory of maritime routes and navigational routes within Vietnamese territorial waters.
- d) Follow other relevant forms in accordance with laws.

2. Maritime state regulatory agencies shall assume the following responsibilities:

- a) Conduct transmission of maritime notifications of maritime routes and categorization of navigational routes within Vietnamese territorial waters, both of which have been publicly announced in accordance with laws;
- b) Conduct establishment and publication of the directory of maritime routes and navigational routes within Vietnamese territorial waters.

3. Establishment and publication of the directory of maritime routes within Vietnamese territorial waters shall be financed by the state budget and other legitimate financing sources.

Article 113. Inspection and examination of ships' conformity to requirements for assurance of maritime safety, security, occupation and environmental protection

1. Ships which operate within port water areas, internal waters and territorial waters of Vietnam shall be subject to inspection and examination of the maritime Inspectorate and the port authority to ensure their conformity to requirements for assurance of maritime safety, security, occupation, fire and explosion prevention and environmental protection in accordance with Vietnamese laws and regulations and international agreements to which the Socialist Republic of Vietnam is a party.

2. Inspection and examination stipulated in paragraph 1 of this Article must be performed in accordance with laws and cause no adverse impact on any possibility of maritime safety and security and conditions for assurance of maritime occupation, fire and explosion prevention and environmental prevention.

3. The ship owner and master shall be held responsible for providing favorable conditions for competent state regulatory agencies referred to in paragraph 1 of this Article to carry out their ship inspection and examination.

4. The ship owner and master shall be responsible for taking any necessary measure to correct any ship defect in maritime safety, security, occupation, fire and explosion prevention and environmental protection upon the request of the maritime inspectorate and the port authority.

Article 114. Temporary detention of ships

Temporary detention of ships shall apply under the following circumstances:

1. A ship is involved in an investigation in a marine accident under which temporary detention is required to serve investigation purposes;

2. All statutory fines have not been paid in full yet as stipulated by laws.
3. The ship is charged with commission of any violation against laws for which a temporary detention is imposed in accordance with laws.

Article 115. Authority to temporary detention of ships and term of such temporary detention

1. The Director of the port authority shall be vested with authority to temporarily detain ships under the provisions of paragraph 1 Article 114 hereof within a period of less than 05 days.

Where it is necessary to extend the term of such temporary detention for the purpose of collection of evidence used for investigation in a marine accident that happened within a port water area, the Director of the port authority shall report to maritime state regulatory agencies for consideration and decision to extend the validity term of such temporary detention which is restricted to less than 05 days; where any marine accident occurs outside the port water area, the extended period of temporary ship detention shall be considered and decided by the Minister of Transport.

Investigation in a marine accident must be conducted in an imperative manner and the temporary ship detention must be terminated promptly after sufficient evidence is collected for investigation purposes.

2. The person who is accorded authority over temporary ship detention as defined in the Law on handling of administrative violations shall be entitled to temporarily detain ships under the provisions of paragraph 2 Article 114 hereof. Temporary ship detention shall be terminated immediately after all administrative fines have been completely paid or full payment for such fines is guaranteed.
3. Authority and term of temporary ship detention as stipulated in paragraph 3 Article 114 of this Code shall be consistent with laws and regulations.
4. The person who grants the decision on temporary ship detention shall be liable for compensation for any damage or loss incurred from any wrong detention as prescribed by laws.

Article 116. Procedures for temporary ship detention

1. The person who is accorded authority over temporary ship detention as stipulated in Article 115 hereof shall make a decision on temporary ship detention in respect of cases specified in Article 114 hereof. The temporary ship detention decision must be immediately delivered to the master of the ship subject to the temporary detention, maritime state regulatory agencies and other relevant state regulatory authorities located at seaports.
2. Upon receipt of the temporary ship detention decision referred to in paragraph 1 of this Article, the ship master and interested persons must follow requirements set out in such temporary ship detention decision.
3. After the reasons for temporary ship detention no longer persist or term of such temporary ship detention expires and there is no decision on extension of the temporary ship detention in accordance with laws and regulations, the person accorded authority over temporary ship detention must grant the decision to terminate the temporary ship detention and deliver such decision to the master of the ship subject to such detention, maritime state regulatory agencies and others located at seaports.

4. The temporary ship detention must be documented.
5. The Government shall adopt specific provisions on the temporary ship detention to serve the purpose of investigation into a marine accident.

Article 117. Complaints and resolution of complaints against the decision on temporary ship detention

The ship master, owner or operator shall be vested with rights to file any complaint against the temporary ship detention decision. Processes and procedures for resolution of a complaint shall be consistent with laws and regulations on complaints.

Article 118. Sea protest

1. Sea protest refers to a document created by the ship master which is served as a statement of situations that a ship has faced and measures that the ship master has applied to remedy these situations, restrict any possible loss or damage and protect legitimate rights and interests of the ship owner and persons involved.
2. When ships, people or goods carried onboard ships are subject to any loss or damage, or there is any suspicion about any possible loss or damage incurred by any accident or incident at sea, the ship master must prepare and lodge a sea protest to competent authorities as referred to in paragraph 3 of this Article in order to certify filing of such sea protest.
3. State agencies accorded authority to certify that a sea protest has been filed in Vietnam include the port authority or the People's Committees of the nearest commune.
State agencies accorded authority to certify that a sea protest has been filed in an overseas country include the nearest representative agencies of Vietnam or any accredited agency or organization located within such country where the ship is operating.
4. A sea protest shall be made and certified in Vietnamese or English language. If a sea protest is made in English language, it must conform to requirements set out by the agency accorded authority to certify such filing of the sea protest, and the ship master must submit an attached Vietnamese translation version.
5. Regulations on a sea protest shall also be applied to other types of ships operating within a Vietnamese port water area and territorial waters.
6. The Ministry of Transport shall adopt specific regulations on submission and certification of sea protests.

Article 119. Legal value of a sea protest

1. The sea protest certified under the provisions of this Code shall have value as evidence for resolution of any relevant dispute.
2. The certified sea protest shall not exempt the ship master from liability for concerning events.

Article 120. Time limit for filing of a sea protest

1. If an accident or incident occurs during the time when a ship is underway at sea, the sea protest must be submitted to competent authorities for certification no later than 24 hours from the time of ship's entering the first seaport.

2. If an accident or incident occurs at a Vietnamese seaport, the sea protest must be submitted to competent authorities for certification no later than 24 hours from the time of occurrence of such accident or incident.
3. If an accident or incident concerning cargoes stored in a cargo hold occurs, the sea protest must be submitted to competent authorities for certification before uncovering that cargo hold.
4. If it is impossible to submit a sea protest under the provisions of paragraph 1, 2 and 3 of this Article, the filed sea protest must clearly specify reasons.

Article 121. Submission of a supplemental sea protest

The sea master shall be entitled to prepare a supplemental sea protest whenever necessary for submission to competent authorities for certification.

Article 122. Marine search and rescue

1. Ships and hydroplanes which are in distress and need any help must send a distress call in accordance with laws and regulations.
2. Any ship and hydroplane that discovers or receives a distress call from people or other ship in distress at sea or a port water area, if there are necessary and sufficient actual conditions for any rescue action and if rescue activities do not pose any serious danger to the ship and people onboard, must make every effort to help and rescue people in distress, even though such effort entails the ship's going off the predetermined course, and must promptly advise any relevant organization and individual of this.
3. The maritime search and rescue coordination authority must stay always ready to organize and cooperate on search and rescue operations in a timely manner to search and rescue people in distress within the search and rescue area under its management and shall be entitled to mobilize people and equipment for the purpose of participation in search and rescue efforts.
4. The Minister of Transport shall adopt specific regulations on organization and operation of the maritime search and rescue coordination authority.

Article 123. Marine accident

1. Marine accident refers to any event directly relating to ship operations which may lead to one of the following consequences: dead, missing or seriously injured people; ship collision; severe damage to the ship structure; missing, wrecked, sunken, stranded and unmaneuvered ships; damage to maritime infrastructure facilities or serious environmental pollution.

Marine accidents shall not include acts that intentionally cause harm to people, ships, maritime infrastructure facilities or environment.

2. The Director of the port authority must conduct investigation into any marine accident; in the course of investigation into such marine accident, if any sign constituting an offence is found, all documents and records relating to such offence must be transferred to the competent investigation authority.
3. The Minister of Transport shall adopt detailed regulations on marine accident reporting and investigation.

Article 124. Protection for marine structures

1. Protection for marine structures includes operations aimed at ensuring that these marine structures meet safety and quality standards; measures to prevent, control and deal with acts of infringement against such structures which may pose dangers to human lives and cause damage to state and public-owned assets.
2. Extent of protection includes marine structure, its enclosure facilities, aerial parts, underwater parts and underground parts related to safety for marine structures and assurance of safety for marine operations.
3. Outside the extent of protection for seaport structures and navigational channels, construction and other operations shall not be allowed to cause impact on safety for utilization of these seaport structures and navigational channels.

Article 125. Rules on protection for maritime structures

1. Investing in constructing, managing operation of, repairing and protecting marine structures must be consistent with relevant laws and regulations together with technical standards which have already been issued or published by competent authorities.
2. Upon formulating the plan that may have any impact on marine structures, Ministries and provincial People's Committees must send a written request for any advice of the Ministry of Transport.
3. Organizations and individuals investing in construction, conduct of operation of marine structures must have plans to protect these marine structures, including the following basic contents:
 - a) Determination of the extent of protection for marine structures in accordance with provisions laid down in this Code;
 - b) Establishment of marine signaling systems installed for marine structures;
 - c) Human resource; registered address, telephone number used for protection for marine structures;
 - d) Means and instruments used for protection for marine structures;
 - dd) Plan to protect marine structures and methods of inspection and oversight provided by the project owner or operator of such structures;
 - e) Measures to deal with any damage, marine accident, incident or any act of offence that may impact safety during the process of operation of marine structures;
 - g) Recommendations on rules, policies and mechanisms for cooperation of project owners or operators with the port authority and competent authority located at the area where a marine structure is located.

Article 126. Extent of protection for marine structures

1. Extent of protection for marine structures must include:
 - a) As for port terminal and wharf, the extent of protection is calculated from the outer edge of each structure to the outer limit of a water area facing against a seaport or wharf;
 - b) As for offshore oil ports, the extent of protection is restricted by the safety belt and the safety zone where navigation and anchoring are prohibited;

c) As for navigational channels, the extent of protection is calculated from the centre of the concrete block for buoy marking navigational channels to both sides of navigational channels which are determined according to the technical regulations for navigational channels;

d) As for marine signaling systems, the extent of protection is calculated outwards from the centre of the marine signaling system which is determined according to the technical regulations for marine signaling systems;

dd) As for the aerial and underground parts of marine structures, the extent of protection for these parts is specifically determined in respect of each structure on the basis of the plan for development of seaports and navigational channels, technical regulations and other relevant legal regulations.

2. The competent authority must even include contents of the extent of protection for marine structures when announcing a marine structure's being brought into operation.

3. The Government shall adopt specific provisions on distance and extent of protection for marine structures.

Article 127. Response to emergencies that may arise during the process of protection for maritime structures

1. When discovering that a marine structure has been encroached upon or exposed to a risk of insecurity, the project owner, the person in charge of conducting operation of such marine structure, or the person who made such discovery, shall be responsible for promptly reporting to the port authority that manages such marine structure to find timely measures.

2. Upon receipt of reported information, the Director of the port authority must direct the project owner or the person in charge of conducting operations of this marine structure to apply any necessary measure to protect the marine structure and reduce any loss that may happen to the minimum; concurrently, report to the competent authority and government of the locality where such marine structure is located with the aim of giving assistance and applying any necessary measure to respond to and mitigate any accident, handle any violation and assure safety for such marine structure.

3. The project owner or operator of a marine structure must be responsible for strictly comply with directions of the port authority or competent authority; apply measures to respond to and mitigate any accident and prevent any violation according to the plan for protection of marine structures; create any necessary warning or alert to assure safety for the vicinity of that marine structure; promptly alleviate any consequence in order to bring the marine structure into operation in a safe manner as soon as possible.

4. The competent authority, government of the locality where the violated marine structure is located, upon discovering any violation or receiving information about any marine structure which is exposed to any encroachment or any risk of insecurity, must imperatively cooperate with the port authority of this locality, the project owner or the person in charge of conducting operations of marine structures to deal with such violation, respond to and mitigate any accident in accordance with laws.

Article 128. Environmental protection in marine operations

1. Construction of a ship or seaport must entail installation of environmental protection equipment in accordance with laws and regulations; have oil and hazardous chemical spill response plans.

Seaport must have plans and solutions to receive and treat wastes discharged from ships in accordance with applicable laws.

2. The ship owner, seaport owner and organizations or individuals involved must comply with laws and regulations on environmental protection.

Chapter VI

ARREST OF SHIPS

Section 1. GENERAL PROVISIONS

Article 129. Arrest of ships

Arrest of ships refers to detention or restriction on removal of a ship by order of a Court to secure a maritime claim, apply interim injunctions, enforce civil judgements and perform mutual legal assistance.

Article 130. Powers of arrest

1. The People's Court at the level of a province where the seaport at which a ship subject to a request for arrest of a ship is having marine operations is located shall be vested with authority to grant a decision to arrest that ship.

Where a seaport has different port terminals located within different centrally-affiliated cities and provinces, the People's Court at the level of a province where the seaport at which a ship subject to an arrest request is having marine operations is located shall be vested with authority to grant a decision to arrest that ship.

2. The People's Court that is dealing with a civil case, or the People's Court at the level of a province where the Arbitration Council is resolving any dispute, shall be accorded authority to impose an arrest of a ship as an interim injunction.

Two copies of a judgement on arrest of a ship by a Court shall be delivered to the port authority in which one copy is used as the basis for implementation and the remaining other is given to the master of the arrested ship to serve the purpose of implementation.

3. The Chief Justice of the People's Supreme Court shall consider and decide whether the lower Court has been accorded authority to grant a decision on arrest of a ship in the event that there is any dispute over jurisdiction between the People's Courts at the provincial level.

Article 131. Responsibility for requesting wrongful arrest of ships

1. The applicant for arrest of a ship must be held legally liable for his request. If the request for arrest of a ship is wrongful, which may lead to any loss, such applicant shall be responsible for compensating for any loss or damage possibly incurred.

2. Any loss or damage that may be incurred from consequence of such request for wrongful arrest shall be dealt with as agreed upon between parties. Where there is any disagreement or dispute that may arise, the Court or Arbitration Tribunal shall be requested to settle this disagreement and dispute in accordance with laws.

3. If the Court that grants a judgement on arrest of a ship which is not based on the reasons for a request for arrest or does not serve on the ship as the right subject matter of such request, which may cause any loss or damage, it shall be liable for any compensation in accordance with laws and regulations.

Article 132. Measures of financial security for a request for arrest of ships

1. The person requesting arrest of ships must provide financial security in either or both of the following forms:

a) Submitting asset-backed security documents issued by banks or other credit institutions, or individuals, agencies or organizations;

b) Depositing a sum or valuable papers according to the Court's judgement over execution of financial security in an escrow account opened at the bank within an area where the work office of the Court accorded authority to arrest a ship is located no later than 48 hours of receipt of such judgement.

2. Value of a financial security shall be decided by the Court and shall be proportionate to any loss or damage incurred due to consequences arising from request for wrongful arrest of a ship.

Article 133. Charge for arrest of ships

1. The person submitting a claim for arrest of ships shall be liable for paying charges in accordance with laws.

2. Charges for arrest of ships shall be paid to the Court accorded authority to grant a decision on arrest of ships as stipulated by Article 130 hereof within a duration of 48 hours of receipt of request for payment of such charges.

Article 134. Documents and evidence attached in a written request for arrest of ships or a written request for release of ships from arrest

1. Upon filing a request for arrest or release of ships, the person requesting such arrest must file a written request for arrest of ships or a written request for release of ships from arrest, enclosing documents and evidence stating that such request or release of ships is sound and legitimate.

2. Where documents about and evidence for a request for arrest or release of ships from arrest are all written in a foreign language, a Vietnamese translation copy must be submitted and legally authenticated in accordance with Vietnamese legislation. With respect to documents and papers created, issued and certified by a foreign competent authority in accordance with such foreign country's laws, the consular legalization is required, except when this consular legalization process is exempted in uniformity with international agreements to which the Socialist Republic of Vietnam is a party.

Article 135. Notification of entry of the decision on arrest of ships, or the decision on release of ships from arrest

1. The Director of the port authority shall be charged with notifying in writing a Court, state maritime regulatory agency and relevant competent authorities operating at a seaport of the decision on arrest of ships or the decision on release of ships from arrest.

2. The ship master shall be responsible for notifying the ship owner, charterer, operator and other interested parties of arrest or release of ships.

Article 136. Obligations of the owner of property during the period of arrest of ships

1. The ship owner, charterer and operator shall be responsible for providing funds to ensure that safe operations of arrested ships are maintained.
2. Where the owner, charterer and operator of a ship do not provide or is no longer capable of providing funds for maintenance of safe operations of ships, the ship owner, agent of the ship owner shall be responsible for applying necessary measures to ensure maintenance of safe operations of arrested ships.
3. In the event that an authority enforcing the decision to arrest a ship provides funds for maintenance of safe operations of the ship, the ship owner, charterer and operator shall be responsible for paying all costs incurred from maintenance of safe operations of such ship during the period of arrest to the authority enforcing the decision to arrest that ship on condition that it is established that the request for arrest is rightful.

Article 137. Release of ships from arrest

1. A ship which has been arrested shall be released under the following circumstances:
 - a) After the ship owner, charterer or operator has provided sufficient security or has paid a full amount of debts and costs incurred during the process of arrest of such ship;
 - b) Decision on arrest of a ship has been cancelled;
 - c) The validity period of arrest of a ship according to the decision on such arrest has expired.
2. In the absence of agreement between parties as to the amount and form of substitution security, the Court shall determine its nature and amount thereof, not exceeding the value of the arrested ship. The person requesting arrest of a ship shall not be allowed to take any action that may harm property or other interests of the ship owner, charterer or operator.
3. The ship shall be released upon the request of the person filing a request for arrest of a ship; in this case, all costs incurred shall be covered by such person.

Article 138. Application of laws in relation to arrest of ships

1. Arrest of a ship with an aim of securing a maritime claim shall be consistent with regulations laid down in Section 2 of this Chapter and laws on procedures for arrest of ships.
2. Arrest of a ship in case of application of an interim injunction, for the purpose of ensuring enforcement of a civil judgement and providing mutual legal assistance shall be consistent with laws on civil proceedings, procedures for arrest of ships and other applicable legal regulations.

Section 2. ARREST OF SHIPS FOR THE PURPOSE OF SECURING A MARITIME CLAIM

Article 139. Maritime claim leading to right of arrest of a ship

A maritime claim leading to the right of arrest of a ship refers to a claim arising out of one or more of the followings:

1. Cases stipulated in Article 41 hereof;
2. Any damage or threat of damage caused by the ship to the environment or other relevant interests; measures taken to prevent, minimize or remove such damage; compensation for such damage; costs of reasonable measures which have been or will be actually applied to reinstate

the environment; loss incurred or likely to be incurred by third parties in connection with such damage; and damage, costs, or loss of a similar nature to those identified in this paragraph;

3. Costs or expenses relating to the raising, removal, salvage, destruction or rendering harmless of a sunken, stranded or abandoned ship, including anything that is or has been on board such ship, and costs or expenses relating to the preservation of an abandoned ship as well as payments to the ship's seafarers;

4. Any agreement concerning the use or hire of a ship, whether contained in a charter-party or otherwise;

5. Any agreement concerning carriage of goods or passengers aboard a ship, whether contained in a charter-party or otherwise;

6. Loss of or damage to or in connection with goods, including baggage carried onboard the ship;

7. General average;

8. Towage;

9. Pilotage;

10. Goods, materials, provisions, bunkers, equipment (including containers) supplied or services rendered to the ship for its operation, management, preservation or maintenance;

11. Construction, reconstruction, repair, converting or equipping of the ship;

12. Disbursements incurred on behalf of the ship owner;

13. Insurance premiums payable by or on behalf of the ship owner or demise charterer;

14. Any commissions, brokerages or agency fees payable in respect of the ship by or on behalf of the ship owner or demise charterer;

15. Any dispute as to ownership or possession of the ship;

16. Any dispute between co-owners of the ship as to the employment or earnings of the ship;

17. A ship mortgage;

18. Any dispute arising out of a contract for the sale of the ship.

The claimant defined in this Article shall have the right to request the jurisdictional Court referred to in paragraph 1 Article 130 hereof to grant a decision on arrest of ships in order to secure a maritime claim.

Article 140. Conditions for arrest of ships for the purpose of securing a maritime claim

1. Upon receipt of a request for arrest of a ship, in order to secure a maritime claim as stipulated by Article 139 hereof, the Court shall grant a decision on arrest of such ship under the following circumstances:

a) The person who owned the ship at the time when the maritime claim arose is liable for the claim and is owner of the ship when the arrest is effected;

b) The demise charterer of the ship at the time when the maritime claim arose is liable for the claim and is demise charterer or owner of the ship when the arrest is effected;

c) The claim is based upon a mortgage or a "hypothèque" or a charge of the same nature on the ship;

d) The claim relates to the ownership or possession of the ship;

dd) The claim is secured by a maritime lien in connection with such ship.

2. Arrest of a ship is also permissible of any single ship or other ships which, when the arrest is effected, is or are owned by the person who is liable for the maritime claim and who was, when the claim arose:

a) Owner of the ship in respect of which the maritime claim arose;

b) Demise charterer, time charterer or voyage charterer of that ship.

3. The provision laid down in paragraph 2 of this Article does not apply to maritime claims in respect of ownership or possession of a ship.

Article 141. Period of arrest of ships during which a maritime claim is secured

1. The period of arrest of a ship during which a maritime claim is secured shall last 30 days from the date on which the ship is arrested.

2. During the period of arrest of a ship as a manner of securing a maritime claim, if the person filing a request for such arrest brings proceedings before a Court or submit a claim to the Arbitration Tribunal against any dispute and insists on request for such arrest, the period of such arrest for the purpose of securing the claim shall terminate whenever the Court decides whether an interim injunction is applied to arrest such ship.

Article 142. Bases for release of a ship arrested to secure a maritime claim

1. The ship which is under arrest for the purpose of securing a maritime claim shall be released at once when the following requirements are met:

a) The ship owner, charterer or operator has already implemented security measures or repaid all debts owed;

b) Property-related obligations assumed by the ship owner, charterer or operator have been secured by any other person acting on their behalf, or have been fulfilled under the letter of commitment issued by a credit institution. The Ministry of Finance shall make the list of reliable credit institutions known to the public;

c) Upon the request of the person filing a request for arrest on his own;

d) Decision on arrest of a ship has been cancelled;

dd) The validity period of arrest of a ship according to the Court's judgement has expired.

2. Security measures shall be agreed upon between parties. In the absence of agreement between parties as to the amount and form of the security, the Court shall determine its nature and amount thereof, not exceeding the value of the arrested ship or of property obligation which serves as the basis for such arrest in the event that such property obligation is less than the value of the ship.

Article 143. Request for release of an arrested ship to secure a maritime claim

Whenever there exists one of bases referred to in subparagraph 1, b and c paragraph 1 Article 142 hereof, the ship owner, charterer, operator, master, person filing a request for arrest of a ship and other persons involved shall be entitled to release the arrested ship.

Article 144. Re-arrest of a ship for the purpose of securing a maritime claim

1. The ship arrested to secure a maritime claim which has been released or has provided any security measure that is implemented against a maritime claim shall not be likely to be rearrested on similar bases thereto, except for the followings:

- a) Total value of security provided is not sufficient to secure such property obligation if such total value is less than value of the released ship;
- b) The guarantor securing the property obligation on behalf of the ship owner, charterer or operator fails or is unable to meet a part or whole of the property obligation undertaken;
- c) Release of a ship or cancellation of any security measure has already been ordered upon the request of the person submitting a claim for such arrest on sound and sufficient grounds;
- d) The person submitting a claim for arrest of a ship is not capable of preventing such release or cancellation of such security measure even though necessary measures have been applied.

2. If there is an absence of the Court's judgement over arrest of the ship or the ship has escaped from the place of arrest, such ship shall not be considered to be released from arrest, except when the judgement over such arrest has been void or the period of arrest according to the Court's judgement has expired.

3. Procedures for re-arrest of a ship with an aim of securing a maritime claim shall be similar to those for arrest thereof in accordance with regulations laid down in this Section.

Chapter VII

CONTRACT FOR CARRIAGE OF GOODS BY SEA

Section 1. GENERAL PROVISIONS

Article 145. Contract for carriage of goods by sea

1. Contract for carriage of goods by sea refers to an arrangement between a carrier and shipper under which the carrier is paid freight by the charterer and uses a ship to carry goods from the port of loading to the port of discharge.

2. Goods refer to machinery, equipment, raw materials, bunkers, consumer goods and other movable property, including live animals, and containers or similar articles of transport provided by the consignor to consolidate goods carried under a contract for carriage of goods by sea.

Article 146. Types of contract for carriage of goods by sea

1. Bill of lading contract refers to a contract for carriage of goods by sea concluded to include terms and conditions whereby the carrier is not bound to provide the whole or a specified part of a ship for the shipper, but relies on the nature, quantity, size or weight of goods for carriage purposes.

The bill of lading contract shall be concluded in the form agreed upon between parties.

2. Voyage charter-party refers to a contract for carriage of goods by sea concluded to include terms and conditions whereby the carrier is bound to provide the whole or a specified part of a ship for the shipper with the purpose to carry goods on a voyage.

The voyage charter-party must be concluded in writing.

Article 147. Parties to the contract for carriage of goods by sea

1. The shipper (sometimes referred to as consignor) refers to a person who concludes on his own, or authorizes other person to conclude the contract for carriage of goods by sea with a carrier. For the purposes of a bill of lading contract, the shipper is called the shipper.

2. The carrier refers to a person who concludes on his own, or authorizes other person to conclude the contract for carriage of goods by sea with the shipper.

3. The actual carrier refers to a person authorized by the carrier to perform the whole or a part of carriage of goods by sea.

4. Consignor (sometimes referred to as shipper) refers to a person who delivers on his own, or is entrusted by other person to deliver goods under a contract for carriage of goods by sea.

5. Consignee refers to a person who is entitled to receive goods in accordance with Article 162 and 187 hereof.

Article 148. Transport document

1. Transport document includes bill of lading, through bill of lading, sea waybill and other transport documents. Form of a bill of lading, through bill of lading shall be issued by an enterprise and must be sent for storage purposes to maritime state authorities.

2. Bill of lading refers to a transport document used as evidence that the carrier has received goods of which quantity, nature and condition are consistent with those specified in that bill of lading for the purpose of carrying such goods to the place of discharge; evidence of ownership of the goods which is considered as a manner of disposing of, receiving the goods, and as evidence for a contract for carriage of goods by sea.

3. Through bill of lading refers to a bill of lading clearly stating that carriage of goods is performed by at least two sea carriers.

4. Sea waybill is used as evidence that the goods are received as aforesaid stated in a sea waybill; evidence for a contract for carriage of goods by sea. Sea waybill is non-negotiable.

5. Other transport documents refer to any document of which contents and value are agreed upon by the carrier and shipper.

Article 149. Freight charge and surcharge on freight charge for sea transportation service

1. Freight charge for a sea transportation service refers to a sum paid to the carrier as agreed upon in a sea-carriage contract.

Surcharge on freight charge for a sea transportation service (if any) refers to an additional sum paid to the carrier which is other than the freight for that sea transportation service.

2. Enterprises shall post prices of freight charges in accordance with laws and regulations on price and surcharges on freight charges for sea transportation service in accordance with the Government's regulations.

Article 150. Carrier's obligations

The carrier shall be bound before and at the beginning of the voyage to exercise due diligence to make the ship seaworthy; properly man, equip and supply the ship; make the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation of goods.

Article 151. Relief of the carrier's liabilities

1. The carrier shall be relieved from liability for compensation for any loss of or damage to goods arising or resulting from the ship's unseaworthiness if all obligations referred to in Article 150 hereof has already been fulfilled. Whenever loss or damage has resulted from unseaworthiness the burden of proving the exercise of due diligence shall be on the carrier.

2. The carrier shall be totally exempted from liabilities for any loss of and damage to goods arising out of or resulting from the followings:

- a) Act, neglect or default of the master, seafarer, pilot or the servants of the carrier in the navigation and in the management of the ship;
- b) Fire, unless caused by the actual fault or privity of the carrier;
- c) Perils, dangers and accidents occurring at sea, port water area where a ship is allowed to operate;
- d) Act of God;
- dd) Act of war;
- e) Act of infringement upon public safety and security, unless committed by the fault of the carrier;
- g) Arrest or restraint of people, or seizure ordered by the Court or other competent authority;
- h) Quarantine restrictions;
- i) Act or omission of the shipper or owner of the goods, his agent or representative;
- k) Strikes or lock-outs or stoppage or restraint of labour from whatever cause, whether partial or general;
- l) Riots and civil commotions;
- m) Act of saving life or property at sea;
- n) Wastage in bulk or weight or any other loss or damage arising from inherent defect, quality or vice of the goods;
- o) Insufficiency of packing;
- p) Insufficiency or defective conditions of marks or codes;
- q) Latent defects not discoverable by the responsible person though such person has already exercised due diligence;
- r) Any other cause arising without the actual fault or privity of the carrier, or without the actual fault or neglect of the agents or servants of the carrier, but the burden of proof shall be on the person claiming the benefit of this exception to show that neither the actual fault or privity of the

carrier nor the fault or neglect of the agents or servants of the carrier contributed to the loss or damage.

3. Delay in delivery refers to goods not delivered within an agreed period of time, or within a period of time which is deemed sound and sufficient for the carrier, upon exercising his due diligence, to be able to deliver goods in the event that there is no agreement on the delivery time. The carrier shall be relieved from liabilities for any delay in delivery of goods arising out of or resulting from the followings:

- a) The ship's going off its predetermined route if this is approved by the consignor;
- b) Force majeure events;
- c) Saving life or assisting other ships in danger at sea which may threaten people's lives;
- d) Needing more time to provide medical emergency treatment to seafarers or other people on board the ship.

Article 152. Limitation of the carrier's liabilities

1. Where the characteristics or value of goods has not been declared by the shipper before loading, or has not been clarified in the bill of lading, sea waybill or other transport document, the carrier shall only be liable for compensation for any loss of or damage to goods or other loss of goods within the maximum limit equivalent to 666.67 units of account per each package or other shipping unit or 2 units of account per kilogram of gross weight of the goods lost or damaged, whichever is the higher.

Unit of measurement referred to in this Code is the Special Drawing Right as defined by the International Monetary Fund.

The amount of compensation is to be converted into the national currency of Vietnam according to the value of such currency at the date of award of compensation.

2. When goods are consolidated in or on a container or similar article of transport, each package or shipping unit enumerated in bills of lading, or consolidated in that article of transport, is deemed 01 package or 01 shipping unit referred to in paragraph 1 of this Article. If not so enumerated, such container or article of transport is deemed 01 package or 01 shipping unit.

3. Where the nature and value of such goods have been declared by the shipper before shipment and accepted by the carrier and embodied in a transport document, the carrier shall be liable for any loss or damage to or in connection with goods by reference to such value according to the following rules:

- a) With respect to goods which have been lost, the value of compensation is equal to the declared value;
- b) With respect to goods which have been damaged, the value of compensation is equal to the difference between the declared value and the remaining value of goods damaged.

The remaining value of goods is determined by reference to the market price defined at the time and place when/where discharge of goods took place or should have taken place; if not so determined, the market price defined at the time and place when/where loading of goods took place with the addition of the cost of transport of such goods to the port of discharge serves as the basis for determination of such remaining value.

4. The sum of damages paid for the carrier's liability for delay in delivery of goods is limited to an amount which equals two and a half times the freight payable for the goods delayed, but not exceeding total freight charge agreed upon in the contract for carriage of goods by sea.

Article 153. Loss of benefit of limitation of the carrier's liabilities

1. The carrier is not entitled to the benefit of the limitation of liability provided for in Article 152 if it is proved that the loss, damage or delay in delivery resulted from an act or omission of the carrier done with the intent to cause such loss, damage or delay, or recklessly and with knowledge that such loss, damage or delay would probably result.

2. A servant or agent of the carrier is not entitled to the benefit of the limitation of liability provided for in this Section if it is proved that the loss, damage or delay in delivery resulted from an act or omission of such servant or agent, done with the intent to cause such loss, damage or delay, or recklessly and with knowledge that such loss, damage or delay would probably result.

Article 154. Shipper's obligations

1. The shipper must ensure that goods meet stipulated conditions of packing or marking. Unless such conditions are met, the carrier shall have the right to refuse to load goods on board a ship.

2. The shipper must provide the carrier in a timely manner with necessary documents and instructions related to goods of an inflammable, explosive nature or others of dangerous nature, or those subject to special handling, transportation, preservation and discharge methods.

The shipper shall be liable for compensation for any loss arising out of delayed provision or provision of inaccurate or invalid necessary documents and instructions.

3. The shipper shall be held liability to the carrier, passengers, seafarers and other owners of goods for any loss resulting from either intentional or accidental misstatement or misrepresentation of information about goods if the carrier has proven that such loss arises out of the default of the shipper.

Article 155. Carriage of dangerous goods

1. The carrier shall be entitled to discharge goods out of a ship, destroy or eliminate any harmful effect of goods of explosive, inflammable nature or other goods of dangerous character without being held liable for any compensation, and shall be paid a full amount of freight charge in the event that such goods are wrongfully declared or the carrier has not received any prior notification of and, with his general professional knowledge, failed to recognize dangerous characters of such goods during the goods handling process.

The shipper shall be held liable for any loss incurred.

2. Where the carrier has consented to load dangerous goods on board the ship and, despite prior notification or recognition of the dangerous nature or characters of such goods with his general professional knowledge and implementation of preservation measures in accordance with laws and regulations, where such goods pose a threat to safety for the ship, people and cargoes onboard the ship, the carrier shall be entitled to deal with such situation in accordance with paragraph 1 of this Article. In this case, the carrier shall be liable for any loss arising out of such situation according to the rules regarding general average and shall only be allowed to collect the freight charge calculated on the basis of actual distance that the ship has traveled.

The freight charge calculated on the basis of actual distance refers to the freight charge calculated based on the ratio of the actual shipping distance of goods to total shipping distance agreed upon in the contract, and the ratio of expenses, time spent, usual risks or difficulties relating to the shipping distance that has been traveled to the remaining shipping distance.

Article 156. Relief of the shipper's liabilities

The shipper shall be relieved from liabilities for compensation for any loss or damage suffered by the carrier or the ship if it is established that such loss or damage arises through no fault of the shipper, the servant or agent of the shipper.

Article 157. Payment of freight charge

1. Upon receiving goods, the consignee must pay the carrier the freight charge and other costs specified in the transport document if such sum of freight charge has yet to be prepaid.
2. The carrier shall have the right to refuse to deliver goods and be entitled to assert the lien over goods in the event that the shipper and consignee have yet to pay a full amount of debts or to be provided with sound and sufficient guarantee.

Such debts shall be inclusive of the freight, other charges referred to in paragraph 1 of this Article and contributions to any general average, and distributed salvage remunerations for goods.

Overdue debts shall be charged at the interest rate applied at relevant transaction banks.

Article 158. Freight in case of loss of or damage to goods

1. Where goods are lost or damaged during the ship voyage due to any cause, the freight payable to carry such goods by sea shall not be charged; if it is already collected, then it must be returned. Where goods are salvaged or returned, and unless the person who have interests in such goods gain benefits generated by the shipping distance at which such goods have been carried by the ship, the carrier shall only be allowed to collect the freight payable to carry goods at an actual shipping distance.
2. Where goods are damaged or lost due to particular attributes, or goods are live animals which died during transportation, the carrier shall be entitled to collect a full amount of freight.

Article 159. Issue of bill of lading

1. The carrier must, on demand of the shipper, issue to the shipper a bill of lading.
2. Bill of lading may be signed and issued in the following forms:-
 - a) The bill of lading that clearly specifies the consignee's name, called nominative bill of lading;
 - b) The bill of lading that clearly specifies name of the shipper or the persons designated by the shipper to issue the order for delivery of the goods, called order bill of lading;
 - c) The bill of lading on which the name of the consignee or the person issuing the order for delivery of the goods is not clearly specified, called anonymous bill of lading.
3. Where an order bill of lading does not specify name of the issuer of order for delivery of goods, the shipper shall be automatically deemed the person vested with such right to issue the bill of lading.

Article 160. Contents of bill of lading

1. The bill of lading must include, inter alia, the following particulars:

- a) The name and principal place of business of the carrier;
- b) The name of the shipper;
- c) The name of the consignee, or statement that the bill of lading is issued in the form of an order or anonymous bill of lading;
- d) The name of the ship;
- dd) The name of the goods, description of nature, size, volume, number of pieces, weight or value of the goods whenever necessary;
- e) Description of external or packaging conditions;
- g) Mark or sign for identification of the goods of which a written notification is issued by the shipper prior to loading of the goods on board, and which are mounted on each piece or package of piece of goods;
- h) Freight and other fees payable to the carrier; payment method;
- i) Place of receipt and port of loading;
- k) Port of discharge or indication of the time when and place where the port of discharge is designated;
- l) The number of originals of the bill of lading issued to the shipper;
- m) The time and place of issue of the bill of lading;
- n) The signature of the carrier or master or a person acting on the carrier's behalf.

The absence in the bill of lading of one or more particulars referred to in this paragraph does not affect its legal character provided that it nevertheless meets the requirements set out in Article 148.

2. Where the carrier's name is not specified in the bill of lading, the ship owner shall be deemed the carrier. Where the bill of lading issued as per paragraph 1 of this Article contains inaccurate and fraudulent particulars about the carrier, the ship owner shall be liable for any compensation for any loss arising and shall be then accorded the right to request the carrier's reimbursement.

Article 161. Insertion in bill of lading

- 1. The carrier shall be entitled to insert his remarks in the bill of lading if there is any suspicion as to external or packaging conditions.
- 2. The carrier may refuse to enter in the bill of lading description of the goods if there are reasonable grounds of accuracy of particulars declared by the shipper at the time of loading, or reasonable means of checking such particulars is not in place.
- 3. The carrier shall be entitled to refuse to note on the bill of lading marks, signs of the goods if they have yet to be inscribed on each parcel or package and ensure easy visibility at the end of a voyage.
- 4. Where the goods are packed before being delivered to the carrier, the carrier shall be entitled to note on the bill of lading that internal contents are not known.

5. The carrier shall not be liable for compensation for any loss of or damage to the goods or any loss concerning the goods under every circumstance, if the shipper has wilfully misrepresented particulars about the nature and value of the goods during the process of loading goods and such wrongfully declared particulars have been inserted into the bill of lading.

Article 162. Transfer of bill of lading

1. The order bill of lading is transferred by endorsement. The last signer vested the right to issue the order for delivery of goods in the order bill of lading is the legitimate consignee of the goods.
2. The anonymous bill of lading is transferred by the carrier's handing over such bill of lading to the transferee. The person who shows the anonymous bill of lading is the legitimate receiver of the goods.
3. The nominative bill of lading shall not be transferred. The person whose name is borne in the nominative bill of lading is the legal receiver of the goods.

Article 163. Transport documents other than bills of lading

The shipper of goods may agree with the carrier on replacement of the bill of lading by the sea waybill or other transport document, and on contents or value thereof in accordance with international shipping terms.

Article 164. Application of through bill of lading

Regulations set forth in this Code on bills of lading shall be applied to the through bill of lading signed and issued by the carrier, unless otherwise stipulated by laws and regulations.

Article 165. The carrier's right to dispose of goods

1. The shipper shall be accorded the right to dispose of goods until the goods are received by the legal consignee, if such right has yet to be transferred to other person; discharge the goods before the ship starts its voyage, change the consignee or the discharge port after the voyage has started on condition that the shipper compensates for every loss or damage and related costs. The carrier shall only be obliged to fulfill the shipper's requirements after recalling all of issued bills of lading.
2. Rights referred to in paragraph 1 of this Article shall not be applied if exercise of such rights may lead to any significant delay for the start of a voyage, unless otherwise approved by the carrier.

Article 166. Obligations to discharge goods

When the ship arrives at the port of discharge, the carrier shall be obliged to deliver the goods to the legal consignee if that consignee shows the original bill of lading, sea waybill or other transport document to take delivery of such goods as referred to in Article 162 hereof. After the goods have been discharged, the remaining transport document shall become void.

Article 167. Treatment of retained goods

1. If the consignee does not receive, refuse to receive or delay receiving, the goods, the carrier shall be entitled to discharge the goods and send them to be stored in a safe and appropriate place and notify the shipper of this. The consignee shall be held liable for all costs and loss or damage incurred.

2. The carrier shall be accorded the right which is exercised in accordance with regulations set forth in paragraph 1 of this Article if there are different people concurrently presenting the bill of lading, through bill of lading, sea waybill or other transport document which has the same value to receive the goods.

3. Compensation for any loss or damage incurred by retaining the ship to discharge and deliver the goods as referred to in paragraph 1 of this Article shall be similar to the case where the ship is retained for the purpose of discharge of the goods.

4. Within 60 days from the date of the ship's arrival at the port of discharge, if nobody takes delivery of the goods or the consignee fails to pay all of debts or provide necessary guarantees, the carrier shall be entitled to auction such goods for debt repayment purposes; if the goods are perishable or sending them to a safekeeping place as mentioned above is too costly in comparison with the actual value of the goods, the carrier may auction such goods by the agreed deadline.

The carrier shall be obliged to notify the shipper of cases stipulated in paragraph 1, 2 and 4 of this Article and the intention to sell the goods for debt repayment in accordance with regulations laid down in this paragraph.

5. The treatment of goods retained at a Vietnam's port as referred to in regulations laid down in this Article and other kinds of goods which are stagnant at the port shall be consistent with the Government's regulations.

Article 168. Sum earned from the auctioning of goods

1. After being spent on repayment of debts owed to the consignee, costs relating to sending of goods for safekeeping purposes and auctioning of the goods as referred to in Article 167 hereof, the remaining sum must be deposited in a bank account to pay such sum to the person entitled to such sum.

2. Where the sum obtained from such auctioning is not adequate to pay the aforesaid amounts stated in paragraph 1 of this Article, the carrier shall be entitled to continue to request persons concerned to pay such amounts in full.

3. Within a period of 180 days from the auctioning of goods, if nobody claims that remaining sum, it shall be subject to the state expropriation.

Article 169. Statute of limitation for submission of a claim on loss of and damage to goods

The statute of limitation for submission of a claim on loss of and damage to the goods shall be 01 year from the date of discharge of the goods or the date on which the goods should have been delivered to the consignee.

Section 2. BILL OF LADING CONTRACT

Article 170. Time of incurrence and termination of the carrier's liabilities

1. The carrier's liabilities shall be incurred from the time when the carrier receives goods at the port of loading, maintained during the process of carriage and terminated at the time when the unloading of goods occurring at the port of loading has finished.

2. The reception of goods shall begin from the time when the carrier received goods from the shipper, competent authority or third party in accordance with laws or regulations set out in the port of loading.

3. The discharge of goods shall be terminated under the following circumstances:

a) The carrier has completed the delivery of goods to the consignee; unless the consignee directly receives the goods from the carrier, such termination shall happen in the form of discharge of goods as requested by the consignee in accordance with the contract, laws or commercial terms that prevail at the port of discharge;

b) The carrier has completed delivery of goods to a competent authority or third party in accordance with laws or regulations prevailing at the port of discharge.

4. Parties to the bill of lading contract shall only be entitled to agree on reduction in the carrier's liabilities for the following cases:

a) The interval between the time of reception of goods and the time prior to the time of loading of goods on board the ship, and the interval between the time when discharge of the goods finishes and the time when delivery of the goods is completed;

b) Carriage of live animals;

c) Carriage of goods on deck.

Article 171. Obligations of the carrier of goods under the bill of lading contract

Notwithstanding Article 150 hereof, the carrier carrying goods under the bill of lading contract shall take on the following obligations:

1. Bear responsibility for loading and unloading of goods in a careful and appropriate manner, and carefully preserve goods during the carriage process;

2. Notify the shipper of the place of loading of goods onboard the ship, the time when the ship is ready for reception of goods and the permitted duration of storage of goods in a timely manner. This notification is not applied to liners, except when there is any change to the ship schedule.

Article 172. Deck cargo

The carrier is entitled to carry the goods on deck only if such carriage is

Article 173. Liability of the carrier, actual carrier, servant and agent

1. Where the performance of the carriage or part thereof has been entrusted to an actual carrier, the carrier nevertheless remains responsible for the entire carriage according to the provisions of this Section. The carrier is responsible, in relation to the carriage performed by the actual carrier, for acts performed by the actual carrier and his servants and agents acting within the scope of their employment.

2. The actual carrier, his servants or agents may be entitled to rights relating to the carrier's liabilities referred to in this Chapter during the time when the goods are put under their supervision and when these persons participate in any act defined in the contract of carriage.

3. Any special agreement under which the carrier assumes obligations not imposed by this Chapter or waives rights conferred by this Code affects the actual carrier only if agreed to by him

in writing. Whether or not the actual carrier has so agreed, the carrier nevertheless remains bound by the obligations or waivers resulting from such special agreement.

4. Where and to the extent that both the carrier and the actual carrier are liable, their liability is joint and several.

5. The aggregate of the amounts recoverable from the carrier, the actual carrier and his servants and agents shall not exceed the limits of liability provided for in this Section.

Article 174. Inspection and notice of loss, damage or delay in delivery of goods

1. The consignee, prior to taking delivery of goods at the port of discharge, or the carrier, prior to delivering goods at the port of discharge, may request an inspection authority to inspect the goods. The applicant for inspection shall be liable for inspection costs and be entitled to recover such costs from the party at fault.

2. The carrier is presumed to have delivered the goods according to their description in the bill of lading, sea waybill or other transport document unless notice of loss of or damage to the goods was given in writing to the carrier within 03 days from the date of reception of the goods, if any apparent loss of or damage to the goods was discovered; in respect of the goods which have been inspected under the provisions of paragraph 1 of this Article, a written notice thereof is not required.

Any agreement inconsistent with provisions laid down in this paragraph is considered invalid.

3. The consignee may give a notice of loss of goods unless the goods have not been received within 60 consecutive days after the day when the goods should have been handed over to him as agreed upon in the contract.

4. No compensation shall be payable for loss resulting from delay in delivery unless a notice has been given in writing to the carrier within 60 consecutive days after the day when the goods should have been handed over to the consignee as agreed upon in the contract.

Section 3. VOYAGE CHARTER-PARTY

Article 175. Use of ships under the voyage charter-party

The carrier is bound to use the ship agreed to in the contract to carry goods, except when the shipper agrees with the carrier to replace the designated ship by other ship.

Article 176. Transfer of rights in the voyage charter-party

The shipper may transfer his contractual rights to the third party in the absence of the carrier's consent but remains responsible for executing the signed contract.

Article 177. Issue of bills of lading in the voyage charter-party

Where the bill of lading is signed and issued according to the voyage charter-party and the holder of the bill of lading is not the shipper, rights and obligations of the carrier and the holder of the bill of lading shall be regulated by terms and conditions specified in that bill of lading; if terms and conditions of this charter-party have been inserted into the bill of lading, these terms and conditions shall prevail.

Article 178. Port of loading and place of receipt

1. The carrier is bound to maneuver the ship to the port of loading to get it ready to receive goods at the time and place agreed upon in the contract; hold the ship at the place of receipt according to terms and conditions of the contract of carriage.
2. The carrier shall maneuver the ship to the place of receipt designated by the shipper. The place of receipt must be safe, sound and is not exposed to any difficulty in the ship's arrival, departure and stay along with goods. In the absence of consent between different shippers to the place of receipt or clear designation of the place of receipt of goods by the shipper, the carrier shall maneuver the ship to the location which is deemed the place of receipt in accordance with the prevailing local rules.
3. In the absence of any specific agreement on the place of receipt located at the port of loading, the carrier shall maneuver the ship to the location which is deemed the place of receipt according to the prevailing local rules.
4. The shipper may request the carrier to change the place of receipt though it is clearly defined in the charter-party. The shipper must pay all relevant costs incurred by fulfillment of requested obligations.

Article 179. Laytime for loading of goods

1. The laytime for loading of goods is agreed upon in the voyage charter-party. If not so agreed upon, the local rules shall prevail.
2. The intermission incurred by the shipper, the time of change of the place of receipt requested by the shipper shall be included in the period of loading of goods.
3. The intermission incurred by the carrier or due to force majeure or weather conditions affecting the loading of goods according to accepted technical standards or likely to pose dangers to loading of the goods shall not be included in the period of loading of the goods.
4. The shipper may agree with the carrier to pay despatch for loading of goods prior to laytime, or pay demurrage for loading of goods after laytime.

Article 180. Demurrage period

1. Parties to the charter-party may enter into an agreement on the extended laytime allowed as referred to in Article 179 hereof (hereinafter referred to as extended laytime). In the absence of specific regulations on the amount of days, hours in the charter-party, the extended laytime shall be determined by parties involved in accordance with the local rules.
2. The demurrage sum is agreed upon in the charter-party. If not so agreed upon, the local rules shall prevail. In the absence of the local rules, this demurrage shall be determined on the basis of total actual expense for maintenance of the ship and crew members within the demurrage period.
3. The period during which the ship must be retained at the port of loading after laytime and the demurrage period incurred by the charterer are called the demurrage period. The carrier shall be entitled to claim for compensation for any loss or damage arising out of such demurrage.

Article 181. Notice of readiness

1. The carrier shall be obliged to notify in writing the shipper of the ship's arrival at the port of loading and readiness for loading of the goods (hereinafter referred to as notice of readiness).

2. Effective date and hour of the notice of readiness is agreed upon between contracting parties. If not so agreed upon, the local rules shall prevail.

3. The carrier shall be liable for compensation for any loss or damage arising out of inconsistency of contents of such notice of readiness with factual information at the time when the shipper received this notice.

Article 182. Replacement of goods

1. The shipper shall be entitled to replace the goods specified in the contract of carriage by the goods of similar nature unless this replacement causes any impact on interests of the carrier and other shipper.

2. Freight charged for carriage of such replacement goods shall not be less than the agreed-upon freight charged for carriage of replaced goods.

Article 183. Loading and stowage of goods aboard a ship

1. Goods must be stowed on board the ship according to the stowage plan decided by the ship master. The stowage of goods on board the ship must be approved by the shipper in writing.

2. The carrier is obliged to exercise due diligence for the loading, handling, stowing, lashing and securing of goods on board the ship. All related costs shall be agreed upon by both contracting parties.

Article 184. Departure of the ship from the port of loading

1. The carrier shall be entitled to allow the ship to leave the port of loading after laytime for loading of goods and extended laytime agreed upon in the voyage charter-party which has been completed, regardless of whether the whole or a part of contractual goods is loaded on board the ship due to causes attributable to the shipper. In this case, the carrier shall be entitled to a full amount of freight, including the freight charged for carriage of the goods which have not been loaded on board the ship.

2. In the event of leasing the whole of the ship, the carrier shall be entitled to collect a full amount of freight provided that he fulfills the following requirements set out by the shipper:

a) Start the voyage before the allowed period of time;

b) Load all of the goods stored at the place of receipt. After extended laytime expires, if loading of such goods may lead to the demurrage period of less than 14 days, his right to collect such full amount of freight remains unchanged under the provisions of paragraph 3 Article 180 hereof.

3. In the event of leasing a part of the ship, the carrier shall be entitled to collect a full amount of freight and refuse to load the goods which arrived after agreed-upon laytime or extended laytime due to causes attributable to the shipper.

Article 185. Shipping route and time

1. The carrier shall be bound to carry goods within an appropriate time and on the right route agreed upon in the contract of carriage, or on the usual route unless otherwise entered into in the contract of carriage.

2. The carrier is not considered breach of the contract if he steers the ship off the predetermined course to save people in distress at sea, or has other reasonable grounds for his act. The carrier

shall be discharged from liability for compensation for any loss or damage arising out of the ship's going off the predetermined course in this situation.

Article 186. Replacement port

1. When the ship fails to arrive at the port of discharge due to invincible causes and is not capable of awaiting discharge of goods that may occur in another proper time, the carrier shall be allowed to maneuver this ship to the nearest safe replacement port and notify the shipper of this to receive any order from that charterer.
2. In respect of leasing of a whole ship, depending on specific conditions, the ship master must make a request for the order for the ship to arrive at the replacement port and act in compliance with the order from the shipper; if it is impossible for the ship master to carry out the shipper's order, or there is none of the shipper's order received after a proper waiting time, the ship master may discharge the goods from the ship or carry such goods back to the port of loading at his discretion to the extent that the shipper's right is duly protected. The shipper must pay the carrier freight based on the actual distance and related costs.
3. In case of leasing of a part of the ship, the ship master shall have the similar right to act as referred to in paragraph 1 of this Article if, after 05 days from the date of request for the shipper's order, he has not received any order of the shipper, or if the ship master finds it is impossible for him to carry out this order. The shipper must pay the carrier a full amount of freight and related costs.

Article 187. Discharge and delivery of goods

1. The discharge of goods is decided by the ship master. The carrier is obliged to carry out the discharge of goods in the manner of due diligence.
2. The shipper shall be accorded the right to dispose of goods until the goods are delivered to the legal consignee, if such right has yet to be transferred to other person; request unloading of the goods before the ship starts its voyage, change the consignee or the port of discharge after the voyage has started to the extent that the charterer is liable for compensation for every loss or damage and related costs.
3. Rights referred to in paragraph 2 of this Article shall not be applied if exercise of such rights may lead to any substantial delay for the start of a voyage, unless otherwise approved by the carrier.

Article 188. Freight charged for shipping service

1. Where the goods are loaded on board the ship in excess of an agreed tonnage stated in the contract of carriage, the carrier shall only be entitled to collect the agreed-upon freight charged for carriage of such goods.
2. With regard to undeclared goods loaded onto a ship, the carrier shall be entitled to collect double freight charged for carriage of the goods from the port of loading to the port of discharge and claim compensation for any loss or damage arising out of stowage of the unauthorized goods on board the ship. The carrier shall be entitled to discharge such undeclared goods at any port whenever necessary.

3. Upon receiving the goods, the consignee must pay the carrier the freight charged for carriage of his goods, compensation for ship retention or other costs related to carriage of the goods if such sum of freight has yet to be paid in advance.

Article 189. Payment of freight for carriage, charge for storage of goods, and handling of sums earned from auctioning of goods

Regulations on payment of freight for carriage of goods, handling of retained goods and sum earned from auctioning of the goods as referred to in Article 157, 158, 167 and 168 hereof shall be applied similarly to carriage of goods under the voyage charter-party.

Article 190. The shipper's right to terminate the charter-party

1. The shipper shall be accorded the right to terminate the charter-party under the following circumstances:

a) The carrier fails to maneuver the ship to the place of receipt at an agreed time, and cause a delay in loading of goods or commencement of a voyage; in this case, the shipper shall be entitled to make a claim for compensation for any arising loss or damage;

b) If the goods have been completely loaded but the ship has yet to start its voyage, or the ship is underway at sea, the shipper is accorded the right to request discharge of the goods and obliged to pay a full amount of freight charged for carriage of goods and related costs to the carrier.

2. The carrier shall be entitled to refuse to comply with the shipper's request for discharge of the goods as referred to in subparagraph b paragraph 1 of this Article whereas such discharge of goods causes a delay in the ship voyage or affects other interested parties due to any change made to the predetermined schedule.

3. In case of hiring of the entire ship, the shipper shall be entitled to terminate the contract of carriage prior to the ship's commencement of its voyage but would be liable for any relevant costs, and depending on the time when such termination occurs, for freight charged for carriage of goods according to the following rules:

a) Paying half of freight, in case of termination of the contract taking place prior to calculation of laytime for loading of goods;

b) Paying a full amount of freight, in case of termination of the charter-party taking place after calculation of laytime for loading of goods or after calculation of extended laytime if the charter-party is only binding on one voyage;

c) Paying a full amount of freight for the whole voyage prior to commencement of which the shipper terminates the charter-party plus half of freight charged for all of the successive voyages if the charter-party is binding on multiple voyages.

4. Where the shipper terminates the charter-party according to the provisions of paragraph 3 of this Article, the carrier is obliged to retain the ship at the place of receipt until the goods are completely discharged even though such retention may lead to an excess of laytime for loading of the goods and permitted extended laytime.

5. In case of hiring of a part of the ship, the shipper shall be entitled to terminate the charter-party and pay compensation for related costs, and depending on the time when such termination occurs, for freight charged for carriage of goods according to the following rules:

- a) Paying half of freight, in case of termination of the charter-party taking place after the permitted period of storing the goods as agreed upon in that charter-party;
- b) Paying a full amount of freight, in case of termination of the charter-party taking place when the ship is on its voyage.

Article 191. The carrier's right to terminate the charter-party

The carrier shall be accorded the right to terminate the charter-party prior to commencement of a voyage unless the number of goods loaded on board the ship is consistent with the agreed amount and total value of such goods is adequate to cover freight charged for carriage of goods and goods-related costs that the carrier must pay, except if the shipper has paid a full amount of freight or provided necessary guarantees. The shipper is bound to pay costs relating to discharge and half of agreed-upon freight.

Article 192. Termination of the charter-party without payment of compensation

1. Contracting parties shall be entitled to terminate a charter-party without being liable for any compensation to the extent that, prior to the ship's leaving the place of receipt, one of the following events occurs:

- a) Wars may pose a threat to the safety for the ship or goods on board the ship; the port of loading or discharge is blocked;
- b) The ship is arrested or temporarily detained under the decision of the competent authority through no fault of contracting parties;
- c) The ship is requisitioned by the Government;
- d) The order to prohibit movement of the goods out of the port of loading or to the port of discharge is in effect.

2. The terminating party referred to in paragraph 1 of this Article shall be liable for costs incurred from discharge of the goods.

3. Parties shall be entitled to terminate a charter-party if any event referred to in paragraph 1 of this Article happens during the ship's voyage; in this case, the shipper is obliged to pay freight charged for carriage of the goods on the basis of the actual distance and costs incurred from discharge of the goods.

Article 193. Automatic termination of the charter-party

1. The charter-party shall be automatically terminated and contracting parties shall not be liable for compensation for any loss or damage if, after the charter-party is concluded and before the ship leaves the place of receipt, none of contracting parties is considered at fault in the following cases:

- a) The ship designated in the charter-party is wrecked, sunken, missing or extorted;
- b) The goods specified in the charter-party are lost;
- c) The ship designated in the charter-party is deemed subject to be unrepairably damaged or, if it is likely to be repaired, such repair is uneconomic.

2. Where the ship is underway at sea and is faced with events defined in paragraph 1 of this Article, the carrier shall only be entitled to collect freight calculated on the basis of the actual

distance; if the ship is subject to any loss or damage but goods on board the ship is saved or retrieved, the carrier shall be entitled to collect freight charged for carriage of the goods calculated on the basis of the actual distance at which such goods have been carried.

Article 194. Preservation of goods upon termination of the charter-party

When the contract is terminated according to the provisions of this Section, the carrier remains bound to preserve the goods till delivery of such goods to the authorized consignee, except for the cases referred to in subparagraph 1 and b paragraph 1 Article 193 hereof.

Article 195. Statute of limitation for submission of a claim regarding execution of the voyage charter-party

The statute of limitation for submission of a claim regarding execution of the voyage charter-party is 02 years from the date on which the claimant is aware or must have been aware that his interests are contravened.

Section 4. MULTIMODAL TRANSPORT CONTRACT

Article 196. Multimodal transport contract

1. Multimodal transport contract refers to the contract entered into between the consignor and multimodal transport dealer whereby the multimodal transport dealer undertakes to carry goods to collect charge for rendering of the entire process of transportation of goods from the place of receipt to the place of delivery to the consignee via at least two modes of transport, including the transport by sea.
2. Multimodal transport dealer refers to a person who concludes by himself, or authorizes other person to conclude the multimodal transport contract with the consignor.
3. Consignor refers to a person who concludes by himself, or authorizes other person to conclude the multimodal transport contract with the multimodal transport dealer.
4. Multimodal transport document refers to evidence for the multimodal transport contract to certify that the multimodal transport dealer receives and transports goods as well as undertakes to deliver goods under contractual terms and conditions.

Article 197. Liabilities of the multimodal transport dealer

1. Multimodal transport dealer shall be held liable for goods under the multimodal transport contract from the date of loading of goods to the date of discharge of goods.
2. The multimodal transport dealer can sign separate contracts with specific carriers operating modes of transport under which liabilities of each contracting party for each mode of transportation must be specified. These separate contracts shall not cause any impact on liabilities of the multimodal transport dealer for the whole process of transportation.

Article 198. Limitation of liabilities of the multimodal transport dealer

1. Where goods carried by a single mode of transport are lost or damaged during the whole process of transportation, equivalent laws and regulations governing such mode of transport in the multimodal transport process shall be applied to liabilities and limitation of liabilities of the multimodal transport dealer.
2. Where determining which mode of transport causes loss of or damage to the goods is impossible, the multimodal transport dealer shall be liable for compensation in accordance with

regulations on relief from and limitation of liabilities of the carrier laid down in Article 151 and 152 hereof.

Article 199. Provisions on multimodal transport

The Government shall adopt detailed provisions on multimodal transport.

Chapter VIII

CONTRACT FOR CARRIAGE OF PASSENGERS AND BAGGAGE BY SEA

Article 200. Carriage of passengers and baggage

1. Contract for carriage of passengers and baggage by sea refers to the contract entered into between the carrier and the passenger under which the carrier employs the ship to carry this passenger and his baggage from the port of departure to the port of arrival and collect remuneration for such carriage and freight for carriage of baggage paid by that passenger.
2. Carrier refers to a person who concludes by himself, or authorizes other person to conclude the contract for carriage of passengers and baggage by sea with passengers.
3. Actual carrier refers to a person entrusted by the carrier to perform the whole or a part of carriage of passengers and baggage by sea.
4. Passenger refers to a person carried on board the ship under the contract for carriage of passengers, or a person permitted by the carrier to take his live animals or means of transport on board the ship under the contract for carriage of goods.
5. Luggage refers to articles or means of transport carried under the contract for carriage of passengers by sea, except for the following cases:
 - a) Articles and means of transport carried under the contract for carriage of goods
 - b) Live animals.
6. Hand baggage refers to baggage that a passenger keeps inside their stateroom or is put under their own supervision, preservation and control.

Article 201. Document on carriage of passengers and baggage

1. Document on carriage of passengers and baggage includes:
 - a) Ship pass or ticket refers to evidence to show that a contract for carriage of passengers has been concluded;
 - b) Baggage claim form refers to evidence to show that a passenger's baggage has been consigned to the ship.
2. The carrier shall be entitled to replace a ship pass by an equivalent document in the event that a passenger is carried by a ship other than a dedicated passenger ship.
3. The carrier shall provide fare exemption, reduction, priority and pass return policies and freight charged for carriage of baggage.

Article 202. Rights and obligations of passengers

1. A passenger shall be entitled to rights and benefits associated with class-specific tickets and shall not be liable for charge for carriage of hand baggage of which weight and category is governed by regulations set out by the carrier.
2. A passenger is obliged to submit to the ship master's commands, observe rules and regulations or instructions on board the ship and comply with directions of responsible officers and seafarers.
3. Agreements on limitation of a passenger's rights, or relief from or reduction of liabilities of the carrier as referred to in this Chapter are all void and null.

Article 203. Carrier's obligations and rights

1. The carrier is obliged to exercise due diligence to ensure the ship's seaworthiness including requirements relating to crew members, necessary equipment and supplies which must be satisfied from the start of voyage and through the entire transportation process to the port of arrival.
2. The carrier is bound to devotedly take care of and protect passengers and their baggage from the time when passengers are received on board the ship to the time when passengers and their baggage have left the ship at the port of arrival in a safe manner; pay all expenses incurred from picking up, providing passengers with meals and drinks as well as daily services in certain special case in which unexpected events occur during the ship voyage.
3. The carrier is bound to buy insurance in respect of his civil liability for passengers.
4. The carrier shall be vested with the right to refuse to perform the contract of carriage without having to be liable for any compensation on condition that one of the following events occurs:
 - a) Wars or other events may lead to any threat of arrest of the ship.
 - b) The port of departure or arrival is declared subject to blockade;
 - c) The ship is arrested or temporarily detained under the decision of the competent authority through no fault of contracting parties;
 - d) The ship is requisitioned by the Government;
 - dd) Departure of passengers from the port of embarkation or arrival of passengers in the port of disembarkation is subject to a prohibition order.
5. Where the carrier refuses to perform the contract of carriage according to the provisions of paragraph 4 of this Article prior to departure, he is obliged to refund the ticket cost and freight rate charged for carriage of baggage to passengers.

Where the ship has already been departed, the carrier shall be bound to refund passengers a part of ticket cost based on the ratio of such ticket cost to the travel distance which has not been covered; concurrently, shall be obliged to carry passengers back to the port of departure at his own expense or pay an equivalent sum of compensation to passengers.

6. Where a passenger fails to get on board the ship within the stipulated time, even though the ship enters into a port during voyage, the carrier shall be entitled to refund the ticket cost which has been paid.
7. The carrier shall be accorded the right to delay the departure time, change the ship route, port of embarkation or disembarkation in the event that sanitary and phytosanitary conditions existing

at the place of departure, arrival or along the transportation route are not favorable, and any other situation arises beyond his control. Contingent on the request of passengers, the carrier shall be liable for costs incurred by carrying passengers back to the port of embarkation or compensation paid passengers for actual reasonable loss.

8. Provisions set forth in paragraph 7 of this Article shall not limit passengers' rights to refuse to perform the contract of carriage.

Article 204. Liability of the carrier and actual carrier in carriage of passengers

Liabilities of the carrier and actual carrier in carriage of passengers by sea shall be governed under regulations laid down in Article 173 hereof.

Article 205. Discharge of the carrier's liabilities for arrest of passengers

The carrier shall be relieved of liabilities for any passenger's being arrested by the competent authority of the port where the ship enters during the period of voyage through their own fault.

Article 206. Imposition of actions on stowaways

1. Stowaway refers to the person who has embarked onboard the ship when that ship stays at the port or the location within the port boundary without consent from the carrier, ship master or the responsible person and continues to stay on board the ship after the ship's departure from the port or the location within the port boundary.

2. Stowaways shall be obliged to pay a full amount of charge for the distance within which they have carried and a sum of fine which is equal to such charge payable.

3. The ship master shall be vested with authority to force such stowaways to disembark from the ship or get onto another ship to return them to the port where they got on board the ship and notify competent regulatory agencies of their name, age and nationality of these stowaways, the place of their embarkation and their hiding place on board the ship.

4. Where stowaways are allowed to continue their trip, they must buy tickets and have rights and obligations which are similar to these of other passengers.

Article 207. Carrier's liabilities for compensation for loss or damage

1. The carrier shall be charged with liabilities for compensation for any loss or damage arising out of passenger's death, injury or other harm to health and lost or damaged baggage in the event that incidents leading to such loss or damage during journey are at the fault of the carrier, his servants or agents and occur within the scope of his assigned duties.

Fault of the carrier, his servants or agents is deemed obvious, except when they manage to prove that passenger's death, injury or suffering from other harm to passenger's health or loss of or damage to their hand luggage is resulted from ship collision, wreck, destruction, stranding, explosion, fire, any defect or latent defects.

Fault of the carrier, his servants or agents is deemed obvious, except when they manage to prove that loss of or damage to other kinds of baggage is not attributable to causes to produce such loss or damage.

In other circumstances, the burden of proof of fault shall lay on the claimant.

2. The burden of proof of loss or damage and amount of loss or damage resulted from ship collision, wreck, destruction, grounding, explosion, fire or defects during journey shall lay on the claimant.

Article 208. Process of carrying passengers and baggage

1. The process of carrying passengers by sea starts from the embarkation of these passengers on board the ship and ends after the disembarkation of these passengers from the ship, including carriage of passengers from the mainland to the ship and in opposite direction on condition that the charge for such carriage has been included in the ship fare.

2. The process of carrying passenger's hand baggage shall be subject to regulations similar to those laid down in paragraph 1 of this Article. The process of carrying baggage, except hand baggage, starts from the time when the carrier, his servants or agents receive such baggage at the port of passenger embarkation and ends after the delivery of such baggage to passengers at the port of passenger disembarkation.

Article 209. Limitation of liabilities of the carrier of passengers and baggage

1. The liability of the carrier for the circumstance of a passenger's death, injury or other health-related damage shall not exceed 46,666 units of account per a contract of passenger and baggage carriage whereby total compensation amount is not allowed to exceed 25,000,000 units of account; in respect of circumstances under which the Court has judged that payment of such compensation is made on a periodic basis, this total compensation amount does not exceed limits referred to in this paragraph.

2. The liability of the carrier for loss of or damage to hand baggage is limited to an amount of 833 units of account per a passenger under a contract for carriage of passenger and baggage.

3. The liability of the carrier for loss of or damage to a shipping unit including all of baggage carried thereon is limited to an amount of 3,333 units of account per a shipping unit under a contract for carriage of passenger and baggage.

4. The liability of the carrier for loss of or damage to baggage types other than those defined in paragraph 2 and 3 of this Article is limited to an amount of 1,200 units of account per a passenger under a contract for carriage of passenger and baggage.

5. The carrier and passenger may enter into a negotiation on reducing the liability of the carrier by an amount which is limited to 117 units of account in the event of damage to a shipping unit and to 13 units of account per a passenger in the event of loss of or damage to other types of baggage.

Article 210. Loss of benefit of limitation of liabilities

1. The carrier is not entitled to the right of the limitation of liability provided for in Article 209 hereof if it is proved that the loss, damage is resulted from an act or omission of the carrier done with the intent to cause such loss, damage, or recklessly and with knowledge that such loss, damage would probably result.

2. Regulations set forth in paragraph 1 of this Article shall be applied similarly to the carrier's servants or agents.

Article 211. Loss of or damage to precious articles or valuable property

The carrier shall be liable for compensating for loss of or damage to precious articles, money, valuable papers, art pieces and other valuable property provided that the passenger has already notified the ship master or officer charged with taking care of baggage of the nature and value thereof for safekeeping purposes.

Article 212. Baggage detention

1. The carrier shall be vested with the right of detention of baggage of a passenger if that passenger has yet to pay a full amount of debts to secure his legitimate benefits until such passenger fulfills his debt obligations or provides sound and sufficient security.
2. The carrier shall be vested with the right to unload unclaimed baggage on to the shore, send them to be kept in the safe and appropriate place and notify the passenger or his authorized person of this. Every cost and fee incurred shall be covered by the passenger.

Article 213. Notification of loss of or damage to baggage

1. Passengers must notify in writing the carrier or his agents of any loss of or damage to their baggage under the following circumstances:
 - a) Notification of visible damage to hand baggage must be sent before or during the disembarkation of passengers;
 - b) Notification of visible damage to baggage other than hand baggage must be delivered before or right at the time of delivery of baggage;
 - c) Notification of invisible loss of or damage to baggage must be sent within the maximum period of 15 days from the date on which passengers disembarked from the ship or baggage should have been delivered to passengers.
2. Where a passenger fails to comply with regulations laid down in paragraph 1 of this Article, delivery and receipt of such baggage that remains intact is deemed complete, unless otherwise proved.
3. Passengers are not obliged to send a written notification if, upon delivery and receipt of such baggage, the carrier and passenger together conduct inspection or examination of such baggage.

Article 214. Statute of limitation for submission of a claim concerning carriage of passengers and baggage

1. Statute of limitation for submission of a claim for compensation for loss resulted from a passenger's death, injury or suffering from other health-related damage and loss or damage to baggage lasts for 02 years.
2. The statute of limitation for submission of a claim referred to in paragraph 1 of this Article is calculated by the following manner:
 - a) In respect of a passenger's injury, the statute of limitation for submission of a claim begins on the date of passenger's disembarkation;
 - b) In respect of a passenger's death occurring during journey, the statute of limitation for submission of a claim begins on the date on which such passenger should have left the ship.

Where a passenger's injury occurring during journey results in the death of this passenger after his disembarkation from the ship, the statute of limitation for submission of a claim begins on the

date of this passenger's death and is restricted to 03 years from the date of his disembarkation from the ship;

c) Where loss of or damage to baggage occurs, the statute of limitation for submission of a claim begins on the date on which the passenger disembarks from the ship or should have left the ship, whichever is later.

3. Notwithstanding the provisions of paragraph 1 of this Article on temporary suspension or stop of the statute of limitation for submission of a claim for compensation, the statute of limitation for submission of a claim is not allowed to exceed 03 years from the date on which a passenger has left the ship or should have left the ship, whichever is later.

Chapter IX

CHARTER-PARTY

Section 1. GENERAL PROVISIONS

Article 215. Charter-party

Charter-party is a contract entered into between the owner and charterer of the ship under which the owner gives the right to use his ship to the charterer within a specified period to fulfill specific agreed objectives and is paid freight by the charterer.

Article 216. Form of a charter-party

1. A charter-party is concluded in the form of either a time charter or demise charter.
2. A charter-party must be in writing.

Article 217. Re-letting of the ship

1. If contractually agreed upon, the charterer may re-let the ship out to the other third person but has to remain obligatory to perform the charter-party with the owner.
2. Rights and obligations of the ship owner provided for in this Chapter shall be applied similarly to the re-letting party.

Article 218. Rules for application of laws to the charter-party

Provisions pertaining to the rights and obligations of the ship owner and charterer set forth in this Chapter shall only be applied unless otherwise agreed upon between the ship owner and charterer.

Article 219. Statute of limitation for submission of a claim as to the charter-party

The statute of limitation for submission of a claim as to matters arising out of the charter-party lasts for 02 years from the date of termination of this charter-party.

Section 2. HIRING OF A SHIP FOR A SPECIFIED PERIOD OF TIME

Article 220. Time charter

1. A time charter refers to a contract for hiring of a ship whereby the ship owner provides a specific ship along with crew members for the charterer.
2. A time charter is composed of the following elements:
 - a) Name of the ship owner and charterer;

- b) Name, flag, grade of the ship; weight, engine capacity, gross register tonnage, speed and fuel consumption;
- c) Operating region, purpose of use of the ship and the term of the charter-party;
- d) Time, location of and conditions for handover and return of the ship;
- dd) Freight for hiring of the ship and payment method;
- e) Other related contents.

Article 221. Obligations of the ship owner agreed upon in the time charter

1. The ship owner shall be obliged to hand over the ship to the charterer at the right place and time, ensure necessary technical safety conditions, and have sufficient supplies relevant to the purpose of use of the ship as agreed upon in the charter-party and keep the aforesaid unchanged during the time of hiring of such ship.
2. The ship owner shall be obliged to properly man the ship with competent crew members which are relevant to the purpose of use of the ship agreed upon in the charter-party, pay salary and ensure other legal benefits of seafarers during the time of hiring of the ship.

Article 222. Rights of the time charterer

1. The charterer shall be vested with the complete right to use dedicated areas on board the ship to carry goods, passengers and baggage.
2. The charterer shall not be accorded the right to use other areas on board the ship to carry goods, passengers and baggage, unless otherwise approved by the ship owner.

Article 223. Obligations of the time charterer

1. The charterer shall be obliged to use the ship to serve the right purpose agreed upon in the charter-party and must duly pay attention to exercise due care of benefits of the ship owner.
2. The charterer shall be obliged to ensure the ship is only used for carrying goods, passengers and baggage in a legitimate manner.
3. After the charter-party expires, the charterer shall be obliged to return the ship to the ship owner at the right place and time and ensure the technical conditions as agreed upon in the charter-party, except for the ship's natural wear and tear.

Article 224. Relationship between the ship owner, charterer and crew members in the time charter

1. During the term in which the ship is hired under the time charter, the ship master and other seafarers that belong to crew members on board the ship remain to be subject to the ship owner's authority to manage employment. The ship owner shall be fully liable for issues relating to crew members.
2. During the ship's operations, the ship master shall act on behalf of the charterer and must carry out the order obtained from the charterer as agreed upon in the time charter.
3. The ship owner shall be held jointly responsible to the charterer for the ship master's exercise of authority referred to in paragraph 2 of this Article, except when the ship master has clearly undertaken that he acts on behalf of the charterer to exercise such authority.

Article 225. Distribution of remuneration paid for rescue service in the time charter

Where the time-chartered ship participates in rescue activities within the term of the time charter, remuneration paid for rescue activities shall be evenly distributed among the ship owner and charterer after costs relating to such rescue activities and rewards to crew members for their rescue efforts have been deducted from such remuneration.

Article 226. Exceeding the term of time charter of the ship

On the basis of sound calculation, if the ship's last journey exceeds the time when the ship must present itself to the ship owner as agreed upon in the charter-party, the charterer shall be entitled to continue use of the ship to complete that journey; the charterer must pay demurrage for the extra time of use of the ship at the price specified in the charter-party; if the market freight rate imposed on hiring of the ship is higher than the freight agreed upon in the charter-party, the charterer must pay freight for hiring of the ship equal to the current market price of freight.

Article 227. Payment of freight for time chartering of the ship

1. The charterer shall be held liable for freight for ship time chartering calculated from the date of possession of the ship to the date of return of the ship to the ship owner.
2. The ship charterer shall not be held responsible for paying freight for the time when the ship is not brought into operation due to damage, lack of supplies of spare parts or ineligible crew members. In this case, the charterer shall be entitled to a relief from liability for costs incurred from maintenance of the ship.
3. Where the ship's incapability of being brought into operation is through the charterer's fault, the ship owner remains to be entitled to freight paid for hiring of the ship and compensation for any loss or damage concerned.
4. Where the chartered ship has gone missing, freight paid for hiring of the ship shall be accrued till the date on which the last message about that ship is received.
5. Where the charterer fails to pay freight agreed upon in the charter-party, the ship owner shall be accorded authority to detain goods, property on board the ship if such goods or property are in the charterer's possession.

Article 228. Termination of the time charter

1. The charterer shall be entitled to terminate the charter-party and submit a claim for compensation for any related loss or damage if the ship owner commits fault in performing obligations referred to in Article 221 hereof.
2. Both contracting parties shall be entitled to terminate the charter-party without having to pay any compensation in the event that act of war, riots or application of coercive measures of competent regulatory agencies to hindering execution of the charter-party, which is unlikely to be terminated after a proper waiting time, occur.
3. The charter-party automatically becomes void and null if the ship has gone missing, is wrecked, destroyed or deemed subject to be unrepairably damaged or, if it is likely to be repaired, such repair is uneconomic.

Section 3. BAREBOAT HIRING

Article 229. Demise charter

1. A demise charter refers to a contract for hiring of a ship whereby the ship owner provides a specific ship without crew members.

2. A demise charter is composed of the following elements:

- a) Name of the ship owner and charterer;
- b) Name, flag and grade of the ship; weight and engine capacity of the ship;
- c) Operating region, purpose of use of the ship and the term of hiring of the ship;
- d) Time, location of and conditions for handover and return of the ship;
- dd) Checking, maintenance and repair of the ship;
- e) Freight for hiring of the ship and payment method;
- g) Ship insurance;
- h) Time of and conditions for termination of the charter-party;
- i) Other related contents.

Article 230. Obligations of the ship owner agreed upon in the demise charter

1. The ship owner must exercise due diligence in performing his obligations to provide the seaworthy ship and relevant documents for the charterer at the location and time agreed upon in the charter-party.

2. During the term of demise charter, the ship owner shall not be allowed to mortgage the contractual ship without any written consent from the charterer; where the ship owner is in contravention of this regulation, compensation for any loss or damage imposed on the charterer must be awarded.

3. Where the ship is detained due to any dispute involving the ownership or debts of the ship owner, the ship owner must ensure that benefits of the charterer are not affected and compensate for any loss or damage imposed on the charterer.

Article 231. Obligations of the demise charterer

1. The demise charterer shall be obliged to take care of the ship and equipment installed onboard the ship during the term of demise charter.

2. The demise charterer shall be obliged to repair any damage to the ship during the term of demise charter and must notify the ship owner of this. The ship owner shall be liable for charges paid for repair service if damage arises outside the scope of liability of the charterer.

3. During the term of demise charter, the charterer shall be liable for fees for the ship insurance contract of which value and manner have been agreed upon in the charter-party.

4. During the term of demise charter, if any loss imposed on the ship charter results from the charterer's use and operation of the ship, the charterer shall be obliged to provide relief or compensation for such loss.

Article 232. Obligations to return the ship, exceeding the term of charter-party and termination of the demise charter

Obligations to return the ship, exceeding the term of charter-party and termination of the demise charter shall be consistent with provisions laid down in paragraph 3 Article 223, 226 and 228 hereof.

Article 233. Payment of freight for demise chartering

The demise charterer shall be liable for freight for demise chartering as agreed upon in the charter-party. Where the ship is subject to total loss or gone missing, payment of freight for hiring of the ship shall be terminated from the date on which the ship is subject to total loss or on which the last information about the ship is received. An amount of pre-paid freight equivalent to the length of time when the ship has not been used must be refunded.

Article 234. Ship hire-purchase

1. When the demise charter includes terms and conditions concerning ship hire–purchase, the ownership of the ship agreed upon in the demise charter shall be assigned to the charterer.
2. The lessor who gives the ship under a hire-purchase contract and the lessor who provides the ship under a finance lease contract shall only keep the copy of the Certificate for registration of that ship.

Chapter X

SHIP AGENT AND SHIPBROKING

Section 1. SHIP AGENT

Article 235. Ship agent

Ship agent refers to a kind of service related to the ship operating at ports which the person acting on behalf of the ship owner as an agent or the operator of the ship performs, including undertaking procedures for the ship's entering and leaving the port; signing the contract for carriage, marine insurance contract, goods loading or unloading contract, charter-party, contract for employment of seafarers; signing and issuing bills of lading or equivalent transport documents; furnishing the ship with materials, fuel, food supplies, potable water; filing a sea protest; keeping in contact with the ship owner or operator; performing seafarer-related services; collecting and spending sums relating to ship operating activities; resolving any dispute regarding the contract for carriage or marine accidents as well as rendering other ship-related service.

Article 236. Person acting as a ship agent

1. The person acting as a ship agent is the person appointed by the entrusting person to act as his representative to perform ship agent services entrusted by the entrusting person at ports.
2. The person acting as a ship agent may render ship agent services to the shipper, charterer or other persons entering into a contract with the ship owner or operator if obtaining consent from the ship owner or operator.

Article 237. Ship agent contract

A ship agent contract refers to a contract signed in writing between the entrusting party and the ship agent under which the entrusting party allows the ship agent to perform ship agent services for specific voyage or within a specified period of time.

Article 238. Obligations of the ship agent

1. The ship agent shall be responsible for performing necessary acts to take good care of legitimate rights and benefits of the entrusting party; bound to comply with requirements and instructions of the entrusting party; notify the entrusting party in a timely manner of events relating to entrusted duties; accurately calculate receipts and expenditure associated with entrusted duties.

2. The ship agent shall be responsible to pay the entrusting party compensation for any loss or damage resulted from his fault.

Article 239. Liabilities of the entrusting party

1. The entrusting party shall be responsible for instructing the ship agent to perform entrusted services whenever necessary and must pay an estimated sum of advance for entrusted services upon the request of the ship agent.

2. Where the ship agent performs acts beyond the scope of fiduciary duties, the entrusting party shall remain responsible for these activities to the extent that the entrusting party with his knowledge of this issue has not notified persons involved of his refusal to recognize these acts of the ship agent.

Article 240. Charge rate imposed on ship agent services

The charge rate imposed on ship agent services shall be negotiated by contracting parties except to the extent stipulated by laws.

Article 241. Statute of limitation for submission of a claim regarding execution of ship agent contract

The statute of limitation for submission of a claim regarding execution of ship agent contract lasts for 02 years from the date on which any dispute arises.

Article 242. Conditions for trade in ship agent services

1. In order to engage in trade in ship agent services in Vietnam, enterprises must be established in accordance with laws; with regard to a foreign-invested enterprise, a capital contribution portion must be assured in accordance with laws.

2. These enterprises must assign full-time personnel to operate ship agent services and full-time personnel to undertake legislative activities.

3. Staff members of a ship agent must have Vietnamese nationality and hold certificates in ship agent profession.

4. The Government shall provide detailed provisions on this Article.

Article 243. Ship agent in respect of public duty ship, fishing ship, submarine, submersible, floating warehouse, movable platform and hydroplane and foreign military vessel entering into the territory of Vietnam

Provisions relating to ship agent referred to in this Section shall be applied to public duty ship, fishing ship, submarine, submersible, floating warehouse, movable platform and hydroplane and foreign military vessel entering into the territory of Vietnam.

Section 2. SHIPBROKING

Article 244. Shipbroking and ship broker

1. Shipbroking refers to a kind of service providing an intermediary between parties involved in transaction, negotiation and conclusion of the contract for carriage, marine insurance contract, charter-party, contract for purchase and sale of a ship, contract for towing a ship, contract for hiring of seafarers and other contract pertaining to marine operations under a shipbroking contract.

2. A ship broker refers to a person rendering shipbroking services.

Article 245. Rights and obligations of a ship broker

1. Have the right to provide services to contracting parties on condition that he is required to notify all contracting parties of this and is obliged to exercise due care of legitimate rights and benefits of parties involved.

2. Have the right to be paid agreed-upon commission for his rendering of broking services. The broker and the broker's customer shall enter into a negotiation on brokerage; unless priorly agreed upon, local rules shall prevail in determination of brokerage.

3. Assume obligations to perform a broker's duties in an honest manner.

4. Bear responsibility for the legal status of parties provided with ship broking services during the ship broking duration.

5. Liabilities of a ship broker shall be discharged to the extent that contract between parties provided with ship broking services is concluded, unless otherwise agreed upon.

Article 246. Statute of limitation for submission of a claim regarding execution of a ship broking contract

The statute of limitation for submission of a claim regarding execution of a ship broking contract lasts for 02 years from the date on which any dispute arises.

Chapter XI

MARINE PILOTAGE

Article 247. Provisions on use of marine pilotage in Vietnam

1. Use of marine pilotage in Vietnam is aimed at ensuring the maritime safety and security and environmental pollution prevention; playing a significant role in protecting sovereignty and exercising sovereignty right and jurisdiction of the Socialist Republic of Vietnam.

2. Vietnamese and overseas ships must use Vietnamese maritime pilots for maneuvering these ships and pay charges for pilotage services when operating within a Vietnamese region where marine pilotage is required.

3. Cases in which use of marine pilotage is not required include:

- a) The region where marine pilotage is optional;
- b) Vietnamese ships carrying below 1,000 GT of passengers, oil, liquefied gas, chemicals in bulk; other kinds of Vietnamese ship that has less than 2,000 GT in weight;
- c) Overseas ship that has less than 10 GT in weight;
- d) Any ship of which the master is a Vietnamese national who has achieved the certificate in pilotage service, certificate of marine pilotage operating zone conformable to specific types of

ships and regulatory pilotage operating zone in which active ships are permitted to be navigated by itself.

4. The master of any ship referred to in paragraph 3 of this Article may require pilots to navigate such ship whenever necessary.

Article 248. Marine pilotage organization

A marine pilotage organization refers to an enterprise that provides the service of navigating ships to enter or leave ports and operates within the regulatory marine pilotage zone of Vietnam.

Article 249. Legal status of marine pilot

1. Marine pilot is a consultant to the master in navigation of a ship to meet marine conditions that exist at the ship piloting zone where a marine pilot is operating. Use of marine pilotage shall not discharge the master's liability to command the ship.

2. During the duration of navigation of a ship, a marine pilot shall be put under the command of the master of the piloted ship.

3. The master shall be accorded the right to choose any marine pilot or decide to cease operations of any marine pilot and request a replacement pilot.

Article 250. Eligibility requirements for Practising of marine pilotage

1. Be a Vietnamese citizen.

2. Meet required health standards.

3. Hold the certificate in marine pilotage profession.

4. Only allow navigation of a ship within the marine pilotage operating zone which is conformable to the issued certificate of marine pilotage zone.

5. Be put under the management of a marine pilotage organization.

Article 251. Rights and obligations of a marine pilot during the process of ship navigation

1. A marine pilot shall be vested with the right to refuse to navigate any ship, and simultaneously notify the port authority and marine pilotage organization in a timely manner to the extent that the master intentionally fails to follow his proper instructions or warnings.

2. A marine pilot shall be obliged to regularly provide instructions on marine conditions that exist at the ship navigation zone for the master; warn the master of any act inconsistent with regulations on assurance of maritime safety, other relevant laws and regulations.

3. A marine pilot shall be obliged to notify the port authority of ship navigation performance and any dangerous change to marine operations that he has discovered during the ship navigation process.

4. A marine pilot must exercise due diligence in fulfilling his obligations. A marine pilot's ship navigation shall be terminated after the ship anchors, arrives at the wharf and enters the agreed safe place or in the presence of a replacement pilot. A marine pilot shall not be permitted to leave a ship without the ship master's consent.

Article 252. Obligations of the ship master and owner during use of marine pilotage

1. The ship master shall be obliged to accurately inform a marine pilot of particular functions and characteristics of the ship; ensure safety for a marine pilot when he getting onto and off the ship; provide a marine pilot with equipment used for work and human daily activities during the time when that marine pilot stays on board the ship.
2. In the case of any loss resulted from a marine pilot's fault for navigating a ship, the ship owner shall be held liable for compensation for such loss in the same manner as any loss resulted from a seafarer's fault.
3. Where a marine pilot is prevented from leaving the ship upon completion of his duties for reasons of safety assurance, the ship master must enter into the nearest port for the purpose of marine pilot disembarkation. The ship owner or operator shall be charged with liability to return a marine pilot to the place of pilot embarkation and pay any relevant cost.

Article 253. Liabilities of a marine pilot for any loss resulted from the ship navigation fault

A marine pilot shall be charged with administrative and criminal liabilities in accordance with laws and relieved of civil liabilities only if any loss is resulted from this marine pilot's fault in ship navigation.

Article 254. Detailed provisions on marine pilotage

The Minister of Transport shall adopt regulations on the regulatory marine pilotage zone; training standards for marine pilots; issue and revocation of the certificate in marine pilotage profession and the certificate of marine pilotage operating zone.

Article 255. Pilotage for public duty ship, fishing ship, inland watercraft, submarine, submersible, floating warehouse, movable platform and hydroplane and foreign military vessel

Provisions of this Chapter shall be applied to public duty ship, fishing ship, submarine, submersible, floating warehouse, movable platform and hydroplane and foreign military vessel entering into the territory of Vietnam.

Chapter XII

SHIP TOWAGE

Article 256. Ship towage

1. Ship towage refers to tugging, towing, hauling, pushing or sailing alongside the ship and other floating equipment on the sea and within a port water area by a towboat.
2. Ship towage includes sea and assistance towage within a port water area.

Article 257. Requirements for trade in ship towage services

1. In order to engage in trade in ship towage services in Vietnam, enterprises must be established in accordance with laws; with regard to a foreign-invested enterprise, a capital contribution portion must be assured in accordance with laws.
2. These enterprises must assign full-time personnel to operate ship towage services and full-time personnel to undertake legislative affairs.
3. They must have the number of towboats in conformity with regulations. Towboats must be Vietnamese ships.

4. The Government shall provide detailed provisions on this Article and towage carried out in Vietnam is not covered by provisions laid down in paragraph 1 of this Article.

Article 258. Ship towage contract

1. Ship towage contract refers to the contract signed in writing between the owner and lessee of towboat except to the extent that the assistance towage takes place within a port water area.
2. The charge for ship towage services shall be negotiated by contracting parties except to the extent stipulated by laws.

Article 259. Right to command the ship towage

1. Towboats and ships or other towed units constitute a towing fleet. The towing fleet is created from the time when a towboat and other members of the towing fleet are ready to perform necessary duties under orders from the commander of such towing fleet, and is dissolved when the last duty has been fulfilled or when members of the towing fleet has kept a safe distance between them.
2. Parties entering into a ship towage contract shall negotiate for appointment of the commander of a towing fleet. If there is no agreement on this, local conventions shall prevail.
3. The right to command an assistance towage taking place within a port water area shall be granted to the master of the towed ship. In the absence of the master or chief officer, such right shall be granted to the person designated by the Director of a port authority.

Article 260. Obligations of parties to a ship towage contract

1. The owner of a towboat shall be bound to present his towboat at the right place and time and ensure technical conditions agreed upon in the ship towage contract.
2. The towage lessee shall be obliged to allow for sufficient conditions for assurance of safety for his ship as agreed upon in the ship towage contract.

Article 261. Liability to compensate for any loss relating to the ship towage

1. The owner of the ship of which the master is accorded the right to command a towing fleet shall bear liability for any loss or damage imposed on the ship, people and property onboard the ship of other members of the towing fleet unless it is proved that such loss or damage arises outside of their scope of liability.
2. Ships put under the command of the ship master of other ship shall not be relieved or reduced from liabilities to take into consideration the general safety for the towing fleet; the ship owner shall be held liable for any loss or damage imposed on the ship, people and property on board ships of other members to the extent that the fault resulting in such loss or damage is on the part of his ship.
3. In the course of execution of a ship towage contract, if any loss or damage is imposed on a third party, contracting parties shall be liable for any compensation to the extent of each party's fault.

Article 262. Statute of limitation for submission of a claim for execution of a ship towage contract

The statute of limitation for submission of a claim regarding execution of a ship towage contract lasts for 02 years from the date on which any dispute arises.

Article 263. Towage of military vessel, public duty ship, fishing ship, inland watercraft, submarine, submersible, floating warehouse, movable platform, floating dock and hydroplane

Provisions of this Chapter shall be applied to military vessel, public duty ship, fishing ship, inland watercraft, submarine, submersible, floating warehouse, movable platform, floating dock and hydroplane.

Chapter XIII

MARINE RESCUE

Article 264. Marine rescue

1. Marine rescue refers to any act of saving ships or property of the ship from dangers or any act of providing relief to ships in distress at sea, within a port water area which is performed under a marine rescue contract.
2. A marine rescue contract refers to the contract signed between the rescuing and rescued party to perform rescue operations. The master of the ship in distress shall be allowed to act on behalf of the ship owner to enter into a marine rescue contract. The master or owner of the ship in distress shall be permitted to act on behalf of owners of property on board a ship to sign such rescue contract.
3. The marine rescue contract shall be concluded in the form agreed between parties.
4. Parties to a marine rescue contract shall be entitled to request any cancellation or change of unsound contractual agreements to the extent that these agreements are concluded in an emergency state and impacted by such state or it is proved that any fraudulent or abusing act is committed upon effecting thereof or an amount of remuneration paid for rescue activities is either much less or greater than the amount that a party is actually provided.

Article 265. Obligations of the salvor, ship owner and master

1. In the course of rescue activities taking place, the salvor shall take on the following obligations:
 - a) Perform rescue duties by exercising his due diligence;
 - b) Apply proper measures to prevent or reduce any environmental harm;
 - c) Request other salvor's assistance whenever necessary;
 - d) Agree to rescue operations performed by other salvors upon the reasonable request of the owner, master of the ship or the owner of property in distress. In this circumstance, an amount of remuneration paid for the first salvor shall not be affected if rescue services provided by other salvors are deemed unreasonable.
2. The owner, master of the ship or the owner of property in distress shall assume the following obligations:
 - a) Cooperate with salvors during the rescue process;
 - b) Exercise due diligence in taking measures to prevent or reduce any environmental harm during the rescue process;

c) When the rescued ship or other property is carried to a safe place, he is bound to give such ship or property to the salvor upon receipt of a proper request.

Article 266. Entitlement to remuneration paid for rescue operations

1. Every marine rescue that produces beneficial outcomes shall be qualified for a reasonable amount of remuneration.

2. Rescue remuneration includes amount paid for rescue efforts, rescue costs, costs paid for transport and preservation of the rescued ship or property and rewards for rescue efforts.

3. Rescue remuneration shall be paid for whether the salvor performs direct or indirect acts to protect the rescued party's benefit concerning freight rate imposed on carriage of goods, passengers or baggage; for rescue of ships owned by the same person.

4. Any rescue activity inconsistent with clear and sound designation of the master of the rescued ship shall not be qualified for rescue remuneration.

Article 267. Rules of determination of rescue remuneration

1. Rescue remuneration is agreed upon in the rescue contract on condition that it is reasonable and does not exceed value of the rescued ship or property.

2. In the event that rescue remuneration is not either agreed upon in the contract or reasonable, rescue remuneration shall be determined by the following elements:

a) Value of the rescued ship or property;

b) Skills and efforts of the salvor in prevention or mitigation of loss or damage resulted from environmental pollution;

c) The rescue party's effectiveness of rescue operation;

d) Dangerous nature and level of an accident;

dd) Skills and efforts of the salvor in rescuing ships, people and property on board the ship;

e) The salvor's time, related cost and loss or damage;

g) Liability-related risks and other risks to the salvor or equipment;

h) Timeliness of rescue operations performed by the salvor;

i) Readiness and capacity of the ship and other equipment used for rescue purposes;

k) Readiness, effectiveness and value of rescue equipment.

3. Rescue remuneration may be reduced or not recognized to the extent that the emergency situation in which rescue activities are required is created by the salvor, or the salvor commits theft or fraud offences during execution of the rescue contract.

Article 268. Special rescue remuneration

1. Where the salvor's rescue operations related to the ship or goods carried on board the ship may pose a risk of causing any environmental harm and he has not been paid an amount of remuneration stipulated in paragraph 1 and 2 Article 267 hereof, the salvor shall be entitled to a special amount of remuneration paid by the ship owner.

2. A special amount of remuneration stipulated in paragraph 1 of this Article paid by the ship owner to the salvor is not allowed to exceed 30% of the cost incurred of the salvor. In the event that a claim arises from such amount, and it is proved that such claim is reasonable, and subject to provisions of paragraph 2 of Article 267 hereof, the Court or Arbitration may decide to increase a special amount of remuneration to the extent that it does not exceed 100% of the cost incurred of the salvor.

3. The cost incurred of the salvor referred to in paragraph 1 and 2 of this Article is the reasonable cost that the salvor has to pay and other reasonable costs that may arise from the actual use of his equipment and personnel for rescue duties. Determination of costs incurred of the salvor shall be consistent with provisions set forth in subparagraph h, I and k paragraph 2 Article 267 hereof.

4. In every circumstance, a full amount of special rescue remuneration provided for in this Article is paid only to the extent that that amount is greater than the amount of rescue remuneration to which the salvor may be accorded entitlement in accordance with provisions of Article 267 hereof, and is the differential between the special rescue remuneration and the rescue remuneration.

5. Where any loss resulted from environmental pollution is not prevented or mitigated due to neglect of the salvor, that salvor may lose a part or whole of entitlement to such special rescue remuneration.

6. Provisions laid down in this Article shall not cause any impact on the right of claim made by the ship owner for rescued parties' payment of such amount.

Article 269. Rules of determination of value of the rescued ship or property

Value of the rescued ship or property is the actual value determined at the place where the rescued ship or property is stored, or the sum earned from sale or evaluation of such property from which the cost of delivery, preservation and auctioning of such property and other related costs are deducted.

Article 270. Life-saving rewards included as rescue remuneration

1. Persons whose lives are saved shall not be bound to pay any sum to persons who have saved their lives.

2. Life-saving persons shall be entitled to a proper sum of reward included as the rescue remuneration or the special rescue remuneration to the extent that such life-saving act relates to the same accident that results in rescue of property.

Article 271. Rescue rewards in other cases

Persons when on pilotage or towage duty shall be entitled to rescue rewards in the presence of special assistance outside of the scope of liability under the rescue contract given to rescue the ship for which they are performing their duties.

Article 272. Distribution of rescue remuneration

1. Rescue remuneration shall be evenly distributed between the ship owner and crew members of the rescue ship from which costs or loss imposed on the ship, and costs or loss imposed on crew members in relation to rescue operations are deducted.

This rule shall not apply to dedicated rescue ships.

2. Where multiple ships participate in a rescue operation, distribution of rescue remuneration shall be consistent with provisions set forth in paragraph 2 Article 267 hereof.
3. The Minister of Transport shall provide detailed regulations on the method of distribution of rescue remuneration between Vietnamese crew members.

Article 273. Right of detention of the rescued ship or property

1. The rescued ship or property may be detained to secure payment of rescue remuneration and other costs associated with evaluation and auctioning thereof.
2. The salvor shall not be accorded the right of detention of the rescued ship or property to the extent that he has been provided with sufficient security by the ship owner or owners of such property, including profits and related costs, in consistence with conditions for making a claim for payment of rescue remuneration.

Article 274. Statute of limitation for submission of a claim regarding execution of a marine rescue contract

The statute of limitation for submission of a claim regarding execution of a marine rescue contract lasts for 02 years upon completion of a rescue operation.

Article 275. Marine rescue of military vessel, public duty ship, fishing ship, inland watercraft, submarine, submersible, hydroplane, floating dock, floating warehouse and movable platform

Provisions of this Chapter shall be applied to military vessel, public duty ship, fishing ship, inland watercraft, submarine, submersible, hydroplane, floating dock, floating warehouse and movable platform.

Chapter XIV

SALVAGE OF SHIPWRECKED PROPERTY

Article 276. SHIPWRECKED PROPERTY

1. Shipwrecked property refers to any ship, goods or other objects which are wrecked or adrift within the port water area and sea of Vietnam or run aground on the coast of Vietnam.
2. Shipwrecked dangerous property refers to any shipwrecked property that may hinder or pose dangers to marine operations, or threaten human lives and health, or have impacts on natural resources and cause environmental pollution.

Article 277. Obligations of the owner of shipwrecked property

1. The owner of shipwrecked property shall be obliged to salvage such property and cover all costs relating to salvage activities, except the circumstances provided for by paragraph 2 of this Article. Where the owner of shipwrecked property fails to conduct salvage activities or performs any salvage in breach of the required time limit, the competent authority defined in Article 284 hereof shall grant the decision on salvage of such property.
2. Where shipwrecked property is a ship, good or other object carried on board a ship, the ship owner shall be obliged to salvage shipwrecked property and cover any related cost. The manager and operator of the ship shall be jointly liable for salvage of the shipwrecked property and pay any relevant cost relating to such salvage.

3. Where the shipwrecked property causes environmental pollution, the owner of the shipwrecked property is required to apply measures to prevent and limit any loss that may arise and compensate for any loss resulted from environmental pollution in accordance with laws.

Article 278. Time limit for notification and salvage of shipwrecked property

Notwithstanding provisions laid down in Article 279 hereof, the time limit for notification and salvage of shipwrecked property shall be provided for as follows:

1. Within a period of 30 days from the date on which property is shipwrecked, the owner of that shipwrecked property must notify competent authorities referred to in Article 284 hereof of salvage and proposed deadline for completion of such salvage;
2. Within a period of 30 days of receipt of the aforesaid notification, in reliance on actual conditions, the competent authorities referred to in Article 284 hereof shall decide the proposed deadline for completion of such salvage or provide detailed provisions on the deadline in which the owner of that shipwrecked property has to complete his salvage operation.

Article 279. Salvage of shipwrecked property

1. The owner of dangerous shipwrecked property shall be obliged to promptly notify the Director of the nearest port authority of any accident occurring and carry out salvage of such property within the time limit set out by the Government. Where the owner of such property fails to salvage or is incapable of assuring that such salvage meets the time limit, the competent authority shall be charged with carrying out salvage operations and decide the deadline for that owner's payment of related costs.

The owner of that property is bound to compensate for any related loss or damage and shall be subject to any punitive action in accordance with laws even though his title to such shipwrecked property has been lost as prescribed in paragraph 1 Article 281 hereof.

2. For the period of 30 days of receipt of notification of complete salvage of his property, unless the owner of such property claims that property or pays related costs by the stipulated deadline, the competent authority shall make a decision on auctioning of such property. Where dangerous shipwrecked property are perishable types of property or costs of preservation of such property is greater than value of such property, the competent authority shall make a decision on auctioning of such property immediately after completion of salvage. Conduct of auctioning of that shipwrecked property shall be consistent with laws and regulations.

3. After costs of salvage, preservation and auctioning of shipwrecked property and other reasonable costs associated with such property, as prescribed by paragraph 2 of this Article, have been completely paid and if revenue earned from such auction is not used up, such sum of revenue shall be deposited in a bank and notify the owner of such property of this; for the period of 180 days of receipt of this notification, if such sum has not been collected by that owner, it shall be subject to the state budget's expropriation, except to the extent that the owner has lost his right to shipwrecked property referred to in Article 281 hereof.

4. Where the sum generated from auctioning of the shipwrecked property under the provisions of paragraph 3 of this Article is not adequate to make up for costs, the owner of that property is bound to pay the sum owed within the deadline defined by the authority making a decision on salvage of such property; in the event that the owner is not able to make such payment or the owner of such property is unidentifiable, that sum owed shall be covered by the state budget.

Article 280. Privilege for salvage of shipwrecked property

Vietnamese organizations or individuals shall be accorded privilege over effecting of the contract for salvage of shipwrecked property within internal waters and territorial waters of Vietnam.

Article 281. Loss of ownership of shipwrecked property

1. The owner of shipwrecked property shall be deprived from ownership of such property if notification of salvage is not issued or salvage of such property fails to meet the deadline defined in Article 278 and 279 hereof. In this case, such shipwrecked property shall automatically become the state-owned property.
2. In the circumstances referred to in paragraph 1 of this Article, the competent authority provided for in Article 284 hereof shall make a decision to deal with the shipwrecked property.
3. The owner of dangerous shipwrecked property who is deprived from the ownership of such property in accordance with paragraph 1 of this Article shall remain liable for compensation for any loss and sanctioned in accordance with laws and regulations.

Article 282. Treatment of randomly salvaged property

1. Where randomly salvaging shipwrecked property within the internal waters and territorial waters of Vietnam, or when moving such randomly salvaged property to the internal waters and territorial waters of Vietnam, the salvor must promptly notify the competent authority referred to in Article 284 hereof of the time, location and other related events; protect such property until it is delivered to the owner or the competent authority and then notify the competent authority of this whenever possible.
2. Where the salvaged perishable property referred to in paragraph 1 of this Article entails the great cost of preservation of such property, the salvor shall be vested with the right to treat such property under the provisions of paragraph 2 and 3 Article 279 hereof.
3. For the period of 15 days of receipt of notification, unless the owner of such property claims that property or fails to pay debts, the salvor shall be obliged to give such property to the competent authority provided for by Article 284 hereof.
4. For the period of 60 days after the date of notification, unless the owner of such property referred to in paragraph 3 of this Article take any action to protect his interests, competent authorities referred to in Article 284 hereof shall be accorded the right to deal with such property provided for by paragraph 2 and 3 Article 279 hereof.
5. To the extent of the circumstance stipulated in paragraph 1 of this Article, the salvor shall be entitled to the remuneration for raising the ship and reimbursed for other relevant costs according to the similar rules applied to marine rescue remuneration.
6. Where it is unlikely to determine the owner of shipwrecked property, prevailing laws shall be applied to treatment of such property.

Article 283. Treatment of property which is adrift at sea or runs aground on the coast

1. Treatment of property which is adrift at sea and runs aground on the coast shall be consistent with provisions laid down in paragraph 1, 2, 3, 4 and 6 Article 282 hereof.
2. The person who has found out, salvaged or participated in salvage of other person's property which is adrift at sea shall be entitled to remuneration according to the similar rules applied to

marine rescue remuneration after notifying the owner of such property of his request at the time which is not later than the date of delivery of such property.

3. The person who has found out and preserved property running aground on the coast shall be entitled to a sum of reward and reimbursement for his preservation efforts which is limited to 30% of market price of such property after notifying the owner of such property of his request at the time which is not later than the date of delivery of such property.

Article 284. Authority to treat shipwrecked property

1. The Ministry of Transport shall take charge of conducting treatment of dangerous shipwrecked property.

2. The Ministry of Culture, Sports and Tourism Transport shall take charge of conducting treatment of shipwrecked property considered as cultural relics.

3. The Ministry of National Defense shall take charge of treating shipwrecked property relating to national defence and those that have been discovered in military zones.

4. The Ministry of Public Security shall take charge of treating shipwrecked property relating to national security.

5. The People's Committees of provinces shall take charge of treating shipwrecked property other than those referred to in paragraph 1, 2, 3 and 4 of this Article.

6. The Government shall provide detailed regulations on treatment of shipwrecked property.

Chapter XV

SHIP COLLISION

Article 285. Ship collision

Ship collision refers to an accident that occurs when two ships, a ship and inland watercraft, a ship and hydroplane or other units collide with each other at sea or within a port water area.

Article 286. Liabilities of the ship master associated with a collision

1. In the case of a collision, the master of the ship involved in such collision shall be obliged to arrange rescue of people, ship and property of the other ship to the extent that such rescue activities do not pose any serious danger to people, ship and property on board his ship.

2. Promptly after a collision takes place, masters of the ship involved in that collision shall be obliged to exchange information about ship name, call sign, place of registration and last port of departure and intended port of arrival.

3. The ship owner shall be exempted from liability for the ship master's failure to fulfill obligations referred to in paragraph 1 and 2 of this Article.

Article 287. Rules for determination of fault and compensation for any loss arising out of a collision

1. The ship at fault in a collision refers to the ship that causes a collision due to an act or omission in equipment, navigation and management of the ship; in compliance with regulations for preventing collisions at sea and maritime safety regulations; to the neglect of necessary professional practices.

2. The ship at fault in a collision must compensate for any loss regarding the ship, people and property involved in such collision. Where the fault in a collision is on the part of two or more ships, burdens of compensation shall be distributed to the extent of each party's fault; if the extent of fault is even or the extent of fault on the part of each party is not determined, burdens of compensation shall be evenly distributed to all of parties.
3. Where fault has yet to be determined in a definite manner, ships involved shall not be deemed at fault for such collision.
4. In the case of compensation for any loss of human lives, injury or other health-related damage, ships at fault shall be jointly liable. The ship that has provided compensation beyond her liability shall be allowed to request other ships involved in such collision to reimburse her for that excessive amount of reimbursement.
5. A military vessel shall be relieved from liability for compensation if it is proved that a collision is caused by its fault when on duty within the announced zone where military practice takes place and maritime operations are prohibited. Notwithstanding this provision, the ship master shall remain to fulfill obligations referred to in paragraph 1 and 2 Article 286 hereof whenever acceptable conditions are present.
6. In the light of provisions laid down in paragraph 1, 2, 3, 4 and 5 of this Article, parties involved in a collision shall be accorded the right to enter into an agreement on their own to determine the extent of fault and liability for compensation for any loss or damage arising from such collision; in the event that an agreement is not reached, a claim may be submitted to the competent Arbitration or Court.

Article 288. Ship collision caused by acts of God, fortuitous events and unidentifiable fault

Where a collision is caused by acts of god, fortuitous events or when it is impossible to define which ship is at fault for such collision, each ship shall be liable for its own loss, irrespective of the circumstance under which a collision takes place while the ship is being anchored, fastened or is coming to touch the side of another ship.

Article 289. Indirect ship collision

Provisions of this Chapter shall be applied to the circumstance under which a ship commits the fault for any loss or damage imposed on another ship, people and property on board arising from an indirect collision.

Article 290. Statute of limitation for submission of a claim regarding ship collision

1. The statute of limitation for submission of a claim regarding ship collision lasts for 02 years from the date on which such collision takes place.
2. The statute of limitation for submission of a claim on reimbursement for an excessive sum referred to in paragraph 4 Article 287 hereof lasts for 01 year from the date of payment of compensation.

Article 291. Collision in respect of military vessel, public duty ship, fishing ship, inland watercraft, submarine, submersible, hydroplane, floating dock, floating warehouse and movable platform

Provisions of this Chapter shall be applied to military vessel, public duty ship, fishing ship, inland watercraft, submarine, submersible, hydroplane, floating dock, floating warehouse and movable platform.

Chapter XVI

GENERAL AVERAGE

Article 292. General average

1. General average refers to any extraordinary sacrifice or expenditure which is intentionally and reasonably made or incurred for the common safety for the purpose of preserving from peril the ship, goods, luggage, freight rate and passengers.
2. Only loss or damage and expenditure directly consequential on a general average act shall be included in a general average loss.
3. Every loss, damage and expenditure incurred with respect to damage to the environment or consequential to escape or release of pollutant substances from the property on board the ship in the common adventure at sea shall be excluded from a general average loss in any case.
4. Demurrage charged for late delivery of goods and any loss or damage or expenses payable on delay incurred whether in or after a sea adventure and any other indirect loss shall be excluded from a general average loss.
5. Special expenditure in excess of the acceptable amount shall be included in a general average loss within a proper limit applied to specific circumstances.

Article 293. Distribution of general average losses

1. General average is proportionally distributed based upon the value of a portion of loss in a general average act and the saved value at the time and place of the ship's end of adventure immediately after such general average occurs.
2. Provisions laid down in paragraph 1 of this Article shall also be applied to the circumstance whereby a peril arises through the fault of persons who share general average interests or of a third person.
3. Distribution of general average losses shall not exclude the right of persons involved to claim for compensation of the person at fault.
4. Rules for determination of specific loss value and value of distributed general average losses shall be contractually agreed upon between parties. In the absence of such agreement, the person who distributes general average losses shall be subject to provisions of this Chapter and international practices to handle this issue.

Article 294. Distribution of general average losses in respect of undeclared goods loaded onto the ship

Loss of an undeclared good loaded onto the ship or a good of which the nature and value is wrongfully declared shall be excluded from a general average loss; where such good is saved from a common peril, it shall be subject to a pro-rata distribution value.

Article 295. Particular average

Any loss imposed on the ship, goods, luggage, freight rate and passengers which is excluded from a general average according to the rules provided for in Article 292 hereof shall be called particular average. The person who suffers a loss shall not be entitled to compensation unless he proves that such loss arises through the fault of other persons.

Article 296. Declaration of a general average loss and appointment of a person in charge of distributing general average losses

1. Determination of a general average loss, loss value and distribution of a general average loss shall be assigned to the person in charge of distribution of general average losses by the ship owner.

2. The ship owner shall be the only person vested with the right to declare a general average loss and assign his person to take charge of distributing general average losses within a maximum period of 30 days from the date of declaration of such general average loss.

Article 297. Statute of limitation for submission of a claim regarding general average

The statute of limitation for submission of a claim regarding general average lasts for 02 years from the date on which a general average arises. The time of distribution of general average losses shall be excluded from the statute of limitation for submission of a claim regarding general average.

Chapter XVII

LIMITATION OF LIABILITY FOR MARITIME CLAIMS

Article 298. Person accorded the benefit of limitation of civil liability

1. Ship owners shall be entitled to limit their civil liability for maritime claims set out in Article 299 hereof.

2. Rules applied to the benefit of limitation of civil liability accorded salvors, ship operators, charterers or managers shall so apply to ship owners to the extent that these ship owners or persons assume responsibility for their acts, neglect or defaults.

3. Where the assured is accorded the benefit of limitation of liability for maritime claims, the insurer charged with liability for these maritime claims shall also be entitled to the benefit to the same extent as the assured himself.

4. The act of invoking limitation of liability performed by the person entitled to limit liability shall not constitute his admission of liability.

5. The person entitled to limit liability in accordance with this Chapter shall lose the benefit of limitation of liability to the extent that it is proved that a loss is sequential on that person's fault resulting in such loss.

Article 299. Claims subject to limitation of liability

1. Claims in respect of loss of life or personal injury or other health-related damage; loss of or damage to property, including damage to harbour works, basins and waterways and aids to navigation, occurring on board or in direct connexion with the operation of the ship or with salvage operations, and consequential loss resulting therefrom.

2. Claims in respect of loss resulting from delay in the carriage by sea of cargo, passengers or their luggage.

3. Claims in respect of other loss resulting from infringement of rights other than contractual rights, occurring in direct connexion with the operation of the ship or salvage operations;
4. Claims in respect of the raising, removal, destruction or the rendering harmless of a ship which is sunk, wrecked or abandoned, including anything that is or has been on board such ship.
5. Claims in respect of the removal, destruction or the rendering harmless of the cargo carried by the ship.
6. Claims of a person other than the person liable in respect of measures taken in order to avert or minimize loss for which the person liable may limit his liability, and further loss caused by such measures.

Article 300. Claims excepted from limitation of liability

1. Claims for salvage or contribution in general average.
2. Claims for oil pollution damage.
3. Claims for nuclear and radiation pollution damage.
4. Claims by servants of the shipowner or salvor whose duties are connected with the ship or the salvage operations; claims of their heirs, dependants or other persons entitled to make such claims, if under the law governing the contract of service between the shipowner or salvor and such servants the shipowner or salvor is not entitled to limit his liability in respect of such claims, or if he is by such law only permitted to limit his liability to an amount greater than that provided for in Article 301 hereof.

Article 301. Limits of liability

1. Limits of liability for claims in respect of loss of life or personal injury or other health-related damage to passengers on board the ship; loss of or damage to property carried by sea shall be consistent with provisions of Article 209 hereof.
2. Limits of liability for other claims in respect of loss of life or personal injury or other health-related damage to persons other than passengers shall be provided for as follows:
 - a) 167,000 units of account for a ship with a tonnage of 300 tons;
 - b) 333,000 units of account for a ship with a tonnage ranging from 300 tons to 500 tons;
 - c) In respect of a ship with a tonnage in excess thereof, the following amount in addition to that mentioned in subparagraph b of this paragraph: for each ton from 501 to 3,000 tons, 500 Units of Account; for each ton from 3,001 to 30,000 tons, 333 Units of Account; for each ton from 30,001 to 70,000 tons, 250 Units of Account; for each ton in excess of 70,000 tons, 167 Units of Account.
3. Limits of liability for other claims in respect of other claims shall be provided for as follows:
 - a) 83,000 units of account for a ship with a maximum tonnage of 300 tons;
 - b) 167,000 units of account for a ship with a tonnage ranging from 300 GT to 500 GT;
 - c) In respect of a ship with a tonnage in excess thereof, the following amount in addition to that mentioned in subparagraph b of this paragraph: for each ton from 501 to 30,000 tons, 167 Units of Account; for each ton from 30,001 to 70,000 tons, 125 Units of Account; for each ton in excess of 70,001 tons, 83 Units of Account.

4. Where the amount calculated in accordance with paragraph 2 is insufficient to pay the claims mentioned therein in full, the amount calculated in accordance with paragraph 3 of this Article shall be available for payment of the unpaid balance of claims under paragraph 2 of this Article and such unpaid balance shall rank ratably with claims mentioned under paragraph 2 of this Article.

5. Claims referred to in paragraph 3 of this Article in respect of damage to harbour works, basins and navigational channels and aids to navigation shall have such priority over other claims.

6. The limits of liability for any salvor not operating from any ship or for any salvor operating solely on the ship to, or in respect of which he is rendering salvage services, shall be calculated according to a tonnage of 1,500 GT.

7. Limits of liability defined in this Article shall be applied to total value of claims arising on a distinct occasion.

8. Limits of liability referred to in this Article shall be converted into Vietnamese dong according to the exchange rate announced by the State Bank on the payment date.

Article 302. Limitation fund

1. Any person entitled to limit liability in accordance with this Code may constitute a limitation fund to claims subject to limitation. The fund shall be constituted in the sum of such of the amounts set out in Article 301 hereof together with interest thereon from the date of the occurrence giving rise to the liability until the date of the constitution of the fund.

2. Any fund thus constituted shall be distributed among the claimants in proportion to their established claims against the fund's total value.

3. A fund may be constituted, either by depositing the sum or by providing other forms of security by the ship owner acceptable by the Court.

4. After a limitation fund has been constituted, any person shall be barred from infringement of any other rights and assets of a person liable. Any property of a person liable which has been arrested or any security given by such person may be released by order of the Court.

5. If, before the fund is distributed, the person liable, or any person entitled to limitation of liability, has settled a claim against the fund such person shall, up to the amount he has paid, acquire the rights by subrogation which the person so compensated would have enjoyed under this Code.

6. The shipowner's act of establishing a limitation fund shall not constitute his admission of liability.

Chapter XVIII

MARINE INSURANCE CONTRACT

Section 1. GENERAL PROVISIONS

Article 303. Marine insurance contract

1. A contract of marine insurance refers to a contract of insurance against marine risks whereby the assured is bound to pay agreed premiums and the insurer undertakes to indemnify the assured against marine losses that fall under the insurance coverage in manner and to the extent thereby agreed.

Maritime perils refer to the perils consequent on, or incidental to, the navigation of the sea, including perils of the seas, fire, explosion, war perils, pirates, thieves, seizures, captures, restraints, detentions, jettisons, procurements, requisitions, acquisitions by the Government, illegal acts and any other perils, either of the like kind or which may be designated by the insurance contract.

2. A marine insurance contract may be extended in accordance with specific conditions or trade practices so as to protect the assured against losses on inland waters or on any road, rail and aviation risk which may be incidental to any sea voyage

3. The marine insurance contract must be effected in writing.

Article 304. Subject of a marine insurance contract

1. The subject of a marine insurance contract refers to any pecuniary benefit relating to marine operations.

2. The subject of a marine insurance contract includes:

a) Sea-going ships, ships in course of building, goods or any property are exposed to maritime perils;

b) Freight for carriage of goods, charges for hiring or hiring and purchase of a ship, estimated interest on goods, commissions, loans or security for any advance, expenses endangered by the exposure of sea-going ships, ships in course of building, goods or any other property to maritime perils;

c) Any liability may be incurred by reason of maritime perils.

Article 305. Determination of insurable interest

1. The person who has insurable interest refers to the person who is interested in the subject of insurance in a marine adventure.

2. A person is interested in a marine adventure where he stands in any legal or equitable relation to the adventure or to any insurable property at risk therein, in consequence of which he may benefit by the safety or due arrival of insurable property, or may be prejudiced by its loss, or by damage thereto, or by the detention thereof, or may incur liability in respect thereof.

3. The assured must be interested in the subject-matter insured at the time of the loss though he need not be interested therein when the insurance is effected. Provided that where the subject-matter is insured "lost or not lost," the assured may recover although he may not have acquired his interest until after the loss, unless at the time of effecting the contract of insurance the assured was aware of the loss, and the insurer was not.

Where the assured has no interest in the subject of insurance at the time of the loss, he cannot acquire interest by any act or election after he is aware of the loss.

4. where the buyer of goods has insured them, he has an insurable interest, notwithstanding that he might, at his election, have rejected the goods, or have treated them as at the seller's risk, by reason of the latter's delay in making delivery or otherwise.

5. A partial interest of a ship, ship in course of building, goods or any other property is insurable.

Article 306. Re-insurance

1. The insurer may re-insure the subject matter which he has agreed to insure for other person.
2. The reinsurance contract is independent of the original insurance contract whereby the original insurer remains responsible to the assured.

Article 307. Insurance policy or certificate

1. Subject to the request of the assured, the insurer is obliged to issue the insurance policy or certificate to the assured. The insurance policy or certificate is the evidence that a marine insurance contract is effected.
2. A policy may be issued in one of the following forms:
 - a) A voyage policy refers to an insurance policy issued to the subject matter from one place to another or other;
 - b) A time policy refers to an insurance policy issued to the subject matter for a definite period of time;
 - c) A valued policy refers to a policy under which the insurer agrees in advance to the value of the subject-matter specified in the insurance policy that matches the insured value, and which prevails in payment of indemnity for total or partial losses.

Determination of estimated total loss must be subject to the value of the value specified in an insurance contract and provisions laid down in paragraph 1 Article 333 hereof, unless otherwise agreed upon in the insurance policy;

- d) An unvalued policy refers to a policy which does not specify the value of the subject-matter insured, but specify the sum insured therein.

3. A policy must specify the following basic elements:

- a) The name of the assured, or of some person who effects the insurance on his behalf;
 - b) The subject matter insured;
 - c) The insurance condition;
 - d) The period covered;
 - dd) The sum insured;
 - e) Place, day and month and time of issuance of the policy;
 - g) Signature of the insurer.

4. Form and content of a policy shall be applied to an insurance certificate.

Article 308. Obligations of the assured

1. The assured is bound to provide the insurer with all of information which he has known or must be known relating to effecting of the insurance contract which may have effect on determination of likelihood of any loss or decision of the insurer on his consent to an insurance contract and insurance conditions, exclusive of information that everybody knows or the insurer has known or must know.
2. Obligations of the assured referred to in paragraph 1 of this Article shall be applied to a person acting on his behalf.

Article 309. Automatic termination of a marine insurance contract

A marine insurance contract shall be automatically terminated in the event that, on the date of effecting thereof, any insurable loss has occurred or is not likely to occur in reality; in this case, the insurer is not liable for indemnity but remains entitled to collect insurance premiums specified in the insurance contract, except to the extent that the insurer was aware of such event before the insurance contract is effected.

Article 310. Right of termination of an insurance contract

1. Where the assured intentionally breaches obligations referred to in Article 308 hereof, the insurer shall be entitled to terminate the insurance contract. Where the assured is not at fault for inaccurate declaration or declaration failure in accordance with Article 308 hereof, the insurer shall not be entitled to terminate the insurance contract, but shall be entitled to collect additional insurance premiums at a reasonable rate.
2. Before any insurance coverage commences, the assured may request termination of the marine insurance contract but is bound to pay the insurer administrative costs and the insurer is bound to reimburse insurance premiums to the assured.
3. The insurer and assured shall not be allowed to terminate the insurance contract after any insurance coverage has been effected, unless otherwise agreed upon in the contract.

Where the insurance contract specifies that it may be terminated after any insurance coverage commences and the assured requests such termination, the insurer shall be entitled to collect insurance premiums from the date of commencement of such insurance coverage to the date of termination of such contract and the reimbursement shall be calculated in proportion to the remaining time. Where the insurer requests termination of the insurance contract, insurance premiums paid for the remaining period of time shall be reimbursed to the assured from the date of making the request for termination to the date of contract expiration.

4. Provisions of paragraph 2 of this Article shall not be applied to the case in which the assured requests termination of the contract of insurance for goods and contract of voyage insurance for ships after commencement of insurance coverage.

Section 2. INSURED VALUE AND SUM INSURED

Article 311. Insured value

The insured value refers to the actual value of the subject matter insured and is determined as follows:

1. The insured value of a ship refers to the total value of such ship at the date of commencement of insurance contract. This value includes value of machinery, equipment, spare parts of the ship together with all of insurance premiums. Value of the ship additionally includes advance wages paid to crew members and costs of making preparations for a sea voyage as agreed upon in the contract;
2. The insured value of a good refers to the value of a good specified in the invoice issued at the place of loading or the market price prevailing at the place and time of loading goods together with insurance premiums, freight rate imposed on carriage service and estimated interest (if applicable);

3. The insured value in respect of this freight rate is the total monetary amount constituted by the freight rate plus insurance premiums. Where the shipper buys insurance for the freight rate, it is included in the insured value of goods;
4. The insured value of other subject matter insured, except for civil liability, is the value of the subject matter insured at the place and time of commencement of an insurance contract plus insurance premiums.

Article 312. Sum insured

1. Upon effecting an insurance contract, the assured must declare the sum insured for the subject matter insured.

The sum insured is the sum that the insurer must pay the assured when an occurrence took place.

2. Where the sum insured as agreed upon in the insurance contract is less than the insured value, the insurer shall be liable for indemnity against any loss in the ratio between the sum insured and the insured value, including other costs covered.
3. Where the sum insured specified in the insurance contract is greater than the insured value, the sum in excess of the insured value shall not be admissible.

Article 313. Double insurance

1. Where two or more policies are effected by or on behalf of the assured on the same subject matter insured and maritime peril, and the sums insured exceed the insured value, the assured shall be deemed to be over-insured by double insurance.
2. In the case of the double insurance referred to in paragraph 1 of this Article, all of the insurers shall only be liable for indemnity within the extent of the insured value and each of them shall only assume liability which is ratable with the sum insured by himself.

Section 3. ASSIGNMENT UNDER THE MARINE INSURANCE CONTRACT

Article 314. Assignment of policy

1. A marine policy is assignable unless it contains terms expressly prohibiting assignment. It may be assigned either before or after loss.
2. The person who has no interest in the subject matter insured cannot assign any marine policy.

Article 315. Assignment of policy

A marine policy may be assigned by the assured's bearing his signature on the policy or in accordance with trade practices.

Section 4. OPEN COVER INSURANCE

Article 316. Open cover insurance

1. Open cover insurance is a line of package insurance for the subject matter insured which is a single good or several goods that the assured sends or receives during a specified period of time.
2. The open-policy insurer is obliged to issue the open cover policy or certificate to each shipment or good upon the request of the assured.

Article 317. Performance of open cover contract

1. The assured in an open cover contract shall be obliged to promptly notify the insurer after receiving information relating to delivery or receipt of goods and each notification must include name of the ship, voyage route, goods and sum insured, even to the extent that goods have already been delivered or arrived at the port of discharge before the insurer receives this notification.

2. Where the assured intentionally or negligently fail to fulfill his obligations referred to in paragraph 1 of this Article, the insurer shall be entitled to terminate the open cover contract and remain entitled to insurance premiums to the same extent that such contract is performed.

Article 318. Termination of an open cover contract

Parties shall be vested with the right to terminate an open cover contract provided that they must notify each other of such termination before a period of 90 days.

Section 5. PERFORMANCE OF MARINE INSURANCE CONTRACT

Article 319. Payment of insurance premiums

The assured is bound to pay the insurer insurance premiums immediately after the contract is effected or an insurance policy or certificate is issued, unless otherwise agreed upon by parties.

Article 320. Notice of increased risk

1. After the contract is effected and there is any change to insurable risks which leads to increases in risk levels, the assured shall be liable to notify the insurer of such change promptly after his knowledge of that increase.

2. Where the assured breaches regulations laid down in paragraph 1 of this Article, the insurer shall be entitled to refuse to indemnify a part of whole of the sum insured.

Article 321. Obligations of the assured in a loss

1. Where any loss relating to maritime perils insured arises, the assured shall be obliged to take any necessary measure to prevent and control such loss and ensure that the insurer's right of submission of claims against the person at fault for such loss is exercised. Upon fulfilling this obligation, the assured must follow sound instructions of the insurer.

2. The insurer shall not be liable for any loss arising out of the assured's neglect or willful failure to fulfill his obligations referred to in paragraph 1 of this Article.

Article 322. Insurer's liabilities for reimbursement

The insurer shall be responsible for reimbursing the assured for reasonable and necessary costs spent by the assured on prevention or control of loss covered; costs spent on implementation of instructions of the insurer provided for in Article 321 hereof or costs spent on defining causes and levels of such losses covered by the insurer as well as contributions to general average losses. Such costs must be reimbursed in the proportion of the sum insured and the insured value.

Article 323. Insurer's liabilities for indemnification

1. The insurer shall be liable for indemnity against losses directly resulting from insurable risks covered by the sum insured and reimbursement for costs referred to in Article 322 hereof, even though the total sum payable to the assured may exceed the sum insured.

2. The insurer shall not be liable for losses arising from willful acts or negligence of the assured but remain responsible for indemnity against losses resulting from omission or fault on the part of the master who is also the assured during his navigation, management of the ship and losses arising through the fault of crew members or pilots.

3. Under an insurance contract for ship body extended so as to provide an additional indemnity against losses relating to liabilities in a collision, apart from liabilities to provide indemnity for losses that fall upon any subject matter insured, the insurer shall be further responsible for indemnifying third parties for their losses to the extent of the assured's liabilities for such losses resulting therefrom, even though the total sum of indemnity may exceed the sum insured.

4. Where any maritime peril covered by an insurance contract occurs, the insurer may pay the entire sum insured to be discharged from all of other liabilities under contractual terms and conditions. In this case, the insurer is bound to send his notice of intent to the assured within a period of 07 days from the date on which the notice of maritime peril already occurring and its consequence delivered by the assured is received; the insurer shall not be allowed to claim his right of ownership of the subject matter insured to the extent that the total sum insured is less than the insured value.

In addition to providing indemnity for the total sum insured, the insurer shall be responsible for reimbursing costs in order to prevent and minimize losses or repair or recovery of the subject matter insured that paid by the assured prior to receipt of the notice from the insurer.

Article 324. Cover against successive losses

1. The insurer is liable for successive losses, even though the total amount of such losses may exceed the sum insured, unless the policy otherwise provides.

2. Where a partial loss, which has not been repaired or otherwise covered, is followed by a total loss, the assured can only recover in respect of the total loss.

3. Provisions set forth in paragraph 1 and 2 of this Article shall not exclude the insurer from liabilities for indemnification against costs incurred from his performance of policy liabilities referred to in Article 323 hereof.

Article 325. Relief of insurer's liabilities

1. Unless otherwise agreed upon in an insurance contract, when insuring a ship and freight, the insurer shall be discharged from liability for losses arising out of the following circumstances:

a) The ship is not seaworthy at the time of departure, except to the extent that the ship contains latent defects or unavoidable events take place even though the assured has exercised his due care of this;

b) Substances or materials of explosive and inflammable nature or other dangerous goods are loaded onto the ship which is inconsistent with regulations on carriage of such goods if the assured knows but the insurer does not know this.

2. Unless otherwise agreed upon in an insurance contract, in insurance on goods, the insurer shall be discharged from liability for losses arising out of the following circumstances:

a) Nature of goods;

b) Escape, discharge, wastage or natural wear and tear of goods;

- c) Insufficiency or defective conditions of packing;
- d) Delay in supply of goods.

3. Unless otherwise agreed upon in an insurance contract, the insurer shall not be liable for losses of subject matters insured resulting from wars or military acts to whatever extent and consequences arising therefrom; extortions; commotions; strikes or losses resulting from procurements, requisitions, acquisitions, arrests, destructions of the ship or goods under any military orders or decisions of competent authorities.

Section 6. ASSIGNMENT OF RIGHT OF CLAIM FOR INDEMNITY

Article 326. Assignment of right of claim for indemnity

When paying indemnity to the assured, the insurer shall be vested with the right to claim back the sum which he has been paid as indemnity against the person at fault for such losses (hereinafter referred to as third party). The insurer shall enforce this right in accordance with regulations on the assured.

Article 327. Obligations of the assured in submission of a claim against third parties

1. The assured shall be obliged to provide the insurer with every news, materials and evidence that he possesses and apply necessary measures to ensure that the insurer may enforce his right of claim against third parties.
2. Where the assured fails to secure his obligations referred to in paragraph 1 of this Article or commits any fault leading to the insurer's failure to exercise his right, the insurer shall be entitled to discharge from obligations to pay indemnity or reduction in such indemnity at a reasonable rate.
3. Where the assured has received payment of indemnity against losses from the third party, the insurer shall be bound to pay only differential between an amount of indemnity payable agreed upon in the insurance contract and an amount of indemnity that the assured received from the third party.

Article 328. Guarantee of general average contribution

1. The insurer must sign a guarantee of general average contribution that is restricted to an amount falling within the sum insured by a commitment on general average contribution made by the assured, unless otherwise agreed upon in the insurance contract.
2. When distributing general average losses, the assured is obliged to exercise due care of the insurer's interests.

Section 7. ABANDONMENT OF SUBJECT MATTERS INSURED

Article 329. Right of abandonment of subject matters insured

1. The assured shall be entitled to abandon any subject matter insured and assign the insurer his rights and obligations related to such subject matter in order to receive any indemnity against a total loss to the extent that total loss of such subject matter insured is unavoidable or prevention of such loss may incur costs which are much greater than the value thereof.
2. Right of abandonment of a subject matter insured may be applicable in the event that a ship is wrecked, extorted, damaged due to marine accidents to the extent that it can not be repaired, or it has proved uneconomical to repair, recover or pay a ransom to get the ship back.

3. Right of abandonment of subject matter insured as referred to in paragraph 2 of this Article shall be enforced on goods, even if charges for repair or carriage of goods to the port of discharge is much greater than the market price of such goods determined at the port of discharge.

Article 330. Method of and duration for exercise of right of abandonment of subject matters insured

1. Exercise of the right of abandonment of a subject matter insured must be declared in writing whereby bases for enforcement of right of abandonment thereof are clearly stated.
2. Declaration of abandonment of the subject matter insured must be sent to the insurer within a reasonable duration which does not exceed 180 days from the date on which the assured was aware of events as bases for enforcement of right of abandonment, or within 60 days from the date of expiration of the insurance term to the extent that the ship or any good is extorted or ownership thereof is lost due to other causes; after the duration stipulated herein, the assured shall be deprived of the right thereof but remain entitled to claim any indemnity against losses.
3. Any condition is not attached to abandonment of the subject matter insured; if the abandonment is accepted, neither the insurer nor the assured is entitled to change his decision.

Article 331. Obligations of the assured in declaration of abandonment of the subject matter insured

In declaration of abandonment of the subject matter, the assured is bound to provide the insurer with information about the property ownership in respect of the subject matter insured, other sums insured of which limits that the assured was aware.

Article 332. Duration for the insurer's acceptance or waiver of abandonment of the subject matter insured

1. Within a duration of 30 days of receipt of a declaration of abandonment of the subject matter insured, the insurer is bound to notify the assured of whether such abandonment is accepted or waived; after this duration, the insurer shall be subject to loss of his right of waiver thereof.
2. Rights and obligations related to the subject matter insured shall be assigned to the insurer immediately after the insurer sends a notice of acceptance of abandonment; the insurer may not claim such right.
3. Where declaration of abandonment of the subject matter insured is consistent with regulations but the insurer rejects such abandonment, the assured shall remain entitled to claim for any indemnity.

Article 333. Indemnity against a total loss

1. An estimated total loss refers to an loss arising out of damage to a ship or any good whereas such damage causing the total loss is unavoidable or costs of repair or recovery thereof exceed value of the repaired ship or the market price of such good determined at the port of discharge; in this case, the assured must send a declaration of abandonment of the subject matter insured to the insurer prior to claiming for payment of the sum insured.
2. An actual total loss refers to a loss resulting from total destruction of or damage to a ship or any good which is unrecoverable, or missing ship along with goods on board; in this case, the

assured may claim coverage from the insurer for the sum insured without having to declare abandonment of the subject matter insured.

3. Where a missing ship is the insured ship under a fixed-term insurance contract, the insurer shall only be liable for any indemnity if he receives the last information about that ship prior to its expiration of coverage term. The insurer shall not be liable for any indemnity if it is proved that the ship has gone missing after the coverage term expires.

Article 334. Reimbursement for the sum insured

Where the insurer has paid indemnity and the ship then escape from any maritime peril, the insurer shall be entitled to request the assured to continue his ownership of such ship and reimburse such given indemnity after indemnity against the partial loss of such ship is deducted therefrom on condition that such partial loss is directly consequential on maritime perils insured.

Section 8. CLAIM PAYMENT

Article 335. Liability to pay claims

When paying indemnity against losses of the subject matter insured, the insurer shall be entitled to request the assured to explain related events, provision of materials or necessary evidence for assessment of such events and loss levels.

Article 336. Statute of limitation for submission of claims regarding a marine insurance contract

The statute of limitation for submission of a claim regarding marine insurance contract lasts for 02 years from the date on which any dispute arises.

Chapter XIX

RESOLUTION OF MARITIME DISPUTES

Article 337. Maritime dispute

Maritime dispute refers to any dispute relating to marine operations.

Article 338. Rules for settlement of maritime disputes

1. Disputing parties may settle maritime disputes by entering into negotiations, agreements or submitting claims to the competent Arbitration or Court.
2. Maritime disputes shall be resolved by the Arbitration or Court in accordance with jurisdiction or procedures provided for by laws and regulations.

Article 339. Resolution of a maritime dispute in which at least one disputing party who is the foreign organization or individual is involved

1. Where a marine contract includes at least one party who is the foreign organization or individual, parties to such contract may negotiate about settlement of a dispute by an overseas Arbitration or Court.
2. Where all parties involved in any maritime dispute are foreign organizations or individuals and enter into a written agreement on settlement of such dispute by a Vietnamese Court, that Court shall be vested with authority to settle such dispute even when the disputing place is located outside of the territory of Vietnam.

3. Any maritime dispute referred to in paragraph 2 of this Article may also be settled by the Vietnamese Court if bases for establishment, change or termination of relationship between disputing parties are consistent with the Vietnamese laws or property relating to such relationship is located within the territory of Vietnam.

Chapter XX

IMPLEMENTARY PROVISIONS

Article 340. Effect

1. This Code shall enter into force from January 7, 2017.
2. The 2005 Maritime Code shall become null and void from the date of the entry into force of this Code.

Article 341. Detailed regulations

The Government and competent state agencies shall provide details for provisions which are effected in the Code.

This Code has been enacted by the 13th National Assembly of the Socialist Republic of Vietnam in the 10th plenum on November 25, 2015.

**THE CHAIRMAN OF THE NATIONAL
ASSEMBLY**

Nguyen Sinh Hung