

The Republic of Lithuania

MARITIME SHIPPING LAW

CHAPTER ONE GENERAL PROVISIONS

Article 1. Purpose and Application of the Law

1. The Maritime Shipping Law of the Republic of Lithuania regulates relations arising in relation to carriage of goods, passengers and luggage on marine ships, also using said ships for towage, salvage operations, and also in relation to technical survey of marine ships.
2. This Law and other statutes enacted on the basis thereof shall not apply to ships sailing under the flag of the navy of the Republic of Lithuania, and also to sporting ships.

Article 2. Definitions.

When used in this Law:

1. The term “general average” means losses sustained when any extraordinary expenditure or sacrifice is intentionally or reasonably made for the purpose of preserving the ship, freight, and cargo carried on the ship from a peril common to them.
2. The term “contract of towage at sea” means a contract by which the manager of a ship undertakes, for remuneration, to tow another ship or other floating object.
3. The term “charterparty” means a contract of affreightment whereby an entire ship, or its part, or certain cargo capacity is let to the charterer. The contract is executed by a document called charter.
4. The term “demurrage” means the amount of money paid to the ship manager by the charterer or receiver as liquidated damages for delay beyond the lay days due to the causes beyond the charterer’s or receiver’s control.
5. The term “dispatch money” means money payable by the ship manager to the charterer or receiver for any time saved in loading or discharging.
6. The term “average statement” means the document where the total amount of losses and the apportionment thereof among ship, cargo and freight is recorded.
7. The term “average adjuster” means an expert who produces the average statement.
8. The term “freight” means transportation charges payable to the ship manager for cargo carried by ship.
9. The term “chartering” means letting of the entire ship or some part of it for carriage of goods by sea.

10. The term “charterer” means the person who is making a contract of affreightment of a ship with the ship manager.

11. The term “seaman” means a member of the ship’s crew employed on board the ship.

12. The term “sea cruise contract” means a contract whereby the cruise organiser obligates himself to arrange for the passengers a sea voyage following a certain programme and to provide related services to the participants, whereas the participants in the sea voyage obligate themselves to pay the organiser the charges in the fixed amount.

13. The term “contract of carriage of a passenger by sea” means a contract whereby the carrier undertakes to carry the passenger and his luggage to the point of destination, whereas the passenger undertakes to pay the passage money and the charge for the carriage of luggage as provided for.

14. The term “bill of lading” means a document issued by the carrier to the shipper which is the proof of the conclusion of the contract of carriage of goods by sea and receipt of goods and also of the carrier’s undertaking to carry the goods to the place of destination and to deliver them to the person named in the bill of lading or to the person who presents the bill of lading.

15. The term “consignee” means the person entitled to receive goods.

16. The term “contract of carriage of goods by sea” means a contract whereby the carrier undertakes to carry goods by sea from one port to another for the established remuneration.

17. The term “shipper” means the person who has concluded with the carrier the contract of carriage of goods by sea.

18. The term “ship” means any self-propelled or non-selfpropelled floating structure having its own name, crew and sailing under the state flag.

19. The term “the ship’s crew” means the master and other seamen engaged on board the ship in the operation of the ship or provision of services and whose names are on the list of crew.

20. The term “mortgage of ship” means securing the repayment of outstanding or future liabilities.

21 The term “contract of lease with option to purchase” means a contract whereby the shipowner undertakes to provide a ship on a demise charter basis for a specified period to the lessee with option to purchase.

22. The term “chartering contract” means a contract whereby the ship manager undertakes to provide the charterer the entire ship or its part to carry the goods by sea, whereas the carrier undertakes to use the ship according to the contract and to redeliver the ship upon the termination of the contract.

23. The term “shipmaster” means a seaman having command of the crew and charge of the ship.

24. The term “ship manager” means a person who manages the ship, regardless of whether he is the shipowner or makes use thereof based on any other legal grounds.

25. The term “shipowner” means a person who owns the ship.

26. The term “carrier” means the company which enters into a contract of carriage by sea.

Article 3. Carriage and Towage at Sea

1. Carriage and towage between ports of the Republic of Lithuania (coastal shipping) shall be effected by ships sailing under the state flag of Lithuania.

2. Carriage and towage between ports of the Republic of Lithuania and foreign ports (international traffic) may be effected by ships sailing under the state flag of Lithuania and by ships sailing under a foreign flag.

Article 4. State Management of Merchant Shipping

1. State management of merchant shipping in the Republic of Lithuania shall be carried out by the Ministry of Transport within the limits of its competence.

2. The Ministry of Transport shall issue, based on this Law, other legal statutes and treaties to which the Republic of Transport Lithuania is a party, binding legal acts on the merchant shipping matters and shall supervise the implementation thereof through its subordinate bodies.

3. Technical survey of sea ships sailing under the state flag of Lithuania shall be conducted on behalf of the Republic of Lithuania and their classification shall be made by internationally recognised classification companies.

Article 5. Legal Statutes Applied to Merchant Shipping

1. Legal statutes of the Republic of Lithuania and other legislation shall be applicable to the ships registered in the Republic of Lithuania and located outside the boundaries of the territory of the Republic of Lithuania to the extent they do not contradict the legislation of the state in whose territory said ships are located or unless this Law provides otherwise.

2. Legal statutes of foreign states shall be applicable to the ships of said states within the territory of the Republic of Lithuania provided that said statutes do not contradict the requirements of the legal acts of the Republic of Lithuania.

3. Should the treaties to which the Republic of Lithuania is a party prescribe other rules than those laid down by the legislation of the Republic of Lithuania regulating the relations of merchant shipping, the provisions of the treaties and international conventions shall apply.

4. The right of ownership to the ship sailing beyond the territorial boundaries of the Republic of Lithuania shall be determined based on the laws of the state whose flag the ship is sailing

under. The right of ownership to the ship being built shall be determined on the basis of the laws of the state where the ship is being built, unless the ship building contract provides otherwise.

5. The legal status of the ship's crew shall be determined by the legal statutes of the state whose flag the ship is sailing under. The relations between the ship's crew and the ship manager shall be determined by the legal acts of the state whose flag the ship is sailing under, unless the agreement regulating said relations provides otherwise.

6. The right to the property (the ship, its wreckage, equipment, cargo, etc.) sunken within the internal waters or territorial sea waters, and also the relations arising because of the property shall be regulated by the laws of the state within whose territory the property lies. In case of a ship sunken in open sea, the laws applicable to it shall be those of the state under whose flag she has been sailing.

7. Relations with regard to the carriage of goods by sea shall be regulated by the laws referred to by the parties to the contract of carriage of goods by sea. Unless the parties to the contract agree otherwise, the relations relating to the carriage of goods by sea shall be regulated by the laws of the carrier's state.

8. Relations with regard to the carriage of passengers and luggage by sea shall be regulated by the regulations of the carrier's state, unless the parties agree otherwise.

9. Relations regarding the chartering of the ship shall be regulated by the laws of the shipowner's country, whereas relations with regard to the contract of lease with option to purchase shall be regulated by the laws of the lessor's country, unless the parties agree otherwise.

10. Relations with regard to the contract of towage at sea shall be regulated by the laws of the country of conclusion of the contract, unless the parties agree otherwise.

11. Relations with regard to the general average shall be regulated by the laws of the country in whose seaport the ship completed her voyage following the event which had caused general average. If the persons who sustained losses by reason of general average come from one state, the laws of the state shall apply. In case the general average has to be apportioned in the Republic of Lithuania, the apportionment shall be effected under this Law.

12. Relations with respect to the collision of ships in the territorial sea shall be regulated by the laws of the country in whose territorial sea the collision took place. In case the ships collided in the open sea, and the dispute is being considered in the Republic of Lithuania, the regulations laid down in this Law shall apply. If the ships in collision were sailing under the Lithuanian state flag, this Law shall be applicable regardless of the place of the collision.

13. If the ship caused losses for the indemnification whereof the rules set out in paragraph 12 hereof are not applicable, the losses caused by the ship shall be made good in accordance with the laws of the state in whose territory the event which caused the losses compensation whereof is demanded occurred, and in case the losses were caused in the open sea, they shall be made good in accordance with the laws of the state under whose flag the ship which caused the losses is sailing.

14. Laws of the state in whose territory the salvage services were rendered shall apply to relations in respect of remuneration for salvage at sea. If salvage services were rendered in open sea and the dispute is considered in the Republic of Lithuania, the provisions of this Law shall apply, unless the parties had agreed otherwise. The laws of the state under whose flag the ship was sailing shall be applied when distributing the remuneration among the manager and the crew of the ship used for salvage operations and also among the individual members of the ship's crew.

15. Agreements provided for by this Law may stipulate conditions regarding the application of foreign merchant shipping laws and customs, provided this does not annul or limit the carrier's liability prescribed by this Law for harm caused to the passengers' health or life, or for the loss of or damage to cargo or luggage.

16. Property dispute related to merchant shipping involving a foreign state natural or legal person may, by agreement between the parties, be referred for consideration to the court or arbitration of the foreign state.

17. Provisions of civil, administrative, labour and other laws of the Republic of Lithuania shall apply accordingly to civil and administrative relations and also those related to work on board the ship and other legal relations, arising from marine shipping and not falling within the sphere of regulation of this Law.

CHAPTER TWO THE SHIP

Article 6. General Provisions

1. Ships may be in the ownership of the State of Lithuania, and legal or natural persons.
2. A ship must have her own name given to her by the ship's owner in the manner laid down by the Ministry of Transport of the Republic of Lithuania.
3. A ship shall be permitted to sail after it has been established that she satisfies the requirements of safe navigation.
4. Conditions to be satisfied by ships of internal navigation and ships proceeding into the sea also the limits of the areas of sea navigation of such ships shall be determined by the Ministry of Transport.
5. Ships which discharge, on the authorisation of the Government of the Republic of Lithuania, the obligations of the state of Lithuania may not be seized, mortgaged or transferred to anyone. Claims relative to the damage caused by the above ships shall be filed with the Government of the Republic of Lithuania.

Article 7. The Ship's Flag

1. The right to sail under the state flag of Lithuania shall be granted to ships which are entered in the Register of Ships of the Republic of Lithuania or in the ship book.

2. A ship acquired abroad shall enjoy the right to sail under the state flag of Lithuania from the time a temporary certificate is issued by the consul of the Republic of Lithuania confirming such right. The temporary certificate shall be valid until the ship is entered into the Register of Ships of the Republic of Lithuania or registered in the ship book, but for not longer than one year.

3. Persons guilty of displaying the state flag of Lithuania on a ship lacking the right to such flag shall be held liable under the laws of the Republic of Lithuania.

4. Together with the state flag of Lithuania other flags may be also be displayed on a ship in the manner prescribed by the legal statutes of the Republic of Lithuania.

Article 8. Registration of a Ship

1. Ships shall be registered by entering the information thereon in the Register of Ships of the Republic of Lithuania or in the ship book.

2. The Ship Registration Regulations shall be approved by the Government of the Republic of Lithuania.

3. Ships which are subject to technical survey carried out by internationally recognised classification companies shall be entered in the Register of Ships of the Republic of Lithuania. Other ships shall be registered in the ship book of the Republic of Lithuania.

4. Ships shall be registered in the Register of Ships of the Republic of Lithuania or the ship book provided that the shipowner is a citizen of the Republic of Lithuania, an enterprise registered in the Republic of Lithuania, the State of Lithuania or a municipality and if the ship has the documents specified in the Ship Registration Regulations.

5. When a ship is hired on a demise charter basis, it shall be registered in a special register of ships of the Republic of Lithuania or ship book.

Article 9. Ship's Papers

1. A ship must have the following ship's papers (the original):

- 1) a certificate of the right to sail under the state flag of the Republic of Lithuania;
- 2) a certificate of the right of ownership of the ship (certificate of registry) or its notarised copy;
- 3) a certificate of seaworthiness;
- 4) a certificate of measurements for ships subject to technical survey by an internationally recognised classification company;
- 5) the list of the members of the ship's crew;
- 6) the ship's log;
- 7) the engine-room log (for ships with mechanical engines);
- 8) the sanitary certification;
- 9) the deratting certificate;

- 10) the civil liability for oil pollution certificate (for tankers);
- 11) a licence certificate, if the ship carries more than 12 passengers and the passenger list;
- 12) a licence to use the ship's radio station and a wireless log, if the ship has a ship's radio station;
- 13) a load-mark certificate.

2. A ship registered in the ship book must have a ship's letter instead of the papers mentioned in subparagraphs 1 and 2 of paragraph 1 hereof . A ship departing on a foreign voyage must, in addition to the papers specified herein, have the papers provided for by the international treaties to which the Republic of Lithuania is a party or by other statutes of the Maritime Law, compliance with which is obligatory on other grounds.

3. A ship sailing in port or coastal sea waters need not have a ship's engine-room log, unless the shipowner establishes otherwise.

4. Recognition of the papers of a ship sailing under a foreign flag and visiting a port of the Republic of Lithuania shall be granted on the basis of international treaties to which the Republic of Lithuania is a party.

Article 10. Issue of the Ship's Papers

1. A certificate of the right to sail under the state flag of the Republic of Lithuania and a certificate of the right of ownership of the ship (certificate of registry) or a ship's letter shall be issued in the port where the ship is entered into the Register of Ships of the Republic of Lithuania or in the ship book. The procedure for issuing the above papers shall be laid down by the Government of the Republic of Lithuania.

2. The procedure for issuing the certificate of measurements, a licence certificate, a licence to use the ship's radio station, a load-mark certificate, also the ship's papers provided for by the international treaties to which the Republic of Lithuania is a party shall be specified by the Ministry of Transport.

3. The list of the members of the ship's crew, the ship's log, the engine-room log, passenger list shall be kept in the manner prescribed by the Ministry of Transport.

4. The ship's sanitary certification and the deratting certificate shall be issued in the manner laid down by the Ministry of Health.

5. A certificate of seaworthiness shall be issued by the internationally recognised classification company which carries out the ship's technical survey.

6. A fee shall be payable for the issue of the papers specified herein.

CHAPTER THREE THE SHIP'S CREW

Article 11. Composition of the Ship's Crew

1. The minimum strength of the crew required for ships to be permitted to put out to sea shall be defined by the Ministry of Transport. The ship manager shall be responsible for adequate manning of the crew.
2. To qualify for serving as a master, mate, ship's mechanic, electrician, or radio specialist it is necessary to have the respective rank diploma. The procedure of assignment to such ranks shall be laid down by the Ministry of Transport.
3. No member of the ship's crew may be appointed without the master's consent.

Article 12. The Master

1. The master shall be appointed and the employment contract shall be concluded with him by the shipowner. In the event of demise chartering the master shall be appointed by the ship manager who shall also conclude with him the contract of employment.
2. The master shall be the ship manager's representative on board the ship.
3. A person who is 25 years of age and over, has a higher (special secondary) or university diploma of a specialist in navigation, the rank of inshore, home-trade or foreign-going master and the required certification papers, a medical certificate that his health is fit for serving on board the sea-going ships, and having a command of the state language and a foreign language may be the master of a ship.

Article 13. The Master's Rights, Obligations and Responsibility

1. The master shall be the sole commander of the ship. The members of the crew and the passengers shall unconditionally obey the master. The master shall be responsible for the safety of the ship, the ship's crew, the passengers and the cargo.
2. The master shall act based on the laws and other legal statutes of the Republic of Lithuania and shall supervise compliance with them on board the ship. The master's orders are obligatory to all those present on board the ship.
3. If the conduct of a person on board endangers the safety of the ship, or of the persons or property on board, the master may place such person in an isolated compartment and confine him there until the arrival of the ship at first port of call of the Republic of Lithuania. Any unlawful confinement in an isolated compartment shall render the master liable in accordance with the laws of the Republic of Lithuania.
4. If, while the ship is on a voyage, an act is committed on board, punishable under the criminal legislation of the Republic of Lithuania, the master, acting in compliance with the criminal procedure legislation and other legal statutes of the Republic of Lithuania, shall perform the functions of the authorities responsible for the preliminary inquiry.
5. The master may detain a person suspected of having committed a crime until his transfer to the competent police officer at the first port of call in the Republic of Lithuania. If necessary,

the master may send such person and the records of preliminary inquiry to the Republic of Lithuania on another ship sailing under the state flag of the Republic of Lithuania.

6. If, while the ship is in the port of the Republic of Lithuania, an act is committed on board which is punishable under criminal legislation of the Republic of Lithuania, the master must transfer the person guilty of commission of said act to the police.

7. The master may suspend any member of the crew from the exercise of his official duties if his actions (negligence) may endanger or have endangered the ship's safe navigation, have created or may create conditions for inflicting any kind of damage on the ship, also on the persons and goods on board.

8. The master shall be the representative of the cargo-owner in concluding transactions with regard to the cargo, also in case of any cargo-related disputes, provided that no other representative of the cargo-owner is available.

9. The master shall record any birth occurring on board in a document drawn up with the participation of two witnesses, the ship's doctor, or by the medical assistant, provided that they are members of the ship's crew. An entry to that effect shall be made in the ship's log. The birth record shall not substitute the birth certificate and must be filed with the civil registration office for the receipt thereof.

10. The master shall attest the will drawn up by a person on board, take it into safekeeping and transfer it to the notary's office of the testator's last place of permanent residence. If the testator's last place of permanent residence or the notary's office is unknown, the will shall be transferred to the notaries' chamber of the Republic of Lithuania.

11. The master shall record any death occurring on board in a document drawn up in the participation of two witnesses, the ship's doctor or the medical assistant, provided they are members of the ship's crew. An entry to that effect shall be made in the ship's log. A list of the belongings and documents of the deceased which are on board shall be appended to the death record. The master shall take measures to preserve the belongings of the deceased. On arrival at a port in the Republic of Lithuania the master shall transfer the document recording the death to the civil registration office and the will and the list of the belongings of the deceased - to the notary's office. Where the ship has to remain on the high seas for a long time and the body of the deceased cannot be preserved, the master shall be entitled to commit the body to the sea in accordance with the maritime custom and shall record such burial in an appropriate document, as well as making a corresponding entry in the ship's log.

12. If the ship is faced by unavoidable loss, the master shall, after taking every measure to save the passengers, permit the crew to leave the ship. The master shall also do everything in his control to save the ship's log, the engine log and the wireless log, the charts of the voyage and other papers. The master shall leave the ship last.

13. Disciplinary, administrative, criminal or civil action shall be taken against the master for failure to perform the obligations specified in this Law.

CHAPTER FOUR THE CONTRACT OF CARRIAGE OF GOODS BY SEA

Article 14. Conclusion of a Contract of Carriage of Goods by Sea

1. A contract of carriage of goods by sea may be concluded:

- a) with a reservation to provide an entire ship, or part of a ship, or specified compartments of a ship for the carriage of the goods (a charterparty);
- b) without the reservation specified in subparagraph 1 hereof.

2. The charterparty shall contain the names of the parties, the amount of the freight, the designation of the ship and of the goods, and the place of loading. By agreement between the parties, additional provisions and reservations may be included in the charterparty. The charterparty shall be signed by the ship manager and the charterer or their representatives.

3. The regulations set forth in this Chapter shall be applicable if an agreement between the parties does not provide otherwise.

Article 15. Bill of Lading

1. The carrier must issue to the shipper a bill of lading. Bills of lading may be of the following type: straight bills of lading, order bills of lading, bearer bills of lading.

2. Such conditions of the carriage by sea as are not inserted in the bill of lading shall be binding upon the consignee if the bill of lading refers to the document containing them.

Article 16. Data Given in the Bill of Lading

1. The bill of lading must carry the following data:

- 1) the name of the ship;
- 2) the carrier and the address of his registered office;
- 3) the name of the shipper;
- 4) the name of the consignee if specified by the shipper;
- 5) the port of loading of the goods;
- 6) the place of destination of the goods;
- 7) the date of delivery of the goods to the place of destination or the period of carriage, if the parties to the contract have agreed thereon;
- 8) the designation of the goods, the leading marks necessary for the identification of the goods, the number of pieces and the weight of the goods or the quantity marked in any other manner and, where necessary, data concerning the dangerous nature of the goods, their external condition;
- 9) the freight and any other payments due to the carrier, or an indication that the freight must be paid according to the conditions of the charterparty, or an indication that the freight has been paid;
- 10) the time and place of issue of the bill of lading;
- 11) the number of copies of the bill of lading drawn up, if it is issued in more than one copy;
- 12) the signature of the master or other representative of the carrier.

2. The absence of in the bill of lading of any particular data specified herein shall not affect the character of the document as a bill of lading provided that it nevertheless meets the requirements set out in Article 2 of this Law.

Article 17. Liability for Inaccuracies in the Data Furnished for Entry in the Bill of Lading

1. The data concerning goods shall be recorded in the bill of lading as the data are furnished by the shipper. The shipper must indemnify the carrier for the losses resulting from inaccuracy of the data furnished by him. The carrier's right to such indemnity shall in no way limit his liability under the contract of carriage to any person other than the shipper of goods.

2. The agreement, whereby the shipper obligates himself to indemnify the carrier for the losses sustained by the latter by reason of the carrier having issued a bill of lading without reservations and without noting the apparent poor condition of the goods, shall be invalid to any third party, the consignee including, to whom the bill of lading has been delivered.

Article 18. Transfer of the Bill of Lading

1. The holder of the bill of lading may transfer it to another persons in compliance with the following rules:

1) a straight bill of lading shall be transferred by full endorsement or in other form in accordance with the rules governing the assignment of the debt demand;

2) an order bill of lading shall be transferred by full endorsement or by endorsement in blank;

3) a bearer bill of lading shall be transferred by simple delivery.

2. The shipper shall in due time transfer to the carrier all documents pertaining to the goods, required by the port, customs, sanitary or other administrative regulations, and shall be liable to the carrier for the losses caused by any delay in the transfer of the documents, by their defects or incompleteness.

Article 19. Marking of the Goods, Furnishing of Information on Dangerous Goods

1. The shipper must mark the dangerous goods as dangerous and present to the carrier the necessary information of the dangerous character of the goods.

2. Where the shipper hands over dangerous goods to the carrier, the shipper must inform the carrier of the dangerous character of the goods and of the precautions to be taken during the carriage thereof.

3. If the shipper fails to inform the carrier in writing of the dangerous character of the goods:

1) he shall indemnify the carrier for the losses resulting from the shipment of such goods;

2) the goods may at any time be unloaded, destroyed or rendered innocuous, as the circumstances may require, without payment of compensation. Freight for the shipment of such goods shall not be subject to refund. Where it has not been paid, the carrier shall be entitled to recover the due amount.

4. When the carrier takes the goods in his charge having full knowledge of their dangerous character and the dangerous goods become an actual danger to the ship or other goods, the carrier shall have the right to unload, destroy or otherwise render innocuous the dangerous goods without payment of compensation to the shipper for the destroyed goods or goods rendered innocuous in any other way. In this instance the shipper of the dangerous goods shall not indemnify the carrier for the losses sustained as a result of the dangerous goods, except for the contribution in general average. The carrier shall be entitled to a freight the amount whereof shall be proportionate to the distance covered by the ship with dangerous goods on board.

Article 20. Packing of Goods

Goods requiring a receptacle or a packing to protect them from any loss shall be presented to the carrier in a receptacle or packing which is in good condition and corresponds to international standards, technical conditions or conditions laid down in the contract of carriage of goods by sea.

Article 21. Providing a Ship for Carrying Goods

1. Before providing a ship for loading and also before carrying goods the carrier must ensure that:

- 1) the ship is made seaworthy;
- 2) the ship is properly supplied and manned;
- 3) the ship's holds, refrigerating chambers and other compartments in which the goods are carried are fit for the proper reception, carriage and storage of the goods.

2. If the goods must be carried on a specific ship, they may only be loaded on another ship with the consent of the shipper, except where reloading results from technical necessity arising after the commencement of the loading.

Article 22. Stowage of Goods on the Ship

1. The goods shall be stowed on the ship at the discretion of the master.
2. The shipper and carrier of goods may agree on the stowage of goods on the deck of the ship. If the carrier stowed the goods on the deck at his own discretion, he shall be liable for the loss of or damage to the goods or delay in the delivery of the goods to the place of destination if this results from carriage of goods on the deck.

Article 23. Freight

1. The amount of the freight shall be established by agreement between the parties to the contract of carriage of goods by sea. In the absence of such agreement the amount of the freight shall be calculated based on the rates applicable in the port to the loading of goods on the day of their loading on board the ship.
2. The carrier shall have the right to refuse delivering the goods to the consignee until the freight or other amounts due to the carrier are paid or guarantees of payment are presented.
3. The freight and other charges due to the carrier shall be paid by the shipper of goods or the charterer if the contract of carriage of goods by sea does not make the consignee liable for said payments.
4. Where the value of the goods loaded does not cover the freight and other expenses of the carrier and the shipper of the goods has not paid the full freight before departure of the ship and has not given payment guarantees, the carrier may cancel the contract of carriage of goods by sea, unload the goods and demand payment to him of half the agreed freight, of the demurrage, if any, and of any other expenses incurred by the carrier in respect of the goods.
5. The full freight shall be payable for the goods lost or damaged in the course of carriage through no fault of the carrier. Where the goods have been lost due to shipwreck or other accident or seizure of the ship by force, no freight shall be payable and if the freight has been paid in advance, it shall be returned. Where the goods are saved, the carrier shall be entitled to freight in proportion to the distance actually covered by the ship with goods on board.
6. Full freight shall be payable for the carriage of goods lost or damaged during the carriage because of their natural properties or as a result of causes which are beyond the carrier's control.

Article 24. Pledging the Goods

1. The carrier shall be entitled to demand that the shipper pledge the goods presented for carriage as a security for the payment of freight and other amounts due to the carrier for the carriage of goods by sea under contract.
2. The agreement for the pledge of goods shall be concluded and implemented in compliance with the norms of the Civil Code of the Republic of Lithuania.
3. Having not received the freight due to him and also other charges under the carriage of goods by sea agreement, the carrier shall have the right to sell the pledged goods upon prior written notice sent to the shipper or charterer and the consignee.
4. If the funds received from the sale of the pledged goods are insufficient for the full satisfaction of the carrier's claims, the carrier shall have the right to demand that the shipper or the charterer pay the missing amount.

Article 25. Repudiation of the Contract of Carriage of Goods by Sea

1. Where an entire ship has been provided to carry the goods, the consignor shall be entitled to repudiate the contract of carriage of the goods by sea on paying:

1) half of the full freight and the demurrage, if any, and any amounts expended by the carrier on account of the goods, which are not included in the freight, if the carrier repudiates the contract before the expiry of the agreed lay days or demurrage time or before the sailing of the ship, whichever is the earlier;

2) the full freight and other amounts mentioned in subparagraph 1 of paragraph 1 hereof, if the shipper repudiates the contract of carriage of goods by sea concluded for one voyage after the expiry of the lay days or demurrage time or after the sailing of the ship;

3) the full freight in respect of the first voyage, other amounts specified in subparagraph 1 of paragraph 1 hereof and half of the freight in respect of other voyages if the shipper repudiates the contract of carriage of goods by sea after the expiry of the lay days or demurrage time or after the sailing of the ship.

2. If the shipper repudiates the contract of carriage before the sailing of the ship, the carrier shall return the goods to him even though the unloading would detain the ship beyond the agreed time limits.

3. If the shipper repudiates the contract of carriage of goods by sea during the voyage, he shall have the right to demand the return of goods only in the port the ship has to enter under the contract of carriage of goods by sea or which she has entered in the event of extreme urgency.

4. Where less than entire ship has been provided to the shipper under the contract of carriage of goods by sea, he may only repudiate the contract upon paying the full freight, the demurrage, if any, and any amounts expended by the carrier on account of the goods, which are not included in the freight. The carrier shall only comply with the shipper's demand to return the goods before the delivery thereof to the place of destination if this is not detrimental to the carrier and the other shippers.

Article 26. Termination of the Contract of Carriage of Goods by Sea

1. Each of the parties to the contract of carriage of goods by sea shall have the right to terminate the contract without indemnifying the other party in any of the following circumstances which occur before the sailing of the ship:

1) acts of war or other activities which may create danger of seizure of the ship and cargo;

2) blockade of the place of departure or of the place of destination of the goods;

3) detention of the ship by order of the authorities for reasons beyond the control of either party to the contract;

4) requisition of the ship for special needs of the state;

5) prohibition by the authorities of export from the place of departure or of import to the place of destination of the goods intended for carriage.

2. Each of the parties to the contract of carriage of goods by sea may in any of the circumstances set out in paragraph 1 hereof terminate the contract during the voyage as well. In this case the shipper shall pay the carrier the freight in the amount proportionate to the distance covered by the ship with the load on board and shall also compensate the carrier for all the expenses incurred by the latter in respect of the cargo.

3. The contract shall be terminated by the parties without any of the parties having to compensate the other for losses arising from the termination of the contract if:

- 1) the ship is lost or seized by force;
- 2) the ship is found to be unseaworthy;
- 3) specifically described goods perish;
- 4) goods defined by generic characteristics perish after their delivery for loading and the shipper has insufficient time to replace those which perished.

4. In the circumstances specified in paragraph 3 hereof the contract of carriage of goods by sea may also be terminated during the voyage. In such case the carrier shall be paid the freight in proportion to the distance actually covered and also the expenses incurred by the latter in respect of the cargo.

Article 27. Carriage of Goods

1. The carrier must carry the goods to the port of destination within the established time limits, and where no such time limits are established in the contract of carriage of goods by sea - within a reasonably necessary time period.

2. Any deviation of the ship from the designated route for the purpose of saving human life, ships and goods at sea, or any other reasonable deviation not caused by the carrier's misconduct shall not be deemed a violation of the contract of carriage.

3. Where an entire ship has been provided to carry the goods, but owing to prohibition by authorities, acts of the elements, or other causes beyond the carrier's control the ship cannot enter the port of destination, the carrier shall forthwith notify the shipper of the goods thereof. If within a reasonable time after such notification is dispatched no instructions are received from the shipper as to the unloading of the goods in port, the master shall have the right to unload the goods in one of the nearest ports at his discretion or return the goods to the port of departure, depending on whichever in the opinion of the master seems more advantageous to the shipper.

4. Where less than the entire ship has been provided to carry the goods and the goods may not be delivered to the port of destination for reasons specified in paragraph 3 hereof, the master may, on the instruction of the shipper, unload the cargo in another port. If no instruction regarding the port of unloading is received within three days after the sending of the master's notification concerning the circumstances which emerged, the master may unload the goods in the nearest port having notified the shipper thereof. The master shall

have the right to act similarly also where the shipper's instruction cannot be fulfilled without causing damage to the owner of other goods on board the ship.

5. The shipper must compensate the carrier for all expenses connected with waiting for his instructions regarding the port of unloading of goods, also all other cargo-related expenses, and must pay the freight in proportion to the distance actually covered by the ship.

Article 28. Delivery of Goods

1. At the port of destination the goods shall be delivered:

1) under a straight bill of lading, to the consignee named in the bill of lading or to a person to whom the bill of lading has been transferred by full endorsement or in other form in accordance with the rules governing the assignment of a debt demand;

2) under an order bill of lading, to the shipper or consignee, depending on whether the bill of lading was issued "to the order of the shipper" or "to the order of the consignee", or, if there are endorsements on the bill of lading - to the last endorsee;

3) under a bearer bill of lading, to the bearer of the bill of lading.

2. The consignee or the carrier shall have the right to demand that the goods be inspected and their quality verified before delivery. The expenses caused thereby shall be borne by the party who demanded inspection.

Article 29. Delivery of Goods for Storage

1. Where less than an entire ship has been provided to carry the goods, and at the port of destination the consignee does not claim the goods or refuses to take delivery thereof, the carrier may, on notifying the shipper, store the goods in a warehouse or other safe place at the expense and risk of the shipper.

2. Where an entire ship has been provided to carry the goods and the consignee fails to appear or refuses to take delivery of the goods, the master must forthwith notify the shipper thereof. The unloading and storing of the goods in the port's warehouse or other safe place at the expense and risk of the shipper shall only be effected by the master on the expiry of the lay days and demurrage time and on condition that the shipper has not, within these time limits, given different instructions. Time spent by the carrier to unload and store the goods shall be regarded as demurrage time to be compensated for to the carrier by the shipper.

3. If, within two months from the day of the ship's arrival at the port the stored goods are not claimed and the shipper does not pay to the carrier all the sums due in respect of the carriage, the carrier shall have the right to sell the goods. Unclaimed perishable goods may be sold before the expiry of the above mentioned period.

Article 30. Carrier's Liability for the Loss of, Shortage in, Damage to the Goods or Late Delivery thereof

1. The carrier shall be liable for any losses caused by the loss of, shortage in, damage to the goods or late delivery if the circumstances which brought about the loss of, shortage in, or damage to the goods or late delivery thereof emerged when the goods were in the carrier's care.

2. The goods shall be in the carrier's care from the moment of loading until the moment of unloading thereof.

3. The goods shall be considered as delivered not on time if they are delivered to the port of destination not within the time limits established by the contract of carriage of goods by sea and in case of absence of such contract - not within the time period reasonably required for the delivery of the goods.

4. The carrier shall not be liable for the losses which occurred due to:

- 1) force majeure;
- 2) saving human life, ships and goods;
- 3) fire, which broke out not through the carrier's fault;
- 4) acts or decisions of authorities which prevented the carrier from delivering the goods on time;
- 5) acts of war or civil commotion;
- 6) acts or negligence of the shipper or the consignee;
- 7) defects of the goods, their origin or properties, not discoverable from outside;
- 8) defective packing and containers of goods;
- 9) insufficiency of markings;
- 10) strikes or other circumstances which are beyond the carrier's control causing stoppage or restraint of labour, whether general or partial.

5. Agreements which are not in compliance with the rules laid down in paragraph 4 hereof shall be invalid except for agreements regarding liability in the periods between the receipt of the goods and their loading, and from their unloading and delivery to the consignee or for storage.

6. The carrier shall not be liable for any shortage in goods if;

- 1) the goods were carried in the ship's separate compartments, containers or other cargo spaces under intact seals of the shipper;
- 2) the goods were delivered in intact receptacles in good repair bearing no traces of having been tampered with during the transit;
- 3) the goods were accompanied during their carriage by an attendant in service of the shipper or the consignee;
- 4) the shipper is unable to prove that the shortage in the goods occurred through the fault of the carrier.

7. The carrier shall be liable for the damage caused during the carriage of the goods:

1) for loss of or shortage in goods, to the extent of the real value of the goods lost or short. The carrier shall also return freight received by him, unless it is included in the price of the goods lost or short;

2) for damage to the goods, to the extent of the sum by which their value is decreased.

8. The value of lost or damaged goods shall be ascertained on the basis of the price at the place of destination at the time at which the ship arrived or should have arrived there, and if it is impossible to ascertain the price, then on the basis of the price at the place and time of shipment, plus carriage expenses. Expenses connected with the carriage of the goods (payment of freight, duties, etc.) which should have been incurred by the cargo owner, but have not been incurred due to the loss of, shortage in, or damage to goods, shall be deducted from any compensation for the goods lost or damaged.

9. If the value of goods carried under a bill of lading was not declared and included in the bill of lading, compensation for a lost or damaged unit of the goods may not exceed 700 litas. Any agreement to reduce the amount shall be invalid. If the number of cargo units in the container or other installation used for carrying goods by sea is not specified in the bill of lading, they shall be considered to contain one parcel or one cargo unit.

CHAPTER FIVE

THE CONTRACT OF CARRIAGE OF PASSENGERS BY SEA

Article 31. The Contract of Carriage of Passengers by Sea

1. The carriage covers the time during which the passenger is on board the ship, the time of embarkation and disembarkation, and the time during which the passenger is being conveyed by water from the shore to the ship and vice versa, if the charge for such conveyance is included in the price of the ticket or the ship used for such conveyance is provided by the carrier.

2. The carrier shall issue the passenger with a ticket which shall serve as evidence of conclusion of the contract. A luggage receipt shall be issued to the passenger to certify that his luggage has been received for carriage.

3. The passenger may not transfer to a third person without the carrier's consent the rights conferred to him under the contract of carriage of passengers by sea.

4. The rules of carriage of passengers and luggage by sea shall be approved by the Ministry of Transport.

5. The provisions of this Chapter shall be applicable unless the parties determine otherwise. However, such agreement may not restrict the passenger's rights specified in this Chapter.

Article 32. Provision of a Ship for Carrying Passengers

1. Before providing a ship for carrying passengers and during the carriage, the carrier must show due diligence to:

- 1) make the ship seaworthy;
- 2) properly supply and man the ship;
- 3) properly equip the compartments and sections used for the carriage of passengers, their embarkation and disembarkation;
- 4) make the list of passengers on board the ship and enter the data on them in the passengers' register. The passengers' register shall be kept in accordance with the Regulations of Carriage by Sea of Passengers and Luggage .

2. The carrier shall have the right to postpone the sailing of the ship, to deviate from the course of the voyage by sea, or the place of embarkation or disembarkation where such acts are necessitated by a natural calamity effects, hostile sanitary or epidemiological conditions at the port of departure or arrival or on route, and also by other perils and circumstances which are beyond the carrier's control and hinder compliance with the contract of carriage of passengers by sea.

Article 33. Repudiation of the Carriage of Passengers by Sea Contract on the Passenger's Initiative

1. At any time before the ship's departure, and, after the beginning of the voyage, in any port the ship calls at to take in or land passengers, the passenger may repudiate the contract of carriage.

2. The passenger, who has notified the carrier of his repudiation of the contract, may obtain back the passage money and the money paid for the carriage of his luggage in accordance with the procedure laid down in the Regulations of Carriage by Sea of Passengers and Luggage.

3. If the passenger repudiated the contract within the time limits established by the Regulations of Carriage by Sea of Passengers and Luggage, or failed to board the ship by the time of departure owing to his illness, or repudiated the contract before the departure because of the circumstances for which the carrier is responsible, he shall be returned all the amounts paid for his passage and for the carriage of his luggage.

Article 34. Repudiation of the Contract of Carriage of Passengers on the Carrier's Initiative

1. The carrier shall have the right to repudiate the contract of carriage of passengers by sea if any of the following circumstances occur:

- 1) acts of war or other activities which may endanger the ship and passengers;
- 2) blockade of the ship's port of departure or port of destination;
- 3) detention of the ship by order of the authorities for reasons beyond the control of either party to the contract of carriage of passengers by sea;
- 4) requisition of the ship for special needs of the state;
- 5) loss or forcible seizure of the ship;
- 6) if the ship is found to be unseaworthy.

2. If the carrier repudiates the contract before the departure of the ship, he must return the passenger all the sums the latter has paid for his passage and for the carriage of his luggage, and if the carrier repudiates the contract at the intermediate port, the passenger shall be returned the amount of the fare in proportion to the distance which remains to be covered to the port of destination.

3. In the cases provided for in this Article, the carrier who has repudiated the contract of carriage of passengers by sea must at his own expense carry the passenger, at the latter's request, to the port of departure.

Article 35. The Carrier's Liability for Infliction of Death or any Injury to the Health of the Passenger, and for any Loss of, Shortage in, or Damage to the Luggage

1. The carrier shall be liable under the Civil Code of the Republic of Lithuania for infliction of death or any injury to the health of the passenger.

2. If international agreements to which the Republic of Lithuania is a party prescribes other conditions, procedure and extent of the carrier's liability for infliction of death or any injury to the health of the passenger, the international agreements shall prevail.

3. The carrier shall be liable for any loss of, shortage in, or damage to the luggage received for carriage and for any delay in its delivery, unless he proves that the loss, shortage, damage or delay occurred through no fault of his. The carrier shall be liable for any loss of, shortage in, or damage to the cabin luggage only where the passenger proves that the loss, shortage, or damage resulted from malice or negligence on the part of the carrier. Luggage not claimed within three months from the day of the ship's arrival at the port of destination may be sold in accordance with the procedure established by the Regulations of Carriage by Sea of Passengers and Luggage.

4. The carrier shall be liable:

1) for any loss of, shortage in, or damage to luggage received for carriage with value declared, to the extent of the value declared. Where the carrier proves that the declared value exceeds the real value, to the extent of the real value;

2) for any loss of, shortage in, or damage to luggage received for carriage without any value having been declared, for any loss of, shortage in, or damage to hand luggage, to the extent of the value of the lost, missing, or damaged luggage, but not in excess of the limits prescribed by the Regulations of Carriage by Sea of Passengers and Luggage.

3) for any delay in the delivery of luggage, to the extent fixed in the luggage tariff.

5. The carrier shall return the sums paid for the carriage of the lost or damaged luggage. The limitation of payment provided for by subparagraph 2 of paragraph 4 hereof shall not be applicable if it is proved that the losses have been the result of the carrier's deliberate actions or negligence.

Article 36. Cruise Contract

1. Cruise contract shall be executed in the voucher or any other document issued by the cruise organiser to the passenger going on a cruise.

2. The passenger going on a cruise shall have the right to repudiate the cruise contract before the commencement of the cruise. Having notified the organiser of the cruise about the repudiation of the cruise contract, the passenger going on a cruise shall have the right to the refund of the entire amount or part of the sum paid for the cruise in the manner laid down in the contract. If the cruise organiser is not in the position to provide the passenger with accommodation on board the ship specified in the contract or in any other analogous ship, the passenger shall have the right to repudiate the contract and to receive the entire amount paid.

3. The organiser of the cruise shall have the right to repudiate the cruise contract if the circumstance specified in paragraph 1 of Article 34 of this Law occur.

4. Where the cruise organiser repudiates the cruise contract before the ship's sailing from the port of departure, the passengers going on the cruise shall be refunded the amounts they have paid. Where the cruise organiser repudiates the cruise contract after the sailing of the ship from the port of departure, the passengers shall be returned the amounts paid in proportion to the distance which remains to be covered to the port of destination. The passengers shall also be delivered to the port of departure at the expense of the cruise organiser.

5. Where the duration of the cruise is prolonged because of circumstances that are beyond the carrier's control, the cruise organiser shall compensate for the losses sustained by reason thereof in relation to the servicing of the passengers on a cruise.

CHAPTER SIX CHARTERING AND LEASING OF A SHIP

Article 37. Contract of Affreightment of a Ship for a Time

1. The terms and conditions of chartering of a ship for a certain time shall be set forth in the agreement between the ship manager and the charterer. The time-charter shall be concluded in writing.

2. The charterer shall have the right to give orders to the master relating to the use of the ship for the purposes identified in the time-charter contract.

3. Pursuant to the time-charter contract, the ship manager shall deliver to the charterer a manned ship. The charterer shall have no right to give the master orders relating to the internal order on the ship, composition of the ship's crew, and also operation of the ship.

4. The rules of this Chapter shall apply where the parties do not agree otherwise.

Article 38. Demise Charter

1. The terms and conditions of a demise charter shall be set forth in the agreement between the ship manager and the charterer. The charterer who charters a ship on a demise charter basis shall pay all running expenses and also the ship's insurance expenses.

2 The charterer who charters a ship on a demise charter basis, shall hire the crew which shall be the charterer's servants and must fulfil his orders.

Article 39. Delivery of a Ship to the Charterer

1. The ship manager must deliver the ship to the charterer in the condition which makes her suitable for the purposes identified in the contract.

2. The charterer must operate the ship in compliance with the charter contract conditions.

3. The charterer shall be entitled to conclude, in his name, contracts of carriage by sea, issue bills of lading or other analogous documents. The charterer shall be liable for the obligations arising from the contracts of carriage by sea concluded by him and other documents signed the charterer.

Article 40. The Charterer's Liability

1. The charterer's liability shall be stipulated by the charter contract.

2. The charterer shall be liable for the losses related to the salvaging of, damage to or loss of the chartered ship, if said losses were sustained through the charterer's fault. He shall also be liable for the obligations arising from the use of the provided ship.

3. In the event of loss of the provided ship the freight shall be paid for the period until the day of her loss and where it is impossible to establish the day - until the day of receipt of the last message related to the loss of the ship.

Article 41. Concluding the Contract of a Ship's Lease with Option to Purchase

1. The contract of a ship's lease with option to purchase shall be concluded in writing. The following must be stated in the contract of a ship's lease with option to purchase:

- 1) parties to the contract;
- 2) subject matter of the contract;
- 3) ship's name and date of building, class of ship;
- 4) the ship's technical and service characteristics (carrying capacity, cargo capacity, speed, etc.);
- 5) the period of the lease upon the expiry whereof the right of ownership of the ship shall pass to the lessee;
- 6) the amount and schedule of rent payment;
- 7) the place and time of transfer of the ship to the lessee;
- 8) liability of the parties to the contract;
- 9) other terms and conditions laid down by the parties to the contract.

2. The lessee shall become the manager of the ship and shall hire the ship's crew, conclude in his name contracts of carriage by sea, pay all running expenses, also the ship's insurance expenses, and shall be liable for the obligations arising in relation to the use of the chartered ship.

Article 42. Delivery of the Ship to a Lessee

1. The shipowner must deliver the ship to the lessee in the condition allowing her to be employed in a manner consistent with the contract of the ship's lease with option to purchase.

2. The shipowner shall be liable for the defects of the ship which surfaced prior to the ship's delivery to the lessee if the shipowner failed to notify the latter of the defects when delivering the ship. The lessee shall be entitled for a year's period after he accepts the ship to file complaints against the shipowner in relation to the defects specified herein.

3. The lessee must take care of the technical condition of the ship and timely carry out repairs.

4. The risk of the ship's accidental loss or damage to her shall pass on to the lessee from the moment of delivery of the ship to him on the basis of the contract of the ship's lease with option to purchase.

Article 43. Termination of the Contract of a Ship's Lease with Option to Purchase

1. The lessee shall have the right to terminate the contract of a ship's lease with option to purchase and claim damages if:

1) the shipowner fails to deliver the ship to the lessee by the due date as prescribed by the contract;

2) the defects which surfaced prior to the ship's delivery to the lessee prevent her from being employed in a manner consistent with the contract of the ship's lease with option to purchase.

2. The shipowner shall have the right to terminate the contract of lease with option to purchase and demand the ship be returned if:

1) the lessee fails to pay the rent after the expiry of a three months period from the payment date;

2) deliberately or through negligence worsens the condition of the ship;

3) employs the ship in the manner inconsistent with the contract or not according to the ship's purpose;

4) fails to fulfil other obligations assumed by the contract of a ship's lease with option to purchase.

3. When the ship is returned, the shipowner shall be entitled to the unpaid amount of the rent for the use of the ship. The lessee shall be refunded the amounts paid as instalments for the ship.

4. The lessee must return the ship to the shipowner in the same condition as she was when delivered to him, taking into account the fair wear and tear to the ship, or in the condition agreed upon in the contract. In the event of deterioration of the ship's condition, the lessee must compensate the shipowner for the damage caused thereby.

CHAPTER SEVEN THE CONTRACT OF TOWAGE AT SEA

Article 44. Concluding a Contract of Towage at Sea

1. A contract of towage at sea can be concluded in writing or orally. Agreement to appoint the master of the towboat to be in command of the towage may be proved exclusively by documentary evidence.

2. Each party to a contract of towage at sea must prepare in good time its ship or other object fit for towage.

3. The manager of the towboat shall not be liable for any defects of his ship if he proves that they could not have been discovered prior to the conclusion of the contract of towage at sea (latent defects).

4. The rules laid down in this Chapter shall be applicable in the absence of another agreement of the parties.

Article 45. Liability of the Parties to the Contract of Towage at Sea

1. The manager of the towboat shall not be liable for the damage caused to the towed ship or other floating object or to any property on board thereof during the towage amidst ice-floes unless it is proved that the damage has been caused through the fault of the towboat.

2. In the absence of any other agreement by the parties, the manager of the towboat shall be held liable for the damage to the towed ship or other floating object or any property on board thereof, caused during the towage where the master of the towboat is in command of the towed ship or other floating object, unless he proves it was not his fault.

3. In the absence of any other agreement by the parties, the manager of the towed boat or other floating object shall be held liable for the damage to the towboat or the property on board, caused during the towage where the master of the towed ship or other floating object is in command of the towboat, unless he proves it was not his fault.

CHAPTER EIGHT GENERAL AVERAGE

Article 46. Apportionment of General Average

1. General average shall be apportioned among the ship, freight and cargo in proportion to their respective values. In this Chapter, freight shall also mean passage money and any charges for carrying passengers' luggage. General average shall also be apportioned in the manner prescribed in this paragraph when the peril calling for extraordinary expenditure or sacrifice was due to the fault of one of the parties to the contract of carriage by sea or of a third person. However, this shall not prejudice any remedies which may be open to those involved in the general average against that person for such loss.

2. Articles 47 - 50 of this Law shall be applicable where the parties to the contract of carriage by sea do not agree otherwise.

Article 47. Losses and Expenditure Ranking with General Average

In the presence of the characteristics of general average referred to in Article 2 of this Law, the following shall rank with general average:

1) losses resulting from jettison of cargo or of appurtenances of a ship, also losses resulting from damage done to a ship or cargo in consequence of water penetration into the holds through hatches opened for jettisoning cargo or other openings in the ship for the above purpose;

2) losses resulting from damage done to a ship or cargo in extinguishing a fire on board, including damage by scuttling a burning ship;

3) losses caused to a ship or cargo by intentionally running aground also by refloating;

4) losses resulting from damage done to the engines or other machinery or boilers of a ship which is aground in endeavouring to refloat;

5) expenses arising out of the discharge of cargo, fuel or stores into lighters and back, also expenses for lighter hire when the ship is aground;

6) expenses incurred as a result of damage to or loss of cargo, fuel, or stores in the act of handling on board, discharging, loading and stowing, when the cost of those operations is admitted as general average;

7) expenses incurred as a result of rescue operations in order to protect the ship, freight, and cargo from a peril;

8) loss of freight arising from loss of cargo when loss of cargo is made good in apportioning general average. In this case a deduction of expenses shall be made from the freight, which the carrier would have incurred to earn such freight, but has, in consequence of the sacrifice, not incurred.

Article 48. Extra Expenses Constituting or Ranking with General Average

1. The following shall also constitute or rank with general average:

1) expenses caused by the ship's forced entry of a place of refuge or return to the port of departure in consequence of an accident or other extraordinary circumstances which rendered the ship's forced entry or a return to the port of departure necessary for the purposes of common safety;

2) expenses connected with the ship's leaving, with her original cargo or part of it, the place of refuge or the ship's port of departure if she was forced to return to the latter;

3) expenses of handling on board or discharging cargo, fuel, or store, whether at the port of call or refuge, if they were incurred for the common safety or for repairing damage caused to the ship by an accident or other extraordinary circumstances, if the repairs were necessary for the safe prosecution of the voyage;

4) storage charges, reloading or stowing of cargo, fuel or stores which have been discharged in circumstances set out in item 3 of this paragraph. If the ship is recognised unfit for shipping or if the ship interrupted the voyage, expenses of storage incurred prior to the day of recognition of the ship as unfit for shipping or prior to the day of interruption of the voyage, or prior to the day of completion of the ship's discharging, shall be ranked with general average.

5) expenses for the crew's wages, board and clothing, for fuel and stores incurred in connection with the prolongation of the voyage occasioned by the ship's entering a place of refuge or returning to her place of loading in circumstances set out in items 1 and 3 of this paragraph. When the ship is condemned or does not proceed on her original voyage, the above expenses shall be admitted as general average if they were incurred up to the date of the ship's condemnation or the abandonment of the voyage, or up to the date of completion of the discharge of the cargo;

6) expenses for the crew's wages and maintenance incurred through the ship being detained in the interests of the common safety or in consequence of an accident or other extraordinary circumstances, or for the purpose of repairing the damage caused by such circumstances, if the repairs were necessary for the safe prosecution of the voyage. The expenses for fuel and stores and port charges incurred during the extra period of detention shall be admitted as general average, except those incurred by reason of repairs not allowable as general average;

7) expenses mentioned in items 1-6 of this paragraph caused by the necessity for the ship to be removed from the place of refuge to another place because repairs could not be carried out at the place of refuge, also expenses of such a removal, including expenses of towage and temporary repairs;

8) expenses of temporary repairs effected to a ship at the place of loading, call or refuge for the common safety, also expenses of temporary repairs of damage admitted as general average. Temporary repairs of accidental damage to enable the ship to complete the voyage shall be compensated as much as they helped to avoid expenses that would have been allowable in general average if such repairs had not been effected;

9) all extraordinary expenses incurred in place of other expenses which would have been allowable as general average. They shall be compensated as much as they helped to avoid

expenses without regard to the saving of such alternative expenses by other participants of the general average.

2. Losses not constituting general average shall be considered as particular average. Such losses shall not be apportioned among ship, cargo and freight. They shall be borne by the person who suffered them or who is responsible for causing them.

Article 49. Losses and Expenses not Constituting General Average

1. The following shall not be considered as general average even in the presence of characteristics referred to in the definition of general average in Article 2 of this Law:

1) the value of cargo jettisoned on catching fire owing to spontaneous combustion or of cargo carried not in accordance with the stipulations of this Law or the customs of merchant shipping;

2) losses owing to the smoke and heat effect during a fire;

3) losses caused by cutting away the wreck or remains of spars or of other things which have previously been pulled down or lost owing to a sea-peril;

4) expenses of handling on board or discharging cargo, fuel or stores at a place of loading, call or refuge, when damage caused to the ship was established at a place of loading or call, if no sea-perils or extraordinary events connected with such a damage to the ship occurred during the voyage; also when such expenses were incurred due to the reloading of cargo which has been displaced during the voyage if such reloading was not necessary for the common safety;

5) expenses for the crew's wages, for fuel and stores incurred during repairing the damaged ship if the repairs were necessary for the safe prosecution of the voyage and the damage was established at the place of loading or call, and if no accident or extraordinary circumstances occurred during the ship's voyage connected with such a damage of the ship;

6) any damage or loss sustained by the ship or cargo through delay on the voyage.

2. Losses caused by damage or perishing of things loaded without the knowledge of the shipowner or his agent, also by damage or perishing of goods which have been wilfully misdescribed at the time of shipment shall not be considered as general average. However, the owner of such property shall remain liable to contribute if the property were saved. Owners whose goods have been wrongfully declared on shipment at a value which is lower than their real value shall contribute upon their actual value but their losses shall be compensated only at the declared value.

Article 50. Adjustment of the Amount Allowable as General Average for Loss and Expenses

1. The loss allowable as general average for damage caused to the ship, her machinery or appurtenances shall be:

- 1) the cost of repairing the damage and replacing the parts of the ship;
 - 2) in other cases - the depreciation in the value of the ship due to the above damage shall be taken into account, not exceeding, however, the normal cost of repairing.
2. Where old material or parts have been replaced by new in a ship not older than 15 years, a deduction of one-third of the cost of repairing of the ship allowable as general average shall be made as new for old. Where there is an actual or constructive total loss of the ship, the amount to be allowed as general average for damage caused to the ship shall be the estimated sound value of the ship after deducting therefrom the normal cost of repairing damage if it is not general average and the proceeds of the sale of the ship, if any.
3. The amount to be made good as general average for losses due to the damage or loss of goods sacrificed shall be adjusted on the basis of value of goods at the time of discharge indicated in the account presented by the consignee; where no such account was presented, the amount shall be adjusted on the basis of the value of goods at the place and day of loading. The value of goods at the time of their discharge shall include the cost of the cargo insurance and freight. Where goods so damaged are sold, the amount to be made good in general average shall be the difference between the sound value of the goods and the proceeds of their sale.
4. A commission of 2 per cent on general average disbursements (other than the wages and maintenance of the crew, also the fuel and stores not replaced during the voyage) shall be allowed in general average, to be paid to the party to the contract of carriage of goods by sea who has made such disbursements.
5. Interest shall be allowed at the rate of 7 per cent per annum on the amount of expenditure and other allowances charged to general average, to accrue from the day on which such expenditure was incurred until the date of the final average statement.
6. The total value of any property contributing towards the settling of a general average shall be the actual value of the property at the termination of the voyage, with the exception of the contributions for goods whose value shall be established in accordance with the account presented by the consignee. Where no such account is presented, the value shall be adjusted on the basis of the value of goods at the place and day of loading. The value of the cargo shall include its insurance and freight, deduction being made of expenses incurred owing to the damage and losses incurred prior to the discharge from the ship.

Article 51. Average Statement and Average Adjusters

1. The existence of general average and a computation of its apportionment (the average statement) shall be prepared upon application of interested persons by the average adjusters, possessing knowledge and experience in the field of maritime law.
2. The onus of proof is upon the party to the contract of carriage of goods by sea, claiming in average statement to show that the loss or expenses claimed is properly allowable as general average.

3. The general adjuster shall have the right to advise the interested persons to submit documents necessary for preparing the average statement. If the interested parties fail to submit the necessary documents within the time limits set by the general adjuster, the average statement shall be prepared in accordance with the materials available to the general adjuster. The average statement may not be revised at the request of the interested persons, in accordance with the documents requested by the general adjuster but not submitted by them.
4. All interested persons must be provided a possibility to inspect all the materials used in the preparation of the average statement, and the average adjuster must, at the request of the interested persons, give them, at their expense, certified copies of such materials.
5. A fee shall be charged for the preparation of the average statement, which shall be included in the average statement and apportioned among all the interested persons in proportion to their general average contributions.
6. Average statements shall be registered in the average statement register in the manner prescribed by the Ministry of Transport.

Article 52. Hearing of Disputes Relating to the Average Statement

1. Any mistakes in the average statement ascertained after the registration of the average statement in the average statement register, shall be rectified by the general adjuster either at his own or the interested persons' initiative. The rectification of the ascertained mistakes shall be recorded in the appendix of the average statement drawn up by the average adjuster and shall be registered in the same manner as average statements.
2. The interested persons may dispute the average statement in court within six months of receiving the average statement. In this case, a copy of the petition to sue shall be sent to the average adjuster.
3. The average adjuster must be present in person during the hearing of the dispute relating to the average statement and must provide explanations if so requested by the court hearing the dispute.
4. If the average statement is not disputed or if it is disputed but left in force by the court, recovery thereunder may be effected by a notarial writ of execution. The average statement must be presented to the notarial office along with a certificate of the average adjuster to the effect that the average statement has not been annulled or modified by the court.

CHAPTER NINE SAFE SHIPPING, REMUNERATION FOR SALVAGE AT SEA

Article 53. Safe Shipping

1. Safe shipping must be guaranteed by the ship manager.

2. Requirements of safe shipping shall be prescribed, in accordance with the international instruments of maritime law, by the Ministry of Transport which exercises the functions of the national maritime administration of the Republic of Lithuania.

3. Requirements of safe shipping shall be made public and shall be obligatory for all managers of ships, irrespective of the country flag the ship is flying.

Article 54. The Right to Assistance

1. The master of each ship in distress has the right to request assistance.

2. Upon receiving a signal of distress, the master of the ship, without unduly endangering the ship, its crew and its passengers, must give assistance to the ship in distress. The master has the right not to proceed to salvage the ship in distress only upon receiving from another ship that has reached the area of distress earlier a message to the effect that the ship in distress is no longer in need of assistance.

3. A ship in distress shall send distress signals referred to in international instruments of maritime law. If there is no danger for the ship, these signals cannot be sent, and the person who has sent them shall be held liable under the laws of the Republic of Lithuania.

4. In the event of the collision of ships, the master of each of the ships in collision must, so far as possible, communicate to one another the names of their respective ships, the ports of registry, the ports of departure and destination or the nearest port of call.

5. The masters of ships in collision must organise rendering of assistance without serious danger to his own ship, crew and passengers.

Article 55. Remuneration for Salvage at Sea

1. The regulations laid down in this Article shall apply to salvage of seagoing ships in distress, also to salvage by seagoing ships to ships of internal navigation or to any floating or towed objects, irrespective of the waters in which the salvage took place.

2. Every act which has had a useful result, done for the purpose of saving a ship in distress, people, the cargo and other things on board, also for the purpose of preserving freight or payment for carriage of passengers and luggage, shall give a right to equitable remuneration.

3. Remuneration due for salvage shall be distributed to the manager, the members of the crew and other persons in the manner prescribed by the Ministry of Transport. Remuneration shall also be paid in cases where the ship rendering salvage service belongs to the manager of the salvaged ship.

4. Salvage services rendered notwithstanding an express refusal from the salvage services, also salvage acts done in performance of a contract of towage at sea, shall give no right to remuneration.

5. Persons whose lives have been saved need not pay any remuneration for their rescue. However, salvors of people shall be entitled to a share of the remuneration for the salvage of property on an equal footing with the salvors of the property, if the salving of people was carried out in connection with the same accident as the salving of property.

Article 56. Setting the Amount of Remuneration for Salvage at Sea

1. The amount of remuneration for salvage at sea shall be fixed by agreement between the master of the ship in danger and the master of the ship rendering salvage services. In the absence of such an agreement, the amount of remuneration shall be fixed by the court.

2. The salvage remuneration shall include the expenses incurred by the salvor for the purpose of salvage, payment for the services of the salvors and the costs of storing the salvaged property.

3. The salvage remuneration shall be fixed, taking into account:

- 1) the result of the salvage;
- 2) the labour and merits of the salvors;
- 3) the danger run by the salvaged ship, its passengers, the crew and cargo;
- 4) the danger run by the salvors;
- 5) the time spent in rendering the salvage services;
- 6) the expenses incurred by the salvor;
- 7) liability of the salvor in respect of third parties;
- 8) the value of the salvor's property in danger;
- 9) the special mission of the salvaging ship.

4. The remuneration for salvage at sea may be reduced or its payment may be refused, if the salvors have through their fault put the salvaging ship in danger, appropriated the salvaged property or committed other illegal actions.

5. The salvage remuneration shall not exceed the value of the property salvaged. The value of the property salvaged shall be deemed its appraised value, or, if the property was sold, the proceeds of the sale, with deduction of the established duties, dues and charges, and of the costs of unloading, storing, and appraising or selling the property.

6. The remuneration to be distributed among several salvors shall be made by their agreement. Failing agreement, the remuneration shall be distributed by the court.

Article 57. Compensation for Losses from Collisions of Ships

1. This Law shall establish the procedure for compensation of losses sustained:

- 1) in a collision between sea-going ships;
- 2) in a collision between sea-going ships and ships of internal navigation;
- 3) by persons, cargo or other property;
- 4) through the non-observance of the rules of navigation, though a collision was averted.

2. Losses shall be compensated by the manager of the ship through the fault of the master or other members of the crew whereof the collision occurred. None of the parties in collision shall be held liable until proved guilty in the manner prescribed by law.
3. If the collision was caused by force majeure, or if it is impossible to establish the cause of the collision, the losses shall be borne by those who have suffered them.
4. If the collision was caused through the fault of the masters or other members of the crew of all the ships in collision, the liability of each party shall be established in proportion to the degree of its fault. If it is not possible to establish the degree of fault of each respective party, the liability shall be apportioned on an equal basis.
5. In the case referred to in paragraph 4 of this Article, the managers of the ships shall have a joint and several liability to third parties for losses caused by death or injuries to the health of people.
6. The manager of the ship shall also be held liable if the collision was caused through the fault of a pilot.
7. Losses sustained through pollution of the environment during a collision shall be compensated in the manner established by the laws of the Republic of Lithuania.

CHAPTER TEN LIMITED LIABILITY OF THE SHIP MANAGER

Article 58. Application of Limited Liability

1. The ship manager shall be liable for his obligations by way of his property to which under the laws of the Republic of Lithuania execution can be levied.
2. Agreements on the reduction of limited liability of the ship manager as established by this Law shall be invalid.
3. Limited liability of the ship manager as established by this Law shall not apply if it is proved that damage has been caused through his deliberate actions or negligence.

Article 59. Claims Subject to Ship Manager's Limited Liability

1. The ship manager's limited liability shall apply to claims in respect of:
 - 1) injury to health or loss of life of the persons on board the ship or from damage to the property on board;
 - 2) injury to health or loss of life in connection with the maintenance of ship and its navigation of the persons not on board the ship or damage to the property not on board.
2. If the damage referred to in paragraph 1(2) is done by a person not on board the ship, the liability of the ship manager who is responsible for the actions or negligence may be reduced

if the actions or negligence of that person was connected with the operation or operability of the ship or with the loading, carriage or unloading of cargo or luggage, or with the boarding or disembarkation of passengers.

3. Limitations of the ship manager's liability shall not apply in the following claims:

- 1) to compensate for salvage or contribution in general average;
- 2) for injury to health or loss of life of the crew members or other staff of the ship manager employed on board on a contract basis, also of their heirs or persons entitled to maintenance by them;
- 3) for raising or destroying the sunken property.

Article 60. Limitation of the Ship Manager's Liability

1. The liability of the ship's manager shall be limited to the following sums:

- 1) in respect of the event resulting in a claim for damage to property - 20 Litas for each ton of the ship's tonnage;
- 2) in respect of the event resulting in a claim for damage to person - 50 Litas for each ton of the ship's tonnage;
- 3) in respect of the event resulting in claims set out in items 1) and 2) of this paragraph - 50 Litas for each ton of the ship's tonnage, apportioning one part of the sum (30 litas for each ton of the ship's tonnage) in a claim for damage to person, and the other part of the sum (20 Litas for each ton of the ship's tonnage) in a claim for damage to property.

2. In calculating the damages, the tonnage of a ship with a mechanical engine shall be established by adding the tonnage of the engine compartment to the net tonnage of the ship, and the tonnage of other ships - in accordance with their net tonnage. A ship with the tonnage of up to 300 tons shall be regarded as a 300 tons ship.

3. If the ship manager whose liability is limited has a right to a counter claim arising from the same event, limitation of liability shall apply only in respect of the difference resulting from the set-off of mutual claims.

Article 61. Liability of the Agent of the Ship Manager

1. If claims for the loss, damage or late delivery of cargo are made directly to the agent of the ship manager, he shall be entitled to invoke the rules for exemption and limitation of liability set out in this Law. In such a case, the total sum of liability applicable to the ship manager and his agent may not be in excess of the limits of liability set out in this Law.

2. The agent of the ship manager is not entitled to the limitation of liability if it has been proved that damage resulted by reason of the agent's deliberate actions or negligence.

CHAPTER ELEVEN PRIVILEGED CLAIMS

Article 62. Sequence of Satisfying Privileged Claims

1. Privileged claims are claims related to merchant shipping and are satisfied in the manner prescribed by this Law.
2. Claims secured by mortgage must have the first priority of satisfaction. Other claims shall be satisfied in the following sequence:
 - 1) claims of the manager's staff in respect of labour relations, claims for compensation for mutilation or other injury to health, also for loss of life and claims for damage arising from injury to a passenger's health or loss of life;
 - 2) claims relating to port dues;
 - 3) claims for salvage remuneration and general average contributions;
 - 4) claims for compensation of losses arising from collision or other accident at sea, damage to harbour works and other property and aids to navigation;
 - 5) claims arising from the acts done by the master, by virtue of the powers conferred on him by this Law, for the preservation of the vessel and the prosecution of the voyage;
 - 6) claims in respect of loss or damage to cargo or luggage;
 - 7) claims in respect of payment for freight and other charges due for the carriage of goods by sea.
3. Claims in respect of the payment for services rendered in port shall be considered as the sixth and seventh priority claims respectively, depending on the property out of which they are satisfied.
4. Claims mentioned in paragraph 1 shall be satisfied in proportion to the amounts of general claims.
5. Claims in respect of the last voyage shall be satisfied in preference to similar claims in respect of earlier voyages. Claims referred to in paragraph 2(1), in respect of several voyages of the ship shall rank with similar claims in respect of the last voyage of the ship.

Article 63. Property and Funds Used for Satisfaction of Privileged Claims

1. Claims referred to in paragraph 2(1-6) of Article 62 of this Law must have priority of satisfaction out of:
 - 1) the value of the ship;
 - 2) freight and payment for carriage of passengers and their luggage due for the voyage in the course of which the ground for the claim arose;
 - 3) general average contributions payable to the manager of the ship in respect of the ship in question;
 - 4) remuneration due to the manager of the ship for loss of freight also for unrepaired damage caused to the ship;

5) remuneration due to the manager of the ship for salvage before the end of the voyage, less sums due from the manager to the members of the crew and other persons who took part in the salvage.

2. Claims referred to in paragraph 2 (2,3,5,7) of Article 62 of this Law must have priority of satisfaction out of:

- 1) the value of the cargo not delivered to the consignee;
- 2) the compensation payable for damaged cargo;
- 3) general average contributions payable to the cargo owner.

Article 64. Period of Limitation of Privileged Claims

1. The right to satisfaction of privileged claims shall terminate upon expiration of one year from the day on which the privileged claim arose.

2. The right of satisfaction of privileged claims referred to in paragraph 2(5) of Article 62 of this Law shall terminate upon expiration of six months from the day on which the claim arose.

CHAPTER TWELVE SEA PROTESTS

Article 65. A Note of a Sea Protest

1. If while the ship is sailing or is moored an event occurs which may form the basis for making property claims to the ship's manager, the master shall, in order to secure evidence for the protection of the ship manager's rights and legal interests, see to it that a note of sea protest is drawn up in accordance with the established procedure.

2. A note of sea protest shall contain a description of the circumstances of the event and of the measures taken by the master to preserve the property entrusted to him.

Article 66. A Declaration of a Sea Protest

1. A declaration of sea protest shall be made:

1) in a port of Lithuania - to a notary or other official charged with performance of notarial acts by legislation of the Republic of Lithuania;

2) in a port of a foreign state - to the consul of the Republic of Lithuania or a competent official of a foreign state in accordance with the procedure prescribed by the legislation of that state.

2. In a port of the Republic of Lithuania a declaration of a sea protest shall be made within twenty-four hours upon arrival at the port. If the event necessitating declaration of a sea

protest happened at a port, the protest must be declared within twenty-four hours after the happening of the event.

3. If it proved impossible to make a declaration of a sea protest within the established time limit, the reasons thereof must be specified in the declaration of a sea protest.

4. If there are grounds to suppose that the event which happened caused damage to the cargo on board, the declaration of a sea protest must be made before the opening of the holds. The cargo may be unloaded before declaring a sea protest only if this is necessitated by the properties of the cargo.

Article 67. Submission of an Extract from the Ship's Log

In evidence of the circumstances described in the declaration of a sea protest the master must submit to the notary or other competent official to whom he made a declaration of a sea protest an extract from the ship's log certified by the master and request him to question the witnesses mentioned by the master to ascertain the circumstances referred to in the extract of the ship's log.

Article 68. Drawing up a Sea Protest Note

On the basis of the master's declaration, the data in the extract from the ship's log, also the examination of the witnesses, the notary or other competent official shall draw up a sea protest note and shall attest it with his signature and the seal.

CHAPTER THIRTEEN CLAIMS AND ACTIONS

Article 69. Attestation of the Circumstances which May Serve as the Basis for Liability of the Carrier, Consignors, Consignees and Passengers

1. Circumstances which may serve as the basis for liability of the carrier, consignors, consignees and passengers shall be attested to by documentary or other evidence. In ports of foreign states, such circumstances shall be attested to in accordance with the rules in force in the state concerned.

2. A document shall be drawn up to attest to:

1) factual discrepancy between the name, weight of the cargo or luggage or number of parcels and the data given in the shipping document;

2) damage to the cargo or luggage;

3) discovery of cargo or luggage without documents or of documents without cargo or luggage;

4) return of lost cargo or luggage.

3. The forms for documents, the procedure for drawing them up or refusal to draw them up , also the procedure for contesting the documents shall be established by the Ministry of Transport.

Article 70. Claims

1. Before bringing an action arising out of contracts of carriage by sea, filing of a claim shall be mandatory.

2. Claims may be filed against the carrier who effected the carriage, and if the carriage was not effected, against the carrier who under the contract of carriage by sea should have effected the carriage.

3. Claims arising out of carriage of luggage may be filed against the carrier or to the port of departure or of destination at the discretion of the claimant.

4. The claim must be filed in writing. Documents supporting the claim shall be attached thereto. In addition to the documents evidencing the right to file a claim, a document certifying the quantity and the value of the goods shipped must be attached to a claim for loss of, shortage in, or damage to the goods.

5. The procedure for filing and hearing claims arising out of a contract of carriage of passengers by sea shall be prescribed by the Rules of Carriage of Passengers and Luggage by Sea.

Article 71. The Right to File Claims and Bring Actions

1. The right to file claims and bring actions shall belong to:

1) in the case of non-arrival or late arrival of the ship for loading, to the consignor of the goods;

2) in the case of overcharge of freight, to the consignor or the consignee of the goods who presents the bill of lading;

3) in the case of shortage in or damage to the goods, to the consignee or consignor who present the bill of lading, the commercial document or a corresponding document drawn up in accordance with the rules in force in the port of the consignee or the consignor;

4) in the case of late arrival of the goods or of a delay in their delivery, to the consignee who presents the bill of lading;

5) in the case of shortage or late delivery of the luggage, to the person who presents the luggage receipt;

6) in the case of damage to the luggage, to the person who presents the commercial document.

2. Absence of a commercial document shall not forfeit the right to file a claim, if it is proved that there was a refusal to draw up such a document and that such refusal was appealed against.

3. The right to file claims and to bring actions may not be transferred to other persons, with the exception of cases when such a right is transferred by the consignor to the consignee or vice versa, also when the consignor or the consignee transfer this right to a forwarding , insurance or some other organisation. Transfer of a right to file a claim and to bring an action shall be attested to by an endorsement of the bill of lading.

Article 72. Time Limits for Filing Claims Arising out of Carriage in the Cabotage

1. Claims arising out of carriage of goods or luggage in the cabotage may be filed within six months, and claims for dispatch money or demurrage - within forty-five. The above mentioned time limits shall be calculated:

1) in the case of claims for compensation for the loss of the goods or luggage, upon expiration of thirty days from the day on which the goods or luggage should have been delivered;

2) in the case of claims for compensation for the shortage in or damage to the goods or luggage, for late arrival or delay in delivery of the goods or luggage, for return of any sums overcharged for carriage, from the day of the delivery of the goods or luggage;

3) in the case of claims for shortage in cargo carried in bulk, from the day of signing the commercial document;

4) in the case of claims for payment of penalties for non-arrival or late arrival of the ship for loading, also for payment of dispatch money , upon expiry of the month after carriage started or should have started;

5) in all other cases, from the day of the event which served as the basis for filing the claim.

2. The carrier shall have the right to accept any claim for consideration after the expiration of the time limit for its filing if he accepts that the time limit for filing the claim was due to serious causes.

Article 73. Time Limits for Consideration of Claims Arising out of Carriage in the Cabotage

1. The carrier must consider any filed claim arising out of carriage in the cabotage and notify the claimant of it being satisfied or rejected within the following time limits from the day of receipt of the claim:

1) within three months, in the case of claims arising out of carriage by sea;

2) within 45 days, in the case of the claims for payment of dispatch money or demurrage or payment of penalties for non-arrival or late arrival of the ship for loading.

Article 74. Time Limits for Bringing Actions Arising out of Carriage in Cabotage

1. Actions arising out of carriage in cabotage may be brought within six months from the day of the event which served as the basis for bringing the action.
2. If an action arising out of carriage of goods or luggage in cabotage is rejected or if no reply is received within the time limits prescribed in Article 73 of this Law, the claimant may bring an action within two months from the day when the reply was received or when the time limit for making a reply expired.

Article 75. Time Limits for Filing Claims and Bringing Actions Arising out of Carriage on an International Voyage

1. Limitation periods prescribed in paragraphs 5 and 6 of this Article shall apply to claims arising out of carriage of cargo or luggage and passengers on an international voyage.
2. Claims to a carrier in respect of the carriage referred to in paragraph 1 shall be filed within the first six months of the period of limitation of action.
3. Claims in respect of the payment of dispatch money or demurrage shall be filed within the first forty-five days of the period of limitation of action.
4. The carrier must consider any claim arising from carriage during an international voyage within three months from the day on which the claim was received and must notify the claimant of its being satisfied or rejected.
5. In respect of claims referred to in this paragraph a period of six months of limitation shall apply. This period shall be calculated as follows:
 - 1) claims arising out of carriage of cargo or luggage by sea during an international voyage, also claims for payment of dispatch money or demurrage, from the day of delivery of cargo or luggage, an in case of non-delivery of cargo or luggage - from the day when the delivery had to be effected;
 - 2) claims arising out of chartering for a certain period of time, out of contracts of lease with option to purchase and contracts of towage at sea, out of transactions concluded by the master and the use of piloting services, from the day when the right to a claim accrued.
6. In respect of claims referred to in this paragraph a period of one year of limitation shall apply. This period shall be calculated as follows:
 - 1) in the case of claims arising out of contract of carriage of passengers during an international voyage: with respect to the carriage of passengers, from the day when the passenger disembarked or should have disembarked; in the case of an action for damages

arising out of personal injury to a passenger or loss of life, from the day of personal injury or death, provided that this period shall not exceed two years from the day of disembarkation;

2) in the case of actions for damages arising out of collision of ships, from the day of the collision;

3) in the case of claims for salvage award, from the day of completion of salvage services.

7. The period of limitation of action prescribed for the claims referred to in paragraph 6 (2), (3) shall be extended for a period of two years, in those cases when the ship for which these claims apply could not during the period of limitation of action be found in the territorial waters of the Republic of Lithuania.

8. A general period of limitation of action prescribed by the Civil Code of the Republic of Lithuania shall apply to the claims which are not covered by the period of limitation laid down in this Law.

Article 76. Suspension, Interruption and Renewal of Limitation Periods

1. The rules established by the Civil Code of the Republic of Lithuania concerning the suspension, interruption or renewal of the period of limitation shall apply to the period of limitation of action set out by this Law.

2. Where the calculation of the amount involved in the action depends on the average statement, the period of limitation of action shall be suspended as from the day on which the average adjuster adopts a resolution ascertaining the existence of general average until the day on which the person concerned receives the average statement.

Article 77. Additional Compensation

1. In satisfying claims arising out of economic relations provided by this Law, the court may award an additional compensation of up to 12 per cent of the awarded sum.

2. The rules of this Article shall not apply to the claims for dispatch money or demurrage, also for losses compensated in general average.

CHAPTER FOURTEEN MARITIME MORTGAGE

Article 78. Ship Mortgage

1. Under a ship mortgage, the creditor (the mortgagee) is entitled to obtain satisfaction of his claim from the value of the mortgaged ship before all other creditors in the event of the mortgagor's failure to discharge the obligation secured by the mortgage.

2. A ship mortgage shall be drawn up in writing and shall be duly signed and attested by a notary. Under this Law, only ships entered in the Ship Register of the Republic of Lithuania or the Ship Book can be mortgaged.

3. A ship mortgage shall secure the claim in the amount at the moment of its satisfaction, including the interest, default interest and losses caused by the failure to meet the obligation within the set time, also the expenses incurred during the recovery.

4. The mortgagor must be the owner of the mortgaged ship. If the title to the mortgaged ship is transferred from the mortgagor to another person, the mortgage shall continue irrespective of whether the new shipowner knew or did not know that the ship had been mortgaged.

5. The ship shall be mortgaged with all its fittings and appurtenances, with the exception of those that are not the property of the shipowner.

Article 79. Registration of the Ship Mortgage

1. The ship mortgage shall come into force from the moment of its registration in the Ship Register of the Republic of Lithuania or the Ship Book. A prescribed charge shall be paid for the registration of the ship mortgage.

2. During the registration of a mortgage, the following particulars shall be recorded:

- 1) the sum of the loan and the date of its repayment;
- 2) interest and the date of payment;
- 3) the essential characteristics of the mortgaged ship;
- 4) the owner of the mortgaged ship;
- 5) the value of the mortgaged ship;
- 6) the debtor;
- 7) insurance of the ship and other claims to the mortgaged ship;
- 8) the date of the registration of the mortgage;

3. From the moment of registration of a ship mortgage, the owner of the mortgaged ship shall forfeit his right to convey the ship to other persons without the consent of the mortgagee, also to mortgage, lease or make any other charges on the ship. Any contracts entered into in breach of the above restrictions can be invalidated in the prescribed manner.

Article 80. Notice of the Forced Sale of a Mortgaged Ship

1. The mortgagee shall notify in writing the debtor and the owner of the mortgaged ship that in the event of failure to repay the debt within the specified time he will request a forcible sale of the mortgaged ship.

2. In the event of failure to repay the debt within the specified time the creditor has the right to submit a request to the registrar of the mortgage to sell the mortgaged ship and to recover the debt.

3. The decision to sell the mortgaged ship shall be adopted in the manner prescribed by the legislation of the Republic of Lithuania.

Article 81. Sale of the Mortgaged Ship and Apportionment of the Proceeds

1. The mortgaged ship shall be sold at a public auction organised by the registrar of the mortgage in the manner prescribed by him.

2. The proceeds for the ship sold at an auction shall be transferred to the account of the registrar of the mortgaged ship and within 10 days following the sale shall be apportioned by the registrar of the mortgage among the creditors in accordance with the sequence of satisfaction of the obligations. The decision about the apportionment of the sums shall be circulated to all the creditors whose claims were secured by the ship mortgage.

3. The decision of the registrar of the ship mortgage on the apportionment of the proceeds from the sale of the mortgaged ship may be appealed against to the court within 10 days from adopting it. If there is no appeal against the decision it comes into effect at the end of the time limit of the appeal. The debts shall be repaid to the creditors after ten days following the entry into force of the decision on the apportionment of the debts.

4. If the mortgaged ship is lost, the mortgagee has priority among all others to satisfy his claims from the insurance benefit payment if the ship was insured.

Article 82 Satisfaction of the Claim Secured by a Ship Mortgage

The creditor shall be paid:

- 1) the sum of the debt ;
- 2) interest for the last 3 years preceding the expiry of the specified time of discharge of the debt or the declaration of insolvency or liquidation of the owner of the mortgaged ship;
- 3) expenses relating to the recovery of the debt.

Article 83. Discharge of a Ship Mortgage

1. A ship mortgage shall discharge:

- 1) upon the expiry of the obligation secured by mortgage;
- 2) in the event of loss of the ship;
- 3) upon a forced sale of a mortgaged ship.

2. Upon the expiry of the obligation secured by mortgage, the registrar of a ship mortgage shall, within 5 days after the production of the mortgage deed ascertaining the discharge of the obligation secured by mortgage, make an entry thereon in the Ship Register of the Republic of Lithuania or the Ship Book.

CHAPTER FIFTEEN LABOUR RELATIONS ON BOARD A SHIP AND GUARANTEES TO SEAMEN

Article 84. Shipping Articles with Seamen

1. Shipping Articles with a seaman shall be entered into in a manner prescribed by the legislation of the Republic of Lithuania. One copy of Shipping Articles shall be given to the seaman, another shall be kept by the ship manager. A copy of Articles shall be given to the master. Each seaman shall be issued a seaman's certificate in a manner prescribed by the Ministry of Transport.
2. The manager of the ship can authorise the master of the ship to enter into Shipping Articles on behalf of the manager.
3. No persons under the age of sixteen years shall be employed in a ship. No person shall be permitted to be employed in a ship unless he has been found fit to be employed in that capacity in the manner prescribed by the Ministry of Health of Lithuania.

Article 85. Adequate Working and Rest Conditions

1. The manager of the ship must see to it that seamen have adequate working and rest conditions.
2. The master of the ship shall see to it that seamen are provided food and drinking water provisions in accordance with the daily allowance prescribed by the Ministry of Health. Where the master of the ship reduces the quantity of provisions during the voyage, the seamen are entitled to request a pecuniary compensation for the deficiency of provisions.

Article 86. Rights and Duties of Seamen on Board a Ship

1. The rights and duties of seamen on board a ship shall be provided by this Law, by other laws of the Republic of Lithuania, by the Regulations of Service on Ships of the Republic of Lithuania, by shipping articles and job instructions.
2. A seaman is entitled to rest and sleep. The daily time for rest must not be shorter than 10 hours which may be divided into two periods of no less than 5 hours. The time between two successive rest periods must not exceed 14 hours. This requirement need not be observed while entering or leaving a port if the master of the ship decides that this is permissible for the purpose of safe navigation.
3. Where the ship is berthed in a port or other safe place with the anchor dropped, during his free period a seaman has a right to go ashore if he is not required to stay on board for reasons of security of the ship, cargo or people on board when the ship is about to sail from a port or to change its berth. Where possible, the expenses and other related circumstances permitting, the master may arrange for the seamen a free communication by boat with the shore.
4. A seaman may carry on board as many of his personal effects as would not encumber the ship and would not become a cause of possible disorder on board. A seaman is not allowed to

carry goods on board without a prior permission of the master. It shall not be permitted to carry on board radioactive, toxic, controlled or narcotic substances. No firearms or ammunition shall be permitted into the ship without a prior permission of the master.

5. If the master suspects that some things have been brought on board illegally he may institute a search of the seaman's berthing space or other ship space. The seaman concerned has the right to be present during the search.

6. All things illegally brought on board may be arrested, discharged or, where necessary, destroyed by the master.

7. If owing to an accident at sea all the effects of a seaman that have been legally brought on board the ship perish, the manager of the ship must compensate to the seaman for the loss in accordance with the prices of goods of equivalent type and quality allowing for the wear and tear of the lost or damaged property. The seamen through whose fault the accident at sea occurred shall not be entitled to any compensation for the property.

8. The property of a discharged seaman left behind on board the ship shall be safeguarded at the seaman's expense. The master of the ship must organise at his earliest convenience taking inventory of the seaman's property. The accuracy of the inventory shall be attested by two witnesses.

9. If the seaman's property cannot be safeguarded adequately owing to its properties, high costs of safeguarding or other circumstances, the property may be sold or destroyed. The effects may also be sold or destroyed if the seaman has not contacted the manager of the ship concerning the recovery of property belonging to him.

10. If the property belonging to the seaman was damaged on board the ship or was lost during a burglary, fire or other damage caused to the ship, the manager of the ship must make a payment of a compensation to the seaman.

Article 87. Order on Board the Ship

1. The master of the ship shall be charged to maintain order on board the ship.

2. A seaman must obey the orders given on board the ship and observe the regulations of seamen's duties and work.

3. If a seaman is prevented from arriving on board the ship on time he shall, without delay, inform the ship master about it.

4. In the event of peril or a mutiny of the crew, also of other special occurrences, the ship master may resort to all necessary and legal means to maintain order on board the ship. Every member of the crew must help to maintain order on the ship without a special command.

Article 88. Guarantees for the Seamen

1. If the employment agreement of a seaman terminates at a foreign port, the manager of the ship shall compensate the expenses of the seaman incurred because of his trip to the place of residence. If a foreign country, at the port whereof the employment agreement with the seaman terminates, refuses to grant him entry into the country or grants him entry for a deposit which the seaman is not in a position to make, he shall continue his work on board the ship until the ship reaches a port where the seaman may be discharged from work on board.

2. When it is established that a seaman has a disease posing danger for other persons on board the ship, the master of the ship, if it is impossible to prevent the danger on board the ship, shall land the sick seaman at the nearest port of call.

3. When the sick or injured seaman is left in a foreign country, the master of the ship shall leave him in the care of the Consulate of the Republic of Lithuania; if there is no Consulate of the Republic of Lithuania at that place, he undertakes to secure a proper care and nursing for the seaman and notifies about it the nearest Consulate of the Republic of Lithuania. At the seaman's request, the master of the ship conveys a message from the seaman to a person indicated by him.

4. If a seaman fell ill or was injured during his employment on board the ship, the manager of the ship defrays all the costs related to the seaman's treatment, care and nursing.

5. The manager of the ship must not defray the costs referred to in this paragraph if the seaman has a sickness and injury insurance policy from an insurance company.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

Algirdas Brazauskas
President of the Republic

Vilnius
12 September 1996
No. I-1513