

# NEWSFRONT

## GREEK SHIPPING INTELLIGENCE

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### LEGAL OPINION

#### Registration of an auctioned vessel in the name of the bidder

For a vessel to be transferred within the Greek Registry, among other documents, submission of a certificate that NAT (Seamen Pension Fund) has no claims against the ship is required. It is, however, possible for NAT to issue such a certificate without repayment of its outstanding claim, if adequate security is provided.

The NAT BoD chairman may authorise the issuance of such a certificate where the claim is not repaid, but a Bank guarantee has to be presented. Such authorisation is valid for 10 days. Further, NAT's BoD may also grant such an authorisation in case other securities are offered, with a three month validity.

The fact the claim is not repaid, in such cases, presents no difficulty in the vessel's transfer being registered.

Above occurred in a case involving high bidders in an auction seeking to register the vessel in their own name. The same applies for ordinary transfers, i.e. where we have transfer in the context of a sale and purchase transaction.

Piraeus Court of Appeal Judgment no 370/ 2014, President: P. Tsandekidou, Rapporteur Judge: Chr. Gianerrikos, Attorneys at law: A. Vergos, I. Giannatos, Maritime law Review vol. 42, p. 109.

NOTE: It is interesting to note that NAT claims survive the auction and follow the vessel, contrary to the general rule that an auctioned vessel is free of encumbrances following a successful bid. The practice followed in auctions is as follows: Bidder may pay NAT or provide security; when the auction proceeds are distributed, it is likely that NAT, enjoying privilege, will receive all or part of the claim. In the latter case, the bidder is liable for the remaining amount. Of course, if no auction proceeds are received by NAT, the bidder is liable for the whole amount. In case of second hand s&p, buyers need to know in advance if there is a possible claim, so that they can negotiate the price accordingly.

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