

Chinese maritime law in review 2025

An analysis of the new Chinese Maritime Code, and review of court judgments and arbitral awards

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Chinese maritime law in review 2025

An analysis of the new Chinese Maritime Code, and review of court judgments and arbitral awards

By Dr Liang Zhao, Institute of Maritime Law, Law School, University of Southampton, UK

Foreword

The Chinese Maritime Code, adopted in 1992 (the former CMC), underwent its first comprehensive and systematic revision in 2025. The revised Chinese Maritime Code (the new CMC), comprising 16 chapters and 310 articles, came into force on 1 May 2026. This revision actively responds to contemporary demands such as the digitalisation of shipping, marine environmental protection and high-level opening of Chinese business to the world. Its core provisions include refining the regime governing property rights in ships and ship financing, unifying the rules governing both domestic and international maritime trade, strengthening the protection of the marine ecological environment, and adjusting the application of law in cross-border relations. This review introduces and analyses the main provisions of the new CMC.

This review also provides an analysis of second instance and retrial judgments relating to maritime and admiralty matters published by Chinese courts on China Judgments Online in 2025, judgments recommended by Chinese maritime judges and lawyers, and the 2025 National Typical Cases in Maritime Adjudication issued by the Supreme People's Court. Furthermore, this review introduces several maritime arbitration awards published by the China Maritime Arbitration Commission in 2025.

Part I: the new Chinese Maritime Code

This commentary focuses on the amendments, additions and deletions made to the new CMC. For provisions that have not been amended, as well as judicial rulings based on unamended provisions, please refer to the collaborative work by Liang Zhao and Lianjun Li, *Maritime Law and Practice in China*.¹

Ships

Ships under finance leases

Article 8 of the new CMC introduces a new provision concerning the finance lease of ships. Paragraph 2 of this article stipulates that the lessor's title to a ship under a finance lease shall not be enforceable against a bona fide third party unless registered. This provision is consistent with the general rule set out in para 1 of this article regarding the effect of ship registration against bona fide third parties.

Paragraph 2 of article 8 further stipulates that the lessee shall pay the lease payments in accordance with the ship finance lease contract. If the lessee fails to pay the lease payments within a reasonable period after receiving a demand for payment, the lessor may claim payment of the full amount of the lease payments; alternatively, the lessor may terminate the ship finance lease contract and repossess the leased vessel. The obligation to pay lease payments in accordance with the contract is a general provision and does not introduce any new statutory rights or obligations. The second sentence concerns the legal remedies for breach of the obligation to pay rent. Although contractual remedies under a finance lease contract may be similar to these statutory remedies, it remains to be clarified by legislation or judicial practice whether these statutory remedies are mandatory where the contract provides for different remedies for breach.

¹ Zhao, L and Li, L, *Maritime Law and Practice in China*, 1st Edition, 2017, Informa Law from Routledge.

Authority to enquire about registrations

The newly added para 2 of article 9 of the new CMC stipulates that holders of rights in the ship, interested parties and relevant state authorities may, in accordance with the law, enquire into the status of vessel ownership registration. Addressing practical issues regarding ship ownership enquiries, this provision clarifies the parties authorised to enquire into ship ownership registrations and, in order to protect the shipowner's right to privacy, restricts such enquiries to holders of rights in the ship, interested parties and relevant state authorities. Unlike enquiries into ship registration, article 22(2) of the Regulations of the People's Republic of China on Ship Registration stipulates that the ship registration authority shall permit the public to enquire about the registration status of ship mortgages. This differs from the entities authorised to enquire about ownership.

Ownership of vessels under construction

Article 10 of the new CMC introduces a new provision stipulating that, in the case of a ship under construction, ownership shall be determined by agreement; in the absence of an agreement or where the agreement is unclear, ownership shall vest in the shipbuilder. In shipbuilding practice, the ownership of ships under construction is usually clearly stipulated in the contract. Therefore, the provision that ownership of ships under construction vests with the shipbuilder constitutes a statutory default provision; should the parties have a different agreement regarding ownership, this must be expressly stated in the contract.

Ship mortgage

Article 17 of the former CMC stipulated that, once a ship mortgage had been established, the mortgagor could not transfer the mortgaged ship to a third party without

the consent of the mortgagee. Article 17 of the new CMC has removed this restrictive provision. It now provides:

“After a ship mortgage has been established, the mortgagor may transfer the mortgaged ship. Where the parties have agreed otherwise, such agreement shall prevail. Where the mortgaged vessel is transferred, the ship mortgage shall remain unaffected.”

However, this provision does not clarify whether the parties to any such agreement include the mortgagee, nor does it specify how the mortgage can remain unaffected.

If the parties involved in the transfer of the mortgaged vessel include the mortgagor, the transferee of the mortgaged vessel and the mortgagee, the parties may, through a multi-party agreement, ensure that the mortgagee's interests are not affected by the transfer of the mortgaged vessel. For example, the mortgagee and the mortgagor may cancel the registration of the ship mortgage, while the mortgagee and the transferee of the mortgaged ship register a new ship mortgage. In such cases, the ship mortgage will not be affected by the transfer of the mortgaged ship.

If the parties to the transfer of the mortgaged vessel comprise only the mortgagor and the transferee of the mortgaged vessel, the interests of the mortgagee may be affected; this might be the reason why the former CMC stipulated that the mortgagor may not transfer the mortgaged vessel to another party without the consent of the mortgagee. Article 13(1) of the new CMC stipulates that the creation, amendment, transfer and termination of a ship mortgage shall be registered with the ship registration authority. Without such registration, the mortgage cannot be enforced against a bona fide third party. Article 20 of the Regulations of the People's Republic of China on Ship Registration stipulates that when a ship mortgage is created, the mortgagee and the mortgagor shall apply to the ship registration authority at the port of registry for registration of the ship mortgage. Article 38 stipulates that where there is an amendment to a ship mortgage contract, the mortgagee and the mortgagor shall proceed to the ship registration authority at the port of registry to effect the relevant amendment registration. Article 50(1) of the Measures for the Registration of Ships of the People's Republic of China provides that where there is a change in the details of a ship mortgage registration, the mortgagor and the mortgagee shall jointly apply to

Article 17 of the former CMC stipulated that, once a ship mortgage had been established, the mortgagor could not transfer the mortgaged ship to a third party without the consent of the mortgagee. The new CMC has removed this restrictive provision

the ship registration authority at the port of registry for registration of the amendment, submitting supporting documents for the amended details and the relevant ship registration certificate. Consequently, if the transferee of the mortgaged vessel does not consent to the creation of a new ship mortgage following the transfer of the vessel, and the ship mortgagee is not a party to the contract for the transfer of the mortgaged vessel and is therefore unable to exercise rights against the transferee, it is highly likely that the ship mortgage will be affected.

Order of priority of mortgage rights

Article 19 of the new CMC stipulates that where two or more ship mortgages are established on the same vessel, the order of priority for repayment shall be determined in accordance with the following circumstances: (1) where ship mortgages have been registered, repayment shall be made in the order in which they were registered; (2) registered ship mortgages shall take precedence over unregistered ones; (3) where a ship mortgage has not been registered, repayment shall be made in proportion to the secured claims. This provision removes the stipulation in article 19 of the former CMC that mortgages registered on the same day shall be repaid in the same order but does not introduce any new provisions. If “mortgages registered on the same day” is interpreted to mean mortgages registered at the same time, it would appear possible to infer that they are to be repaid in the same order.

Maritime lien

Article 21 of the new CMC expands the scope of entities entitled to the maritime lien by adding ship managers to the existing list comprising shipowners, bareboat charterers and ship operators.

Article 22 of the new CMC lists the maritime claims giving rise to the maritime lien; in subpara (v), concerning claims for compensation for property damage arising from tortious acts during the operation of a ship, it excludes “claims for compensation for the loss of or damage to cargo, containers and passengers’ luggage carried on board the ship”, thereby avoiding confusion with liabilities under carriage contracts.

Article 21 of the new CMC expands the scope of entities entitled to the maritime lien by adding ship managers to the existing list comprising shipowners, bareboat charterers and ship operators

Paragraph 2 of article 22 of the new CMC amends the corresponding provision of the old CMC and provides:

“Where civil liability insurance or financial security has already been obtained in accordance with international treaties concluded or acceded to by the People’s Republic of China, or the mandatory provisions of laws or administrative regulations, the maritime claims specified in sub-paragraphs (2) and (5) of the preceding paragraph shall not be subject to ship’s priority within the scope of such insurance or financial security.”

The maritime claims specified in subpara (2) are claims for compensation for loss of life or personal injury occurring in the operation of the ship, and in

subpara (5) are claims for compensation for loss of or damage to property arising from torts occurring in the operation of the ship but excluding claims for loss of or damage to cargo, containers and passengers’ baggage carried on board the same ship. Compulsory liability insurance and financial guarantees already provide adequate protection for parties who have suffered personal injury, death or property damage in the course of ship operations; within the scope of such compulsory insurance and financial guarantees, there is no need to seek compensation through the maritime lien.

Article 28 of the new CMC stipulates that the one-year limitation period for the enforcement of maritime claims by the maritime lien, such as seafarers’ wages and remuneration, shall be calculated from “the date on which the claimant leaves the ship” on which they were employed, rather than “the date on which the maritime lien arises” as provided for in the old CMC. This provision is more in line with the nature of seafarers’ professions and can effectively protect their rights and interests.

Possessory lien on ships

A new section 4, “Possessory Lien on Ships”, has been added to Chapter 2 of the new CMC, providing a clear legal basis for the exercise of a lien on ships. Article 30 stipulates that shipbuilders and ship repairers may retain lawful possession of a ship where the debtor has failed to pay construction or repair costs and shall be entitled to priority satisfaction from that ship. The order of priority for a ship’s possessory lien is prior to a ship mortgage but subordinate to a maritime lien. Article 31 provides that, unless otherwise agreed, where the debtor still fails to fulfil its obligations after the shipbuilder or ship repairer has retained the ship for 60 days, the shipbuilder or ship repairer may either agree with the debtor to settle the debt by valuing the retained ship or may receive priority satisfaction from the proceeds of the auction or sale of the retained ship. Article 32 provides that, during the period of retention, if the ship is seized by a court and subsequently auctioned or sold, this shall not affect the right of the holder of the lien on the ship to priority repayment.

Contracts of carriage of goods by sea

Uniform rules of carriage

Chapter 4 of the former CMC, concerning contracts for the carriage of goods by sea, applied only to the contracts for international carriage of goods by sea and did not apply to the contracts for coastal carriage of goods between Chinese ports. Article 2 of the new CMC removes the provision stating that Chapter 4 does not apply to carriage between Chinese ports, thereby bringing coastal carriage of goods within the scope of Chapter 4 of the CMC. However, inland waterway carriage of goods remains excluded and is governed by the relevant provisions of the Chinese Civil Code.

The new CMC has refined and improved administrative provisions such as those concerning “coastal transport rights” while retaining the original framework, though no substantive changes have been made. Article 5 stipulates that maritime transport and towage between Chinese ports shall be operated by vessels that have lawfully acquired Chinese nationality, unless otherwise provided for by laws or administrative regulations. Without the lawful approval of the competent transport authority of the State Council, foreign-flagged vessels shall not operate maritime transport or towage between Chinese ports.

Article 43 of the new CMC brings domestic carriage of goods between Chinese ports within the scope of Chapter 4 of the new CMC. With regard to coastal carriage of goods, a “minimal dual-track system” has been adopted, whereby the rules governing international carriage of goods generally apply, but distinct provisions are made concerning the duty of seaworthiness and certain grounds for exemption from liability. Article 48(2) of the new CMC stipulates that the time frame for the carrier’s duty of seaworthiness in domestic maritime cargo transport shall include not only the period before and at the beginning of the voyage, but also the duration of the voyage. Article 52(2) of the new CMC provides that domestic carriers may not be exempt from liability for loss of cargo resulting from navigational negligence or fire on board.

Voyage charterparty

The former CMC classified voyage charterparties under Chapter 4, “Contracts for the Carriage of Goods by Sea”, while provisions relating to time charters and bareboat charters were set out in Chapter 6, “Ship Charter Contracts”. The new CMC has moved voyage charterparties from Chapter 6 to Chapter 4, though there are no substantive changes to the content. Article 129 of the new CMC stipulates that the mandatory provisions in Chapter 4 concerning the duty of seaworthiness and the prohibition on unreasonable deviation shall continue to apply to the charterer under a voyage charter; where a voyage charter makes no provision to the contrary, the provisions of Chapter 4 concerning the rights and obligations of the parties shall continue to apply to voyage charterparties.

Rights and obligations of the parties

Article 52 of the new CMC extends the carrier’s exemption from liability to cover not only the loss or damage of goods but also cases of delay in delivery. With regard to delay in delivery, article 51 stipulates that failure to deliver the goods at the agreed port of discharge within the expressly agreed time limit constitutes a delay in delivery; in domestic carriage of goods by sea, failure to deliver the goods within a reasonable time limit also constitutes a delay in delivery. Furthermore, save where the carrier is exempt from liability in accordance with the provisions of Chapter 4, the carrier shall be liable for compensation where, due to the carrier’s fault, the goods are lost, damaged or suffer other economic losses as a result of delayed delivery. It is thus evident that, while the conditions constituting delayed delivery differ slightly between domestic and international carriage of goods by sea, the basis for liability remains the same.

Article 44 of the new CMC amends the definition of an actual carrier. An actual carrier refers to an entity that, having accepted a commission or sub-commission from the carrier, actually performs all or part of the carrier’s obligations relating to the carriage of goods by ship (including receipt, loading, handling, stowage, carriage, safekeeping, care, unloading and delivery). This definition broadens the scope of entities that may qualify as actual carriers. Accordingly, entities such as

port operators will, when specific conditions are met, acquire the status of actual carriers and thereby be entitled to invoke the carrier's statutory defences and limitations on liability.

Under article 86 of the former CMC, the costs and risks arising from the failure to collect goods at the port of discharge were to be borne by the consignee. Article 93 of the new CMC replaces consignee with shipper and stipulates that the carrier must notify the shipper in a timely manner. Furthermore, if the consignee has already exercised rights under the contract of carriage of goods by sea, the consignee shall bear such costs and risks. This amendment clarifies the basic order of liability allocation and may reduce disputes arising from uncertainty regarding the liable party.

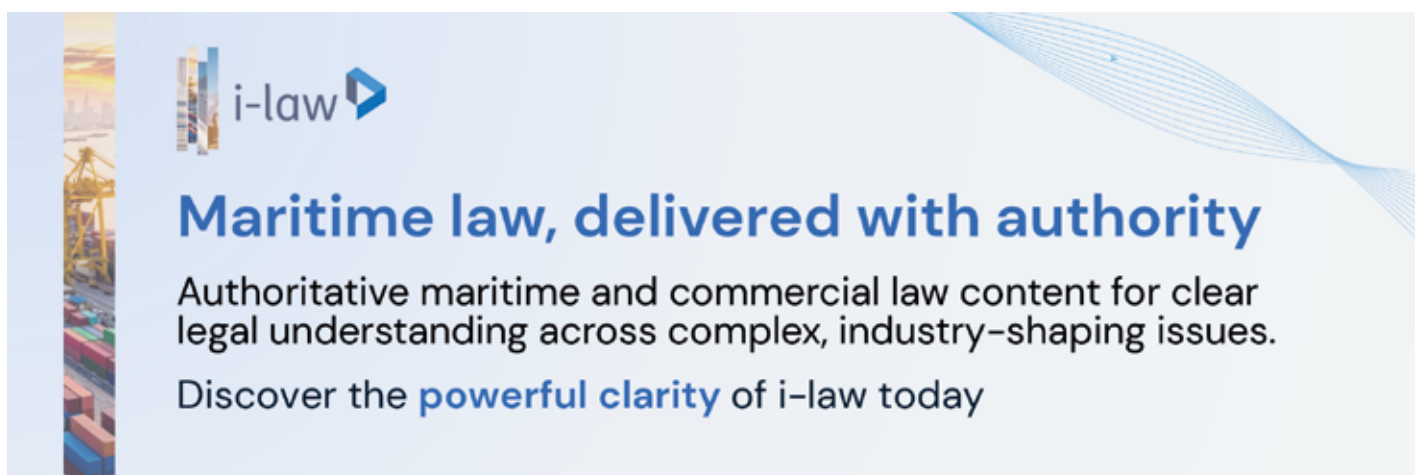
Value of the goods

Article 55 of the former CMC stipulated that the amount of compensation for the loss of goods shall be calculated based on the actual value of the goods. The actual value of the goods was calculated as the value at the time of loading, plus insurance premiums and freight charges. Article 56 of the new CMC stipulates that compensation shall be calculated based on the market price at the time of delivery at the place of delivery; where these cannot be determined, it shall be calculated based on the value of the goods at the time of loading, plus insurance premiums and freight charges. This amendment brings the determination of the value of compensation for goods closer to the actual economic loss suffered, thereby reflecting the principle of compensation for damages.

Electronic transport records

The new CMC introduces a new section 5 to Chapter 4, entitled "Electronic Transport Records", confirming that electronic transport records meeting the conditions set out in laws and administrative regulations have the same legal effect as paper transport documents. China currently has no relevant laws or administrative regulations governing electronic transport records. Users of electronic transport records need to closely monitor developments in the relevant legislation to ensure that the electronic transport records they use are recognised as having equivalent legal effect under the new CMC. This section also sets out provisions regarding the reliability and exclusivity of electronic transport records, as well as the mutual conversion between electronic transport records and transport documents. These rules were formulated with reference to the United Nations Commission on International Trade Law Model Law on Electronic Transferable Records; however, the provisions in the new CMC apply not only to transferable electronic transport records but also to non-transferable electronic transport records.

The provisions of the new CMC regarding the reliability and exclusivity of electronic transport records are mandatory. The new CMC does not specify whether electronic transport records that fail to meet the requirements of reliability and exclusivity are deemed invalid or simply fail to attain the equivalent legal effect. The distinction between the two lies in the fact that the former negates the validity of electronic transport records by virtue of the mandatory nature of the law, while the latter merely means that such records cannot attain statutory validity, without negating their



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validity derived from the contract. The latter may be understood to mean that electronic transport records which do not satisfy the requirements of reliability and exclusivity do not fall within the scope of electronic transport records regulated by the new CMC; their validity cannot be determined under the new CMC but may still be determined in accordance with the terms of the contract. The purpose of the legislation is not to restrict freedom of contract. The latter interpretation affirms the validity of electronic transport records to a greater extent, namely both statutory equivalent validity and contractual equivalent validity.

The new CMC does not specify whether electronic transport records that fail to meet the requirements of reliability and exclusivity are deemed invalid or simply fail to attain the equivalent legal effect

Article 86 of the new CMC stipulates that when converting between electronic transport records and transport documents, explanatory information regarding the conversion must be provided. Once the conversion between the electronic transport record and the transport document is complete, the original transport document or electronic transport record shall immediately cease to be valid. As electronic records and transport documents have equal legal effect, this provision ensures the uniqueness of the transport document or electronic record, thereby safeguarding its exclusive nature. However, this provision does not specify the party responsible for providing the explanatory information regarding the conversion. More importantly, if such information is not provided, this implies that the conversion has not been completed, and the original transport document or electronic transport record remains valid. Nevertheless, the converted electronic transport record and transport document also has a legal effect, thereby preventing the carrier from legally and validly delivering the goods on the basis of either the transport document or the electronic transport record.

Delivery of goods

Article 87 of the new CMC sets out in detail the rules governing the carrier's delivery of goods. The specific provisions include: (1) where a straight bill of lading is issued, delivery shall be made to the named consignee against the bill of lading; (2) where an order bill of lading is issued, delivery shall be made to the endorsed assignee of the bill of lading upon presentation of the bill of lading; (3) where a bearer bill of lading is issued, or where an order bill of lading is issued with a blank endorsement, delivery shall be made to the holder of the bill of lading upon presentation of the bill of lading; (iv) where a transferable electronic transport record is issued, delivery shall be made to the holder of the electronic transport record; and (v) in other circumstances, delivery shall be made to the consignee upon presentation of the consignee's proof of identity. These delivery rules are document-based; however, no provisions are made for delivery rules in cases where a non-transferable electronic transport record (such as an electronic straight bill of lading) is issued. If the delivery rules under subpara (v) apply, the carrier may deliver the goods to the consignee upon presentation of the consignee's identification; however, electronic records and paper documents should have equal legal effect, and the delivery rules under subpara (i) should apply – that is, delivery of the goods to the named consignee against an electronic straight bill of lading – thereby ensuring the same legal effect. This issue requires clarification through judicial interpretation or judicial practice.

Article 96 of the new CMC permits the shipper to request, in writing, a change of port of discharge or consignee during the carrier's period of liability, provided that the shipper compensates the carrier for any losses incurred; it also stipulates exceptional circumstances under which the carrier may refuse such a change, including: (i) where the carrier is unable to meet the shipper's request due to objective circumstances, or where fulfilling such a request would affect the carrier's normal operations; (ii) where the carrier anticipates that complying with the shipper's request will incur additional costs or cause the carrier to suffer financial loss, and the carrier has requested the shipper to provide appropriate security, but the shipper has failed to do so; and (iii) where the shipper has failed to produce the issued transport documents as required by the carrier.

Maritime salvage

Rescission of the salvage contract

Article 176 of the former CMC provided that, in circumstances where the contract was concluded under undue influence or in a situation of danger, or where the terms of the contract are manifestly unfair, a request could be made to a court or arbitration body to modify the salvage contract. Article 185 of the new CMC provides that, in circumstances where the contract was concluded under duress or in a situation of danger, and the terms of the contract are manifestly unfair, a request may be made to “rescind or modify” the salvage contract. The addition of the remedy of rescission provides the parties with a more comprehensive means of redress where there is a fundamental defect in the formation of the salvage contract.

Contractual salvage

Article 179 of the former CMC provided that where a salvor has successfully salvaged a vessel or other property in distress, the salvor is entitled to salvage remuneration; where the salvage operation is unsuccessful, the salvor is not entitled to any salvage payment, unless otherwise provided for in article 182 (special compensation for environmental protection) of the CMC, other legislation, or the contract. Article 188 of the new CMC has deleted the phrase “or unless otherwise agreed in the contract”. A salvage contract stipulating “remuneration in the event of unsuccessful salvage” falls within the scope of freedom of contract under the framework of the new CMC. Paragraph 3 of article 180 provides that, save as otherwise provided in article 185 of the Code concerning the revocation or amendment of salvage contracts and articles 186 and 187 concerning the prevention or mitigation of ecological and environmental damage, the other provisions of the chapter on maritime salvage shall apply only where the salvage contract contains no agreement or a different agreement. Consequently, although the rules of the chapter on salvage apply to salvage contracts, the agreements between the contracting parties take precedence over the provisions of that chapter. Article 188 on the acquisition of statutory salvage remuneration and article 189 on the determination of salvage remuneration apply only if there is no salvage agreement or the salvage agreement contains no salvage remuneration clause.

Contracts of the carriage of passengers by sea

Limitation of liability

Article 115 of the new CMC harmonises the limits of liability for carriers in both domestic and international carriage of passengers, while appropriately raising the compensation limits for personal injury and death, as well as property damage. The compensation limit for personal injury or death has been adjusted from 46,666 SDR per person to 175,000 SDR per person, while the compensation limit for personal luggage has been raised from 833 SDR to 1,800 SDR; the parties are also permitted to agree in writing on higher liability limits. This amendment harmonises the compensation standards for domestic and international passenger transport and, by substantially raising the compensation limits and permitting the agreement of higher liability limits, strengthens the protection of passengers’ rights and interests.

The introduction of the compulsory liability insurance system provides reliable financial safeguards for compensation in the event of passenger personal injury or death and enhances the enforceability of passengers’ rights to claim compensation

Compulsory insurance

Article 125 of the new CMC introduces a new provision on compulsory liability insurance, requiring the carrier or actual carrier to take out passenger personal injury and death liability insurance or provide a financial guarantee. The introduction of the compulsory liability

insurance system provides reliable financial safeguards for compensation in the event of passenger personal injury or death and enhances the enforceability of passengers' rights to claim compensation. However, this provision does not specify the legal liability for breaching this compulsory obligation. This awaits clarification through further legal regulations.

Direct claims

Article 126 of the new CMC provides that passengers may make claims directly against the insurer or the financial guarantor. This provision simplifies the claims procedure and effectively safeguards the legitimate rights and interests of passengers. Furthermore, where the carrier or actual carrier forfeits the right to limit liability as provided for in Chapter 5, this does not affect the right of its liability insurer or financial guarantor to invoke the provisions of the chapter of passengers' carriage to limit liability. The liability insurer or financial guarantor is entitled to raise a defence on the grounds that the damage was caused by the wilful act of the carrier or actual carrier and is also entitled to invoke any grounds other than bankruptcy or liquidation on the part of the carrier or actual carrier as a defence. It is thus evident that the statutory liability of the insurer or financial guarantor towards passengers is not entirely identical to that of the carrier or actual carrier. Should the insurer or financial guarantor invoke the limitation of liability or the defences mentioned above, passengers may be unable to obtain compensation from the insurer or financial guarantor. In such cases, passengers should be able to bring a claim for damages against the carrier or actual carrier.

Limitation of maritime liability

Limits on maritime liability

Article 219 of the new CMC, drawing on the 1996 Protocol to the Convention on Limitation of Liability for Maritime Claims, significantly increases the limits of maritime liability for shipowners, salvors and other relevant parties, with substantial increases ranging from the basis of calculation to the limit per gross tonne.

Limits of liability in the event of a collision

Paragraph 2 of article 219 of the new CMC stipulates that the same limits of liability shall apply to other vessels not used for military or government official purposes that are involved in a collision with a ship. This provision resolves disputes over the application of the law that previously arose in judicial practice due to differences in the types of vessels involved in a collision and facilitates the efficient and fair resolution of disputes arising from ship collisions.

Exceptions to limitations of liability

Article 217(3) of the new CMC stipulates that the limitation of maritime liability shall not apply to claims for compensation for oil pollution damage caused by a ship carrying oil in bulk, nor to claims for costs associated with the salvage, removal, dismantling or harmless disposal of sunken or wrecked vessels.

Article 233 of the new CMC stipulates that liability for oil pollution damage caused by ships carrying oil in bulk is subject to a special limit of liability, calculated on the basis of the ship's tonnage, with a maximum limit of approximately 89.77 million SDRs. Compensation for damage caused by ship-borne fuel oil pollution is subject to the general limit of maritime liability and shares the same limit as other claims not relating to personal injury or death.

Liability for oil pollution damage caused by ships

Content and scope

The new CMC introduces a new Chapter 12 on “Liability for Oil Pollution Damage Caused by Ships”, systematically integrating and refining the domestic implementation of relevant international conventions. This chapter comprises section 1 “General Provisions”, section 2 “Liability for Oil Pollution Damage” and section 3 “Liability for Bunker Oil Pollution Damage”. It reflects the alignment of domestic law with the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on Civil Liability for Bunker Oil Pollution Damage, providing a clear and comprehensive legal basis for resolving disputes concerning compensation for oil pollution damage occurring in waters under Chinese jurisdiction and in navigable waters communicating with the sea.

Article 225 of the new CMC stipulates that the chapter on “Liability for Oil Pollution Damage Caused by Ships” applies to claims for compensation for damage caused by oil pollution from ships occurring within waters under Chinese jurisdiction and navigable waters communicating with the sea. The scope of compensation for oil pollution damage specifically includes four categories: property loss, costs of preventive measures, loss of income, and costs of ecological and environmental restoration.

Although article 226(2) of the new CMC sets out three grounds for exemption consistent with international conventions, it adds the precondition that “reasonable measures were taken in a timely manner, but the damage could not be avoided”. The inclusion of this prerequisite for exemption is intended to guide shipowners to fulfil a higher standard of duty of care and active pollution prevention responsibilities in the event of an emergency.

Liable party

Article 226 of the new CMC explicitly identifies the owner of the oil-spilling vessel as the party liable for compensation for oil pollution damage. Article 228

stipulates that where two or more vessels jointly cause damage, they shall bear joint and several liability for damage that cannot be reasonably apportioned. For example, if a collision between two vessels results in an oil spill from one vessel, the owner of the spilling vessel, having borne liability for compensation, is entitled to seek recourse against the owner of the non-spilling vessel in accordance with article 230 of the new CMC. It can be seen from the above provisions that, where a collision between two vessels leads to an oil spill from one vessel, the non-spilling party faces the risk of recourse from the spilling vessel's owner, rather than bearing direct liability for oil pollution damage.

Compulsory liability insurance

Article 229 of the new CMC establishes a system of compulsory liability insurance for oil pollution damage caused by ships and explicitly stipulates that claimants are entitled to make claims directly against the shipowner's liability insurer or financial guarantor. The liability insurer or financial guarantor shall bear liability for compensation within the statutory limits of liability. This article further stipulates that even if the shipowner forfeits the right to invoke maritime liability limits, this does not preclude the shipowner's liability insurer or financial guarantor from continuing to rely on the statutory limits as a defence. The system of compulsory liability insurance and direct claims ensures that victims can exercise their right to compensation directly against insurers with the financial capacity to pay, while allowing insurers and guarantors to independently exercise their right to limit liability, thereby increasing the avenues and safeguards for compensation for oil pollution damage caused by ships.

This provision also clarifies that the State shall, in accordance with the law, refine and implement a ship-source oil pollution damage compensation fund system, serving as a secondary source of compensation to be activated when payments from the shipowner and their insurer are insufficient, thereby ensuring that victims receive more comprehensive and effective redress. China's system of liability insurance and compensation funds for oil pollution damage caused by ships has already been established. On 18 June 2015 the China Oil Pollution Damage Compensation Fund Management Committee was established to oversee the operation of the oil pollution damage compensation fund.

Compensation for oil pollution damage

Chapter 12, section 2 of the new CMC sets out the liability for oil pollution damage caused by ships carrying oil in bulk. Article 233 stipulates the method for calculating the limits of liability, which is consistent with the standards laid down in the 2000 amendments to the 1992 International Convention on Civil Liability for Oil Pollution Damage, to which China is a party. Article 236 provides that where, prior to the distribution of a liability limitation fund, the shipowner or their liability insurer or financial guarantor has already made a payment to a claimant for oil pollution damage, they may seek subrogation against the liability limitation fund. Furthermore, the costs incurred by the shipowner in taking preventive measures are eligible for distribution from the fund. The provision that subrogation rights and the costs of preventive measures are eligible for distribution from the fund serves to incentivise shipowners to proactively and promptly take preventive measures, such as oil spill clean-up, following an incident to prevent the damage from spreading, thereby effectively guiding all parties to work together to mitigate the actual consequences of pollution damage.

Section 3 of Chapter 12 sets out the liability for pollution damage caused by tanker oil of ships. Article 239 of the new CMC provides that the limits of liability for damage caused by tanker oil pollution shall be governed by the provisions of Chapter 11, "Limitation of Liability for Maritime Claims", and stipulates that claims for damage caused by tanker oil pollution and other claims subject to limitation arising from the same incident shall be satisfied within the same limit of liability. The limits of liability for damage caused by tanker oil pollution (including other damages for which liability may be limited as provided for in article 216) shall be governed by the provisions on the limitation of liability for maritime claims.

Furthermore, article 202 of the new CMC stipulates that pollution losses and costs shall be borne by the liable party alone and shall not be apportioned amongst the beneficiaries as a special sacrifice under the doctrine of general average. This prevents environmental costs from being passed on to innocent parties such as cargo owners who are not liable, ensures the implementation of the "polluter pays" principle within the general average system, and upholds the fairness of the apportionment mechanism.

The new CMC stipulates that pollution losses and costs shall be borne by the liable party alone and shall not be apportioned amongst the beneficiaries as a special sacrifice under the doctrine of general average

Article 235 of the new CMC provides that where a liability limitation fund has been established and the shipowner is entitled to limit his liability, a claimant for compensation for oil pollution damage may not apply to the court for the imposition of preservation measures on the shipowner's property; any preservation measures already taken shall be lifted, and any security deposit or other security already provided by the shipowner to avoid or lift such measures shall be refunded.

Marine insurance contracts

Insurance contracts for ships under construction

The new CMC includes insurance contracts for ships under construction within the scope of Chapter 13 on “Contracts of Marine Insurance”. According to article 245, an insurance contract for a ship under construction refers to a contract whereby the insurer, in accordance with the agreement, is liable to compensate the insured for losses and liabilities arising from marine perils suffered by the ship during its construction at the shipyard, sea trials and delivery, and for which the insured pays the premium. Ships under construction include materials, machinery and equipment used in the construction of ships in accordance with the terms of the shipbuilding contract. The new CMC clarifies the applicable law for shipbuilding insurance, thereby avoiding a situation where both the Insurance Law and the CMC might apply due to differences in the nature of insured perils stipulated in the shipbuilding insurance contract or the different stage of shipbuilding at which an incident occurs.

The insured’s duty of disclosure

Article 247 of the new CMC stipulates that, prior to the conclusion of the contract, the insured shall truthfully disclose to the insurer any material circumstances of which the insured is aware, or ought to be aware in the ordinary course of business, that may affect the insurer’s determination of the premium rate or its decision as to whether to accept the cover. Article 248 imposes clear time limits on the insurer’s right of rescission, stipulating that such right shall lapse if the insurer fails to exercise it within 30 days of the date on which it became aware, or ought to have become aware, of the grounds for rescission.

Furthermore, article 248 amends the rules in the former CMC regarding the refund of premiums upon termination of the insurance contract by the insurer, distinguishing between different circumstances of

termination. (1) Where the insured, through wilful misconduct, fails to truthfully disclose to the insurer material facts affecting the insurer’s determination of the premium rate or its decision to accept the cover, the insurer shall be entitled to terminate the contract without refunding the premium. (2) Where, through no wilful act on the part of the insured, the insured has failed to truthfully disclose to the insurer material facts affecting the insurer’s determination of the premium rate or its decision as to whether to accept the cover, the insurer shall be entitled to terminate the contract or to demand a corresponding increase in the premium. Where the insurer terminates the contract before the commencement of the insurance cover, it shall refund the full premium but shall be entitled to charge an administrative fee. Where the insurer terminates the contract after the commencement of cover, it shall refund to the insured the premium for the period from the date of termination to the expiry of the insurance period; however, in the case of termination of a voyage insurance contract, the insurer may withhold the premium. The insurer shall be liable for losses arising from a marine insurance incident occurring prior to the termination of the contract, except where the failure to disclose or the misrepresentation of material facts contributed to the occurrence of the marine insurance incident.

Duty to explain standard terms

Article 249 of the new CMC introduces new provisions regarding the insurer’s duty to draw attention to and explain standard terms of insurance contracts. This article stipulates that where a marine insurance contract employs standard terms provided by the insurer, the insurer shall, at the time of concluding the contract, draw the insured’s attention in a manner sufficient to ensure the insured’s awareness to any terms that exempt or limit the insurer’s liability and which are of material interest to the insured. If the insured requests an explanation, the insurer shall provide a clear explanation of such terms. Where the insurer fails to fulfil the duty to draw attention to or explain such clauses, resulting in the insured failing to notice or understand clauses of material interest to them, the insured may claim that such clauses do not form part of the contract, except where the insured knew or ought to have known the content of such clauses.

In the case of marine insurance, the insurer's duty to explain such clauses applies only where the insured so requests. This indicates that marine insurers bear only a "passive duty to explain", which differs from the "active duty to explain" imposed on insurers under the Insurance Law in respect of non-marine insurance.

The new CMC stipulates that where a marine insurance contract employs standard terms provided by the insurer, the insurer shall, at the time of concluding the contract, draw the insured's attention in a manner sufficient to ensure the insured's awareness to any terms that exempt or limit the insurer's liability

Open cover

Article 257 of the new CMC stipulates that an open cover must be concluded in writing and defines it as a contract whereby "the insurer assumes liability for the insured's goods transported in instalments over a specified future period". The insured has a duty to declare to the insurer information regarding the carriage of goods in instalments. Regarding the legal consequences of a breach of this duty, article 259 of the new CMC distinguishes between two scenarios: intentional and unintentional failure to declare or incorrect declaration. (1) Intentional breach: the insurer shall not be liable for compensation for losses arising from that particular

carriage but shall retain the right to collect the premium.

(2) Non-intentional breach: the insured may make a supplementary declaration or correction, and such rectification shall not affect the right to make a claim; however, the insurer is entitled to calculate the insured value in accordance with the standards set out in article 243(2), ie the insurance shall be deemed to be without an agreed insured value, and the application of an agreed insured value shall be excluded.

Legal consequences of breach of warranty clauses

Article 261 of the new CMC sets out new provisions regarding the legal consequences of the insured's breach of the warranty clauses stipulated in the contract. First, where the insurer notifies the insured in writing of the termination of the contract, the contract shall be terminated upon the notice reaching the insured. Secondly, the insurer remains liable for losses occurring prior to the breach of the warranty clauses. In respect of losses occurring after the breach of the warranty provisions but before the notice of termination is received, the insurer shall, in principle, not be liable for compensation; however, two exceptions have been established, namely, where the insured can prove that there is no causal link between the breach of the warranty and the incident, or where the incident occurred after the breach had been rectified, the insurer shall still be liable for compensation.

The above amendments have abolished the rule of absolute exemption from liability for breach of warranty contained in the former CMC, allowing for remedies in specific circumstances. Such provisions not only prevent the unjust outcome of the insured losing all cover due to a minor breach unrelated to the insured incident but also fulfil the compensatory purpose of insurance through the rule that compensation is still payable once the breach has been rectified. This amendment is essentially identical to the rules on breach of warranty provisions in the UK Insurance Act 2015.

Limitation periods

Limitation period for claims arising from the carriage of goods by sea

Paragraph 1 of article 284 of the new CMC provides that the limitation period for claims for compensation in respect of the carriage of goods by sea is one year; for claims by the shipper, the period commences on the date of delivery of the goods or the date on which delivery should have taken place. The carrier's right of action shall run from the date on which the carrier knew or ought to have known of the infringement of its rights. For example, where a carrier suffers loss due to a false declaration by the shipper, the limitation period shall run from the date on which the carrier discovers the error in the declaration. The one-year limitation period for the carrier's right of action differs significantly from the six-year limitation period under English law.

Paragraph 2 of article 284 provides that where the limitation period specified in the preceding paragraph has expired, or where less than 90 days remain before its expiry, the limitation period for a right of recourse enjoyed by a person found liable against a third party shall be 90 days, calculated from the date on which the claimant for recourse settles the original claim for compensation. This provision on the limitation period for recourse differs markedly from the rules on the limitation period for recourse set out in the Hague-Visby Rules.

Limitation periods for claims arising from collisions between vessels

Article 288 of the new CMC stipulates that the limitation period for claims arising from a collision between vessels is two years, calculated from the date on which the collision occurred. Where a collision occurs between vessels and both vessels are at fault, they shall bear joint and several liability for personal injury or death caused to a third party. Where a vessel pays compensation in excess of the proportion specified in the first paragraph of the article, it shall be entitled to seek recourse against the other vessel at fault. The

limitation period for a claim for recourse shall be one year, calculated from the date on which the party makes the joint and several payment of damages. A new third paragraph has been added to article 288, stipulating that the aforementioned limitation periods apply to claims or rights of recourse arising under article 179 of the Code (situations where, although no collision has occurred, damage is caused to another vessel, its crew, cargo or other property). This amendment broadens the scope of application of the limitation periods and facilitates the timely resolution of disputes relating to vessel collisions.

Article 290 establishes a maximum protection period to prevent prolonged uncertainty regarding rights and obligations arising from protracted adjustment processes, thereby safeguarding the legitimate rights and interests of all parties concerned

Limitation period for claims for the allocation of general average

Article 290 of the new CMC stipulates that the limitation period for claims for the apportionment of general average is one year, calculated from the date on which the general average adjustment is concluded. This provision introduces a maximum limitation period, namely that the period shall not exceed six years from the date of termination of the common voyage. This amendment establishes a maximum protection period to prevent prolonged uncertainty regarding rights and obligations arising from protracted adjustment processes, thereby safeguarding the legitimate rights and interests of all parties concerned.

Limitation period for claims for marine insurance indemnity

Article 291 of the new CMC adjusts the starting point for the limitation period for claims for maritime insurance indemnity from “the date of the insured event”, as stipulated in the old CMC, to “the date on which the insured became aware, or ought to have become aware, of the maritime insurance incident”. This amendment is consistent with maritime insurance practice and serves to avoid the unreasonable consequence of the insured losing their right to claim due to a failure to become aware of the incident in a timely manner through no fault of their own.

Interruption and expiry of the limitation period

Article 266 of the former CMC provided that where, during the final six months of the limitation period, the right of claim could not be exercised due to force majeure or other impediments, the limitation period would be suspended. The limitation period would resume from the date on which the cause of suspension ceases to exist. Article 293 of the new CMC retains this rule and introduces a new provision regarding the expiry of the limitation period, namely that the limitation period shall expire six months after the date on which the cause of suspension ceases to exist.

Article 267 of the former CMC provided that the limitation period was interrupted by the claimant bringing legal proceedings, submitting a claim to arbitration, or the defendant’s consent to perform the obligation. Article 294 of the new CMC amends the ground for interruption from “the defendant’s consent to perform the obligation” to “the claimant’s demand for performance”. This amendment significantly alters the circumstances under which the limitation period is interrupted; it no longer requires the defendant’s consent to effect such an interruption, making it easier for the claimant to achieve an interruption of the limitation period. This legislative amendment regarding the grounds for interruption of the limitation period warrants the attention of parties involved in disputes.

Application of law in cross-border relations

Application of Chapter 4 to the international carriage of goods to and from China

Paragraph 2 of article 295 of the new CMC introduces a new provision stipulating that contracts of carriage of goods contracts where the port of loading or discharge is situated within the territory of China are subject to the mandatory application of the provisions of Chapter 4 (Contracts for the Carriage of Goods by Sea) of the new CMC. This constitutes a significant exception to and restriction on the principle of party autonomy. It is worth noting that the mandatory application here applies solely to Chapter 4 of the new CMC, and not to the entire new CMC, let alone Chinese law in general. For example, if a contract for the international carriage of goods to or from China is governed by English law, and a dispute arising from that contract is heard by a Chinese court, the Chinese court will apply Chapter 4 of the new CMC to determine the parties’ rights, obligations and liabilities. However, for other legal issues – such as limitation periods and the validity of the contract – which are not regulated by Chapter 4 of the new CMC, the agreed English law may still be applied.

Rules on the application of law to ships

The new CMC introduces new provisions regarding the applicable law for property rights in relation to ships. With regard to ownership of ships under construction, article 296 stipulates that where the ship has been registered, the law of the country of registration shall apply; where the ship has not been registered, the law of the place of construction shall apply. Paragraph 3 of article 297 provides that, in the case of a mortgage over a ship under construction, where the ship has been registered, the law of the country of registration shall apply; if the vessel has not been registered, the law of the place of construction shall apply. Article 298 provides that, in respect of maritime liens, the law of the forum shall apply. Article 299 provides that, in respect of a possessory

lien on a ship, the law of the place where the vessel is retained shall apply. These new provisions provide clear rules on the application of law for the construction, sale and financing of vessels.

Application of law to liability for oil pollution damage

Article 304 of the new CMC provides that liability for oil pollution damage shall be governed by the law of the place where the damage occurred. This provision embodies the principle of prioritising the protection of the environment and the rights of victims. The application of the law of the place where the damage occurred to oil pollution cases generally means that the law of the country affected by the pollution applies, which is more conducive to the restoration of the local ecological environment and to the aggrieved party obtaining full compensation.

Party autonomy

The new CMC has introduced provisions allowing the parties to agree on the applicable law in respect of ship collisions (article 301) and the apportionment of general average (article 302).

Supplementary provisions

Provisions on countermeasures against discriminatory measures

Article 308(2) of the new CMC authorises the Chinese Government to take corresponding countermeasures should any country or region impose discriminatory measures against China in the fields of maritime transport and shipbuilding. This provision serves as a legal instrument for safeguarding national interests, granting the State the power to adopt flexible countermeasures within the legal framework. The Chinese Government may, on this basis, take administrative countermeasures.

Provisions on the legal status of mutual insurance clubs

Article 309 of the new CMC defines mutual insurance associations for shipowners as mutual insurance clubs and sets out their operational model, stipulating that they may compensate members for losses and liabilities in accordance with the articles of the clubs.



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Part II: maritime litigation and arbitration

Carriage of goods by sea²

Validity of bills of lading

XX Export Company and Another v XX International Ltd (Third Party: Shanghai XX Supply Chain Management Co Ltd) (2025) ZGFMS 320 (Supreme People's Court)

The port of loading agent issued the bill of lading in question, which named XX Export Company as the shipper. Shanghai XX Supply Chain Management Co Ltd (Supply Chain Company) obtained the bill of lading through a debt-for-goods settlement without endorsement from the Mineral Company. The Mineral Company was not the shipper named on the bill of lading but acquired the bill of lading in question through an incomplete chain of endorsements. Both Supply Chain Company and XX Export Company claimed that they had the original bills of lading and were entitled to the goods under the bills. During the retrial of this case, Supply Chain Company argued that the bill of lading held by the export company was forged, that the validity of the bill of lading it held took precedence over that held by XX Export Company, and that, as the assignee of the debt, it was entitled to take delivery of the goods.

Regarding the alleged forged bill of lading, Supply Chain Company submitted a professional evaluation report proving that the seal of the port of loading agent affixed to the bill of lading held by XX Export Company was not the same as the seal affixed to the evidence sample and claimed that the bill of lading held by XX Export Company was forged. The Supreme People's Court held that the difference in seals was insufficient to conclude that the bill of lading held by XX Export Company was forged. Furthermore, the port of loading agent testified that the bill of lading held by XX Export Company was forged. However, the Supreme People's Court held that, as the port of loading agent was an interested party in

the bill of lading issuance process, the authenticity of one party's bill of lading could not be established – and that of the other party denied – solely on the basis of a statement from an interested party.

Regarding the validity of the bill of lading, the Supreme People's Court held that, first, the order bills of lading held by both Supply Chain Company and XX Export Company each designated XX Export Company as the shipper under the order bill of lading; the shipper under an order bill of lading is entitled to demand delivery of the goods from the carrier on presentation of the bill of lading. XX Export Company was therefore entitled to claim the goods from the carrier on presentation of its bill of lading.

Secondly, as the bill of lading in question was an order bill of lading, the Mineral Company was neither the shipper named on the bill of lading nor did it acquire the bill of lading through a complete chain of endorsements; consequently, the Mineral Company's source of the bill of lading was defective. The bill of lading obtained by Supply Chain Company from the Mineral Company through a debt-for-goods settlement was also not transferred by endorsement, and Supply Chain Company was not the holder of the bill of lading as defined by law. The Supreme People's Court held that the rights enjoyed by Supply Chain Company on the basis of a bill of lading with a defective source would be subordinate to those of XX Export Company; Supply Chain Company could not, by virtue of the bill of lading in its possession, challenge or override the bill of lading held by XX Export Company. Consequently, the application of Supply Chain Company for retrial could not be supported.³

This case discussed two important issues in judicial practice. First, how to determine the authenticity of a bill of lading, including the authenticity of the seals affixed thereto. An evaluation's report may generally serve as evidence of a document's authenticity, but the court may, for various reasons, decline to accept it.

² The cases reviewed this year are all governed by the relevant provisions of the former CMC.

³ (2025) ZGFMS 320 (Supreme People's Court).

Differences in seals do not, in themselves, allow one to conclude, for example, that the bill of lading held by XX Export Company was forged. For example, there might be issues with the seal affixed to the specimen, or an agency may have used different seals simultaneously or in succession. This alone could not determine the authenticity of the bill of lading. However, in this case, as the port of loading agent issued the bill of lading in question, it should be able to verify its authenticity. Unless there is evidence proving that the port of loading agent was acting in the interests of a particular shipper, it should not be simply deemed to be an interested party. After all, no one is better placed to identify a bill of lading than the issuer. Secondly, the bill of lading held by Supply Chain Company contained defects in its endorsement history, and this bill of lading was not legally recognised as a document of title. Regardless of how it was acquired, the bill of lading itself does not serve as a document of title. Therefore, even if there were no bill of lading held by XX Export Company, the goods should not be released on the basis of the bill of lading held by Supply Chain Company.

Lien clause

Baijian Co and Others v Lingyuan Co (2024) LMZ 1242 (Liaoning High People's Court)

Company A was the seller of the goods in question, Company B was the buyer, and Jianfa Energy Co was Company B's agent. Company A instructed Company D to charter a vessel from Lingyuan Co (Company C), thereby establishing a legal relationship under a voyage charterparty between Baijian Co (Company D) and Company C, with Company C acting as the shipowner and Company D as the charterer. Clause 1(3) of the voyage charterparty stipulated that the term "Cargo interests" included the consignor, shipper, consignee, receiver, bill of lading holder, owner of the goods and any person entitled to possession of the goods. Clause 12, "Lien", provided that: "the Carrier shall have a lien on the goods and related documents to secure payment by the Party to the Cargo of freight, demurrage, detention and any other sums payable under the bill of lading or any other contract, as well as the share of general average contributions and recovery costs to be borne by any party".

After Company C received the first instalment of payment the master, acting on behalf of Company C, issued a bill of lading naming Company A as the shipper

and Jianfa Energy Co as the consignee and the notifying party. The charterparty was incorporated into the bill of lading, and the freight was payable in accordance with the charterparty. During the performance of the voyage charterparty, a dispute arose when Company C refused to release the goods on the grounds that it had not received the full amount of freight and demurrage charges.

Where a voyage charterparty contains a lien clause, the goods shall be detained in accordance with the agreed lien clause, and the statutory lien under the CMC shall not apply

The court of first instance held that, by incorporating the voyage charterparty into the bill of lading, a contract of carriage of goods by sea, evidenced by the bill of lading, was established between Company C and the consignee. Article 87 of the CMC provides: "Where the freight, general average contribution, demurrage, necessary expenses advanced by the carrier on behalf of the goods, and other charges payable to the carrier have not been settled, and no adequate security has been provided, the carrier may retain the goods within reasonable limits". Accordingly, it was held that Company C was entitled to release the goods only after receiving the freight and demurrage in accordance with the voyage charterparty.⁴

The court of second instance held that the bill of lading did not serve as evidence of a contract for the carriage of goods by sea between Company D and Company C; the terms of the charterparty continued to apply between them. With regard to the shipper, Company A, and the

⁴ (2023) L72 MC 762 (Dalian Maritime Court).

consignee, Jianfa Energy Co – who were not parties to the charterparty – Company C, as the carrier, was bound by the terms of the bill of lading in its rights and obligations towards the shipper, Company A, or the consignee, Jianfa Energy Co, who held the bill of lading.

Regarding the question of whether Company C was entitled to refuse to release the cargo, the court of second instance held that, in accordance with the terms of the voyage charterparty, Company C was entitled to a defence of prior performance against Company D, allowing it to refuse to release the cargo until it had received all freight charges including demurrage. In this case, clause 12 of the voyage charterparty, entitled “Lien”, contained explicit provisions which took precedence over article 87 of the CMC. Company C was entitled to a lien over the goods of the “cargo party” until it had received the freight and other payments; the term “cargo party” was not limited to the charterer but included the shipper, consignor, consignee, receiver, bill of lading holder, owner of the goods and any person entitled to possession of the goods. After the master, acting on behalf of Company C, issued the bill of lading, Company C held a lien over the goods in question, whether pursuant to the voyage charterparty or the bill of lading.⁵

This case clarifies two legal issues concerning contracts for the carriage of goods by sea. First, where a voyage charterparty contains a lien clause, the goods shall be detained in accordance with the agreed lien clause, and the statutory lien under the CMC shall not apply. Secondly, the court correctly distinguished between the different parties to which the respective contracts applied. In this case, the voyage charterparty governed the rights and obligations between the charterer and the shipowner; the bill of lading issued under the voyage charterparty governed the rights and obligations between the shipowner as the carrier and the “cargo interests” (excluding the charterer). The judgment of the court of second instance correctly applied the law and fully respected the parties’ contractual autonomy.

Refusal to take delivery of goods at the port of destination

Qingdao A Logistics Co Ltd v Wan Hai Lines (Singapore) Pte Ltd (2024) LMZ 847 (Shandong High People’s Court)

Qingdao A Logistics Co Ltd (Company A) exported goods to the United States. Wan Hai Lines (Singapore) Pte Ltd (Wan Hai Lines) undertook the carriage of the goods. After the goods were unloaded in New York, USA, Company A issued a Declaration of Abandonment of Ownership of Goods to Wan Hai Lines. Subsequently, the consignee issued a Declaration of Abandonment of Goods to Wan Hai Lines, stating that the consignee guaranteed to release the carrier from all liability, agreed to indemnify the carrier and other relevant transport parties, and to hold them harmless from any litigation and all claims that might be brought in any other jurisdiction arising from or in connection with the loss, damage and/or costs caused by the consignment. The goods in question were auctioned off, and the empty containers were returned in due course. Wan Hai Lines claimed that Company A should pay Wan Hai Lines charges for the overdue use of the containers, demurrage, warehouse fees and the corresponding interest.

The court of first instance pointed out that article 61 of the “Minutes of the Symposium on Foreign-Related Commercial and Maritime Adjudication by People’s Courts Nationwide” (the Minutes) stipulates that:

“where the holder of a bill of lading has not claimed the goods from the carrier or exercised other rights at the port of destination, the costs and risks arising from the failure to collect the goods shall be borne by the shipper. Where the carrier claims freight charges, demurrage, container overstay charges or other costs arising from the failure to collect the goods from the shipper pursuant to the contract of carriage, the People’s Court shall uphold such claims.”

In accordance with the above provisions, the reasonable costs incurred as a result, such as storage charges and container demurrage were to be borne by the shipper, Company A.⁶

⁵ (2024) LMZ 1242 (Liaoning High People’s Court).

⁶ (2023) L72 MC 1025 (Qingdao Maritime Court).

Company A appealed, arguing that the consignee was willing to bear the costs arising from the goods, and Wan Hai Lines should first have brought legal proceedings against the consignee, or, following a refusal by the consignee, then sought recourse from Company A.

The court of second instance dismissed the appeal. First, in the carriage of the goods in question, Company A was the shipper and Wan Hai Lines was the carrier, and a contract of carriage had been formed between the two parties. As Wan Hai Lines had not issued the original bill of lading, the consignee was not the holder of the bill of lading, and there was no evidence to show that the consignee had exercised any rights in respect of the goods in question; therefore, the consignee had not assumed Company A's rights and obligations under the contract of carriage, and the contractual relationship continued to exist between Company A and Wan Hai Lines.

Secondly, although the consignee expressed in the Declaration of Abandonment to Wan Hai Lines its willingness to bear losses arising from or related to the consignment, and Wan Hai Lines may claim compensation for losses from the consignee, this did not exempt Company A from the obligations and liabilities it owed to the carrier under the contract of carriage. Therefore, it was held that Company A's argument that Wan Hai Lines should claim compensation for losses from the consignee was unfounded, and Company A should compensate Wan Hai Lines for the losses suffered at the port of destination.⁷

The judgment in this case was rendered on the basis of the provisions of the former CMC and the Minutes.⁸ The content of the Minutes has been incorporated into article 93 of the new CMC. In this case, as the consignee did not exercise its rights under the contract of carriage of goods by sea, even if the new CMC were applied, the carrier would still be entitled to claim from the shipper the costs and risks arising from the non-taking delivery of the goods at the port of discharge. It should be noted, however, that article 93 of the new CMC allocates liability for the costs and risks arising from non-taking delivery of goods at the port of discharge between the shipper and the consignee; it does not constitute a provision transferring the rights and obligations under

the contract of carriage. In other words, article 93 of the new CMC represents a statutory allocation of liability for non-collection of goods at the port of discharge, rather than a statutory transfer of contractual rights and obligations from the shipper to the consignee.

Carrier's exemption from liability

Zhejiang Osee Import & Export Co Ltd v ZIM Integrated Shipping Services Ltd (2024) Z 72 MC 2640; [2026] 2 CMCLR 36 (Ningbo Maritime Court)

Zhejiang Osee Import & Export Co Ltd (Osee) booked space with ZIM Integrated Shipping Services Ltd (ZIM) to ship a consignment of containerised goods. According to information on ZIM's website, after the goods arrived at Port-au-Prince, Haiti, the consignee was consistently unable to collect the goods at the port of destination. ZIM subsequently informed Osee that the containers had been lost following a robbery by a criminal gang at the port of destination.

Osee contended that ZIM's failure to exercise due care and take appropriate measures to safeguard the goods resulted in a loss to Osee and claimed that ZIM should compensate Osee for the loss of the goods. ZIM argued that the goods in question had already arrived at the port of destination and were lost as a result of armed conflict in Port-au-Prince, Haiti; this constituted a case of loss of goods caused by war or armed conflict as provided for in article 51 of the CMC, and the carrier was therefore exempt from liability under the law.

The court hearing the case analysed the exemption issue. First, while the CMC does not provide a specific definition of "armed conflict", article 268 stipulates that where an international treaty concluded or acceded to by the People's Republic of China contains provisions differing from those of the CMC, the provisions of the international treaty shall apply. In the present case, the question of whether the situation giving rise to the loss of the goods constitutes an "armed conflict" could be analysed and determined in accordance with the provisions of the relevant international conventions. Pursuant to article 1 of the Protocol Additional to the Geneva Conventions of 12 August 1949, and Relating to the Protection of Victims of Non-International Armed Conflicts (Protocol II), such an armed conflict refers to a protracted armed confrontation occurring within the territory of a state between the government's

⁷ (2024) LMZ 847 (Shandong High People's Court).

⁸ For cases concerning unclaimed goods, see *Dalian Bright International Logistics Co Ltd v Dalian Ruiqi Biotechnology Co Ltd* (2024) LMZ 397 (Liaoning High People's Court), analysed in the 2024 edition of this work, "Chinese maritime law in 2024: a review".

armed forces and one or more organised non-state armed groups holding dissenting political views and controlling part of the territory. This provision indicates that for a situation to constitute a non-international armed conflict, certain elements must be present, including violent conflict reaching the level of military confrontation, the division of territorial control, the protracted nature of military operations, and the manifestation of political claims. At the time the losses in question occurred, although gang activity in Haiti had caused severe social unrest and violent incidents, it did not yet meet the aforementioned criteria and therefore did not constitute a non-international armed conflict. In light of the foregoing, ZIM could not invoke war or armed conflict as a ground for exemption from liability for compensation for the loss of the goods.

While the CMC does not provide a specific definition of “armed conflict”, article 268 stipulates that where an international treaty concluded or acceded to by the People’s Republic of China contains provisions differing from those of the CMC, the provisions of the international treaty shall apply

Secondly, article 51(1)(12) of the CMC provides that the carrier shall not be liable for loss or damage to the goods “not caused by the negligence of the carrier or the carrier’s servants or agents”; furthermore, para 2 of that article stipulates that where the carrier is exempt from liability under the provisions of the preceding paragraph, the burden of proof shall rest with the carrier, except in the case of the grounds of fire on board. The court held that, given the consistent deteriorating security situation in Port-au-Prince, Haiti, and the rampant activities of criminal gangs, ZIM had fulfilled its duty of care and diligence in managing the goods under normal circumstances by issuing a notice of arrival prior to the goods reaching the port of destination and successfully unloading the goods at that port. ZIM had provided

evidence demonstrating that the loss of the goods in question was caused by robbery by Haitian gangs; it was not at fault for the loss of the goods and could therefore be exempt from liability for compensation pursuant to article 51(1)(12) of the CMC.

This case concerns the legal issue of whether the carrier may be exempt from liability for the loss of the goods. The court conducted a detailed analysis of whether the gang robbery at the port of destination constituted an armed conflict and applied the relevant international conventions. This is a rigorous legal method for judgment.

In this case, the carrier did not appear to have invoked the defence that the loss was “not caused by the negligence of the carrier or its servants or agents”. If this is indeed the case, the court identified the applicable defence for the carrier of its own motion. This demonstrates the proactive approach of Chinese courts in adjudicating cases in accordance with the law, which is a distinctive feature of the Chinese judicial system.

Knock-for-knock clause

*A Heavy Industry Co Ltd and B Shipping Co (2025)*⁹

The claimant and the respondent entered into a contract of carriage for the transport of two sets of gantry cranes, under which the respondent was responsible for arranging the vessel and the claimant was to pay the corresponding freight. Clause 11 of Part II of the contract of carriage stipulated that: “Once the goods have been loaded, the freight shall be deemed to have been received and shall not be refunded, regardless of whether the vessel and/or the goods are lost and whether such loss is due to a maritime casualty or any other cause”. Paragraphs 1 and 2 of article 21 in Part II of the contract constituted mutual liability exemption clauses between the shipper and the carrier, the main content of which was that neither the charterer nor the shipper would be liable to the other for any loss, damage or delay of any nature or cause suffered by the other party’s vessel or cargo.

The cargo capsized during the crane-handling process at the port of discharge, resulting in cargo damage. Following the incident, the respondent returned the

⁹ *Case Collection on Enterprises’ Global Expansion*, CMAC Shanghai Headquarters, pages 1 to 9.

remaining cargo to the port of departure. A dispute arose between the parties concerning the validity of the mutual exemption clause (knock-for-knock clause) in the contract of carriage and the issue of freight charges.

The claimant's arbitration claims primarily comprised: (i) a claim for the respondent to compensate the claimant for the value of the cargo; and (ii) a claim for the respondent to refund the claimant the freight corresponding to the cargo returned due to the uncompleted carriage. The claimant argued that, first, the respondent acted with wilful misconduct or gross negligence in the cargo capsize incident in question, as evidenced by the crew's operation of the ship's crane, adjustment of ballast water, and failure to undertake compensatory measures in response to tidal fluctuations. Pursuant to article 506 of the Civil Code, exemption clauses including the knock-for-knock clause in contracts were invalid. Secondly, in accordance with article 5082 of the Civil Code, where one party fails to perform its contractual obligations, the aggrieved party may opt to reduce the price as a form of liability for breach of contract. The claimant therefore requested that the respondent refund the

freight corresponding to the goods returned due to the uncompleted carriage.

The arbitral tribunal held that the claimant and the respondent voluntarily included a mutual liability waiver clause in the contract of carriage, and as the content of this clause did not contravene any mandatory provisions of laws or administrative regulations, the knock-for-knock clause was valid. Furthermore, the claimant failed to adduce evidence proving that the respondent acted with intent or gross negligence in relation to the cargo capsize incident. The crew's actions – such as operating the ship's crane, adjusting ballast water, and failing to undertake compensatory operations in response to tidal fluctuations – even if they constituted negligence or gross negligence, did not equate to the respondent itself acting with intent or gross negligence. In summary, the arbitral tribunal held that the knock-for-knock clause in the contract of carriage was valid. Pursuant to the provisions of that clause, the claimant should bear the costs of any loss, damage or delay relating to the cargo caused by the cargo capsize incident, and the claimant could not seek recourse against the respondent in this regard.



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With regard to the dispute over freight, the arbitral tribunal held that the provisions of article 11 of Part II of the contract of carriage did not contravene any mandatory provisions of laws or administrative regulations. At the same time, pursuant to the aforementioned mutual exemption from liability clause, the claimant would be liable for all loss, damage or delay to the cargo, regardless of nature or cause, and could not seek recourse against the lessor. Should the claimant consider that it had suffered loss due to the cargo not being unloaded at the port of discharge, such loss was also a direct consequence of the capsizing incident involving the cargo under the contract of carriage. In accordance with the provisions of this exemption clause, the claimant would bear the losses relating to the cargo itself.

Mutual liability exemption clauses, eg the knock-for-knock clause, are commonly found in contracts for the maritime transport of heavy-lift equipment involved in offshore engineering and offshore oil and gas extraction projects. As heavy-lift equipment carried by sea is generally highly technical, specialised and structurally complex, determining the cause and assigning liability following an accident during maritime carriage is often time-consuming, costly and difficult. The inclusion of mutual liability exemption clauses in the transport contract in advance is intended to simplify the handling of accidents and is in line with industry practice for the transport of heavy-lift equipment. During the hearing of this case, the arbitral tribunal faced defences based on general principles of civil law. The tribunal fully respected the validity of this clause, thereby ensuring the stability of industry practice. Furthermore, the tribunal recognised the validity of the freight clause and did not invalidate it on the basis of general principles of civil law, in accordance with shipping practice and the purpose of the contract.

Shipper's liability

A (Shanghai) International Freight Forwarding Co Ltd Dalian Branch v Shanxi B Industry and Trade Co Ltd (2025) LMZ 291 (Liaoning High People's Court)

Shanxi B Industry and Trade Co Ltd (Company B), as the seller of the goods, entered into a contract of sale with an overseas buyer, Company D, stipulating that the terms of delivery were FOB. Company B and

A (Shanghai) International Freight Forwarding Co Ltd Dalian Branch (Company A) agreed on the scope of the agency services for which Company A was authorised in a maritime freight forwarding contract.

The container carrying the goods in question was unloaded at the port of destination. Company A repeatedly notified Company B that no one had collected the goods at the port of destination and that demurrage and storage charges had accrued. Company A paid the demurrage charges to the carrier. Company A requested that Company B reimburse it for these demurrage charges.

The court of first instance held that, after Company B had paid the freight forwarding fees for the port of loading to Company A as agreed, and Company A had successfully arranged the shipping schedule, booked the space, loaded the containers and completed customs clearance as agreed, the contractual rights and obligations of both Company A and Company B under the maritime freight forwarding contract had been fully discharged. Company A's claim against Company B for reimbursement of advance payments made at the port of destination, based on the maritime freight forwarding contract, lacked legal basis and was therefore dismissed.¹⁰

The court of second instance found that the trade in question employed FOB terms, and the buyer and seller had agreed that the buyer, Company D, would arrange for the carriage of the goods by sea. The court of second instance pointed out that, under this method of trade, Company B merely cooperated in completing the delivery at the port of shipment in order to fulfil the seller's FOB obligations; although it was recorded as the "shipper" on the bill of lading, this status stemmed from its position as the actual shipper who physically delivered the goods to the carrier, rather than as the contractual shipper who entered into the contract of carriage with the carrier. Given that freight was payable at destination and the transport arrangements were led by the buyer, and that Company B did not participate in the contact with the carrier or the negotiation of the terms of carriage, the court of second instance took the view that it could not be concluded, solely on the basis of the bill of lading, that Company B had any contractual or statutory obligation for costs such as demurrage

¹⁰ (2024) L72 MC 758 (Dalian Maritime Court).

arising from the goods remaining uncollected at the port of destination.¹¹

This case once again highlights the issues surrounding the definition and identification of the shipper in Chinese judicial practice.¹² Under the CMC, the term “shipper” encompasses both the person who enters into a contract of carriage with the carrier and the person who delivers the goods to the carrier. In practice, either of these parties may be recorded as the shipper on the bill of lading. With regard to the definition of the shipper, the problem lies in the fact that the CMC defines two types of shipper but fails to specify their respective rights and obligations towards the carrier under the contract of carriage, thereby giving rise to a series of issues concerning the rights and liabilities of the shipper. In this case, although Company B was named as the shipper on the bill of lading, the court, on the basis of different legal relationships, denied its legal status and liability as the shipper. This demonstrates a rejection of the evidential value of the entries on the bill of lading in Chinese judicial practice. The bill of lading serves as evidence of the contract of carriage between the shipper and the carrier. By naming the shipper, the bill of lading attests to the shipper’s status as a party to the contract, and the shipper named therein should be recognised by law. Regrettably, the issues concerning the definition of the shipper and their rights and obligations have not been amended or resolved in the new CMC.

Voyage charterparty

Tangshan Caofeidian X Company v China G Company Ningbo Branch (2025) MMZ 664 (Fujian High People’s Court)

Company X entered into a voyage charterparty agency contract with Company G to transport goods belonging to Company X. The goods were damaged during transit, and Company X claimed compensation for the damage from Company G. Company G argued that the relationship between the parties was that of an agency relationship and that it therefore bore no liability for the damage in carriage.

¹¹ (2025) LMZ 291 (Liaoning High People’s Court).

¹² Regarding cases involving the actual shipper, see: *New Golden Sea Shipping Pte Ltd v China National Machinery Industry International Co Ltd* (2021) ZGFMS 5588; [2022] 3 CMCLR 8 (Supreme People’s Court); Guiding Case No 230, analysed in the 2024 edition of this work, “Chinese maritime law in 2024: a review”.

The court of first instance held that, although the contract entered into between Company X and Company G was titled a “Voyage Charter Agency Contract”, the specific terms of the contract must be taken into account. First, the contract explicitly stated that it was a single-voyage waterway transport contract, with Company X acting as the “Cargo interests” and Company G as the “Shipowner”; that is to say, the contract concerned the provision of goods transport services rather than agency services. Secondly, the contract explicitly stipulated the vessel to be chartered, freight rates and settlement terms, the period of call, ports of loading and unloading, liability for breach of contract in the event of the vessel or cargo failing to materialise, and compensation for cargo damage, among other matters. These features were consistent with those of a voyage charterparty and distinguished it from a commission agency contract. Finally, with regard to the items charged, Company G collected freight from Company X, rather than agency fees. In summary, Company G’s defence that the relationship between the parties constituted an agency contract was inconsistent with the facts, and the court of first instance did not accept it.¹³

Company G appealed, arguing that, upon accepting Company X’s mandate, it immediately entered into a contract through a third party, with the actual carriage being performed by a vessel owned by that third party. Throughout the performance of the contract, Company X directly accepted the bill of lading issued by the third party and raised no objection whatsoever to the identity of the carrier, indicating that Company X was fully aware of and accepted the third party’s role in the carriage. This demonstrates Company G’s status as an agent; it was not the carrier, and the collection of freight on its behalf was in accordance with industry practice.

The court of second instance pointed out that, although the title of the contract in question contained the term “agency”, according to the terms agreed between the parties, the parties were Company X (cargo interests) and Company G (shipowner). It found that the single voyage waterway transport contract was consistent with the characteristics of a voyage charterparty, and the use of terms such as “freight” and “deposit” to describe the charges did not reflect an intention to act

¹³ (2025) M 72 MC 361 (Xiamen Maritime Court).

as an agent. Consequently, the court of first instance had both factual and legal grounds for rejecting Company G's claim that the relationship between it and Company X constituted a contract of agency.¹⁴

This case highlights the discrepancy between shipping practice and judicial interpretation. In shipping practice, the extent and manner of an agent's involvement in a contract of carriage vary depending on specific circumstances and industry customs. Although an agent does not actually own the vessel or physically transport the goods, due to the formal similarities between agency contracts and contracts of carriage, as well as the practice of earning agency fees through freight rate differentials, it is easy for an agent to be legally identified as a party to the contract of carriage, thereby incurring liability for cargo damage under that contract. The judgment in this case should serve as a reminder to freight forwarders to carefully consider how they draft contracts and provide agency services, so as to avoid being identified as the shipowner or the carrier to the contract of carriage.

Limitation period for recourse action

Shanghai A Co v Guangzhou B Co (2024) YMZ 6984 (Guangdong High People's Court)

Guangzhou B Co (Company B) was commissioned by Shanghai A Co (Company A) to handle the carriage of the goods. After Company B claimed the costs for unclaimed goods at the destination from Company A, it paid these destination costs to Shenzhen Company C (Company C). Company B argued that its advance payment constituted the fulfilment of its fiduciary duties under the freight forwarding contract and that it was entitled to claim reimbursement from Company A for necessary and reasonable advance payments. The court of first instance ruled that Company A should pay Company B the costs incurred due to the goods not being collected at the destination, together with interest.¹⁵

Company A appealed, arguing that even if it were liable for these costs, Company B's claim was time-barred.

Pursuant to article 66 of the Minutes,¹⁶ the limitation period for claims relating to container demurrage is one year, commencing on the day following the expiry of the period during which the container may be used free of charge.

The court of second instance held that this case constituted a recourse action brought by Company B against Company A after Company B had assumed liability for compensation towards its booking agent, Company C; consequently, the limitation period for the dispute concerning container demurrage in this case should be determined in accordance with the contractual relationship governing the carriage of goods by sea.

Article 257 of the CMC provides that the limitation period for claims for compensation in respect of the carriage of goods by sea is one year, calculated from the date on which the goods were delivered or should have been delivered; where, within the limitation period or after its expiry, a person found to be liable brings a recourse claim against a third party, the limitation period shall be 90 days, calculated from the date on which the claimant settles the original claim for compensation or from the date on which the claimant receives a copy of the statement of claim from the court hearing the action brought against the claimant.

The court of second instance pointed out that, in accordance with the above provisions, the limitation period in this case was 90 days, to be calculated from the date on which Company B settled the original claim for compensation or from the date on which it received a copy of the statement of claim from the court hearing the action brought against it. According to the facts established in the original proceedings, the court of first instance, in the case brought by Company C against Company B, delivered Civil Judgment (2023) Y 72 MC 1570 on 19 December 2023, stipulating that Company B should pay Company C reasonable expenses at the destination, including charges for overdue use and storage fees. Company B paid the aforementioned costs to Company C on 26 December 2023 and filed the present action with the court of first instance on 28 December 2023, which did not exceed the limitation period of the recourse action.

¹⁴ (2025) MMZ 664 (Fujian High People's Court).

¹⁵ (2024) Y 72 MC 747 (Guangzhou Maritime Court).

¹⁶ The "Minutes of the Symposium on Foreign-Related Commercial and Maritime Adjudication by People's Courts Nationwide".

The new CMC has not made substantive amendments to the provisions governing the limitation period for the recourse action. However, it is worth noting that the rule of limitation period for the recourse action in the CMC differs significantly from the rule set out in the Hague-Visby Rules

For the limitation period according to article 66 of the Minutes, the court of second instance pointed out that this article primarily governs disputes concerning claims for container demurrage; whereas the present case involves a claim for recourse brought by a contractual shipper against its preceding shipper after having paid the relevant costs to a third party; it is therefore not governed by the aforementioned provision. In light of the foregoing, the court of second instance held that the appeal brought by Company A was unfounded, dismissed the appeal, and upheld the original judgment.¹⁷

The second instance judgment in this case provided a clear and accurate determination regarding the limitation period for Company B's recourse action. The CMC stipulates different limitation periods for the main action and the recourse action for disputes arising from contracts for the carriage of goods by sea. In this case, as there was already a legal action in progress in which Company C was asserting its rights against Company B, the action brought by Company B against Company A to recover the costs it had advanced – arising from its liability in that action – constituted a recourse action and should be subject to the limitation period for the recourse action. The new CMC has not made substantive amendments to the provisions governing the limitation period for the recourse action. However, it is worth noting that the rule of limitation period for the recourse action in the CMC differs significantly from the rule set out in the Hague-Visby Rules (article III, rule 6bis).

Marine insurance

Proximate cause

Chinese A Insurance Company Shanghai Branch v B Shipping Company (2025) ZGFMS 3693 (Supreme People's Court)

B Shipping Co took out an All Risks Marine Insurance policy for the vessel owned by it, with Chinese A Insurance Company Shanghai Branch (A Insurance Co). Clause 1 (Scope of Cover) of the insurance policy stated:

"Total loss cover is provided for total loss of the insured vessel caused by the following perils: 1. Earthquakes, volcanic eruptions, lightning or other natural disasters; 2. Grounding, collision, contact with any fixed or floating object or other object, or other maritime perils; 3. Fire or explosion; 4. Violent theft or acts of piracy from outside the vessel; 5. Abandonment of cargo; 6. failure or accident involving a nuclear device or nuclear reactor; 7. This insurance also covers total loss of the insured vessel caused by the following: (1) accidents occurring during the loading, unloading or movement of cargo or fuel; (2) latent defects in the vessel's machinery or hull; (3) acts by the master or crew committed with intent to prejudice the interests of the insured; (4) Negligence on the part of the master, crew, pilots, repairers and charterers; (5) Actions taken by any governmental authority to prevent or mitigate pollution resulting from damage to the insured vessel caused by a covered risk. However, such loss shall not be attributable to a failure by the insured, the shipowner or the manager to exercise due diligence."

During the period of insurance, water entered the vessel's cargo holds. After the ingress of water had been effectively contained, an explosion occurred in the engine room. The sudden explosion and resulting fire caused the vessel to become uncontrollable and resulted in a power failure, rendering the vessel unable to provide power for pumping out water. At the same time, the vessel lost its propulsion due to the power failure. The insured failed to arrange for salvage, and the vessel ultimately sank. The insured claimed insurance compensation.

¹⁷ (2024) YMZ 6984 (Guangdong High People's Court).

The court of first instance held that B Shipping Co's voluntary decision to forgo salvage operations was the most direct and decisive cause of the vessel's total loss, and that the failure to undertake salvage operations was not a covered risk. Even if, for the sake of argument, there was no direct causal link between the abandonment of salvage operations and the total loss of the vessel, the direct and fundamental cause of the vessel being at risk of sinking was the ingress of water resulting from damage to the hull, rather than the fire and explosion in the engine room. In the view of the court of first instance, B Shipping Co failed to prove that the ingress of water caused by damage to the hull constituted a specified risk covered by the insurer; therefore, the insurer was not liable to pay insurance compensation.¹⁸

The court of second instance overruled the decision of the court of first instance. The court of second instance took the view that the ingress of water into the cargo holds, together with the fire and explosion in the engine room, jointly caused the total loss of the insured vessel. Taking into account that the water ingress into the cargo hold occurred 13 days after the vessel set sail and that the point of ingress remains unverified to this day, the court of second instance found that the water ingress into the cargo hold in question fell within the category of water ingress caused by latent defects in the hull. Pursuant to clause 3 (fire or explosion) and clause 7(2) (latent defects in the vessel's machinery or hull) of the scope of cover for Total Loss Insurance set out in article 1 of the insurance policy, it was held that

both the water ingress into the cargo hold and the fire and explosion in the engine room constituted causes specified in the insurance policy as being covered by A Insurance Co, which was therefore liable to pay insurance compensation to B Shipping Co in accordance with the insurance contract in question.¹⁹

A Insurance Co applied for a retrial, arguing that the fire and explosion in the engine room were not the cause of the vessel's total loss, that the flooding of the cargo hold was not a risk covered by the insurance policy, and that the vessel's total loss was certainly not caused by a combination of these two factors. The Supreme People's Court upheld the judgment of the court of second instance and dismissed the application for retrial filed by A Insurance Co.²⁰

The doctrine of proximate cause in insurance determines whether the insurer is liable to pay insurance compensation. When the causes of an insured event are complex and intertwined, determining the proximate cause becomes a key challenge in insurance disputes. In this case, the judgments of both the second instance and retrial courts determined that water ingress into the cargo holds and the fire and explosion in the engine room were found to be the joint causes of the total loss of the insured vessel. However, as argued by A Insurance Co in its application for a retrial, the ingress of water into the cargo hold was not a covered risk. The courts of second instance and retrial found that the ingress of water into the cargo hold in question was caused by a latent defect in the hull. Therefore, it may be further

¹⁸ (2022) H 72 MC 1084 (Shanghai Maritime Court).

¹⁹ (2024) HMZ 427 (Shanghai High People's Court).

²⁰ (2025) ZGFMS 3693 (Supreme People's Court).



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stated that the latent defect in the vessel's machinery or hull, together with the fire and explosion in the engine room, constituted the proximate cause of the insured incident. Both factors led to the vessel taking on water and ultimately sinking. In other words, the vessel taking on water was merely a stage or manifestation within the causal chain, not a cause in itself; otherwise, any instance of a vessel taking on water and sinking due to an insured risk would be ineligible for insurance compensation, which would be inconsistent with the fundamental purpose of insurance.

With regard to whether the insured's conduct in salvage operations on the vessel could constitute a proximate cause, the courts of second instance and retrial differed from the court of first instance in their findings of fact. The courts of second instance and retrial held that there were no issues with the insured's conduct in rescuing the vessel in distress and therefore ruled out this as a proximate cause of the vessel's total loss. The court of first instance, however, found that the insured's failure to rescue the vessel in distress in a timely manner was the cause of the vessel's total loss. If the insured acted appropriately in rescuing the vessel in distress, the vessel's latent defects and the subsequent explosion may be regarded as the proximate cause. If, however, the insured failed to act appropriately, and even though water ingress and an explosion occurred, the vessel would not have suffered a total loss had rescue operations been carried out, then the insured's failure may be regarded as the proximate cause of the vessel's total loss.

Admiralty law

Maritime salvage

Tianjin X Shipping Co Ltd v Y Marine Engineering Co Ltd (2025) ZGFMS 5391 (Supreme People's Court)

The vessel *Guoneng XX*, chartered based on a bareboat charter and operated by Tianjin X Shipping Co Ltd (Company 1), ran aground. Y Marine Engineering Co Ltd (Company 2) proceeded to the scene of the incident to carry out emergency salvage operations. On the day of the incident, Company 1 issued a "Power of Attorney" to Company 2, stating:

"We hereby authorise your company to dispatch personnel, vessels and equipment to carry out emergency rescue operations on the stricken vessel, including underwater surveying, salvage of cargo, removal of residual oil and refloating of the vessel. Specific costs and terms shall be confirmed through mutual consultation between the parties and shall be governed by the signed agreement; our company reserves the right to terminate this authorisation."

Company 2 carried out the relevant salvage operations in accordance with this authorisation.

Company 2 prepared the following documents relating to the salvage operations in question: the Emergency Oil Pumping Operation Plan for the Stranded Vessel *Guodian XX*, the Emergency Rescue Operation Plan for the Stranded Vessel *Guodian XX* and the Grounding Recovery Plan, among other salvage-related documents. Company 2 also sent Company 1 a Quotation for Emergency Salvage Costs for the Vessel *Guodian XX*, which included the vessel's daily rate, fuel consumption, costs for major diving equipment, oil extraction equipment, personnel and other equipment and consumables, a 3 per cent fee for the emergency technical plan, an 8 per cent management fee, a 6 per cent tax and duty surcharge, as well as the SCOPIC rate under the special compensation clause. Upon receipt, Company 1 did not respond or raise any objections, but instead tacitly accepted the salvage process and repeatedly requested Company 2 to continue the salvage operations.

Upon completion of the salvage operation, a dispute arose between the parties regarding the salvage remuneration. Company 1 argued, first, that the parties had not reached a written agreement on the salvage rate, nor did any explicit agreement exist. The provisions of the CMC should therefore apply to determine the salvage rate in this case. Secondly, even if it were to be determined that this case constituted a contract of salvage, the SCOPIC rate, as claimed by Company 2, should not apply. Company 1 argued that the SCOPIC rate applied to maritime salvage operations involving foreign elements only; as no such foreign elements existed in this case, it should only be applied where the parties have expressly agreed to its application, which they have never done. Thirdly, the salvage rate in this case was manifestly higher than the value of the salvage services actually provided; it failed to strike a balance between the interests of the salvor and the vessel in distress, thereby contravening the legislative intent of the maritime salvage regime, which is to ensure fair trading in the salvage market.

The court of second instance held that Company 1's failure to express a position either before or during the incident, coupled with its blanket denial afterwards, contravened the principle of good faith. As Company 2 had continued to invest in the salvage operations based on Company 1's instructions, it had a legitimate expectation regarding the method of calculating the salvage rate, and the court therefore concluded that a maritime salvage contract with a fixed rate had been formed between the two parties. Company 1 was therefore obliged to pay the salvage remuneration in accordance with that contract.²¹ Company 1 applied for a retrial, arguing that the judgment had misclassified the nature of the maritime salvage contract in this case, that the salvage rate was manifestly higher than the salvage services actually provided, and that the salvage remuneration determined in accordance with the contract was unreasonable.

In its retrial, the Supreme People's Court held that the second-instance court's findings did not contravene the law and were not improper. First, article 179 of the CMC provides:

"Where a salvor successfully rescues a vessel in distress or other property, the salvor is entitled to salvage remuneration; where the salvage is

unsuccessful, the salvor is not entitled to any salvage payment, unless otherwise provided for in Article 182 of this Code, other laws, or otherwise agreed in the contract."

Accordingly, apart from "no cure, no pay" salvage contracts, salvage contracts may take the form of fixed-rate contracts in accordance with the parties' agreement. The court of second instance found that a maritime salvage contract with a fixed rate had been established between the parties. This finding did not contravene the law and was not improper.

Whether the parties classified the salvage as contractual salvage (ie hired salvage) or non-contractual salvage determines whether the CMC applies in determining the salvage remuneration

Secondly, article 176 of the CMC provides:

"Where any of the following circumstances applies, and the matter is brought before a court by one of the parties or referred to arbitration by mutual agreement of the parties, the court or arbitral tribunal hearing the dispute may render a judgment or award to amend the salvage contract: (1) the contract was concluded under undue influence or duress, and the terms of the contract are manifestly unfair; (2) the salvage payment made under the contract is manifestly excessive or insufficient in relation to the salvage services actually provided."

The Supreme People's Court pointed out that, building upon the correct finding that a maritime salvage contract with a fixed rate had been concluded between the parties to this case, the original judgment relied primarily on Company 2's quotation for salvage rates, referenced relevant assessment reports concerning

²¹ (2024) MMZ 280 (Fujian High People's Court).

vessel utilisation, standby time and specific daily vessel rates, and comprehensively considered factors such as the time spent by the salvage provider, expenses incurred, actual quantities of consumables used and the reasonableness of labour costs, before making itemised determinations regarding vessel utilisation fees, fuel consumption costs and personnel costs. The Supreme People's Court also pointed out that, where Company 1 provided evidence demonstrating that certain service items were manifestly excessive compared to those actually provided, the court made corresponding discretionary reductions; the judgment set out in detail the grounds for the discretionary assessment of each item of cost. There was no failure to strike a balance between the interests of both parties, and the findings were not improper.²²

This judgment reflects the legal issues concerning salvage contracts and salvage remuneration under the former CMC. First, whether the parties classified the salvage as contractual salvage (ie hired salvage) or non-contractual salvage determines whether the CMC applies in determining the salvage remuneration. In this case, the Supreme People's Court explicitly stated that the CMC permits the parties to agree on contractual salvage and the method of calculating remuneration. This principle has been explicitly affirmed in the new CMC. Secondly, the court conducted a detailed analysis of the agreed salvage rates and the specific salvage services provided to ensure the reasonableness of the salvage remuneration, thereby determining whether to amend the salvage contract.

Maritime lien

Huang v Li and Lin (2025) ZMZ 187 (Zhejiang High People's Court)²³

Li employed Huang and 10 other crew members to carry out fishing operations on a vessel, which he owned. The vessel was subsequently sold to Zheng and re-registered in the name of Zheng's wife, Lin. Zheng presented the crew with a pre-printed undertaking for their signatures. The undertaking stated that the crew members guaranteed they would not assert maritime liens against the vessel or its beneficial owner and confirmed that the undertaking represented

their true intentions. Seven crew members, including Huang, signed the undertaking. Eleven crew members disembarked without having received their wages. Li promised to pay but failed to do so.

Huang therefore brought an action, seeking an order requiring Li to pay the outstanding wages and a declaration that the wages owed constituted a maritime lien against the vessel. Lin contended in his defence that a maritime lien was a civil right, and that Huang had voluntarily waived this right in the undertaking; this waiver was valid, and Huang was therefore not entitled to assert a maritime lien in respect of his wage claim.

The court of first instance pointed out that a maritime lien is a statutory right premised on specific maritime claims, and that the priority accorded to seafarers' wages constitutes special protection for their remuneration interests; a written undertaking to waive such a lien does not constitute grounds for its extinction. The court found that Li, as the employer, neither fully explained the specific concept of the maritime lien nor clearly informed the seafarer of the legal consequences of the waiver. By exploiting its dominant position to require the seafarer to sign the undertaking waiving the maritime lien on wages, Li acted contrary to the principle of party autonomy and the core socialist values; therefore, the undertaking to waive the maritime lien was legally invalid. The court of first instance ordered Li to pay Huang's wages and confirmed that the sums enjoyed a maritime lien on the vessel.²⁴ Lin appealed against this decision; the court of second instance dismissed the appeal and upheld the original judgment.²⁵

This case clearly illustrates the statutory nature of maritime liens, which cannot be altered or revoked by the establishment of civil rights and obligations. Even if the employer has not exploited a position of advantage, and the seafarer's undertaking to waive the lien constitutes a genuine expression of intent, the court may not necessarily uphold such an undertaking, as it merely satisfies the requirements for a valid contract but fails to comply with the public interest and the legal value of the maritime lien.

²² (2025) ZGFMS 5391 (Supreme People's Court).

²³ Typical Case of National Maritime Trial in 2025, Case 1.

²⁴ (2024) Z 72 MC 1535 (Ningbo Maritime Court).

²⁵ (2025) ZMZ 187 (Zhejiang High People's Court).

Limitation of liability for maritime claims

Company 1 v Company 2 and Others (2025) ZGFMS 1482 (Supreme People's Court)

The offshore construction platform *Wenqiang No 8* (Platform W), owned by Company 3, was anchored off the coast of Rudong, Shengdong, Nantong, to weather a typhoon. As it had failed to evacuate to safe waters as required and due to improper anchoring measures, the anchor chain snapped, causing the vessel to drag its anchor and collide with a pipeline bridge operated by XX Group, resulting in damage to the bridge piers and discharge pipelines. The court ruled to authorise Company 3 to establish a maritime liability limitation fund.

XX Group argued that, although the court had ruled to permit Company 3 to establish a maritime liability limitation fund, it was not entitled to benefit from the limitation of liability. The grounds for this were as follows. (1) Platform W was a non-self-propelled vessel without an engine or propulsion system; it lacked the ability to navigate under its own power and did not constitute a vessel as defined in article 3 of the CMC. Therefore, the relevant provisions of Chapter 11 of the CMC concerning the limitation of maritime liability could not be invoked. (2) Given that both the local meteorological and maritime authorities had issued typhoon warnings in advance, the defendants, while being fully aware of the potential for loss, acted with reckless negligence by failing to take necessary measures to withstand the typhoon. It did not evacuate Platform W from the construction waters to safe waters to seek shelter from the storm. Furthermore, at the time of the accident, the vessel was unmanned, its mooring arrangements to withstand the typhoon were inadequate. Furthermore, when the vessel broke anchor and ran aground, the defendants failed to take necessary salvage measures or other methods to avert the danger (such as scuttling the vessel), allowing the vessel to continue drifting, which ultimately led to the accident. Therefore, pursuant to article 209 of the CMC, the defendant was not entitled to limit its liability in accordance with the provisions of Chapter 11 of the CMC.

The court of first instance did not support the arguments. First, the question of whether Platform W constituted a vessel as defined in the CMC had already been determined by a final and binding judgment.

In the case brought by Company 3 concerning the application to establish a liability limitation fund in relation to the accident in question, the Shanghai High People's Court, in its Civil Ruling (2020) HMZ 503, had already determined that Platform W was a coastal-operating vessel, Company 3 was the registered owner of the vessel and was entitled to apply for the maritime liability limitation fund. In accordance with this final ruling, Platform W constituted a vessel under the CMC, and there was no need to elaborate further on this point in the present case. Therefore, it was held that the loss caused by Platform W striking the pipeline bridge constituted a claim subject to limitation under article 207 of the CMC.

Secondly, pursuant to article 209 of the CMC, where the loss giving rise to a claim for compensation is caused by the intentional act or omission of the liable party, or by a reckless act or omission committed while knowing that such loss might result, the liable party shall not be entitled to limit its liability. It was found that, according to the Accident Investigation Report, all the vessel's certificates on board Platform W were valid and complied with statutory requirements. Furthermore, there were no relevant requirements regarding minimum safe manning levels. The court pointed out that the direct cause of the accident was the improper operation by the crew of Platform W during the typhoon. They recklessly assumed that, given the vessel's wind resistance rating, it could remain in its current position to weather the storm but failed to select an appropriate anchoring method for this purpose. In the view of the court, this was a decision-making error resulting from a lack of experience in weathering typhoons, rather than an act or omission committed intentionally or recklessly with the knowledge that the vessel might drag its anchor and collide with the pipeline bridge. The court of first instance ruled that the claimants were entitled to claim damages, but that such compensation should be paid from the maritime liability limitation fund established by the defendants.²⁶ The court of second instance upheld the judgment of the court of first instance.²⁷

In Civil Ruling (2020) HMZ 503, the Shanghai High People's Court held that Platform W, having undergone its annual inspection by the Jiangsu Provincial Ship Inspection Bureau, was a steel-hulled crane vessel authorised to operate in coastal waters and therefore constituted a vessel as defined in article 3 of the CMC. The Supreme

²⁶ (2020) H 72 MC 2415 (Shanghai Maritime Court).

²⁷ (2024) HMZ 358 (Shanghai High People's Court).

People's Court upheld that Platform W, while requiring the use of a tugboat, was capable of navigating at sea. It was manned and held vessel documents issued by the maritime authorities, including a Certificate of Nationality, a Certificate of Ownership and a Certificate of Seaworthiness, all of which specified its navigation area, thereby possessing the relevant attributes of a seagoing vessel.²⁸

In this case, the court's determination of what constitutes a vessel was based primarily on whether the offshore construction platform held vessel certificates and on the navigation areas specified therein. Mr Bing Yan of AnJie Broad Law Firm, the legal representative for one involved party in this case, clarified that article 3 of the CMC does not emphasise the need for self-propulsion, nor does it require the vessel to be used for maritime transport; passive movement and construction operations both satisfy the definition of a vessel, and the manning situation is certainly not a prerequisite for determining the nature of a vessel. This view is widely recognised in Chinese judicial practice.

Company X1 and Others v Xiang and Others (2024) HMZ 706 (Shanghai High People's Court)

A collision occurred between the vessels of the claimant and the defendant, and the claimant claimed damages. The defendants, having accepted liability for the collision, had applied to establish a maritime liability limitation fund. The claimants argued that the defendants had breached the requirements of the safety management system documentation. The claimants found that the company's safety management system documents were drawn up in accordance with the Regulations on the Safe Operation of Ships and the Prevention of Pollution (NSM Regulations). As the NSM Regulations are administrative rules, and the Maritime Traffic Safety Act, as amended in 2016, stipulates that relevant laws, administrative regulations and rules must be observed, compliance with the safety management system documents should be regarded as a legal requirement. The claimants argued that the defendant's breach of the safety management system documentation constituted an unlawful act. Consequently, the defendants were not entitled to benefit from the limitation of liability in respect of the claim for maritime compensation arising from the ship

collision, and the defendants should compensate the plaintiff in full for the losses suffered.

This argument was not accepted by the court. The court of first instance held that, although the NSM Regulations were administrative regulations, the company's safety management system documents formulated in accordance with the NSM Regulations did not constitute law. The maritime authorities' requirement that the defendant formulate the vessel's safety management system documents in accordance with the NSM Regulations was necessary for the shipping company's safe operational management; however, these safety management system documents were not law. Consequently, in this case, the safety management system documents could not serve as a legal basis for denying the right to benefit from the limitation of liability.²⁹

Setting aside the limitation of liability requires compliance with article 209 of the CMC; that is, the appellants must prove that the liable party acted or failed to act intentionally, or recklessly with knowledge that such action or inaction was likely to cause loss

The plaintiffs argued on appeal that a breach of the ship's safety management system constituted a breach of the NSM Regulations; that a failure to comply with the requirements of the safety management system under the NSM Regulations, which in turn led to the accident, was a direct manifestation of gross negligence; and that, consequently, the defendant was not entitled to the limitation of liability.

The court of second instance dismissed the appeal. It was held that, although the NSM Regulations were in force at the time of the accident, and Company 2 had drawn up safety management system documentation in

²⁸ (2025) ZGFMS 1482 (Supreme People's Court).

²⁹ (2023) H 72 MC 1525 (Shanghai Maritime Court).

accordance with the NSM Regulations and, on that basis, applied to the maritime authorities for the issuance of a provisional safety management certificate for the vessel in question, the Maritime Traffic Safety Act applicable at the time of the accident had not yet explicitly stipulated mandatory requirements for shipowners, operators or managers to establish and operate a safety management system. In other words, the safety management system documentation for the vessel in question was not in itself a legal instrument; nor had the establishment, operation and compliance with such documentation, at the time of the accident, risen to the level of a legal obligation for the relevant parties. Rather, it constituted an administrative measure required by the maritime authorities to ensure the safe operation and standardised management of the shipping company. Consequently, the mere existence of inconsistencies between the vessel's actual operations and the safety management system documentation could not, in itself, be used to argue that the liable party was precluded from benefiting from the limitation of liability.

The court of second instance pointed out that setting aside the limitation of liability requires compliance with the provisions of article 209 of the CMC; that is, the appellants must prove that the liable party acted or failed to act intentionally, or recklessly with knowledge that such action or inaction was likely to cause loss. Even if the respondents did breach the safety management system documentation, neither the accident investigation report nor the liability determination report identified the numerous instances of such breaches alleged by the appellants as the direct cause of the accident. The court of second instance held that, in this case, the evidence adduced by the appellants regarding the vessel's breaches of the safety management system documents was insufficient to prove that the respondents had acted or failed to act with intent or recklessly with knowledge that such actions or omissions were likely to cause loss; consequently, the appellants' claim to set aside the limits of liability on this ground was not upheld.³⁰

The court hearing this case correctly applied the legal rules in the CMC concerning the lifting of limitation of liability and accurately interpreted the criteria for assessing whether the liable party acted or failed to act with intent or recklessly with knowledge that loss was likely to result; this serves as a valuable reference.

The vessel

Vessel ownership

XX Shipping Co Ltd v Wenzhou XX Shipyard and Others (2025) ZGFMS 4184 (Supreme People's Court)

In this case, the inspection certificate belonging to the vessel in question recorded that XX Shipping Co Ltd (Shipping Company) was the owner. An Affiliation Agreement signed between XX Shipping Co Ltd (Shipping Company) and Wang explicitly stated that the vessel in question was funded by Wang, with full ownership vested in Wang. The vessel was sold to Zhou, then transferred to Jin, and subsequently transferred by Jin to Pan. Ship sale contracts and handover certificates were signed between the respective parties. After purchasing the vessel, Pan entered into a vessel scrapping agreement with Wenzhou XX Shipyard. The Shipyard carried out the scrapping under the supervision of the maritime authorities. The Shipping Company claimed that the Shipyard, Jin, Pan and Zhou had committed joint tortious conduct against the Shipping Company.

The court of second instance held that the registration of ownership of the vessel in question did not reflect the true state of ownership and served merely as a means of asserting rights against third parties. The evidence submitted by the Shipping Company – including the vessel's certificate of ownership and the cargo handover lists for each voyage – was insufficient to rebut the fact of the vessel's actual ownership as evidenced by the Affiliation Agreement. The court of second instance therefore held that all previous dispositions of the vessel had been made by persons with the authority to do so and were all valid.³¹

The shipping company applied for a retrial, arguing that the court's determination regarding the ownership of the vessel contravened the principle of public notice in property rights, and that the Affiliation Agreement should not be used as the basis for determining ownership. Furthermore, neither the transfer nor the scrapping of the vessel had been authorised by the Shipping Company and therefore constituted unauthorised dispositions.

³⁰ (2024) HMZ 706 (Shanghai High People's Court).

³¹ (2024) ZMZ 1360 (Zhejiang High People's Court).

In its retrial ruling, the Supreme People's Court found that the Affiliation Agreement signed between the Shipping Company and Wang clearly stipulated that the vessel in question was funded by Wang and that full ownership of the vessel belonged to him. Therefore, it was confirmed that all subsequent transfers of the vessel were based on the fact, as evidenced by the Affiliation Agreement, that the vessel was in fact owned by Wang. The Supreme People's Court pointed out that, as a special movable asset, registration of ownership is merely a requirement for asserting rights against bona fide third parties, rather than a prerequisite for a change in ownership of the vessel. The Shipping Company's assertion that the respondents acted in bad faith solely on the grounds that it was the registered owner of the vessel lacks sufficient factual and legal basis. Therefore, the application for retrial by Shipping Company was dismissed.³²

This case clarifies the probative value of a vessel's certificate of ownership. If the certificate does not reflect the true state of ownership, it constitutes only prima facie evidence of ownership; where there is contrary evidence, the probative value of the certificate as proof of ownership may be rebutted. Furthermore, it is evident from this case that the ownership of a vessel held by a registered owner for administrative purposes is merely a formal right; such registration is in fact incapable of prevailing against bona fide third parties in this case, namely the purchaser of the vessel and the shipbreaking company. The registration of ownership by such an entity serves solely for administrative purposes, and its rights and interests may be safeguarded through an affiliation agreement with the vessel's actual owner.

Shipbuilding

XX Port Shipping Co Ltd v YY Metal Shipbuilding Co Ltd (2025) ZGFMS 3873 (Supreme People's Court)

XX Port Shipping Co Ltd (XX Shipping) and the respondent, XX Metal Shipbuilding Co Ltd (YY Shipbuilding), entered into a shipbuilding contract. Clause 5.1.2.1 of the contract stipulated that if the delivery of any single vessel was delayed by more than 150 days beyond the delivery date, 1,500 yuan would be deducted from the contract price for that vessel for each day of delay. Clause 5.1.2.2 stipulated that if

the delivery was delayed by more than 150 days, Party A (XX Shipping) would have the right to unilaterally terminate the contract in accordance with clause 10 of the contract and forfeit the performance bond, unless Party A agreed to re-negotiate a new delivery date after deducting the liquidated damages in accordance with clause 5.1.2.1.

As YY Shipbuilding delayed the delivery of the vessels the subject of the contract by more than 150 days, XX Shipping forfeited the performance bond. YY Shipbuilding contended that XX Shipping had not terminated the contract and claimed the return of the performance bond. XX Shipping countered that it was entitled to forfeit the performance bond even without having invoked the right to terminate the contract.

The second-instance judgment held that XX Shipping was entitled to claim liquidated damages for delayed delivery at the rate of 1,500 yuan per vessel per day of delay, deducted from the contract price for each vessel, or to unilaterally terminate the contract and forfeit the performance bond. As XX Shipping had not sought to terminate the contract, it had no right to forfeit the performance bond.³³

The terms of shipbuilding contracts are relatively complex, and the interpretation of those terms is key to resolving legal disputes

XX Shipping applied for a retrial, arguing that its forfeiture of YY Shipbuilding's performance bond did not require the termination of the contract as a precondition; pursuant to the provisions on liability for breach in the shipbuilding contract, XX Shipping was entitled to forfeit the performance bond as soon as YY Shipbuilding's delay in delivery exceeded 150 days.

³² (2025) ZGFMS 4184 (Supreme People's Court).

³³ (2023) Guangdong Civil Appeal No 5340.

In its retrial ruling, the Supreme People's Court gave a general interpretation rule that where there is a dispute between the parties regarding the interpretation of a contractual clause, its meaning shall be determined in accordance with the wording used, taking into account the relevant clauses, the nature and purpose of the conduct, commercial practice and the principle of good faith. The Supreme People's Court pointed out that both clause 5.1.2.1 and clause 5.1.2.2 provided the consequences of a delay in delivery exceeding 150 days. Taking the context of the two clauses together, it was evident that clause 5.1.2.1 set out the circumstances under which the contract should continue to be performed, while clause 5.1.2.2 set out the circumstances under which the contract should be terminated. In this case, XX Shipping did not assert its right to terminate the contract; therefore, its claim that it was entitled to forfeit the performance security deposit without having first asserted the right to terminate the contract was inconsistent with the contractual terms. The application for retrial by XX Shipping was dismissed.³⁴

The terms of shipbuilding contracts are relatively complex, and the interpretation of those terms is key to resolving legal disputes. In this case, the court did not confine itself to the literal wording of the clauses but determined their meaning by taking into account relevant clauses, the nature and purpose of the conduct, commercial practice and the principle of good faith. This interpretation is consistent with the purpose of shipbuilding contracts and industry practice.

Ship sale

Hainan Jerry Jason Medical Technology Co Ltd v Hainan Kanghe Ship Industry Co Ltd (2025) QMZ 111 (Hainan High People's Court)

Hainan Jerry Jason Medical Technology Co Ltd (Jerry Jason Co) and Hainan Kanghe Ship Industry Co Ltd (Kanghe Co) entered into a ship sale contract, under which Jerry Jason Co agreed to purchase one fibreglass-reinforced plastic yacht from Kanghe Co. The contract specified that the engine model was VM-D-6350A. Items 8 and 9 of the Annex to the contract stipulated that the yacht's main engines were to be two American Mercury MR706LS inboard-outboard diesel engines,

and the generator was to be a 10-KW Italian silent generator. Clause 8 of the contract stipulated that, upon handover of the vessel, both parties were to carry out acceptance in accordance with the Annex.

Kanghe Co and Jerry Jason Co signed a vessel handover certificate specifying that Kanghe Co would hand over the yacht to Jerry Jason Co, and that Jerry Jason Co hereby accepted it. Prior to handover, Kanghe Co was responsible for all claims, liabilities and risks relating to the yacht; following handover, ownership of the yacht passed to Jerry Jason Co, which assumed responsibility for all claims, liabilities and risks. The handover certificate took immediate effect from the date of signature by both parties. The attached Equipment Handover List specified that the engines were two MR706LS units and the generator was one PMG-8SH unit.

Jerry Jason Co contended that the yacht in question was operating with defects and was in an unseaworthy condition after delivery. It contended that Kanghe Co's delivery of the yacht did not comply with the terms of the contract, constituting fraud and a fundamental breach of contract. Jerry Jason Co claimed to rescind the contract and demanded the return of the purchase price already paid for the yacht.

The court of first instance held that the Mercury MR706LS engines actually fitted to the yacht in question were the engine models agreed upon by both parties. The fact that the generator did not conform to the agreement constituted a defect in delivery but did not amount to a fundamental breach of contract; therefore, the court of first instance did not uphold Jerry Jason Co's claims.³⁵

The court of second instance dismissed the appeal and held as follows. First, there was no evidence proving the engine problem. Although the parties stipulated in article 1 of the contract that the engine model for the yacht in question was VM-D-350A, article 8 of the contract explicitly provided that, upon handover of the vessel, both parties were required to confirm acceptance in accordance with the annex. Furthermore, the parties explicitly stipulated in the annex to the contract that the yacht's main engines were to be American Mercury MR706LS inboard-outboard diesel engines. In the Equipment Handover List attached to the vessel handover certificate signed by the parties, the engines

³⁴ (2025) ZGFMS 3873 (Supreme People's Court).

³⁵ (2024) Qiong 72 Min Chu No 238.

were also explicitly identified as two MR706LS units. According to the correspondence records submitted by the parties, it was evident that Jerry Jason Co was aware that the yacht in question was to be fitted with Mercury MR706LS engines even before construction had commenced. It was therefore evident that Jerry Jason Co was fully aware, from the time the contract was signed through to its performance and right up to the handover of the yacht, that the engine model for the yacht in question was the American Mercury MR706LS inboard-outboard diesel engine.

It was found that the yacht had obtained a Certificate of Seaworthiness, proving that it passed the construction inspection and is in a seaworthy condition. Furthermore, the yacht had actually been in operation for over 600 hours. It was evident, therefore, that Jerry Jason Co was able to use the yacht normally following its delivery. Although Jerry Jason Co claimed that the yacht frequently required repairs and was in an unseaworthy condition, it had not provided sufficient evidence to prove that the engine was the cause of the yacht's prolonged unseaworthiness. Nor had Jerry Jason Co submitted evidence to prove that, following the handover of the yacht, it had sought to terminate the contract with Kanghe Co. Consequently, Jerry Jason Co's claim that Kanghe Co replaced the engine without its consent, acting with fraudulent intent, and its grounds for seeking termination of the contract were clearly unfounded.

Secondly, there was no evidence proving the generator problem. The parties did not explicitly specify the generator model in the contract. The annex to the contract stipulated that the generator was to be a 10-KW Italian

silent generator. Furthermore, the Equipment Handover List attached to the vessel handover certificate clearly identified the generator as a PMG-8SH. There was no evidence to suggest that Jerry Jason Co consented to a change in the generator model. However, Jerry Jason Co did not raise any objections regarding the generator at the time of handover of the yacht, nor did it submit evidence in this case to prove that, due to problems with the generator, the yacht frequently required repairs and was in an unseaworthy condition. Furthermore, it was found that the generator was started a total of 494 times; this indicated that both the yacht and the generator were capable of normal operation. The court of second instance pointed out that, although Kanghe Co replaced the generator without Jerry Jason Co's consent, this action did not prevent Jerry Jason Co from achieving the contractual purpose of using the yacht normally. Consequently, Jerry Jason Co's claim that Kanghe Company's unauthorised replacement of the generator constituted fraud, resulting in the yacht being in an unseaworthy condition for an extended period, and thereby justifying the termination of the contract, was unfounded.

The complexity of this case lay in the existence of both a contract for the sale of a vessel and an annex to that contract, which contained differing specifications regarding the vessel's main engine and generator. The court conducted a detailed analysis of the relationship between the two documents and their actual performance and carried out a legal analysis of the issues of fraud and fundamental breach, clarifying the elements required to establish fraud and fundamental breach, and thereby reaching the correct judgment.



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Dispute resolution

Anti-foreign sanctions law

Hong Kong A Company and Others v Singapore B Shipping Company and Others (2023) H 72 MC 1936 (Shanghai Maritime Court)³⁶

Hong Kong A Company (Hong Kong Co) booked space with Singapore B Shipping Company (Singapore Co) to transport a consignment of electronic products from the Port of Shanghai to the Port of Manzanillo in Panama. After receiving the goods and loading them onto the vessel for shipment, Singapore Co refused to issue a bill of lading on the grounds that Hong Kong Co had been placed on a sanctions list by a certain country and refused to deliver the goods upon their arrival at the port of destination. Hong Kong Co consequently applied to the Shanghai Maritime Court for a maritime injunction, seeking to compel Singapore Co to issue the bill of lading. The Shanghai Maritime Court issued this injunction in accordance with the law.

Although Singapore Co issued the bill of lading in accordance with the maritime injunction, it returned the goods to the Port of Shanghai while the injunction proceedings were ongoing. Hong Kong Co subsequently brought an action, claiming joint and several liability from Singapore Co and others for compensation for the loss due to the returned goods. Singapore Co, in turn, filed a counterclaim, alleging that Hong Kong Co had failed to collect the goods from the Port of Shanghai in a timely manner, and seeking compensation for losses arising from container demurrage charges.

The Shanghai Maritime Court pointed out that, article 4 of the Law on the Application of Laws to Foreign-Related Civil Relations provides that where the laws of the People's Republic of China contain mandatory provisions concerning foreign-related civil relations, such mandatory provisions shall be directly applied. The mandatory provisions of the Anti-Foreign Sanctions Law take precedence over the parties' agreements and are directly applicable to the case. In accordance with article 12 of Anti-Foreign Sanctions Law, no organisation or individual may implement or assist in the implementation of discriminatory restrictive measures taken by a foreign state against Chinese citizens or organisations.

Singapore Co argued that it refused to fulfil its transport obligations out of concern that it might be implicated by discriminatory restrictive measures imposed by another country on Chinese enterprises. The court took the view that the nature of this conduct still constituted assistance in enforcing discriminatory restrictive measures imposed by a foreign state on Chinese enterprises; such conduct violated mandatory legal provisions and could not constitute a legitimate ground for exempting or mitigating liability for breach of contract. The court pointed out that, as the carrier, Singapore Co refused to fulfil its transport obligations on the grounds that Hong Kong Co had been placed on a sanctions list by a certain country, and forcibly returned the goods, thereby constituting a fundamental breach of contract. Accordingly, the court ordered Singapore Co to compensate Hong Kong Co for losses arising from the freight and dismissed all of its counterclaims.

This case is a typical example of Chinese maritime courts implementing the Anti-Foreign Sanctions Law. This is the first time that a judicial ruling has explicitly affirmed the mandatory applicability of the Anti-Foreign Sanctions Law, precisely applied article 12 of the Law, and established the legal principle that unlawful unilateral sanctions imposed by foreign countries on Chinese citizens and organisations may not be used as a defence for refusing to fulfil contractual obligations. The ruling firmly rejects any acts of enforcing or assisting in the enforcement of foreign sanctions against Chinese citizens and organisations, thereby demonstrating the judiciary's resolute stance in safeguarding national sovereignty, security and development interests. This case carries significant exemplary significance.

Pre-litigation maritime preservation

Liberian X Ship Management Co v Marshall Islands Y Overseas Trading Co (2025) M 72 CB 26 (Dalian Maritime Court)³⁷

The applicant, a Liberian ship management company, entered into a crew management agreement with the respondent, an overseas trading company in the Marshall Islands. The agreement provided for the supply of crew and the arrangement for crew members to board a Marshall Islands-flagged vessel, registered in the name of the overseas trading company, and stipulated

³⁶ Typical Case of National Maritime Trial in 2025, Case 6.

³⁷ Typical Case of National Maritime Trial in 2025, Case 2.

that disputes would be resolved through arbitration in London.

As the shipowner had been in arrears with crew management fees and other charges since early 2025, and following repeated unsuccessful attempts to recover these sums, the Liberian applicant, prior to initiating London arbitration, chose to apply to the Xiamen Maritime Court for the arrest of the vessel upon its arrival at Quanzhou Port in China.

Having learnt from the competent authorities that the vessel would be berthed in Quanzhou for only a short period, the Xiamen Maritime Court swiftly initiated the vessel detention review procedure, ruling in accordance with the law to detain the vessel. It then coordinated with relevant authorities, including border control and maritime authorities, to successfully detain the vessel at its berth in Shage Port, Quanzhou, within 24 hours.

Taking into account the potential for substantial port berthing charges and other issues that might arise during the detention period, and in order to minimise losses for all parties, the Xiamen Maritime Court authorised the vessel to be moved to an anchorage, while coordinating with border inspection authorities to strengthen supervision. The Xiamen Maritime Court actively guided the parties to resolve the dispute through negotiation, facilitating a comprehensive settlement agreement regarding the outstanding fees and other related costs within just nine days. The respondent paid the settlement sum as agreed, thereby effectively preventing a chain of disputes over crew entitlements that might have arisen from the shipowner's arrears to the ship management company. Upon the applicant's request, the court lifted the seizure of the vessel on the same day, enabling the foreign-flagged vessel to depart the port safely before the arrival of Typhoon Mina; neither party subsequently initiated arbitration proceedings in London.

This case had no substantive connection with China, and both parties were foreign nationals. Based on their trust in China's maritime judiciary, the applicant chose to apply to the Xiamen Maritime Court for pre-action maritime relief in the form of the arrest of the vessel. The Xiamen Maritime Court exercised its judicial jurisdiction in accordance with the law and efficiently carried out the detention within 24 hours, demonstrating the accelerated pace of dispute resolution in China. To

minimise the port demurrage costs incurred by the vessel as a result of the detention, the court authorised the vessel to move to an anchorage, thereby laying a solid foundation for future mediation. At the same time, by fully utilising mediation – an “Eastern approach” – the court facilitated a settlement between the parties, ensuring the debtor fulfilled their obligations and substantially resolving the cross-border dispute. This case demonstrates that China is the preferred venue for resolving international maritime disputes.

Inter-regional judicial assistance and insolvency

Philippine A Shipping Co v Nantong B Shipbuilding Co (2025) S 72 RG 1 (Nanjing Maritime Court)³⁸

A Philippine shipping company entered into a Shipbuilding and Sales Contract with a Nantong-based shipbuilding company, commissioning the latter to build two 3,000 mt transport barges. The contract stipulated that any disputes arising therefrom would be submitted to arbitration administered by the Hong Kong International Arbitration Centre (HKIAC). After the vessels were substantially completed, a dispute arose between the parties regarding the payment schedule for sea trial costs. The Philippine shipping company filed an application for arbitration with the HKIAC.

The HKIAC issued Arbitration Award No HKIAC/A24057, ruling as follows:

- “1. The Nantong shipbuilding company and the Philippine shipping company shall use their best endeavours to cooperate with one another to complete the sea trials, delivery and settlement of the transport barges in accordance with the terms of the Shipbuilding and Sales Contract.
2. The Nantong shipbuilding company shall immediately pay the Philippine shipping company a penalty for the delay in delivery.”

Following the award, the Philippine shipping company applied to the Nanjing Maritime Court for the recognition and enforcement of the aforementioned arbitral award. The Nantong shipbuilding company argued that: (1) it had been subject to a petition for bankruptcy liquidation

³⁸ Typical Case of National Maritime Trial in 2025, Case 4.

by its creditors and was currently in the bankruptcy review stage, and therefore the proceedings in this case should be stayed; (2) the subject matter of enforcement in this case was unclear, rendering the arbitration award unenforceable; and (3) it had been acting under fraud at the time of signing the contract and should be deemed to have lacked legal capacity; recognising and enforcing the arbitration award would contravene the public interest in mainland China.

The procedure for recognising an arbitral award constitutes a procedure for the confirmation of a claim, rather than a procedure for the compulsory enforcement of property and is not suspended by the debtor entering into bankruptcy liquidation proceedings

The Nanjing Maritime Court pointed out that the review of cases concerning the recognition and enforcement of Hong Kong arbitration awards falls within the scope of inter-jurisdictional judicial assistance and possesses independent procedural value; unlike ordinary civil litigation and arbitration proceedings, it does not fall within the scope of cases where proceedings must be stayed under article 20 of the Enterprise Bankruptcy Law. The court continued to point out that, even if the respondent entered into bankruptcy liquidation proceedings, safeguarding the review proceedings for the recognition and enforcement of the arbitral award would facilitate the timely filing of claims by the applicant in the arbitration case and aid in the prompt determination of the respondent's total liabilities.

Furthermore, the court took the view that the review proceedings for the recognition and enforcement of an arbitral award differ from normal enforcement

proceedings and do not affect the legitimate rights and interests of other creditors. As the arbitral award in this case involved obligations of specific performance and continued performance, the enforceability of the award should be examined as a key element to ensure its subsequent swift and effective enforcement. The operative part of the award required both parties to carry out sea trials and delivery of the vessel; these were obligations that could be fulfilled through specific acts of performance. The parties need only strictly perform their obligations under the contract to ensure the enforcement of the award. Based on the total shipbuilding price agreed in the contract between the parties and the fact of payments already made as established by the arbitral award, the outstanding amount could be determined. The payment obligation established by the arbitral award was also certain and enforceable.

Finally, the court held that the case did not involve any issues of procedural irregularities or contravention of the public interest in the mainland China. In summary, this case did not fall within the circumstances where recognition and enforcement are refused under article 7 of the Arrangements of the Supreme People's Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region. The Nanjing Maritime Court ruled to recognise and enforce arbitral award No HKIAC/A24057 issued by the HKIAC.

The hearing of this case has clarified that the procedure for recognising an arbitral award constitutes a procedure for the confirmation of a claim, rather than a procedure for the compulsory enforcement of property and is not suspended by the debtor entering into bankruptcy liquidation proceedings. This case has also emphasised the independent procedural value of cases concerning the recognition and enforcement of Hong Kong arbitral awards. The proper handling of this case not only embodies the judicial principle of equal protection for Chinese and foreign parties in maritime adjudication but also reflects the maritime court's consistent stance of supporting Hong Kong arbitration in accordance with the law. It holds positive significance for enhancing Hong Kong's status as an international legal and dispute resolution centre in the Asia-Pacific region.

The “preservation-led mediation” mechanism

Hong Kong A Shipping Co and Another v UAE C Shipping Co (2025) L 72 CB 4 (Dalian Maritime Court)³⁹

A Hong Kong shipping company, a Hong Kong maritime transport company and a UAE shipping company entered into a time charterparty, under which the UAE shipping company chartered two vessels owned by the Hong Kong shipping company and the Hong Kong maritime transport company for the international maritime transport of crude oil. During the term of the contract, the UAE shipping company caused financial losses to the Hong Kong shipping company and the Hong Kong maritime company. The three parties reached a compensation agreement, but the UAE shipping company failed to fulfil its payment obligations as agreed. The Hong Kong shipping company and the Hong Kong maritime company applied to the Dalian Maritime Court for pre-action asset preservation, requesting the freezing of the UAE shipping company's bank deposits within China.

The Dalian Maritime Court examined the application for preservation in accordance with the law and promptly issued a ruling to freeze the bank deposits of the UAE shipping company. Meanwhile, the Dalian Maritime Court fully exercised its duty to provide legal guidance, proactively extended its judicial services, and built a bridge for equal dialogue. It informed the UAE shipping company of the legal consequences of refusing to fulfil its compensation obligations and of the litigation rights it was entitled to. It also explained to the Hong Kong shipping company and the Hong Kong maritime transport company the significant advantages of a negotiated settlement in terms of efficiency and cost, guiding all parties to set aside adversarial thinking and resolve their differences through equal consultation. Under the active facilitation and guidance of the Dalian Maritime Court, the three parties, following multiple rounds of negotiations, reached a comprehensive settlement agreement covering payment terms and dispute resolution mechanisms. The UAE shipping company fulfilled all its payment obligations in a timely manner as agreed, and the Dalian Maritime Court lifted the preservation measures.

Promoting mediation through preservation measures is an innovative working mechanism adopted by Chinese maritime courts in resolving conflicts and disputes. By lawfully imposing preservation measures (freezing or seizing assets) on the parties' property, substantial pressure is exerted on the respondent, prompting them to rationally assess the litigation risks and economic costs, and thereby to proactively engage in mediation with the applicant, facilitating the substantive resolution of the dispute. This case is a typical example of the application of promoting mediation through preservation measures in Chinese maritime judicial practice.

Arbitration and insolvency

A Shipping Limited Co v B Heavy Metals Co (2025)⁴⁰

The claimant and the respondent entered into six ocean-going transport agreements, which clearly stipulated the freight charges payable by the respondent and the payment deadlines. The claimant had completed the loading of each vessel and fulfilled its transport obligations in accordance with the agreements. Despite repeated demands for payment by the claimant, the respondent failed to pay the freight charges by the due date, giving rise to a dispute between the parties. The claimant lodged an application for arbitration with the China Maritime Arbitration Commission (CMAC), seeking payment of the overdue freight charges and interest from the respondent.

While the arbitration proceedings were ongoing, the respondent was ordered by a local Australian court to be wound up in liquidation, and a liquidator was appointed. The claimant, arguing that its claim had not yet been formally confirmed, requested that the arbitration proceedings continue. The respondent's liquidator argued that, as the claimant had already filed a claim in the insolvency proceedings, the parties could resolve the relevant dispute within those proceedings rather than through arbitration. The key legal issues in this arbitration case included how arbitration proceedings should proceed when a party is declared insolvent by a foreign court while arbitration is ongoing, and whether the liquidator has the authority to continue participating in the arbitration on behalf of that party.

³⁹ Typical Case of National Maritime Trial in 2025, Case 5.

⁴⁰ Case Collection on Enterprises' Global Expansion, CMAC Shanghai Headquarters, pages 71 to 76.

The arbitral tribunal held that, following the commencement of bankruptcy liquidation, the respondent's civil rights and legal capacity in this case should be decided by the conflict-of-laws rules of the seat of arbitration (China). By applying article 14 of the Law on the Application of Laws to Foreign-Related Civil Legal Relations,⁴¹ the arbitral tribunal referred to the law of the respondent's place of registration – namely, the Australian Companies Act 2001 – to specifically determine the rights and obligations of the parties in the foreign-related civil and commercial legal relationship. In accordance with the applicable law, the arbitral tribunal held that, although the respondent had entered into insolvency and liquidation proceedings, it had not yet been struck off the register and therefore retained its legal personality, as well as its capacity to hold civil rights and to act and was capable of continuing to perform its obligations under the agreement. The local Australian court had already ruled that the respondent had entered into insolvency proceedings and had appointed a liquidator. The arbitral tribunal found that, under the Australian Companies Act 2001, the liquidator is entitled to participate in litigation or arbitration proceedings in the name of the company. Consequently, the arbitral tribunal held that the liquidator could continue to participate in the arbitration proceedings on behalf of the respondent, that the insolvency proceedings did not constitute a statutory ground for the suspension of the arbitration proceedings, and that the arbitral tribunal retained jurisdiction to continue hearing the case.

This case clarifies that disputes regarding the legal standing of parties in cross-border arbitration should be resolved by determining the applicable law through conflict-of-laws rules and provides a sound example of procedural coordination in cross-border insolvency disputes within arbitration.

Conclusion

The new CMC provides new legal provisions for promoting the digitalisation of shipping, strengthening ecological protection, and improving the maritime legal system and services for opening to the outside world. It lays a new legal foundation for China's maritime judicial adjudication and arbitration practices to take centre stage on the international stage. The new CMC deserves close attention from the international shipping and legal communities.

Maritime cases adjudicated by Chinese courts in 2025 continued to highlight key and challenging issues in maritime adjudication. The CMAC published exemplary arbitration cases in 2025. These issues in judicial and arbitration proceedings may give rise to new judicial rulings and arbitral awards following the implementation of the new Maritime Law. We will continue to monitor developments in China's maritime judicial and arbitration practices and provide a review of them next year.

⁴¹ Article 14 of the Law on the Application of Laws to Foreign-Related Civil Legal Relations stipulates that matters such as the legal capacity and capacity to act in civil matters of legal persons and their branches, their organisational structure, and the rights and obligations of shareholders shall be governed by the law of the place of registration.



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Appendix: judgments considered in this Review

- A (Shanghai) International Freight Forwarding Co Ltd Dalian Branch v Shanxi B Industry and Trade Co Ltd* (2025) LMZ 291 (Liaoning High People's Court)
- A Heavy Industry Co Ltd and B Shipping Co* (2025) Case Collection on Enterprises' Global Expansion, CMAC Shanghai Headquarters, pages 1 to 9
- A Shipping Limited Co v B Heavy Metals Co* (2025) Case Collection on Enterprises' Global Expansion, CMAC Shanghai Headquarters, pages 71 to 76
- Baijian Co and Others v Lingyuan Co* (2024) LMZ 1242 (Liaoning High People's Court)
- Chinese A Insurance Company Shanghai Branch v B Shipping Company* (2025) ZGFMS 3693 (Supreme People's Court)
- Company 1 v Company 2 and Others* (2025) ZGFMS 1482 (Supreme People's Court)
- Company X1 and Others v Xiang and Others* (2024) HMZ 706 (Shanghai High People's Court)
- Hainan Jerry Jason Medical Technology Co Ltd v Hainan Kanghe Ship Industry Co Ltd* (2025) QMZ 111 (Hainan High People's Court)
- Hong Kong A Company and Others v Singapore B Shipping Company and Others* (2023) H 72 MC 1936 (Shanghai Maritime Court)
- Hong Kong A Shipping Co and Another v UAE C Shipping Company* (2025) L 72 CB 4 (Dalian Maritime Court)
- Huang v Li and Lin* (2025) ZMZ 187 (Zhejiang High People's Court)
- Liberian X Ship Management Co v Marshall Islands Y Overseas Trading Co* (2025) M 72 CB 26 (Dalian Maritime Court)
- Philippine A Shipping Co v Nantong B Shipbuilding Co* (2025) S 72 RG 1 (Nanjing Maritime Court)
- Qingdao A Logistics Co Ltd v Wan Hai Lines (Singapore) Pte Ltd* (2024) LMZ 847 (Shandong High People's Court)
- Shanghai A Co v Guangzhou B Co* (2024) YMZ 6984 (Guangdong High People's Court)
- Tangshan Caofeidian X Company v China G Company Ningbo Branch* (2025) MMZ 664 (Fujian High People's Court)
- Tianjin X Shipping Co Ltd v Y Marine Engineering Co Ltd* (2025) ZGFMS 5391 (Supreme People's Court)
- XX Export Company and Another v XX International Ltd (Third Party: Shanghai XX Supply Chain Management Co Ltd)* (2025) ZGFMS 320 (Supreme People's Court)
- XX Port Shipping Co Ltd v YY Metal Shipbuilding Co Ltd* (2025) ZGFMS 3873 (Supreme People's Court)
- XX Shipping Co Ltd v Wenzhou XX Shipyard and Others* (2025) ZGFMS 4184 (Supreme People's Court)
- Zhejiang Osee Import & Export Co Ltd v ZIM Integrated Shipping Services Ltd* (2024) Z 72 MC 2640; [2026] 2 CMCLR 36 (Ningbo Maritime Court)

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