

Maritime Update

NOVEMBER 2018

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HESKETH HENRY SUMMER MARITIME LAW UPDATE

Happy Summer!

In this edition:

- Our <u>Summer maritime seminar series</u> and other <u>upcoming events</u>.
- <u>Blockchain and digital transformation</u>: recent developments in New Zealand and internationally.
- <u>Bio-security:</u> In 2018 New Zealand introduced its Craft Risk Management Standard. What does it mean for owners and charterers? And a reminder that summer is also <u>stink bug season</u>.
- In January 2020 the IMO's cap on sulphur content in bunker fuel comes into force. What is it and what issues are arising?
- <u>Case law updates</u>: Sea Master Shipping Inc v Arab Bank (Switzerland) Ltd. A timely reminder for trade financiers that holding bills of lading as security may expose them to claims.

Summer maritime seminar series

Thursday, 6 December 2018, 3.45pm for a 4pm start: **Maritime Law Update and Christmas Drinks**. Simon Cartwright will present an overview of topical cases in 2018, covering charterparty, marine insurance, trade finance and admiralty issues.

RSVP

Save the dates:

February 2019: Health and Safety update

March 2019: Automation, digital transformation and blockchain in shipping and trade

April 2019: Cargo claims

Upcoming events

ICNZ and **IBANZ** - Marine Issues Workshop

Thursday, 22 November 2018 1pm to 5pm

ANZIFF dinner

Thursday, 29 November 2018 6.30pm onwards

The Combined Marine Societies Christmas Dinner

Friday, 7 December 2018

Automation and blockchain in shipping and trade have been hot topics in 2018.

Gerard Morrison from Maersk Line – Oceania spoke about the <u>Maersk/IBM TradeLens platform at a WISTA NZ event</u> earlier this year. Showing the commercial challenges for blockchain platform developers, a number of competing liner companies and port operators have announced their own blockchain consortium.

In New Zealand ASB and VerifyUnion announced the <u>first bank blockchain trade in NZ</u>.

This is an exciting development, but as a reminder that simpler and possibly more practical forms of digital transformation are already in play, Swire recently

announced it had utilised electronic bills of lading for a <u>shipment of grain from</u> Australia to New Zealand.

We will discuss these and other developments in our March 2019 Automation, digital transformation and blockchain seminar.

Bio-security

In May this year <u>New Zealand's new bio-fouling management standards</u> came into effect.

We have advised a number of owners and charterers on issues arising from the issue, including the rejection of vessels from New Zealand, the application of the new standards, and rights and obligations under charterparties.

See Zoe Pajot and Charlotte Lewis' summary on these issues.

IMO Sulphur cap

MARPOL Annex VI comes into force in 2020, limiting the sulphur content of bunker fuel to .5% (the limit is currently 3.5%). New Zealand has not acceded to Annex VI, although the Ministry of Transport has recently called for consultation on doing so.

Annex VI will still impact New Zealand and vessels trading in and to New Zealand. It will apply to international vessels calling in New Zealand, whose Flag States are party to Annex VI, and to New Zealand flagged vessels calling at ports in countries that are party to Annex VI.

Our friends at the <u>Charterers P & I Club have produced an excellent summary of</u> the relevant issues.

Case law updates

Charlotte Lewis comments on <u>Sea Master Shipping Inc v Arab Bank (Switzerland)</u> <u>Ltd</u>, in which a bank acting as the intermediate holder of bills of lading was held to be a party to arbitration proceedings.



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