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Merchant Shipping Act¹

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RT I 2002, 55, 345
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Chapter 1 general settings

§ 1. Task of the law

This law regulates legal relations arising from commercial shipping.

§ 2. Definition of commercial shipping

For the purposes of this law, commercial shipping is considered to be an activity related to the use of ships for the transport of cargo, passengers, luggage and mail, for the exploration and extraction of living and other resources of the sea and the assets of the seabed, for icebreaking, towing and rescue operations and for other legitimate purposes.

§ 2¹. Shipping company

For the purposes of this law, a shipowner is the owner of a ship or the bareboat charterer of a ship who owns the ship and uses it on his own behalf.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 3. Application of the law

(1) In the case of transport between ports of the Republic of Estonia (cabotage transport), the contracting parties cannot agree on the application of foreign law.

(2) The contracting parties may deviate from the provisions of this Act by agreement, if it is not directly stipulated in the law or it does not follow from the nature of the provision that deviation from the law is not allowed.

(3) [Repealed - RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

Chapter 2 CARGO TRANSPORTATION

§ 4. Cargo contract

(1) A contract of carriage is a contract of carriage by which one person (the carrier) undertakes to another person (the shipper) to transport by sea the goods handed over to him by the shipper for carriage to the port of destination and to hand over the goods there to the consignee who is not a party to the contract of carriage. The sender undertakes to pay the agreed fee to the carrier for transportation (hereinafter *referred to as the transportation fee*).

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(2) If the person who concluded the cargo transport contract is also the consignee of the goods, the consignee also has the rights and obligations of the consignor.

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(3) If the cargo is transported by different types of vehicles by sea, air or land on the basis of a single contract of carriage, the provisions of Chapter 42, Section 1, Section 1 of the Law of Obligations Act shall apply to the contract, unless otherwise stated in Section 3 of the same section.

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§ 5. Delivery term

The carrier must deliver the goods within the agreed time period, and in the absence of an agreement, within the time period which can be reasonably expected from the carrier carefully considering the circumstances (delivery time).

§ 6. Packing, marking, delivery, loading and storage of goods

[RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(1) Considering its nature and the agreed mode of transport, the sender must pack the goods in such a way that they are protected against loss and damage and do not cause damage to the carrier, other persons, other goods or the environment.

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(1) The sender must mark the goods if the marking is necessary for the carrier to handle the goods in accordance with the contract of carriage.

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(2) The sender must deliver the goods to the place specified by the carrier for the time specified by the carrier. The goods must be delivered in such a way and in such a condition that it can be conveniently and safely loaded and the cargo can be stowed in a sea-proof manner. The delivered goods must be in transportable condition.

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(3) The carrier must load and stow the goods, i.e. place the cargo in a seaworthy manner.

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§ 7. Inspection of goods

(1) When receiving the goods, the carrier must inspect the goods from the outside in a reasonable manner, including checking whether the goods have been packed in the manner specified in § 6 subsection 1 of this Act. If the goods are delivered in a container or other similar closed means, the carrier is not obliged to check the inside of the means, unless it is obvious that it has not been properly filled.

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(2) The carrier must inform the shipper of the defects that he has discovered during the inspection specified in subsection 1 of this section. The carrier may refuse to transport the goods if the defects cannot be eliminated at the expense of the shipper by measures which the carrier can reasonably be expected to implement when loading the goods.

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§ 8. Dangerous goods

(1) In the case of dangerous goods, the sender must notify the carrier of the nature of the danger in a timely manner in writing and in a reproducible form. In the case of transporting dangerous goods, the sender must also inform the carrier of the safety requirements applicable to the transportation of dangerous goods, if this can reasonably be expected from him. Dangerous goods must be marked accordingly.

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(1) The notification obligation specified in subsection 1 of this section is also fulfilled with respect to the person who carries out the transport in whole or in part (hereinafter *the actual carrier*).

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(2) If the carrier has not been notified of the nature of the danger and if he has not found out about it in any other way, the carrier may unload, store, transport back and, if necessary, destroy or render harmless the dangerous goods at the place chosen by the carrier.

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(3) In the case of implementation of the remedies specified in subsection 2 of this section, the carrier may demand compensation for the necessary expenses incurred for this purpose from the shipper. The carrier does not have to compensate the shipper for the damage caused by the implementation of the remedies specified in paragraph 2.

(4) Dangerous goods for which the carrier has given consent to be transported may be unloaded, destroyed or rendered harmless by the carrier at a place of his choice only if the goods directly endanger the persons on board, the ship or the cargo.

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(5) When applying the remedies specified in subsection 4 of this section, the carrier is only liable within the limits of a general accident.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 9. Goods requiring special operations

If the goods have to be handled in a different way than usual during loading, unloading or transportation, the sender must notify the carrier in time and indicate the measures that may be necessary. If necessary, the sender must mark the goods accordingly.

§ 10. Accompanying documents

(1) Before handing over the goods to the carrier, the consignor must provide the carrier with documents and information necessary for loading or unloading the goods, as well as for carrying out official operations related to transportation, in particular for customs clearance.

(2) The carrier may refuse to start the transport or unload the goods if the documents or information handed over to him are inaccurate or incomplete or if the documents or information have not been handed over to him on time. The carrier may claim compensation for costs incurred due to unloading.

(3) The carrier must compensate for the loss, damage, or improper use of the documents handed over to him, unless the loss, damage, or improper use of the documents occurred due to a circumstance the occurrence and consequences of which the carrier could not avoid.

(4) In the case specified in subsection 3 of this section, the carrier's liability is limited to the amount that should be paid as compensation in the event of loss of the goods.

§ 11. Payment of freight

(1) The carriage fee must be paid to the carrier when the goods are handed over to the recipient. In addition to the freight charge, the carrier may demand compensation for the expenses incurred by him on the goods, which he may have deemed necessary according to the circumstances. The carrier may not claim compensation for costs that are normally incurred in the performance of such a contract of carriage of cargo or that would have been incurred by the carrier even if he had not entered into the contract.

(2) If the transport cannot be completed due to an obstacle to the transport or if the goods cannot be handed over to the recipient due to an obstacle to the transfer (§ 20), the carrier may demand the payment of a transport fee corresponding to the length of the traveled

journey and reimbursement of costs. If the obstacle has arisen due to the fault of the carrier, he may demand the payment of the carriage fee and reimbursement of expenses only to the extent that the sender has an interest in such carriage.

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(2) In the case specified in § 8 subsection 2 of this Act, if the goods have been unloaded or stored or transported back or, if necessary, destroyed or rendered harmless at a place chosen by the carrier, the carrier may, in addition to reimbursement of expenses, demand the payment of a transportation fee.

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(3) If the freight fee has been agreed on the basis of the quantity, weight, size or other determined quantity of the goods, it is assumed that the data of the bill of lading (§ 38) or sea waybill (§ 47) are correct when calculating the fee. This also applies if there is a reservation on the data in the bill of lading, on the grounds that the carrier did not have a reasonable opportunity to check the correctness of the data.

(4) No freight fee is paid for goods damaged during transportation, and the freight fee paid in advance for it is returned.

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(5) Despite the provisions of subsection 4 of this section, the transport fee must still be paid if the goods have been damaged during transport due to the nature of the goods, improper packaging or marking.

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§ 12. Freight charge for lost goods

(1) For goods that have been lost during transport, no freight fee must be paid, the prepaid freight fee must be returned.

(2) If the freight fee does not depend on the quantity, weight, measurement or otherwise determined quantity of the goods, in case of partial loss of the goods, it will be reduced according to the quantity of the lost goods.

(3) In accordance with subsections 1 and 2 of this section, the freight fee may not be reduced if the loss of the goods is due to the nature of the goods.

§ 13. Cancellation of the cargo transport contract by the shipper

(1) The shipper may cancel the cargo carriage contract at any time, unless the cancellation would cause a delay in the execution of the voyage, create a danger to the ship or the cargo, or lead to significant damage to other legitimate interests of the carrier.

(2) If a bill of lading has been issued, the consignor may cancel the contract only with the consent of the person entitled to dispose of the goods on the basis of the bill of lading.

(3) If the consignor cancels the contract, the carrier may demand the payment of the agreed carriage fee and the expenses subject to compensation.

(4) The consignor may demand that the amount that the carrier has saved due to the termination of the contract or acquired in another way due to the termination of the contract or failed to acquire in bad faith be deducted from the sums specified in subsection 3 of this section.

(5) Instead of the requirement specified in subsection 3 of this section, the carrier may demand the payment of one third of the agreed freight fee.

(6) The carrier does not have the right to submit the claims specified in subsections 3 and 5 of this section, if the cancellation occurred due to a significant breach of the carrier's obligation.

(7) If the goods have been loaded before the termination of the contract, the carrier must unload them at the expense of the shipper, if this is possible without harming the economic activities of the carrier and the cargoes of other shippers or recipients. If the contract was terminated due to a significant breach of the carrier's obligation, the carrier must unload the goods at its own expense.

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§ 14. Cancellation of the cargo transport contract by the carrier

(1) The carrier may cancel the cargo transportation contract if the goods have not been delivered in time for transportation.

(2) In the event of termination of the contract, the carrier may demand the payment of the agreed carriage fee and the expenses subject to compensation.

(3) The shipper may demand that the amount that the carrier has saved due to the termination of the contract or acquired in another way due to the termination of the contract or failed to acquire in bad faith be deducted from the sums specified in subsection 2 of this section.

(4) Instead of the requirement specified in subsection 2 of this section, the carrier may demand payment of one third of the agreed freight fee.

§ 15. Right to demand carriage of incomplete cargo

(1) The sender may demand that the carrier start transporting the goods even if only a part of the agreed goods has been loaded (incomplete cargo), unless the carriage of an incomplete cargo would pose a danger to the ship or other transported goods.

(2) In the case specified in subsection 1 of this section, the carrier may demand the payment of the agreed carriage fee and compensation for additional costs arising from the carriage of incomplete cargo. The shipper may request that the freight charge be deducted from the freight charge for the goods that the carrier carried on the same vessel instead of the unloaded goods.

(3) In the case specified in subsection 1 of this section, the carrier may demand the provision of an additional guarantee for freight charges, demurrage and compensation costs, if their payment is not sufficiently secured by the right of lien or other guarantees specified in § 24 of this Act due to the carriage of incomplete cargo.

(4) If only a part of the agreed goods was loaded due to the breach of the carrier's obligation, the carrier may demand payment of the carriage fee only for the goods actually transported. Paragraphs 2 and 3 of this section do not apply.

§ 16. Due diligence of the carrier

In order to transport the goods, the carrier must handle the goods in accordance with the interests of the owner of the goods, from handing over to the delivery of the goods to the recipient, and in doing so, observe the due diligence of a proper carrier.

§ 17. Seaworthiness and cargo transport

(1) The carrier must exercise the required diligence to ensure that the ship is seaworthy before and at the start of the voyage.
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(2) The carrier must also exercise the required diligence to ensure that the ship's mechanisms and rooms where the goods are loaded are in a condition necessary for receiving, transporting and storing the goods (fitness for cargo) at the start of loading.
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§ 18. Loading on deck

The goods may be loaded on deck only with the consent of the shipper, unless the loading of goods on deck is prescribed by law, arises from the nature of the goods or is customary in the carriage of such goods.

§ 19. Instructions for handling goods, disposal of goods

(1) The sender has the right to give instructions on handling the goods and the right to dispose of the goods.

(2) The carrier must comply with the instruction only to the extent that compliance with the instruction does not result in adverse consequences for his activity or for the sender or recipient of other goods transported by him. The carrier may require the sender to reimburse the costs related to following the instruction and to pay an additional reasonable freight fee. The carrier may require a reasonable advance payment to comply with the instruction.

(3) If a bill of lading has been issued, the right to give instructions regarding handling the goods and the right to dispose of the goods belongs to the rightful holder of the bill of lading. If a bill of lading is issued, the carrier may follow the instructions only if the bill of lading is presented to him.

(4) The carrier must immediately notify the person giving the instruction of non-compliance with the instruction given to him.

(5) If the instruction was given by a person who was not entitled to do so, and if the obligation to follow the instruction depended on the presentation of the bill of lading, but the carrier followed the instruction without being presented with the bill of lading, he must compensate the person entitled to give the instruction for the damage caused by following the instruction, even in case the damage was excusable. In this case, the provisions of this Act on the limitation of the carrier's liability do not apply.

(6) An agreement that excludes or limits the carrier's obligation to compensate for damage in the case specified in subsection 5 of this section does not apply to the rightful holder of the bill of lading.

§ 20. Transportation and transfer obstacles

(1) If before the arrival of the goods at the port of destination it becomes clear that the transport cannot be completed in accordance with the contract (obstacle of carriage) or if after the arrival of the goods at the destination port it becomes clear that the goods cannot be handed over to the recipient (obstacle of handover), the carrier must ask the driver about further handling of the goods.

(2) If the consignee is entitled to give instructions, but cannot be identified, or if the consignee refuses to accept the goods, the consignor may be asked for the instructions. If the obligation to comply with the instruction was dependent on the submission of a bill of lading, it is not necessary to submit a bill of lading.

(3) The carrier may demand compensation for the costs related to following the instruction, unless the transportation or handover obstacle has arisen through his fault. To comply with the instruction, the carrier may require a reasonable advance payment.

(4) If the carrier has not received an instruction within a reasonable time, he must take reasonable measures in the interests of the person entitled to issue the instruction. According to the circumstances, the carrier may in particular:

1) unload and store the goods or store the goods with a third party at the expense of the person entitled to give instructions; when storing or storing the goods with a third party, the carrier is only responsible for the choice of the third party;

2) to transport the goods back;

3) to sell goods in accordance with § 125 subsections 3-6 of the Law of Obligations Act, if the goods are perishable or if the condition of the goods requires it, or if the costs arising from taking other remedies would be unreasonably high considering the value of the goods;

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4) destroy goods that are not possible or expedient to sell.

(5) The carrier may demand compensation for the necessary costs associated with the remedies implemented in accordance with subsection 4 of this section, unless the transportation or handover obstacle was caused by the carrier's fault.

§ 21. Unloading

The carrier must unload the goods at the port of destination. He must inform the recipient in time about the place of unloading.
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§ 22. Recipient's rights and payment obligation

(1) After the arrival of the goods at the place of unloading, the consignee may demand the delivery of the goods from the carrier. The carrier may refuse to hand over the goods if the shipper's obligations arising from the cargo transport contract, the deadline for which has arrived, have not been fulfilled and the consignee refuses to fulfill them.

(2) In case of loss, damage or late delivery of the goods, the recipient may file claims against the carrier arising from the contract on his own behalf. Submission of a claim by the recipient does not exclude the sender's right to submit the same claim.

(3) The recipient who submitted the claim specified in subsection 1 of this section must pay the freight still owed to the carrier and the expenses subject to compensation up to the amount specified in the bill of lading or sea waybill. If the bill of lading or sea waybill has not been issued or presented to the consignee, or the amount of the freight to be paid does not result from it, the freight agreed with the sender must be paid by the consignee.

(4) If the carrier hands over the goods to the consignee without demanding the payment of the carriage fee and reimbursement of other costs, his claims against the shipper shall be preserved, unless the shipper and the carrier have agreed otherwise.

§ 23. Delivery of goods

The goods have been handed over to the consignee if:

- 1) the consignee or his representative has obtained direct possession of the goods or
- 2) the goods have been stored or deposited in the destination port accessible to the consignee in the case specified in clause 20 (4) point 1 of § 20 of this Act or in other cases stipulated in the cargo transport contract.

§ 24. Lien

(1) The carrier has a right of lien on the goods and the shipping documents of the goods in order to secure the claims arising from the cargo transport contract and the claims arising from the transport, forwarding or storage contracts previously concluded with the shipper.

(2) The lien lasts as long as the goods are in the possession of the carrier. The right of lien continues even after the goods have been handed over to the consignee, if the carrier, based on the right of lien, files a lawsuit in court within three days from the handing over of the goods to meet the requirements specified in subsection 1 of this section and requests the seizure of the goods, and the goods are still in the possession of the consignee at the time of the seizure.

(3) The notices provided for in § 293 and § 294 subsection 2 of the Property Law Act must be submitted to the recipient. If the consignee cannot be identified or if he refuses to accept the goods, notices must be given to the sender.

(4) If several carriers participate in the transportation and they have agreed that the last carrier will collect the claims of the previous carriers, the last carrier is obliged to use the rights of the previous carriers, in particular the right of lien. Each prior carrier's lien shall continue until the last carrier's lien is terminated. If the subsequent carrier satisfies the claim of the previous carrier, that carrier's lien and claim are transferred to the carrier that satisfied the claim.

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§ 25. Carrier's liability for loss or damage to goods

The carrier is responsible for the loss or damage of the goods, which has occurred from the acceptance of the goods for carriage until the delivery of the goods.

§ 26. Release of the carrier from liability

(1) The carrier shall not be liable for damage if it proves that it has occurred:

1) due to the act or omission of the captain, a member of the ship's crew, another person in the service of the carrier, or the pilot in the management of the ship or in the organization of the management of the ship;

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2) because the ship was not seaworthy or cargo-carrying before the start of the voyage or at the start of the voyage, and the carrier could not discover this fact by exercising the diligence required of him;

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3) because the ship lost its seaworthiness or cargo carrying capacity during the voyage;

4) as a result of a fire, unless the fire was caused by an act or omission of the carrier;

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5) as a result of a sea accident, war or other armed conflict, public authority action, restriction due to quarantine or riots;

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

6) [invalid - RT I, 17.03.2023, 1 - entry into force. 27.03.2023] 7) as a result of a strike or other work stoppage; [RT I, 17.03.2023, 1 - enters into force. 27.03.2023] 8) as a result of an act or omission of the sender or the owner of the goods or their agents or representatives; 9) as a result of an exceptional, unavoidable and force majeure natural phenomenon; [RT I, 17.03.2023, 1 - enters into force. 27.03.2023] 10) due to insufficient packing of goods or insufficient or incorrect labeling; [RT I, 17.03.2023, 1 - enters into force. 27.03.2023] 11) due to the defects or nature of the goods themselves; [RT I, 17.03.2023, 1 - enters into force. 27.03.2023] 12) due to a hidden defect that the carrier could not discover when applying the diligence required of him. [RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023] 10) due to insufficient packing of goods or insufficient or incorrect labeling; [RT I, 17.03.2023, 1 - enters into force. 27.03.2023] 11) due to the defects or nature of the goods themselves; [RT I, 17.03.2023, 1 - enters into force. 27.03.2023] 12) due to a hidden defect that the carrier could not discover when applying the diligence required of him. [RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023] 12) due to a hidden defect that the carrier could not discover when applying the diligence required of him. [RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) An agreement providing for the release of the carrier from liability in cases other than those specified in subsection 1 of this section is null and void.

§ 27. Release from liability in case of rescue

The carrier is not liable for the breach of the contract of carriage of cargo or the resulting damage if it is caused by the implementation of measures necessary to save persons or property at sea.

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§ 28. Presumption of loss of goods

(1) If the goods have not been handed over within 60 days from the time when they should have been handed over, the consignee may consider the goods lost by making a written statement to the carrier in a reproducible form.

(2) If the recipient or the sender receives compensation for the loss of the goods, he may, upon receiving the compensation, demand from the carrier that he be immediately informed of the finding of the goods.

(3) The person who submitted the claim specified in subsection 2 of this section may, within one month after receiving the notification of the finding of the goods, demand that the goods be handed over to him in return for compensation. If, in addition to the compensation for the value of the goods, the compensation amount also included compensation for the costs related to carrying out the transport and the loss of the goods, they will be deducted from the returned compensation.

(4) The provisions of subsection 3 of this section do not exclude or limit the submission of a claim against the carrier for compensation for damage caused by exceeding the transport term.

(5) If the goods are found after payment of the compensation and the person who received compensation for the loss of the goods has not requested notification of the finding of the goods or does not make the request specified in subsection 3 of this section after receiving the notification, the carrier may act with the goods at his discretion.

§ 29. Compensation of the value of goods

(1) In case of loss of goods, the carrier must compensate the value of the lost goods. Determining the value of the goods must be based on its value at the place of unloading.

(2) In case of damage to the goods, the difference between the values of the undamaged goods and the damaged goods, determined at the port of unloading, must be compensated.

(3) The value of the goods is determined according to the market price, or, in its absence, the normal price of goods of the same type and with similar characteristics.

(4) In case of loss or damage to the goods, compensation for damages other than those specified in subsections 1 and 3 of this section cannot be demanded from the carrier. This does not exclude the demand for a refund of the prepaid freight.

§ 30. Limits in case of compensation for the value of goods

(1) If the carrier has not been provided with information about the type and value of the goods before the start of loading, and this information has not been entered in the bill of lading or sea waybill, the carrier is liable for loss or damage of the goods up to 666.67 SDR (International Monetary Fund unit of account) per unit of goods or 2 SDR per kilogram of the gross weight of the lost or damaged goods, whichever is greater.

(2) If the goods are located in a container, base or other similar means, each unit of goods that is contained in the means according to the bill of lading or sea waybill is considered a unit of goods within the meaning of paragraph 1 of this section. If the bill of lading or sea waybill does not contain such information, the container, base or other similar means together with its contents are considered as one unit of goods.

(3) The carrier's liability for exceeding the carriage deadline and for breach of the cargo carriage contract, which does not result in the loss or damage of the transported goods, is limited to the amount of the carriage charge.

[RT I 2003, 1, 3 - entry into force. 16.01.2003]

§ 31. Abolition of the right to limit liability

The carrier loses the right to limit its liability in accordance with § 30 of this law, if it violated the contract of carriage intentionally or due to gross negligence, and in the case provided for in § 18, if the goods were loaded on deck without the consent of the shipper.

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§ 32. Claims other than those arising from the contract of carriage

(1) The limits of liability specified in § 30 of this Act also apply to the claims of the shipper or consignee against the carrier arising from the loss, damage or exceeding of the delivery period, which do not arise from the contract of carriage, in particular to claims arising from unlawful damage, handling without authority and unjust enrichment.

(2) The provisions of subsection 1 of this section shall not be applied to third-party claims arising from the loss or damage of the goods, if the third party who owns the transported goods did not agree to the carriage and the carrier knew or should have known that the sender did not have the right to send the cargo.

§ 33. Liability of the employee

If a claim arising from the loss or damage of the goods or the exceeding of the transport term is submitted instead of the carrier against an employee of the carrier or another person for whom the carrier is responsible, the employee or other person may also rely on the limitations of liability provided for in § 30 of this Act and in the contract of carriage, unless the damage occurred due to his intention or gross negligence.

§ 34. Liability of the actual carrier

(1) If the transport is fully or partially carried out by the actual carrier, he is liable for the damage caused by the loss or damage of the goods or exceeding the transport term in the same way as the carrier, if the damage occurred while the goods were being transported

by the actual carrier. The carrier's agreement with the sender or the recipient regarding the non-application of the limitations of liability specified in § 30 of this law or the expansion of the carrier's liability applies to the actual carrier only if he has agreed to it in writing in a reproducible form.

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(2) The actual carrier may submit the same objections to the claim filed against him as the carrier may submit.

(3) The carrier and the actual carrier are jointly and severally liable for the damage.

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(4) If a claim is filed against an employee of the actual carrier or another person for whom the actual carrier is responsible, the provisions of § 33 of this Act shall also apply to them.

§ 35. Limitation of liability in case of liability of several persons

If several persons are responsible for causing the same damage, the total compensation paid by them may not exceed the limit of liability provided in § 30 of this Act.

§ 36. Notification of damage

(1) If the damage or loss of the goods is understandable from an external inspection, but the consignee or sender has not notified the carrier of this at the latest when the goods are handed over to the consignee, it is assumed that the goods have been handed over in the contractual condition. The notice must describe the damage in general terms.

(2) If the damage or loss of the goods was not externally understandable when the goods were handed over to the consignee, it is assumed that the goods have been handed over in the contractual condition, if the consignee or sender has not reported the loss or damage to the goods within seven days from the handing over of the goods to the consignee.

(3) A claim arising from the exceeding of the carriage deadline cannot be filed if the consignee does not notify the carrier of the claim within 21 days of the delivery of the goods to the consignee.

(4) If the notice is given when the goods are handed over, it can be made in any form. If the notice is given after the delivery of the goods, it must be made in writing in a reproducible form. Signing the message is not necessary if the sender of the message can be identified in another way. The notification is deemed to have been submitted on time if it has been sent within the time limit specified in subsections 2 and 3 of this section.

(5) If the loss, damage or exceeding of the transportation time of the goods is reported when the goods are handed over, it is sufficient to notify the person who hands over the goods.

§ 37. Mandatory provisions

The parties to the contract may not reduce the responsibility of the carrier provided for in this law by agreement.

§ 38. Bill of lading

(1) A bill of lading is a commercial document in which the carrier acknowledges acceptance of the goods for carriage, undertakes to transport the received goods to the port of destination as described in the bill of lading, and to hand them over there to the person who submits the bill of lading and is entitled to receive the goods according to the bill of lading.

(2) The rights and obligations between the carrier and the recipient are determined by the bill of lading. The bill of lading certifies the conclusion of the cargo transport contract. The terms of the contract of carriage of cargo are binding on the consignee if they are referred to in the bill of lading.

(3) The bill of lading applies to the legal relationship between the shipper and the carrier in addition to the contract of carriage only if the shipper is also the recipient of the goods.

(4) If several copies of the bill of lading have been issued and several persons demand the release of the goods on the basis of different copies, the person who has acquired the bill of lading from the authorized person has the right to claim the goods.

(5) A bill of lading drawn up in electronic form is considered equal to the bill of lading specified in subsection 1 of this section, provided that the integrity of such a document is guaranteed at all times and the carrier and the sender have agreed on the use of an electronic bill of lading.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 39. Issuance of bill of lading

(1) After receiving the goods, the carrier must issue a bill of lading at the request of the sender. The consignor may request that the bill of lading be issued in multiple copies.

(2) If a third party, who is not a representative of the consignor, delivers the goods instead of the consignor, that person may demand the issuance of a bill of lading.

(3) Unless otherwise stated in the bill of lading, the bill of lading proves that the carrier has accepted the goods specified in the bill of lading and loaded them onto the ship.

(4) The carrier may provide the sender or the person specified in subsection 2 of this section with a preliminary certificate of acceptance of the goods. It must be returned to the carrier against the bill of lading.

§ 40. Contents of the bill of lading and responsibility for issuing the bill of lading

(1) The shipper or the person specified in § 39 subsection 2 of this Act may demand that the following information be included in the bill of lading:

1) the name of the ship, if the transport is to be performed by a specific ship;

2) name of the carrier; if the name of the carrier is wrong, inaccurate or not indicated, the carrier is considered the shipper;

- 3) type of goods received by the carrier;
- 4) sender's name; if a third party, who is not a representative of the sender, delivered the goods instead of the sender, also the name of that person;
- 5) port of destination, unless it is left to be chosen by the sender or the person who delivered the goods for transportation;
- 6) name of the recipient;
- 7) designation and description of the goods according to the type of goods, characteristics and quantity, weight or size of the goods;
- 8) notes on the condition of the goods that can be seen on external inspection;
- 9) agreements on freight charges and their payment;
- 10) time and place of issuance;
- 11) the number of copies of the paper bill of lading.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

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(1) If the bill of lading has been issued before the goods are loaded onto the ship, the bill of lading is later noted on the loading of the goods onto that ship.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) The carrier may request the data and documents necessary for issuing the bill of lading from the sender or the person specified in § 39 subsection 2 of this Act.

(3) The carrier must sign the bill of lading. The bill of lading can be signed by the master or a person authorized by the carrier, as well as another person who is constantly acting for the carrier and performing such tasks.

(4) The carrier is responsible to the rightful holder of the bill of lading for the proper issuance of the bill of lading. If the carrier does not fulfill this obligation, he must compensate the rightful owner of the bill of lading for the loss that has arisen because the rightful owner of the bill of lading has relied on the correctness of the data in the bill of lading.

§ 41. Transfer of data transmitted by the sender

(1) The carrier must enter the data specified in § 40 subsection 1 point 7 of this Act in the bill of lading in the form in which the sender or the person specified in § 39 subsection 2 transmitted them to him in writing.

(2) The carrier does not have the obligation specified in subsection 1 of this section if:

- 1) the markings on the goods or their packaging are not clearly visible or it is obvious that they will not be preserved under normal conditions until the end of the journey;
- 2) the carrier must, according to the circumstances, assume that the data transmitted by the sender or the person specified in § 39 subsection 2 of this Act is inaccurate and
- 3) the carrier does not have a reasonable opportunity to verify the correctness of the data transmitted by the sender or the person specified in § 39 subsection 2 of this Act;
- 4) the carrier determines that the data provided by the sender or the person specified in § 39 subsection 2 of this Act are incorrect.

(3) If the carrier carries the data provided by the sender of the bill of lading or the person specified in subsection 39 (2) of this Act, even though the circumstances specified in clauses 1–3 of subsection 2 of this section exist, he shall make a reasonable note to that effect in the bill of lading. In the case of goods that are given to the carrier for transport in a container, container or other similar closed means, the bill of lading may be marked "contents unknown".

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 42. Presumption of correctness of bill of lading data

(1) If the bill of lading has been issued, its data shall be considered correct until proven otherwise. This does not apply to data for which a reasoned note has been made in the bill of lading in accordance with § 41 (3) of this Act.

(2) If the data of the bill of lading are considered correct in accordance with subsection 1 of this section, the carrier may not dispute them if the bill of lading has been handed over to a third party who did not know and should not have known at the time of receiving the bill of lading that its data were incorrect. This does not apply to information about the value of the goods contained in the bill of lading.

§ 43. Issue requirement in the case of several holders of the bill of lading

If several holders of the bill of lading demand the release of the goods, the carrier must store or deposit the goods at the consignee's expense and inform the holders of the bill of lading who have requested the release of the goods.

§ 44. Passing bill of lading

(1) A passing bill of lading is a bill of lading in which it is stated that the goods are transported by more than one carrier.

(2) The person who issues a through bill of lading must ensure that the bill of lading issued by the carrier participating in the transport for a certain section of the transport route states that the goods are transported according to the through bill of lading.

(3) In the case of a through bill of lading, the carriers may agree on joint and several liability and indicate this accordingly in the bill of lading.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 45. Delivery of goods and return of bill of lading

The carrier is obliged to hand over the goods to the consignee only if the bill of lading is returned to him and the consignee signs the acceptance of the goods. If only a part of the goods specified in the bill of lading is transferred, the consignee must deposit the bill of lading in favor of the carrier and sign the receipt of the goods.

§ 46. Meaning of transfer of bill of lading

If the carrier has accepted the goods for carriage, the transfer of the bill of lading to a person who can demand the delivery of the goods based on the bill of lading has the same meaning as the transfer of possession of the goods.

§ 47. Sea waybill

(1) The sender or the person specified in § 39 subsection 2 of this Act may demand from the carrier a certificate of receipt of the goods (sea waybill) instead of a bill of lading.

(2) The consignor may oblige the carrier to hand over the goods to a consignee other than the consignee named in the sea waybill, until the consignee has submitted a claim for the release of the goods and paid the carriage fee in accordance with § 22 of this Act.

(3) The provisions of § 40 (1) points 1, 2, 4–11 and subsection 2 and § 41 and § 42 (1) of this Act shall apply to the sea waybill accordingly.

§ 48. Expiration of claims

(1) The statute of limitations for claims arising from transportation provided for in this chapter is one year from the handover of the goods.

(2) If the goods have not been handed over, the limitation period begins on the day on which the goods should have been handed over. If the time for handing over the goods has not been agreed upon, the limitation period begins 60 days after the handing over of the goods to the carrier.

(3) If a person obligated to satisfy a claim arising from transportation can demand compensation from another person to satisfy the claim, the statute of limitations for such compensation claim begins with the satisfaction of the claim arising from transportation or the entry into force of a court decision regarding transportation. The provisions of this paragraph shall not be applied if the person against whom the claim for compensation was filed was not notified of the loss within three months from the time when the person entitled to file a claim became aware or should have become aware of the loss and the person obligated to fulfill the claim.

(4) The statute of limitations for a claim against the carrier stops from the time when the sender or recipient makes a statement in a form that can be resubmitted in writing, with which he submits a claim for compensation, until the time when the carrier rejects the fulfillment of the claim in a form that can be resubmitted in writing. Filing the same claim for damages in a new application does not suspend the statute of limitations again.

Chapter 3 CRUISE CHARTERING OF THE SHIP

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

§ 49. Ship's passenger cargo contract

[RT I, 28.02.2020, 2 - entered into force. 01.07.2020]

(1) A ship charter contract is a contract of use by which one person (cargo provider) undertakes to provide another person (cargo charterer) with the use of a properly manned and equipped seaworthy ship or part of it for one or more agreed voyages, without providing transport services to the cargo charterer. The voyage charterer undertakes to pay the charterer the agreed fee (voyage charter money) for the use of the vessel.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) The freight forwarder is obliged to ensure the seaworthiness of the ship during the validity of the voyage freight contract.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 50. Timely delivery of the ship

The freight forwarder must provide the vessel for loading the goods within the stipulated time. A replacement ship can only be provided with the consent of the cruise charterer. The passenger charterer may refuse consent only if the replacement ship does not meet the conditions of the passenger cargo contract. In this case, the travel charterer can cancel the contract.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

§ 51. Delay in delivering the ship

(1) If the charterer can assume that he will not be able to deliver the vessel within the stipulated time, he must immediately notify the cruise charterer of this, indicating the expected time of delivery of the vessel.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(2) If the passenger charterer can cancel the passenger cargo contract due to a delay in the delivery of the ship, the charterer may, upon making the notification specified in subsection 1 of this section, request that the passenger charterer cancel the contract or waive the cancellation, provided that the ship is delivered at the time indicated in the notification specified in subsection 1.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(3) If the voyage charterer has not notified the shipper within 48 hours of receiving the request specified in subsection 2 of this section, whether he is canceling the contract or waiving the cancellation of the contract on the condition that the ship is delivered at the time indicated in the notice specified in subsection 1 of this section, the cancellation of the contract is the delivery of the ship prohibited due to delay, if the cancellation takes place due to delay until the time of delivery of the ship indicated in the notice specified in paragraph 1.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(4) The provisions of subsection 3 of this section do not exclude or limit the use of other legal remedies by the travel charterer.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

§ 52. Loading port

(1) The ship must be presented for loading goods at the port specified in the cargo contract (loading port).

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(2) It may be agreed in the contract that the loading port may be designated by the voyage charterer within a certain period of time after the conclusion of the contract. If the deadline has not been determined, the voyage charterer must determine the port of departure in such a way that the ship arrives at the port by the time specified in the contract. The voyage charterer must choose a suitable and safe port.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(3) If the port of loading has not been designated or if it has not been designated in time or if an unsuitable port has been designated, the charterer may cancel the contract and demand:

[RT I, 28.02.2020, 2 - entered into force. 01.07.2020]

1) payment of the agreed travel allowance and the expenses subject to compensation or

[RT I, 28.02.2020, 2 - entered into force. 01.07.2020]

2) payment of one third of the agreed travel allowance.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(4) The travel charterer may, upon submission of the claim referred to in point 1 of subsection 3 of this section, demand that the amount that the charterer has saved due to the termination of the contract or acquired in other ways due to the termination of the contract or failed to acquire in bad faith be deducted from the amounts specified in point 1 of subsection 3.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

§ 53. Place of loading

(1) The voyage charterer must name a suitable place of loading in a timely manner. If he does not do this, the scrap provider has the rights specified in § 52 subsection 3 of this Act after the standstill period (§ 54 subsection 1) has passed.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(2) The charterer must bring the ship to the loading place specified by the voyage charterer and ensure that the ship is ready for loading.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(3) The charterer may bring the ship to another suitable loading place instead of the loading place specified by the voyage charterer, if:

[RT I, 28.02.2020, 2 - entry into force. 01.07.2020]

1) the loading place specified by the voyage charterer is not suitable for loading the ship;

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

2) the voyage charterer has not named the place of loading on time;

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

3) [invalid - RT I, 28.02.2020, 2 - entry into force. 01.07.2020] 4) the safety of the ship or the regulations in force at the place of loading do not allow the use of the place of loading named by the passenger charterer. [RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(4) The voyage charterer may demand that the ship be moved to another loading place at his expense.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(5) [Repealed - RT I, 28.02.2020, 2 - entry into force. 01.07.2020]

§ 54. Standing time and standing time

(1) The shipper must allow the ship to be loaded during the agreed time (standby time) and keep the ship ready for loading during this time. No additional charge can be made for idle time unless expressly agreed.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(2) If it has been agreed that after the downtime, the charterer must enable the loading of the vessel during the agreed time for an additional fee, the agreed period of time is considered to be downtime.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(3) If the travel luggage contract stipulates the payment of a fee for downtime, then the downtime is considered to be agreed upon. If the amount of the fee has not been agreed upon, the normal fee must be paid for the downtime.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(4) The charterer's obligation to pay the voyage charterer a bonus for the time saved may be agreed upon in the contract.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

§ 55. Start of idle time and readiness for loading

(1) Stand time starts after the preparation time has passed. Preparation time is the period from the notification of readiness for loading to the start of the first shift of the next working day at the port of loading.

(2) If loading begins before the preparation time has elapsed, the time actually spent for loading before the preparation time has elapsed is included in the idle time.

(3) The notification of readiness for loading can be made when the ship has arrived at the loading port and is ready to load the goods. If the place of loading has been agreed in advance, the notification can be made when the ship has arrived at the place of loading and is ready to load the goods. In the notification, it can be stated that the ship is ready for loading when the preparation time has passed.

(4) The voyage charterer must be informed of the readiness for loading. If a third party, who is not a representative of the travel charterer, has to deliver the goods instead of the travel charterer, he must be notified of the readiness for loading.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(5) If the ship cannot enter the port for reasons beyond the control of the charterer or if the place of loading is not ready to receive the ship, the notification specified in subsection 3 of this section may be made after the charterer has done everything possible to bring the ship to the port or place of loading.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

(6) If, after making the notification specified in subsection 3 of this section, it turns out that the ship is not ready for loading, the time period from the discovery of the ship's lack of loading readiness to the restoration of loading readiness is not included in the idle time. The ship is not ready for loading, if the mechanisms of the ship and the rooms where the goods are loaded are not in the necessary condition to receive the goods.

(7) The provisions of subsection 6 of this section shall not be applied if the charterer knew or should have known at the time of the notification of readiness for loading that the ship is not ready for loading. In this case, it is considered that the readiness for loading has not been reported.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

§ 56. Duration of idle time

(1) If the duration of the layover time has not been agreed upon, the layover time is considered to be the normal loading time of a similar ship in such a port.

(2) Loading time is calculated in days, hours and minutes. Loading time does not include Sundays and public holidays, except in the case and to the extent that they are actually used for loading.

(3) If the vessel cannot accept the goods, for example during towing to change berths, the loading time will stop. Loading time also stops if the goods cannot be handed over due to weather conditions or can only be handed over if the condition of the goods is damaged. The progress of loading time does not stop due to obstacles caused by the preparation of goods for loading at the port.

(4) If the duration of downtime has been agreed upon, the downtime will not end before the agreed time has passed.

§ 57. Beginning and duration of downtime

(1) Downtime starts after the end of the down time.

(2) If the duration of downtime has not been agreed upon, the downtime is considered to be as long as the downtime.

(3) The demurrage period also runs on Sundays and public holidays, as well as when the ship cannot accept the goods or can accept them only by damaging the condition of the goods. The time when the ship was not ready for loading is not included in the standby time.

(4) Within a reasonable period of time before the end of the stand-by period, the freight forwarder must inform the voyage charterer from which time he will no longer wait for the cargo. If a third party, who is not a representative of the travel charterer, has to deliver the goods instead of the travel charterer, he must be notified. Downtime does not end until the announcement is made.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

§ 58. Place of unloading, standing time, standing time and reward for unloading a ship

The provisions of §§ 53–57 of this Act shall also be applied accordingly to the determination of the place of unloading and to the determination of the standing time, uptime and the bonus specified in subsection 4 of § 54 when the ship is unloaded.

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§ 58 . War risk

(1) The parties to the voyage cargo contract have the right to cancel the cargo contract at any time if, after the conclusion of the cargo contract, it becomes clear that the voyage contains a danger to the ship, people on board the ship or goods due to war or other armed conflict, riots or piracy. The contracting parties are not responsible for the damage caused in this case. The contracting parties are obliged to do everything reasonably possible to reduce the resulting damage.

(2) The application for termination specified in subsection 1 of this section must be made without delay after the contracting party became aware of the circumstances underlying the termination. If the contracting party does not comply with the deadline for cancellation, he must compensate for the damage caused by the breach of duty.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

Chapter 4 CARRIAGE OF PASSENGERS AT SEA

§ 59. Sea-passenger contract

(1) A sea-passenger contract is a contract of carriage by which one party (the carrier) commits to the other party to transport one or more persons (passengers) with or without luggage to a destination by sea. The other party undertakes to pay the agreed fee for this (travel fee). The provisions of the Law of Obligations Act on the passenger transport contract apply to the maritime passenger transport contract with the exceptions provided in this chapter.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) Carriage starts from the moment the passenger boards the ship and ends when the passenger leaves the ship. Transportation also includes the time of bringing the passenger to the ship by waterway and taking him to land from the ship by waterway, if the costs arising from this are included in the travel fee or if the vehicle used for the provision of this service is provided by the carrier. Carriage does not include the time the passenger is in the terminal or on the quay.

(3) In the case of luggage, transportation begins with the handover of the luggage to the carrier and ends with the return of the luggage to the passenger. In the case of carry-on luggage, carriage begins at the same time as passenger carriage.

(4) The ticket issued by the carrier is proof of the conclusion of the sea passenger transport contract and the payment of the travel fee. The baggage receipt proves that the baggage has been handed over to the carrier.

(5) A cruise contract is a maritime cruise contract, according to which the cruise organizer undertakes to organize a collective pleasure trip on a ship with a specific program (hereinafter referred to as a *cruise*) and to provide relevant services to passengers.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(6) The organization of regular passenger transport or regular cruises may only be carried out by a carrier that has insured its liability for damage caused to passengers to the extent of the limits of liability provided for in this Act, taking into account the number of passengers that a ship used for passenger transport can take on board.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 60. Obligations of the contracting parties

(1) The carrier and the passenger must do their best not to endanger the life and health of the persons on board and to ensure the safety and order of the passengers on the ship.

(2) The carrier must exercise due diligence to ensure that the ship is seaworthy at the start of the voyage, has a passenger transport certificate or other certificate certifying the right to transport passengers, is equipped and manned as necessary, and passenger safety is ensured, including when entering and leaving the ship.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(3) During the trip, the carrier must ensure that the passenger is accommodated and taken care of in the usual manner corresponding to the nature and duration of the transport. If a passenger falls ill during the trip, the carrier must take all necessary measures to take care of the passenger and organize his treatment, the implementation of which can reasonably be expected from the carrier according to the circumstances.

(4) The passenger must obey the captain's orders regarding safety and order on the ship.

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§ 60 . Protection of passengers' rights

(1) The Consumer Protection and Technical Supervision Agency ensures Regulation (EU) No. 1177/2010 of the European Parliament and the Council, which deals with the rights of passengers on sea and inland waterways and which amends Regulation (EC) No. 2006/2004 (OJ L 334, 17.12.2010, p. 1–16), implementation in connection with passenger transport services and cruises departing from a port located in Estonia and in connection with passenger transport services arriving at such a port from a country outside the European Union.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) The cruise specified in subsection 1 of this section is considered to be a cruise that lasts longer than two nights on board the ship.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(3) The Consumer Protection and Technical Supervision Board has the right to issue prescriptions obliging a person to perform an act required by Regulation (EU) No. 1177/2010 of the European Parliament and of the Council or to refrain from an act prohibited by the said regulation. It is not possible to issue an injunction to resolve a dispute arising from a contract of carriage between the consumer and the carrier.

[RT I, 12.12.2018, 3 - enters into force. 01.01.2019]

(4) The prescription issued by the Consumer Protection and Technical Supervision Board must be in writing and must contain the following information:

[RT I, 12.12.2018, 3 - entered into force. 01.01.2019]

1) name of the person to whom the injunction is addressed;

2) data on the action that is the object of the injunction;

3) deadline for compliance with the injunction;

4) the justification for issuing the prescription;

5) date of issuing the prescription, name, position, title and signature of the person who issued the prescription.

[RT I, 30.05.2013, 4 - enters into force. 09.06.2013]

(5) The Consumer Protection and Technical Supervision Agency may impose a penalty of up to 3,200 euros in the event of failure to comply with the injunction in accordance with the procedure provided for in the Substitute Enforcement and Penalty Act.

[RT I, 12.12.2018, 3 - enters into force. 01.01.2019]

§ 61. Liability of the carrier in the event of an accident and its limitation

[RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(1) The carrier is responsible and may limit its liability arising from the sea passenger transport contract in accordance with Regulation (EC) No. 392/2009 of the European Parliament and of the Council on the liability of sea carriers of passengers in the event of accidents (OJ L 131, 28.05.2009, pp. 24–46).

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

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(1) In the case of death, health damage or physical injury to a passenger, the limit of liability applied per passenger must be at least 250,000 SDRs for international passenger transport according to Article 2 of Regulation (EC) No. 392/2009 of the European Parliament and Council. In the event of a military risk during the carriage of passengers, the limit of liability per incident may not exceed SDR 250,000 per passenger or SDR 340 million per vessel, whichever is lower.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

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(1) The limits provided in subsection 1 of this section apply to domestic passenger transport on a ship that is used for passenger transport in a sailing area where it is mandatory to sail at least with a class B passenger ship.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) If, in the case of regular passenger transport, the departure or destination port of the trip is in a country whose legislation mandates higher limits of liability than those that would apply in accordance with Regulation (EC) No. 392/2009 of the European Parliament and of the Council, the higher limit of liability shall apply.

[RT I, 30.05.2013, 4 - enters into force. 09.06.2013]

(3) The contracting parties may not reduce the liability of the carrier provided for in this chapter by agreement.

Chapter 5 TIMELY CHARTERING OF THE VESSEL

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

§ 62. Contract for the fixed-term charter of a ship

[RT I, 28.02.2020, 2 - entered into force. 01.07.2020]

(1) A ship's fixed-term charter contract is a contract of use by which one person (the charterer) undertakes to provide the ship with or without the crew to another person (the charterer) for a fixed term according to the contract, without providing transport services to the charterer. The charterer pays the agreed fee for the use of the vessel in advance.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) [Repealed - RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(3) [Repealed - RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(4) A ship's fixed-term charter contract is a ship's time charter contract and a ship's bareboat charter contract.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(5) A ship's time charter contract is a usage contract by which the charterer undertakes to provide the ship with its crew to the charterer for a fixed term according to the contract, without providing transport services to the charterer.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(6) A contract for chartering a ship without a crew is a usage contract by which the charterer undertakes to provide the ship without a crew to the charterer for a fixed term according to the contract, without providing transport services to the charterer.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 63. Delivery and return of the ship

[RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(1) The ship and its equipment must meet the agreed conditions when handing over the ship and returning the ship, and in the absence of an agreement, the requirements usually submitted.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) [Repealed - RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(3) [Repealed - RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(4) The ship must be handed over and returned at the agreed time and place. The charterer may refuse to hand over the ship if he has not been given an agreed guarantee to ensure the fulfillment of the charterer's obligations.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 64. Elimination of deficiencies

(1) The charterer must inform the shipper of the defects on the ship and organize their elimination in a manner acceptable to the shipper.

(2) If the charterer is not responsible for the defect, the lessor must compensate the costs of eliminating the defect.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(3) The charterer must ensure the protection of the charterer's interests related to the ship against third parties.

(4) If the charterer cannot use the vessel in accordance with the contract for more than 24 hours due to defects for which he is not responsible, he does not have to pay for this time.

§ 65. Obligation to pay compensation in case of shipwreck

(1) In the event of a shipwreck, the obligation to pay the fee ends on the day of the shipwreck. If the day of the shipwreck cannot be determined, the obligation to pay the fee ends on the day of receiving the last notification about the ship.

(2) If the charterer is responsible for causing the shipwreck, he is not released from the obligation to pay the fee for the entire duration of the fixed-term chartering contract.

[RT I, 28.02.2020, 2 - enters into force. 01.07.2020]

1

§ 65 . Differences in case of time chartering of the ship

(1) In the case of time chartering, the charterer must, upon handing over the ship, ensure proper manning and equipment corresponding to the purpose of use of the ship.

(2) The charterer may give the captain and other crew members instructions related to the use of the ship. The instructions must not conflict with the terms of the contract or safe seamanship practice. The master does not have to obey instructions regarding the navigation of the ship.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

2

§ 65 . Differences in the case of chartering a ship without a crew

(1) In addition to the provisions of subsection 1 of § 63 of this Act, in the case of chartering without a crew, the ship must meet the requirements for seaworthiness upon handing over and returning the ship, with the exception of requirements related to manning. In

other respects, the ship must be in a condition that allows it to be used for the agreed purpose upon handover. The condition of the vessel must be properly documented upon handover and return.

(2) In the case of chartering a ship without a crew, the charterer's obligations arising from § 63 of this Act and this section shall be considered fulfilled by the charterer's acceptance of the ship.

(3) In addition to the provisions of § 64 subsection 2 of this Act, in the case of chartering a ship without a crew, the charterer can demand from the charterer compensation for the costs incurred to eliminate a defect that appeared after the ship was accepted only if the defect appears within 18 months from the handover of the ship and this was not possible during the inspection performed at the handover of the ship to discover, also in the event that the charterer knew or should have known about the defect when handing over the ship.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

Chapter 6 TOWING

§ 66. Towing contract

(1) A towing contract is an employment contract with which one person (the tug operator) undertakes to tow a ship, primarily by towing or pushing the ship. The other person (subscriber) undertakes to pay the agreed or normal fee for it.

(2) For the purposes of paragraph 1 of this section, the preparation of a tug in the vicinity of the towed vessel in order to assist in the maneuvering of the vessel is also considered as towing. The duration of towing also includes the time periods reasonably necessary for the tug to reach the customer's ship and to return to its usual location.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 67. Obligations of the contracting parties

(1) The tug operator must prepare a tug that is suitable for the intended maneuver and properly equipped and manned at the specified time and at the agreed place.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) The customer must prepare the ship at the agreed place on time. The vessel must be in towable condition.

(3) In the event of damage to the towing participant or a third party during the towing, the ship whose captain had navigational control is considered responsible in the relationship between the parties to the towing contract, until the contrary is proven. Unless the contracting parties have agreed otherwise, when towing a mobile vessel with power equipment in working order, it is considered that navigational control rests with the master of the towed vessel. The ship family, which is under the navigational control of the master of another vessel participating in the towing, must do everything possible to ensure that the towing is safe.

(4) When rescuing a ship and its cargo that has been put in danger during towing, the towing operator is not entitled to claim a salvage fee, unless he provided assistance that was outside the scope of the services provided within the scope of towing operations, and the danger that caused the assistance was not caused by him.

Chapter 7 LIABILITY AND LIMITATION OF DAMAGES IN MARINE CLAIMS [RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 68. Definition of shipowner

[Repealed - RT I, 17.03.2023, 1 - entry into force. 27.03.2023]

§ 69. Shipper's liability

(1) The shipowner is responsible for the proper operation of the ship.

(2) If the shipowner is not the carrier, he is liable to the shipper, consignee or passenger under the contract of carriage to the same extent as he would be liable if he were the carrier.

§ 70. Application of conventions

(1) The 1976 Convention on the Limitation of Liability for Maritime Claims, as amended by the 1996 Protocol (hereinafter the Convention on the Limitation of Liability for Maritime Claims), the 1992 International Convention on Civil Liability for Damage Caused by Oil Pollution and the Civil Liability for Damage Caused by Bunker Fuel Pollution are applicable to *the limitation of liability*. 2001 International Convention.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) [Repealed - RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

1

§ 70 . Exclusion of Limitation of Liability

(1) The responsible person does not have the right to limit his liability if it is proven that the damage occurred as a result of his own act or omission, which he committed intentionally or due to gross negligence.

(2) Liability cannot be limited to claims for reimbursement of court and arbitration costs.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 71. Liability limit for small ships

The limit of liability for a ship with a total tonnage of up to 250 is half of the limit of liability for a ship with a total tonnage of up to 500 according to Article 6 paragraph 1 point b of the Convention on the Limitation of Liability for Maritime Claims.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 72. Limitation of liability in the case of expenses compensation claims

(1) The conventions specified in subsection 1 of § 70 of this Act also apply to the raising, disposal, destruction or rendering harmless of a sunken, wrecked, beached or abandoned ship together with everything that is or was on board the ship, and the disposal, destruction or rendering harmless of the ship's cargo requirements for reimbursement of costs.

(2) The liability for the claims specified in subsection 1 of this section cannot be limited if the ship or its cargo, to which the measures specified in subsection 1 are applied, poses a threat to the environment.

(3) In the case of claims specified in subsection 1 of this section, the limit of liability is calculated in accordance with Article 6, paragraph 1, point b of the Convention on the Limitation of Liability for Maritime Claims. The limit of liability applies to the claims specified in subsection 1 of this section, which have arisen from the same event and are directed against persons who belong to the same circle of persons in the sense of Article 9, paragraph 1, point a, b or c of the Convention on the Limitation of Liability for Maritime Claims; paragraphs 2 and 3 of Article 6 of the Convention do not apply.

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

§ 73. Preferential right to claims arising from damage to port facilities and waterways

[Repealed - RT I, 17.03.2023, 1 - entry into force. 27.03.2023]

§ 74. Liability limit for pilots

(1) The limits of liability specified in points a and b of Article 6 (1) of the Convention on the Limitation of Liability for Maritime Claims also apply to claims against pilots. If the gross tonnage of the vessel being piloted is greater than 1,000, the pilot may limit his liability to the amount that would apply to a vessel with a gross tonnage of 1,000.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) If the number of passengers that the piloted ship can carry exceeds 12 passengers, the pilot may limit his liability in case of personal injuries to the amount that would apply to a ship that can carry 12 passengers.

§ 75. Liability in case of ship collision

(1) The provisions of the Law of Obligations Act on contractual and non-contractual liability apply to the shipowner's liability in the event of a ship collision, together with the right to limit one's liability provided for in this Act.

[RT I, 30.05.2013, 4 - enters into force. 09.06.2013]

(2) After the ships have collided, the captain must render assistance to the persons on board the other ship and to the ship to the extent that it is possible without seriously endangering the persons on board his ship and his ship.

(3) The captains of the ships involved in the collision must inform each other of their ship's name and home port, as well as the port of departure and destination or the nearest port to which the ship is moving.

§ 76. Law applicable to the claim arising from the collision of ships

(1) In addition to the international shipping regulations, the law of the country in whose territorial and inland sea the collision took place applies to the claim arising from the collision of ships.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) If the collision took place outside the jurisdiction of the countries, the law of the flag state of the ship that caused the collision or the flag of the victim's own ship shall be applied to the claim arising from the collision of ships, at the choice of the victim.

(3) If the collision was caused by improper operation of both ships involved in the collision, the law of the flag state of the other party's ship shall apply to the claim of either party.

§ 77. The right of other persons to limit liability

(1) The provisions of this chapter regarding the limitation of the shipowner's liability also apply to the owner and the charterer of the ship.

(2) The provisions of this chapter regarding the limitation of liability also apply to the captain, crew member or other person working for the responsible person, if the said person has caused damage in the performance of his service obligations, as well as to the person for whose act or inaction the responsible person is responsible, if the law or nothing else follows from the foreign agreement.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

1

7 . chapter

LIABILITY INSURANCE FOR MARINE CLAIMS

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

1

§ 77 . Obligation and conditions of having liability insurance

[RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(1) The shipowner of a ship sailing under the flag of Estonia must have a valid liability insurance contract, which insures the liability of the ship owner or the ship's charterer against third-party claims arising during the operation of the ship. This obligation does not apply to the person chartering the ship without a crew in the event of an oil spill, because based on the 1992 International Convention on Civil Liability in case of damage caused by an oil spill, a claim for damage compensation can only be filed against the ship owner in the case of a ship carrying more than 2,000 tons of oil as a bulk cargo. As a guarantee for the claim, the ship owner is required to have the

certificate of liability insurance for the ship, as specified in the annex to the convention.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) The shipowner of a ship sailing under another flag must have the liability insurance contract provided for in subsection 1 of this section when the ship arrives at a port in Estonia.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(3) A shipowner with liability insurance is an insured person.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(4) The insurance referred to in subsections 1 and 2 of this section covers maritime claims to which limitation of liability applies in accordance with the Convention on Limitation of Liability for Maritime Claims.

(5) Liability insurance must be in place for ships with a total tonnage of 300 or more.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(6) It is not necessary to have liability insurance for warships, naval auxiliary ships or other state-owned or state-operated ships that are used only for national non-commercial purposes.

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

2

§ 77 . Marine claims covered by liability insurance

The liability insurance covers at least the following maritime claims:

- 1) claims due to death, bodily injury or health damage, destruction, loss or damage to property, including damage caused to port facilities, basins, waterways and navigation equipment, which occurred on board the ship or in direct connection with the operation of the ship or rescue operation , and claims that have thereby arisen due to further damage;
- 2) claims for compensation for damage caused by a delay in sea transportation of cargo, passengers or their luggage;
- 3) claims for compensation for damages that have arisen from the violation of rights other than those arising from the contract and are directly related to the operation of the ship or the rescue operation;
- 4) claims for compensation for the costs of raising, removing, destroying or rendering harmless a sunken, wrecked, beached or abandoned ship, together with everything that is or was on board this ship;
- 5) claims arising from the transfer, destruction or rendering harmless of the ship's cargo;
- 6) claims arising from damage or threat of damage to the environment, coastline or related interests caused by the ship;
- 7) claims by a person other than the responsible person due to measures taken to eliminate or reduce such damage, in the case of which the responsible person can limit his liability in accordance with the Convention on the Limitation of Liability in Maritime Claims, as well as claims for compensation for further damage caused by such measures.

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

3

§ 77 . Insurance policy

(1) The existence of a liability insurance contract is proven by the insurance policy on board the ship.

(2) The following information must be indicated on the liability insurance policy:

- 1) the ship's name and IMO number and port of registration;
- 2) name and main place of business of the ship owner;
- 3) type and duration of liability insurance;
- 4) name and main place of business of the insurer.

(3) The insurance policy of a ship sailing under the Estonian flag is either in English or in Estonian and English.

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

4

§ 77 . Liability limit in case of death, health damage and bodily injury of the passenger

[Repealed - RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

5

§ 77 . Proof of the validity of the liability insurance in case of causing the death, health damage and bodily injury of the passenger

(1) In order to prove the existence and validity of liability insurance or other financial guarantee in accordance with the conditions set forth in subsections 1 and 1 of § 61 of this Act , in the case of international passenger transport, a relevant certificate must be requested from the Transport Authority. If the liability insurance agreement or other financial guarantee agreement meets the conditions set out in subsections 1 and 1 of § 61 of this Act , the Transport Authority will issue a certificate of the existence and validity of liability insurance or other financial guarantee (hereinafter *the certificate of liability insurance or other financial guarantee*). If the conditions are not met, the Transport Board will refuse to issue the certificate.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) The certificate of liability insurance or other financial guarantee is issued for a term that cannot be longer than the validity period of the liability insurance contract or other financial guarantee contract on which it is issued.

(3) The procedure for requesting, issuing, revoking and keeping a certificate of liability insurance or other financial guarantee shall be established by a regulation of the minister responsible for the field .

[RT I, 31.05.2021, 1 - enters into force. 01.06.2021]

(4) A state fee must be paid for reviewing an application for a liability insurance or other financial guarantee certificate.

[RT I, 30.05.2013, 4 - enters into force. 09.06.2013]

6

§ 77 . Certificate of shipwreck removal liability insurance or other financial security

(1) The owner of a ship sailing under the flag of Estonia with a total tonnage of 300 and more and to which the 2007 Nairobi Convention on the Removal of Shipwrecks (hereinafter referred to as *the Nairobi Convention*) applies must have insurance or other financial guarantee that meets the requirements of the Nairobi Convention.

(2) If the insurance or other financial guarantee specified in subsection 1 of this section meets the requirements of the Nairobi Convention, the Transport Authority shall issue a certificate of insurance or other financial guarantee for the shipwreck removal liability to the ship specified in subsection 1 (hereinafter *certificate*).

(3) The period of validity of the certificate may not be longer than the period of validity of the insurance or other financial guarantee on which the certificate is issued.

(4) If the insurance or other financial guarantee does not meet the requirements of the Nairobi Convention, the Transport Board shall refuse to issue a certificate to the ship specified in subsection 1 of this section.

(5) The Transport Board recognizes the certificate as invalid in the following cases:

- 1) upon expiry of the insurance or other financial guarantee, if it ends before the expiry of the validity period of the certificate;
- 2) if it appears that false information has been provided when applying for a certificate.

(6) The procedure for applying for and issuing a certificate shall be established by a regulation of the minister responsible for the field .

(7) A state fee must be paid for the review of the certificate application.

(8) The Transport Board may also issue a certificate to a ship flying the flag of a country that is not a party to the Nairobi Convention, following the procedure set forth in this section.

[RT I, 31.05.2021, 1 - enters into force. 01.06.2021]

7

§ 77 . Electronic issuance of certificate and certificate of insurance or other financial guarantee

If the Transport Board issues the certificate or certificate of insurance or other financial guarantee specified in this chapter

1

electronically, it must comply with the conditions set forth in § 1 subsection 7 of the Maritime Safety Act .

[RT I, 31.05.2021, 1 - enters into force. 01.06.2021]

8

§ 77 . Proof of insurance or other financial guarantee regarding liability for damage caused by dangerous and harmful substances

(1) The owner of a ship sailing under the flag of Estonia with a total tonnage of 200 and more and to which the 2010 Protocol of the 1996 International Convention on Liability and Compensation for Damage in the Carriage of Hazardous and Noxious Substances by Sea (hereinafter *HNS Convention*) applies must have insurance or other financial guarantee , which meets the requirements of the HNS Convention.

(2) If the insurance or other financial guarantee specified in subsection 1 of this section meets the requirements of the HNS Convention, the Transport Authority shall issue a certificate of insurance or other financial guarantee to the ship specified in subsection 1 in connection with liability for damage caused by dangerous and harmful substances (hereinafter *certificate*).

(3) The period of validity of the certificate may not be longer than the period of validity of the insurance or other financial guarantee on which the certificate is issued.

(4) If the insurance or other financial guarantee does not meet the requirements of the HNS Convention, the Transport Authority shall refuse to issue a certificate to the ship specified in subsection 1 of this section.

(5) The Transport Board recognizes the certificate as invalid if it appears that false information has been provided when applying for the certificate.

(6) The procedure for requesting and issuing a certificate shall be established by a regulation of the minister responsible for the field .

(7) A state fee must be paid for the review of the certificate application.

(8) The Transport Board may also issue a certificate to a ship flying the flag of a country that is not a party to the HNS Convention, following the procedure provided for in this section.

[RT I, 31.05.2021, 1 - enters into force on the day of international entry into force of the 2010 Protocol to the 1996 International Convention on Liability and Compensation for Damage Caused by the Carriage of Dangerous and Noxious Substances by Sea.]

Chapter 8

LIMITATION OF LIABILITY PROCEDURE

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

Section 1

General settings. Competence

§ 78. Initiation of partition proceedings

(1) In order to establish the fund provided for in Article 11 of the Convention on the Limitation of Liability for Maritime Claims and to distribute its funds, proceedings must be initiated in the court where a claim has been filed against the person entitled to establish the fund.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(1) In order to establish the fund provided for in Article V, Section 3 of the 1992 International Convention on Civil Liability for Damage Caused by Oil Pollution and to distribute its funds, proceedings must be initiated in the court where a claim has been filed or may be filed against the person entitled to establish the fund.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) The liability limitation procedure takes place as a judicial and extrajudicial procedure. The provisions of the Code of Civil Procedure apply to the limitation of liability procedure, unless otherwise provided by this Act. Limitation of liability without forming a liability limitation fund and disputes over contesting the decisions of the general meeting of creditors take place in legal proceedings. The

appointment of the fund manager, the initiation of the procedure for the distribution of funds specified in subsections 1 or 1 of this section (hereinafter *the distribution procedure*), the recognition of claims and other matters related to the distribution procedure shall be resolved in a non-lawsuit proceeding, unless it follows from the law that they shall be resolved in a legal action procedure.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(3) An appeal may be filed against a court order made in the division procedure in the case provided for in this Act. Filing a regulation complaint does not stop the implementation of the regulation, unless otherwise provided in this law. The deadline for submitting a regulation appeal is one month from the publication of the regulation. If the regulation is not subject to publication, the deadline for filing an appeal against the regulation is one month from the delivery of the regulation.

[RT I 2008, 59, 330 - entry into force. 01.01.2009]

§ 79. Scope of division proceedings

(1) Partition proceedings include claims arising from the same event and belonging to the same claim class (§ 81 subsection 1) against all persons who belong to the same group of persons entitled to initiate partition proceedings (§ 80).

(2) If the division procedure is initiated based on the application of the pilot who worked on board the ship with respect to claims belonging to claim class A, B or C, the procedure will be carried out only to satisfy the claims directed against the petitioner. Such division proceedings may be initiated as long as claims arising from the same event and belonging to the same claim class have not been initiated by another person entitled to initiate division proceedings.

§ 80. Groups of persons entitled to initiate partition proceedings

(1) The division procedure is initiated on the basis of the application of the person specified in subsection 2 of this section.

(2) The initiation of the division procedure may be requested by:

- 1) the ship owner, shipowner or carrier, as well as the person for whose activities the ship owner, shipowner or carrier is responsible;
- 2) the owner of the ship from which rescue services are provided or the rescuer working on that ship, as well as the person for whose activities the owner or rescuer is responsible;
- 3) a rescuer who does not operate on a ship or who operates exclusively on a ship on which rescue services are provided, as well as a person for whose activities the rescuer is responsible;
- 4) the owner of the ship in the sense of Article I, Clause 3 of the 1992 International Convention on Civil Liability in the event of damage caused by oil pollution.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(3) The person specified in subsection 2 of this section may request the initiation of proceedings if he has the right to limit his liability in accordance with § 70 subsection 1 and §§ 71, 72 and 74 of this Act and legal proceedings have been initiated against him or legal proceedings may be initiated in accordance with § 81 subsection 1 due to the requirement.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(4) Initiation of division proceedings may also be requested by an insurer that insures liability for claims for which the person specified in subsection 2 of this section may limit its liability on the grounds specified in subsection 3, as well as by the guarantor in accordance with paragraph V of Article V of the 1992 International Convention on Civil Liability in the event of damage caused by oil spills. 11 in a sense.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 81. Claims included in the division procedure

(1) The division procedure is carried out to satisfy the following claims:

1) claims arising from causing death or bodily injury or health damage in the sense of Article 6(1)(a) of the Convention on the Limitation of Liability for Maritime Claims (claims for personal injuries) and other claims under Article 6(1)(1) of the Convention on the Limitation of Liability for Maritime Claims in terms of b (claims for property damage) – claim class A;

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

2) passengers' claims in the sense of Article 7 of the Convention on the Limitation of Liability in case of maritime claims - claim class B;

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

3) claims specified in § 72 of this Act - claim class C;

4) claims arising from the 1992 international convention on civil liability in case of damage caused by oil pollution - claim class D.

[RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(2) The division procedure for the satisfaction of claims belonging to claim class A is carried out with the following distinctions:

1) if claims arising from personal injuries, for which liability can be limited, have not arisen or such claims can no longer be submitted, or if the total amount of claims arising from personal injuries does not presumptively exceed the limitation of liability in the case of maritime claims limit of liability established in Article 6(1)(a) of the Convention, the division procedure will only be used to satisfy claims arising from material damages, if the amount of claims resulting from material damages presumptively exceeds the limit of liability established in Article 6(1)(b) of this Convention;

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

2) if claims arising from personal damages, for which liability may be limited, cannot be submitted by the petitioner, but against

another person specified in clauses 1-4 of § 80 (2) of this Act, then the division proceedings shall be held only to satisfy the claims arising from material damages, if the division proceedings the person who submitted the application for initiation requests it, and the amount of claims arising from property damage presumably exceeds the limit of liability established in Article 6(1)(b) of the Convention on the Limitation of Liability in the case of maritime claims.

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

Section 2

Initiation procedure and public call

§ 82. Statement

(1) The application for initiation of partition proceedings shall be submitted to the court in writing and must contain:

- 1) a precise description of the event that gave rise to the claims, for the satisfaction of which the partition proceedings are being carried out;
- 2) data on which group of persons the procedure must be initiated against, or data on the fact that the procedure must be initiated only against the applicant;
- 3) data on which class of claims the procedure must be initiated to satisfy the claims, or the request to initiate the procedure only to satisfy the claims arising from property damage;
- 4) the applicant's name and information about his place of residence or place of business; if the applicant is aware of other debtors in respect of whom the partition procedure may be carried out, also the information about them;
- 5) data on the ship's name, flag and place of registration;
- 6) the data necessary for calculating the amount required to form the fund (§ 83) on the total capacity of the ship and, if liability is limited to claims belonging to claim class B, the number of passengers the ship can carry;
- 7) data on the amount and basis of claims known to the applicant.

(2) The statement must be accompanied by a publicly certified copy of the entries in the ship's register about the ship and a publicly certified copy of the entries in the ship's log book regarding the event.

(3) If the petitioner requests to carry out the division procedure in accordance with subsection 2 of § 81 of this Act, he must prove the existence of the prerequisites specified in subsection 2 of § 81.

(4) The applicant may withdraw the application until the initiation of the procedure.

§ 83. Amount necessary for the formation of the fund

(1) The court shall determine the amount necessary for the establishment of the fund by making a ruling on it. The amount is determined in accordance with Article 11, Paragraph 1 of the Convention on the Limitation of Liability for Maritime Claims and Article V, Paragraph 1 of the 1992 International Convention on Civil Liability for Damage Caused by Oil Pollution.

[RT I, 17.03.2023, 1 - entry into force. 27.03.2023]

(2) The amount necessary for the establishment of the fund shall be paid to the account designated by the court.

§ 84. Substitution of the amount necessary for the formation of the fund with a guarantee

(1) The court may determine that the payment of the amount necessary for the formation of the fund is replaced in whole or in part by the provision of a guarantee. In such a case, the court determines the type of guarantee and which part of the amount necessary for the formation of the fund is replaced by the guarantee.

(2) If the security turns out to be insufficient during the proceedings, the court determines in what way the security must be increased or an additional security must be given. Before making a decision, the opinion of the person who submitted the application for initiation of partition proceedings must be heard.

§ 85. Initiation of proceedings

(1) The court decides to initiate the division procedure after the payment of the amount necessary for the formation of the fund or the provision of a proper guarantee by making a ruling on this.

(2) The regulation initiating the procedure states:

- 1) a precise description of the event that has given rise to the requirements for the satisfaction of which the division procedure is being carried out;
- 2) the person or group of persons against whom the procedure is initiated;
- 3) the class of claim to which the procedure was initiated to satisfy the claims belonging to it, or an indication that the procedure is initiated only to satisfy the claims arising from property damage;
- 4) the name of the petitioner, information about his place of residence or place of business, as well as information about other debtors known to the court, against whom partition proceedings may be carried out;
- 5) data on the ship's name, flag and place of registration and home port;
- 6) data on the payment of the amount necessary for the formation of the fund or the provision of a guarantee, as well as an indication of which part of the amount necessary for the formation of the fund is replaced by the guarantee;
- 7) data on appeals filed against the regulation determining the amount necessary for the formation of the fund;
- 8) the time of initiation of the division procedure.

[RT I 2008, 59, 330 - entry into force. 01.01.2009]

(3) Upon submission of the application, a copy of the decree on the initiation of partition proceedings shall be given to the person against whom a lawsuit has been filed due to the claim of a creditor participating in the partition proceedings or enforcement is taking place.

§ 86. Consequences of initiation

(1) With the initiation of the distribution procedure, the fund is deemed to have been established.

(2) With the establishment of the fund, the liability of the persons belonging to the group of persons specified in the regulation for the initiation of the division procedure with respect to the requirements specified in § 81 of this Act is limited to the amount necessary for the establishment of the fund.

(3) All creditors whose claims the fund was formed to satisfy take part in the distribution procedure.

(4) Claims for the satisfaction of which the fund has been established may be submitted only in accordance with the procedure provided for in this chapter. Claims for which liability cannot be limited in accordance with paragraph 2 of this section may be submitted both in the division procedure and outside of it.

(5) Court proceedings on claims for which liability can be limited in accordance with subsection 2 of this section shall be suspended from the issuance of the order to initiate partition proceedings until the partition proceedings are terminated or suspended.

(6) Enforcement, seizure of property and submission of a claim outside the distribution procedure are prohibited from the initiation of the distribution procedure until its suspension or termination, if the creditor has submitted a claim against the fund. The court may terminate the enforcement proceedings against the debtor's property if the creditor has filed a claim against the fund.

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(7) If the partition proceedings have been initiated, the court cancels the attachment applied to the debtor's property and releases the property from attachment in accordance with Article 13(2) of the Convention on the Limitation of Liability for Maritime Claims or Article VI(1)(b) of the 1992 International Convention on Civil Liability for Damage Caused by Oil Pollution, if the property has been seized to secure a claim for which the debtor's liability is limited in accordance with paragraph 2 of this section. Before starting the partition procedure, the court may suspend the execution of the enforcement procedure or the asset seizure order with respect to the debtor's property for up to three months, if the debtor has submitted an application for the formation of a fund.

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(8) If bankruptcy proceedings are initiated against the debtor participating in the partition proceedings after the initiation of the partition proceedings, this does not concern the partition proceedings. The amount paid for the formation of the fund or the guarantee replacing it is not part of the bankruptcy assets of the debtor participating in the distribution procedure. Claims for which the debtor's liability is limited in accordance with subsection 2 of this section cannot be filed in bankruptcy proceedings during the partition proceedings.

(9) After initiation of the partition procedure, the creditor who takes part in the procedure cannot set off his claim against the debtor's claim. This does not apply to the case specified in Article 5 of the Convention on the Limitation of Liability for Maritime Claims.

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

(10) After initiation of the partition procedure, the creditor is prohibited from realizing the guarantees given to secure the claim.

§ 87. Fund manager

(1) When initiating the division procedure, the court appoints a fund administrator. A natural person suitable for this case, competent and independent of creditors and debtors is appointed as the fund manager. A bankruptcy trustee may be appointed as the fund manager.

(2) The court issues a publicly certified certificate of his appointment to the fund manager. The certificate must be returned to the court after the end of the powers of the fund manager.

(3) The fund manager:

- 1) may dispute the claims submitted in the distribution procedure;
- 2) realizes, if necessary, the guarantees specified in § 84 of this Act;
- 3) requires the applicant to pay the expenses of the division procedure.

(4) The court may also entrust the fund administrator with the management of the guarantees specified in § 84 of this Act.

(5) The fund manager is responsible for damage caused to a party to the proceedings by breach of his obligations. The court may require a reasonable guarantee from the fund manager before appointing him. A guarantee can be provided by concluding a liability insurance contract with sufficient insurance coverage.

(6) The fund manager is under the supervision of the court. If the fund manager violates his obligations, the court can impose a fine or dismiss the fund manager on his own initiative. The one-time fine cannot exceed 6,400 euros. Before making a regulation, the fund manager must be heard. The fund manager may file an appeal against the court ruling that imposed a fine on the fund manager.

[RT I 2010, 22, 108 - entry into force. 01.01.2011]

§ 88. Reimbursement of the fund manager's fee and expenses

(1) The fund manager may demand a reasonable fee for his activities and compensation for the necessary expenses incurred for the performance of his duties. The fee is paid and expenses are reimbursed from the funds of the fund.

(2) The fund manager may demand an advance payment from the funds of the fund to compensate expenses, if this is necessary for the performance of his duties.

(3) The amount of the fee and advance payment is determined by the court.

§ 89. Fund manager's report

(1) The fund manager must submit a report on his activities to the court at the end of his powers. The report must, above all, contain data on the claims submitted by creditors, their protection and the distribution of the amount paid in to form the fund.

(2) The report shall be submitted to the parties to the proceedings within one week after the end of the partition proceedings at the place designated by the court. If the fund manager was dismissed before the end of the distribution procedure, the report will be presented to the participants of the proceedings within two weeks after the fund manager's dismissal.

(3) The debtor and the creditor who took part in the proceedings have the right to object to the report. If no objections are raised within one week after the report has been submitted for inspection, the report is considered approved.

§ 90. Deadline for submitting claims

(1) The court determines the time limit for the submission of claims and the time of the meeting for the defense of claims by the order for the initiation of division proceedings.

(2) The deadline for submitting claims must be at least two months from the initiation of the division procedure. If it can be assumed that creditors whose place of residence or business is located outside the Republic of Estonia will take part in the procedure, the deadline for submitting claims must be at least four months from the initiation of the division procedure.

(3) The period between the end of the deadline for submitting claims and the meeting for defending claims cannot be shorter than one week and longer than two months.

§ 91. Invitation to submit claims

(1) The court publishes a notice for the submission of claims, which contains:

1) a call for creditors to submit to the court within the time limit specified in the order for initiation of partition proceedings all claims that have arisen from the event specified in the order and for which the debtor's liability is limited in accordance with § 86 (2) of this Act;

2) an indication that the claim must be submitted to the court even if the court is aware of the existence of the claim or if the claim has been notified in another way;

3) an indication that claims for which the debtor's liability is limited in accordance with subsection 2 of § 86 of this Act can only be submitted in accordance with the procedure provided for in this chapter and that creditors with unsubmitted claims will not participate in the distribution of the amount paid in to form the fund;

4) an invitation to all debtors who, in addition to the applicant for the initiation of partition proceedings, are responsible for the fulfillment of the requirement arising from the event specified in the initiation order and whose liability is limited after the initiation of the proceedings in accordance with § 86 (2) of this Act, to notify the court of their address within the time limit specified in the invitation, if they wish, that they are informed about the progress of the procedure;

5) an indication that the consequences of the partition procedure also apply to the debtor who does not comply with the summons.

(2) If the proceedings are conducted solely to satisfy claims arising from material damages, the court shall also issue an invitation to report all claims arising from personal damages, which have arisen from the event specified in the order for initiation of partition proceedings and for which the debtor's liability would be limited in accordance with subsection 2 of § 86 of this Act, if the proceedings had been initiated also to satisfy claims arising from personal injuries.

§ 92. Publication of documents related to the initiation of proceedings

(1) After the initiation of the distribution procedure, the court publishes in the official publication *Ametlikud Teadaanded*:

1) the regulation which approved the amount necessary for the formation of the fund;

2) the main content of the regulation on initiation of division proceedings;

3) the time of the public call for submission of claims and the meeting for the defense of claims;

4) the name and address of the fund manager.

(2) If, according to the circumstances, it can be assumed that a large number of creditors whose place of residence or business is outside the Republic of Estonia will take part in the proceedings, the court shall also publish the information specified in subsection 1 of this section in at least one newspaper that is expected to be available to such creditors.

(3) In relation to persons who are affected by the published information, the publication of the information is considered equal to the delivery of the corresponding document.

(4) The court must deliver the documents specified in subsection 1 of this section separately to creditors and debtors whose address is known. Failure to deliver does not preclude the occurrence of the consequence specified in paragraph 3.

§ 93. Regulation appeal against the determination of the amount necessary for the formation of a fund

(1) The petitioner, the self-declared debtor and the creditor who submitted a claim may file an appeal against the decree, which approved the amount necessary for the formation of the fund. The deadline for submitting a regulatory appeal ends one month after the end of the deadline for submitting claims.

(2) The court shall decide on all appeals filed in accordance with subsection 1 of this section simultaneously in a unified procedure. During the hearing of the debtor's appeal against the decree, all creditors of the submitted claims must be heard. During the review of the creditor's appeal, the opinion of the present debtor must be heard.

(3) The regulatory complaint cannot be justified by the fact that the petitioner was not entitled to submit the petition for the initiation of partition proceedings, since the sum of the claims does not exceed the limit of liability prescribed for these claims.

[RT I 2008, 59, 330 - entry into force. 01.01.2009]

Section 3 Defense of Claims

§ 94. Submission of claims

(1) In order to submit a claim, a written statement of claim must be submitted, in which the amount and basis of the claim must be stated. The documents proving the circumstances mentioned in the application or their publicly certified copies shall be attached to the claim.

(2) If, before the initiation of the procedure, a judgment has been made regarding the claim, which takes into account the limitation of the debtor's liability, the claim must still be submitted in full.

(3) The fund manager prepares a list of submitted claims. Claims arising from personal injuries and claims arising from material damages must be entered in the list separately, if the division procedure has been initiated with respect to claim class A on the basis of both types of claims. Claims for which the debtors are jointly and severally liable must be noted separately. The list with claims must be made available to the parties to the proceedings.

(4) The statement of claim may be withdrawn until the claim and the creditor's right to participate in the proceedings are not protected. The claim can be withdrawn by a written statement.

§ 95. Value of claims

(1) Claims must be presented in euros. The amount of the claim is the value that the claim has on the day of initiation of the division procedure. A claim that is not aimed at the payment of a sum of money or whose amount is undetermined or unknown must be presented in estimated value.

[RT I 2010, 22, 108 - entry into force. 01.01.2011]

(2) An interest claim may be submitted in the division procedure only to the extent that the interest has become recoverable before the initiation of the procedure.

(3) Claims for reimbursement of costs incurred in connection with participation in the division procedure cannot be submitted in the division procedure.

(4) Scheduled claims are considered to be collected upon initiation of the division procedure.

(5) If the estimated value of the claim cannot be determined, the claim must be submitted without specifying the amount. When submitting a claim in such a case, the maximum amount of the claim with which the claim is submitted in the division procedure must be indicated. The cap may not exceed the value that the claim can be expected to have under the circumstances.

(6) If several debtors are jointly and severally liable for one claim, whose liability cannot be limited in one partition procedure, and if the liability of one or more debtors is limited, the creditor may present the claim in each partition procedure for the full value of the claim, until the claim is fully satisfied.

§ 96. Submission of claims by the debtor

If the debtor has satisfied the claim that the creditor could have presented in the partition procedure, the debtor may submit the claim himself in the partition procedure to the extent that the claim is satisfied. If the creditor has already submitted a claim in the division procedure, it is considered that the claim has been submitted by the debtor.

§ 97. Extension of the procedure to claims for personal injuries

(1) If the division proceedings have been initiated only to satisfy claims arising from property damage, the court shall amend the regulation for determining the amount necessary for the formation of the fund, if claims for personal injuries arising from the same event are filed against the petitioner, for which the debtor can limit his liability, and the amount of the claims exceeds the article of the Convention on the Limitation of Liability for Maritime Claims the limit of liability established in point a of 6 paragraph 1. The regulation cannot be changed after the claims defense meeting has taken place.

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(2) In the case specified in subsection 1 of this section, the court determines the deadline for payment of the additional amount. § 84 of this Act shall be applied accordingly.

(3) If the amount by which the amount necessary for the formation of the fund has been increased in accordance with subsection 1 of this section has been paid in, the court decides that the division procedure will also be initiated to satisfy claims arising from personal injuries, making a ruling on this.

§ 98. Termination of proceedings

(1) The court terminates the division procedure by decree if:

- 1) the amount necessary for the formation of the fund has been increased after the initiation of the division procedure, but the additional amount is not paid within the specified term;
- 2) in the case specified in § 84 subsection 2 of this Act, a new or additional guarantee is not given on time;
- 3) the application for initiation of the procedure is withdrawn after the initiation of the division procedure.

(2) The order terminating the proceedings made on the basis specified in subsection 1 of this section shall be published in the manner provided for in § 92 of this Act. If the termination is decided after the creditors' claims and their right to participate in the proceedings have been protected, the notice to be published must indicate that the creditors of the claims have the rights arising from subsections 3 and 4 of § 102 of this Act.

(3) To the extent that the amount paid in for the establishment of the fund and the guarantees given for the establishment of the fund do not need to be used to satisfy the claims of creditors specified in subsection 4 of this section and subsection 3 of § 102 of this Act, if one month has passed from the entry into force of the order terminating the proceedings, the amount paid in to establish the fund shall be returned to the contributor and the guarantees given for the formation of the fund are returned.

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(4) If the claim for repayment of the amount paid in for the establishment of the fund specified in subsection 3 of this section or for the return of guarantees is seized by several creditors who participated in the proceedings within one month after the expiry of the deadline for filing an appeal against the decision to terminate the proceedings, the claims of these creditors must be satisfied at the expense of the seized claim according to the ratio of the amounts of the creditors' claims .

[RT I 2008, 59, 330 - entry into force. 01.01.2009]

§ 99. Claims defense meeting

(1) Submitted claims are checked in terms of the amount of the claim and the claim creditor's right to participate in the proceedings at the claims defense meeting.

(2) The debtor is obliged to take part in the claims defense meeting. In the absence of the debtor, the meeting decides whether it is possible to defend the claims. The absence of the creditor who submitted the claim from the meeting does not prevent the defense of the claim.

(3) The debtor may submit written objections to the fund manager.

(4) If the claim has been submitted for good reason after the deadline provided in § 90 of this Act, but before the meeting for the defense of claims, the meeting may restore the deadline for submitting the claim at the request of the creditor.

(5) If the deadline for submitting a claim was not reinstated, the claim will be taken up for defense, but in case of recognition, it will be satisfied after the recognized claims submitted in time have been satisfied.

§ 100. Protection of claims

(1) A claim and its creditor's right to participate in the distribution procedure are deemed recognized if it is not objected to by the fund manager or any creditor at the claims defense meeting, as well as if the creditor or fund manager who raised objections waives their objections at the claims defense meeting.

(2) If the creditor has submitted a written objection before the claims defense meeting and does not participate in the meeting, the objection submitted in writing has the same meaning as the objection submitted at the meeting.

(3) At the meeting for the defense of claims, a claim that has been satisfied by an effective decision of a court or arbitral tribunal is deemed recognized without defense. In such a case, only the creditor's right to participate in the distribution procedure can be challenged at the claims defense meeting.

(4) For each claim, it is noted in the minutes of the claims defense meeting whether the claim was recognized or not and who objected to the claim or the stage of its satisfaction. It is also noted in the record who waived the objection presented.

(5) The fund manager prepares a list of recognized claims. The list indicates the extent to which the claim has been recognized. With respect to the debtors, creditors and fund manager participating in the proceedings, the entry of the claim into the list is considered equal to the entered judgment regarding the amount of the claim, the right to participate in the proceedings and the type of claim (property or personal damages).

(6) In case of defense of such a claim, which is submitted without indicating the amount and the estimated value of which cannot be determined at the time of the claims defense meeting, the creditor's right to participate in the proceedings up to the maximum amount of the claim stated when the claim was submitted is considered recognized, provided that the amount of the claim can be determined later.

§ 101. Unrecognized claims

(1) If the claim or the creditor's right to participate in the distribution procedure was not recognized at the claims defense meeting, the court shall decide on the recognition of the claim or the creditor's right to participate in the procedure based on the creditor's statement of claim.

(2) If the fund manager has argued against the claim or the creditor's right to participate in the distribution procedure, in the case specified in subsection 1 of this section, the defendant is the debtor, who is represented by the fund manager. If a creditor has objected to a claim or the creditor's right to participate in the distribution procedure, in the case specified in subsection 1 of this section, the creditor who objected to the claim or the stage of its satisfaction is the defendant.

(3) The statute of limitations for the action specified in subsection 1 of this section is one month from the day when the claim defense meeting failed to recognize the claim or the stage of its satisfaction.

(4) If the claim was deemed recognized in accordance with subsection 3 of § 100 of this Act, the person who wished to contest the claim may file a lawsuit to contest the claim. In such a case, the provisions of subsections 2 and 3 of this section shall apply accordingly.

(5) The judgment entered into force in the dispute specified in subsections 1 and 4 of this section applies to all creditors and the fund manager.

§ 102. Termination of security rights

(1) If the creditor's claim and the right to participate in the partition procedure are protected, the protection of the claim has the same legal consequences with regard to the survival of ship mortgages, maritime debts and other security rights that secure the claim, as in the case of termination of the claim.

(2) The court provides the debtor with a certified extract from the list of recognized claims regarding the defense of the claim.

(3) If the division procedure is terminated without carrying out the division of the fund and there was a security for the creditor's claim, which he lost in accordance with subsection 1 of this section, the creditor has a right of lien on the claim for repayment of the amount paid in to form the fund to secure his claim. If several liens arise, they shall rank equally. The lien rights specified in this subsection take precedence over the seizure specified in § 98 subsection 4 of this Act.

(4) If, in the case specified in subsection 3 of this section, the contribution necessary for the formation of the fund has been replaced by the provision of a guarantee, the creditor has a preferential right to satisfy the claim against the guarantee. The collateral must be realized to the extent necessary based on the court order. The proceeds from the realization of the guarantee are equalized with the amount paid in to form the fund.

(5) The rights specified in subsections 3 and 4 of this section shall expire if they have not been enforced in court within one month from the expiration of the deadline for filing an appeal against the order terminating the proceedings.

[RT I 2008, 59, 330 - entry into force. 01.01.2009]

(6) After the expiration of the term specified in subsection 5 of this section, the court shall repay to the contributor the amount paid in for the establishment of the fund, unless the claim for repayment has been seized in accordance with subsection 98 (4) of this Act.

(7) If the division procedure is carried out only to satisfy claims against the petitioner, subsections 1-6 of this section shall apply only if the claim against the petitioner was secured with a guarantee.

§ 103. Termination of enforcement

If the claim and the creditor's right to participate in the distribution procedure are protected, the enforcement proceedings initiated to satisfy the claim based on the debtor's application are terminated.

§ 104. Termination of security rights and termination of enforcement in case of unsubmitted claims

(1) If the creditor has not filed a claim in the division procedure, for which the debtor's liability is limited in accordance with § 86 (2) of this Act, the termination of the claims defense meeting has the same consequences for the guarantees securing the claim as the termination of the secured claim.

(2) If the division procedure is carried out only to satisfy the claims against the petitioner, the provisions of subsection 1 of this section apply only if the guarantee is provided to secure the claim against the petitioner.

(3) At the end of the meeting for the protection of claims, the enforcement proceedings, which have been initiated to satisfy the claim specified in subsection 1 of this section against the guarantee, must be terminated based on the debtor's application.

(4) The court must give the debtor a certificate about the end of the meeting for the defense of claims.

Section 4 Sharing the fund

§ 105. Principles of division

(1) Creditors of recognized claims take part in the distribution of the amount paid in to form the fund. Claims are satisfied at the expense of the amount paid in for the formation of the fund in proportion to their size.

(2) In the division procedure for claims belonging to claim class A, claims arising from damage to port facilities, harbor basin, waterways and navigation facilities are satisfied before other claims arising from property damage.

(3) If the division procedure for claims belonging to claim class A is carried out to satisfy claims arising from property damage as well as personal damage, two partial amounts must be formed from the amount paid in to form the fund. The first partial amount corresponds to the limit of liability established in Article 6(1)(a) of the Convention on the Limitation of Liability for Maritime Claims, the second partial amount to the limit of liability established in Article 6(1)(b) of the Convention on the Limitation of Liability for Maritime Claims. At the expense of the first installment, only recognized claims arising from personal injuries are satisfied in proportion to the size of the claims. Creditors of all claims arising from material damages take part in the distribution of the second partial amount in the total amount of the claim and creditors of claims arising from personal damages to the extent that their claims have not been satisfied during the distribution of the first partial amount. Claims participating in the distribution are satisfied in proportion to their size.

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(4) Pursuant to subsection 2 of § 113 of this Act, expenses reimbursed from the funds of the fund shall be paid out before recognized claims are satisfied. If the division is carried out in accordance with subsection 3 of this section, the costs incurred in disputes over claims arising from personal injuries shall be reimbursed from the part amount prescribed for these claims, and the costs incurred in disputes over claims arising from property damage shall be reimbursed from the part amount prescribed for these claims.

(5) The remaining part of the amount paid in for the formation of the fund after distribution is paid back to the contributor. In the case of several contributors, after the division, the remaining part is paid back according to the ratio of the contribution amounts.

§ 106. Disbursements made when dividing the fund

(1) After the claims defense meeting, the sums paid in for the formation of the fund will be paid out to the creditors of recognized claims. Payments are made on the basis of a court order. The court also determines the realization of guarantees to the extent that it is necessary to carry out the division.

(2) Before payments are made, the court presents a list of claims to be satisfied for perusal to all parties to the proceedings, which, in the case of claims belonging to claim class A, are divided into claims arising from personal injuries and claims arising from material damages. The court shall publish the total amount of claims to be paid out in the manner provided in § 92 of this Act and a notice of where and when the list of claims to be paid out can be consulted. Paragraphs 3 and 4 of § 92 of this Act shall be applied accordingly.

(3) A creditor whose claim was not defended and whose claim is subject to legal proceedings due to an objection raised during the defense must, within four weeks from the issuance of the court order specified in subsection 1 of this section, prove whether and in what amount he has filed the lawsuit specified in § 101 subsection 1 of this Act. If the evidence is not submitted on time, the creditor's claim will not be taken into account in the division.

(4) Amounts that fall under: 1) requirements for which legal proceedings are ongoing due to an objection submitted by the defense shall not be paid out upon distribution ;

2) claims for which only the right of the creditor of the claim to participate in the proceedings has been determined, but the amount of the claim has not been determined.

(5) If the debtor, whose liability for the claim is limited in accordance with subsection 2 of § 86 of this Act, proves to the court that enforcement in a foreign country is expected because of the claim, the court may withhold payment of the amount due to the claim by issuing a ruling to that effect. If the circumstances change, the court can change the order.

(6) An appeal against the court order specified in subsection 1 of this section can be filed within 15 days from the publication of the notice specified in subsection 2.

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§ 107. Determining the amount of the claim after the meeting for the defense of claims

(1) If the amount of the claim, in which only the right of the creditor to participate in the division procedure up to the limit of the claim specified when submitting the claim, becomes determinable after the conclusion of the meeting for the defense of claims, it shall be determined by the court at the request of the creditor.

(2) The court order specified in subsection 1 of this section shall be published in the manner provided for in § 92 of this Act. A debtor, creditor or fund manager participating in the distribution procedure may file an appeal against the court order.
[RT I 2008, 59, 330 - entry into force. 01.01.2009]

§ 108. Subsequent distribution

(1) In the course of the subsequent distribution, the claims for which the parts due to them were not paid out in the course of the payments made in accordance with § 106 of this Act and in respect of which the claim was satisfied by a later entered into force judgment or the amount of which has been determined in accordance with § 107 of this Act.

(2) The subsequent distribution takes place after the fulfillment of the prerequisites specified in subsection 1 of this section, if there is an amount sufficient to carry out the subsequent distribution.

§ 109. Termination of proceedings due to fund distribution

(1) The court terminates the division procedure by decree if the funds of the fund have been paid out or if only the sums specified in § 106 (4) point 1 and § 115 of this Act have remained unpaid. At the request of an interested party, the court issues a certificate of termination of the partition procedure.

(2) If, after the end of the distribution procedure, a claim that has not been paid in accordance with § 106 (4) point 1 of this Act is considered recognized, or the creditor's right to participate in the proceedings is protected, or if it turns out that the claim does not need to be taken into account when making payments or it is not necessary to withhold part of the costs to cover (§ 115), subsequent distribution is carried out.

§ 110. Retrospective extension of the procedure to personal injuries at the debtor's request

(1) If the procedure has been initiated only to satisfy claims arising from property damage and the same event has also resulted in claims for personal damage, the amount of which exceeds the limit of liability established in Article 6(1)(a) of the Convention on the Limitation of Liability for Maritime Claims, then the debtor of the claim arising from personal damage, who belongs to the circle of persons, against whom the procedure was initiated to satisfy the claims, to request an increase of the amount necessary for the formation of the fund by the amount necessary to satisfy the claims arising from personal injuries.

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(2) If the additional amount has not been paid in, the procedure will be carried out even after the increase of the amount necessary for the formation of the fund only for the satisfaction of claims arising from property damage.

(3) If the additional amount necessary for the formation of the fund determined in accordance with subsection 1 of this section is paid in after the procedure to satisfy the claims arising from material damages has already been initiated, the court decides that the procedure must also be initiated to satisfy the claims arising from personal damages. After the claims defense meeting, the extension of the procedure to claim class A claims is excluded.

§ 111. Termination of personal liability

After the end of the partition procedure, the debtor is no longer responsible for the fulfillment of claims, for which his liability was limited according to § 86 (2) of this Act, regardless of whether the claims were presented in the partition procedure or not.

§ 112. Termination of personal liability for claims for which liability cannot be limited

If the creditor accepts the share falling to him in the partition procedure, he cannot present his claim against the debtor outside the partition procedure, even if the debtor could not limit his liability for this claim in accordance with § 86 (2) of this Act.

Section 5 Costs of partition proceedings

§ 113. Bearing costs of partition proceedings

(1) The person who submitted the application for the initiation of the distribution procedure shall bear the following expenses related to the implementation of the distribution procedure:

- 1) the fee and expenses of the fund manager;
- 2) expenses of the fund manager in the management and realization of guarantees.

(2) The expenses of the fund manager for legal disputes over the claims submitted in the division procedure and the right of these creditors to participate in the procedure are reimbursed from the amounts paid into the liability limitation fund.

§ 114. Payment of expenses borne by the petitioner

(1) The costs to be borne by the person who submitted the application for the initiation of partition proceedings shall be determined by the court in the order terminating the partition proceedings.

(2) The court determines the amount of advance payment required to cover the costs specified in § 113 subsection 1 of this Act when the division proceedings are initiated. If the advance payment is not paid, the court may refuse to initiate the partition procedure.

(3) If the demand for reimbursement of costs specified in § 113 subsection 1 of this Act has not been satisfied due to the lack of assets obtained during enforcement of the property of the person who submitted the application for initiation of partition proceedings, the costs specified in § 113 subsection 1 shall be reimbursed from the amounts paid into the liability limitation fund. In such a case, the amount paid in to form the fund will be distributed after reimbursement of the expenses specified in § 113 subsection 1 of this Act.

§ 115. Detention during distribution

(1) If, when deciding on the payment of the amount necessary for the formation of the liability limitation fund, it is unclear whether during the division procedure there will be additional costs that must be reimbursed at the expense of the amounts paid into the liability limitation fund, the court shall not pay out the amount expected to be necessary to cover such costs during the division.

(2) In the circumstances specified in subsection 1 of this section, it is prohibited to file an appeal against the court order specified in subsection 109 of this Act.

[RT I 2008, 59, 330 - entry into force. 01.01.2009]

(3) If the circumstances specified in subsection 1 of this section cease to exist, the court shall amend its ruling.

[RT I 2008, 59, 330 - entry into force. 01.01.2009]

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§ 115 . Liability limitation without forming a liability limitation fund

(1) A person entitled to form a fund on the basis of the Convention on the Limitation of Liability for Maritime Claims may submit an objection to the limitation of liability without forming the fund provided for in Article 11, if he has the right to limit his liability in accordance with § 70 (1) and § 71, 72 and 74 of this Act and against him court proceedings have been initiated due to the claim specified in clauses 1–3 of § 81 (1). If the right to limit liability is used without establishing a liability limitation fund, Article 12 of the Limitation of Liability Convention applies to maritime claims.

(2) The court notes in the resolution of the judgment:

1) in what respect the claim in favor of the creditor has been satisfied;

2) the limit of liability prescribed in Article 12 of the Convention on the Limitation of Liability for Maritime Claims, the amount of which the judgment may be enforced.

(3) The court may determine that when providing a guarantee in the amount of the limit of liability stipulated in Article 12 of the Convention on the Limitation of Liability in case of maritime claims, the court shall cancel the attachment applied to the debtor's property and release the property from attachment.

(4) The judgment applies only to the parties to the proceedings. Submitting an objection to the limitation of liability does not limit the rights of other creditors when presenting their claims against the debtor, the seizure of the debtor's property or enforcement initiated to satisfy the claim.

(5) The debtor may initiate partition proceedings both during court proceedings and after the entry into force of such a judgment that takes into account the limitation of the debtor's liability in accordance with subsection 2 of this section.

(6) Partition proceedings must be initiated if several court proceedings have been initiated against the debtor due to the claim specified in § 81 subsection 1 of this Act and it is not practical to merge these claims into one proceeding.

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Chapter 9 CAPTAIN'S RIGHT OF REPRESENTATION

§ 116. Representation of the shipping company

(1) The master may carry out transactions on behalf of the shipowner that are necessary for the operation and use of the ship, for the care of the persons on board and to ensure their safety, or to ensure the safety of things on the ship.

(2) The shipowner may limit the master's right of representation.

(3) The restrictions specified in subsection 2 of this section apply to a third party only if the third party knew or should have known about the restriction of the right of representation.

§ 117. Right of representation in relation to the sender or recipient

(1) The master may carry out transactions on behalf of the sender or consignee in order to store the cargo or perform other necessary operations with it, if special circumstances require it.

(2) The master must immediately notify the sender and recipient of the transaction.

Chapter 10 RESCUE

§ 118. Rescue operation

[RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

A salvage operation in the sense of this law is an operation carried out to save a ship or other property in danger at sea or in navigable waters.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 119. Application of the Convention on Salvage of Property at Sea

[RT I, 17.03.2023, 1 - entry into force. 27.03.2023]

The 1989 International Convention on the Salvage of Property at Sea applies to legal relations arising from the salvage of a ship or other property at sea or in navigable waters.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 120. Guarantees for requirements arising from the Convention on the salvage of property at sea

[RT I, 17.03.2023, 1 - entered into force. 27.03.2023]

(1) The person who has a claim for salvage fees specified in Article 12 of the 1989 International Convention for the Salvage of Property at Sea and the person who has a claim for special compensation specified in Article 14 has a maritime debt against the salvaged ship to secure the claims.

(2) With respect to other salvaged items, the person having a salvage fee claim specified in Article 12 of the 1989 International Convention on Salvage at Sea and the person having a special compensation claim specified in Article 14 have a right of lien. The

shipowner and the carrier are obliged to provide information about the owner of the salvaged items to the person who has a salvage claim or special compensation claim.

(3) The rights specified in subsections 1 and 2 of this section may not be enforced if:

- 1) the person having the claim is given a guarantee sufficient to secure the claim in accordance with Article 20, paragraph 2 of the 1989 International Convention on Salvage of Property at Sea;
- 2) the salvaged ship or other salvaged thing belonged to the state or if the salvaged ship was at the disposal of the state and the ship or thing was used for non-commercial purposes and it had state immunity according to the generally recognized principles of international law at the time of salvage.

(4) The right of lien specified in subsection 2 of this section ends after one year has passed from the occurrence of the claim that the right of lien secures.

(5) If the person who has a claim for salvage fee or a claim for special compensation releases the salvaged ship or object, the owner is obliged to accept it.

(6) If the captain of the ship hands over the salvaged thing to a person entitled to receive the property contrary to the provisions of Article 21 (3) of the 1989 International Convention on Salvage at Sea, the captain of the ship is responsible for the damage caused to the person who has a salvage claim or special compensation claim. This also applies if the ship's master acted according to the shipowner's instructions.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

§ 121. Order of satisfaction of lien rights

(1) The right of lien specified in subsection 2 of § 120 of this Act has priority over all other liens encumbering salvaged things.

(2) If several liens specified in subsection 120 (2) of § 120 of this Act have arisen in relation to one thing, the lien securing the claim that arose earlier has priority over the lien securing the claim that arose later.

Chapter 11 GENERAL STUDY

§ 122. Definition of general accident

(1) Damage caused by deliberate and justified extraordinary expenses or sacrifices in order to save the ship, the wreckage and the cargo carried on the ship from a common danger is considered a general accident.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) General casualty sacrifices and expenses are divided between the ship, cargo and wreckage in accordance with the York-Antwerp rules, unless otherwise stipulated in the cargo transport contract and the carrier's liability insurance contract.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(3) Determining the amount of sacrifices and expenses incurred is done in accordance with the York-Antwerp rules.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(4) The law of the country where the dispatch was issued (§ 124) applies to relations arising from a general accident, unless otherwise agreed.

§ 123. Personal responsibility and provision of security

(1) The shipowner, carrier, shipper and consignee of the cargo involved in a general accident are not personally responsible for making the general accident contribution (general accident contribution payment). This does not apply to goods for which the recipient knew at the time of receipt that a general breakdown deposit was required for the goods. The recipient's personal responsibility for making a general breakdown payment is limited to the value of the goods when they are handed over to the recipient.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(2) The shipowner and the carrier must ensure that the goods for which a general breakdown deposit must be paid are not handed over to the consignee without making the general breakdown deposit or providing a guarantee for the payment.

(3) If the shipowner or carrier violates the obligation specified in subsection 2 of this section, he is personally responsible for making the payment for the goods.

(4) The shipowner or the charterer and the carrier with a freight claim have a right of lien on the goods for which a general breakdown payment must be made. The rights arising from the right of lien shall be paid by the carrier. The right of lien also extends to freight claims if the freight has not been paid.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

(5) If a third party has obtained direct possession of the goods encumbered with a right of lien specified in subsection 4 of this section, then the rights arising from the right of lien cannot be enforced against him, if the person did not know about the existence of the right of lien at the time of acquiring possession, nor should he have known about it.

§ 124. Dispatch

(1) General breakdown contributions and the amount of damage are determined and distributed by the person appointed for this purpose (dispatcher) on behalf of the shipowner by preparing a document (dispatch) about it.

(2) In order to perform the actions specified in subsection 1 of this section, the shipowner must give the dispatcher the appropriate order immediately, but no later than within one month after the occurrence of a general accident. If the shipowner delays giving the order, the carrier involved in the general accident and the sender or receiver of the cargo may also do so.

[RT I, 17.03.2023, 1 - enters into force. 27.03.2023]

1
11 . chapter
RESPONSIBILITY

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]

1

§ 124 . Lack of insurance policy and certificate of insurance or other financial guarantee

(1) For using a ship without a certificate of compliance with the insurance policy or insurance or other financial guarantee prescribed by this law - shall be punished with a fine of up to 300 fine units.

(2) For the same act, if it has been committed by a legal entity, - shall be punished with a fine of up to 16,000 euros.
[RT I, 31.05.2021, 1 - enters into force. 01.06.2021]

2

§ 124 . Procedure

[Repealed - RT I, 30.05.2013, 4 - entered into force. 09.06.2013]

3

§ 124 . Transport of passengers at sea without adequate liability insurance and other financial security

(1) Transporting passengers without liability insurance or other financial guarantee in accordance with the requirements - shall be punished with a fine of up to 300 fine units.

(2) For the same act, if it has been committed by a legal entity, - shall be punished with a fine of up to 3,200 euros.
[RT I, 30.05.2013, 4 - enters into force. 09.06.2013]

4

§ 124 . Failure to provide assistance on board the ship to a passenger with a disability or limited mobility

(1) Failure to comply with the requirement set forth in Article 10 of Regulation (EU) No. 1177/2010 of the European Parliament and of the Council - shall be punished with a fine of up to 150 fine units.

(2) For the same act, if it has been committed by a legal entity, - shall be punished with a fine of up to 3,200 euros.
[RT I, 30.05.2013, 4 - enters into force. 09.06.2013]

5

§ 124 . Ignoring the requirement to notify the passenger of a canceled or delayed departure, to change the route, or to allow reimbursement of the ticket price

(1) Failure to comply with the requirements set forth in Articles 16 and 18 of Regulation (EU) No. 1177/2010 of the European Parliament and of the Council - shall be punished with a fine of up to 150 fine units.

(2) For the same act, if it has been committed by a legal entity, - shall be punished with a fine of up to 3,200 euros.
[RT I, 30.05.2013, 4 - enters into force. 09.06.2013]

6

§ 124 . Failure to provide travel information on board the ship

(1) Failure to comply with the requirement set forth in Article 22 of Regulation (EU) No. 1177/2010 of the European Parliament and of the Council - shall be punished with a fine of up to 150 fine units.

(2) For the same act, if it has been committed by a legal entity, - shall be punished with a fine of up to 3,200 euros.
[RT I, 30.05.2013, 4 - enters into force. 09.06.2013]

7

§ 124 . Procedure

(1) The general part of the Penal Code and the provisions of the Misdemeanor Procedure Code apply to misdemeanors provided for in this chapter.
[RT I, 30.05.2013, 4 - enters into force. 09.06.2013]

(2) The extrajudicial procedure for misdemeanors provided for in §§ 124¹ and 124³ of this Act is the Transport Agency.
[RT I, 10.12.2020, 1 - enters into force. 01.01.2021]

(3) The out-of-court procedure for misdemeanors provided for in §§ 124⁴ - 124⁶ of this Act is the Consumer Protection and Technical Supervision Agency.
[RT I, 12.12.2018, 3 - enters into force. 01.01.2019]

Chapter 12 IMPLEMENTATION PROVISIONS

§ 125. [Omitted from this text.]

§ 126. **Entry into force of the law**

This Act enters into force on October 1, 2002.

1

Directive 2009/20/EC of the European Parliament and of the Council on shipowners' insurance in case of maritime claims (OJ L 131, 28.05.2009, pp. 128–131).

[RT I, 30.12.2011, 1 - enters into force. 01.01.2012]