

10-1-1988

Aims and operation of World Maritime Law Institute in Malta

Anonymous

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Recommended Citation

Anonymous, "Aims and operation of World Maritime Law Institute in Malta" (1988). *WMU in the News*. 313.
http://commons.wmu.se/wmu_news/313

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only, to appeal to the provision of article 455, Dutch Commercial Code. From a practical point of view, the broker said that, the moment that the name of the principal had been disclosed, there was no liability on his side any more, even when the name appeared to be not exactly the correct name: if this was not the case, it would mean that a broker should have to check all the "credentials" of his potential principals by investigating companies' registers all over the world before acting on behalf of those principals. In this respect the broker also appealed to the *Travaux Préparatoires* to this article, from which it appeared that the article had been written for the protection of the shipowner or the charterer, as the case may be, so that the one who negotiates and concludes a charter-party with a broker should know who his counterpart is. The relevant part in the Explanatory Memorandum to article 455, Dutch Commercial Code reads, freely translated:

"it is a known abuse, that brokers and other intermediaries in the business of concluding charter-parties for third parties, but who also often speculate in charter-freights, sign the charter-party as 'agents for the owner', but fail to name charterer or owner, so that those that do business with them do not know who their counterpart is and against whom to take action. The article (article 455, Dutch Commercial Code) neutralises these practices by providing that he, who acts on behalf of a principal in concluding a charter-party, binds himself if he does not mention the name of his principal. The same applies when a certain name is being mentioned, but when it later on appears that this person was not given

power to conclude the charter-party."

The broker was of the opinion that the protection, given by the article, did not apply to this case where (as said) the principal had been named, and had in fact fulfilled all his obligations (except the one of paying demurrage).

The District Court of Rotterdam, however, simply said that this case had to be put on a par with the cases mentioned in the article and thus ruled that the broker was liable.

The above, indeed, means that a broker should be very careful when acting for a principal who is unknown to him. But even with principals for whom the broker has acted in the past, there is a risk of being held liable, if it appears that the name, given by the principal, is not in conformity with the truth. This may be the case, as in the underlying one, where the company on whose behalf the broker had acted, appeared to be bankrupt at the time, but many other cases can easily be thought of.

Unfortunately, the broker in question did not, for circumstances irrelevant to this story, wish to appeal the judgment.

Of course, the broker will always be entitled to claim reimbursement from his principal; in many cases, however, that will prove to be illusory, and it is in any event not a very attractive perspective, and certainly not something the agent intended when, for a nominal fee, offering his services in good faith to the principal. Although it may seem to be in contradiction to the above, it is to be hoped that a comparable case will soon present itself and that in that case the Dutch courts will give a different decision.

Aims and Operation of World Maritime Law Institute in Malta

This article has been kindly submitted by Mr C L Bugeja of H Vassallo Ltd, Valletta, Malta.

Malta will soon be playing a leading role in helping developing countries meet their vital demand for suitably qualified experts in international maritime law.

On 13 May 1988 an agreement was signed in London by the Maltese Parliamentary Secretary for Maritime Affairs, Dr Joe Fenech, and the International Maritime Organisation Secretary General, Dr C P Srivastava, for an Institute for International Maritime Law to be set up in Malta by October.

The setting up of this Institute will fill a gap, which has long been felt by IMO, in providing developing countries with a cadre of national legal personnel who are capable of overseeing the implementation of existing law, of reviewing and evaluating developments in maritime law, and, most importantly, of preparing and incorporating international maritime law into their national legislation.

The IMO decided to set up an Institute specifically for the teaching of international maritime law in order to help developing countries "meet their vital need (for professional personnel) on a realistic and long-term basis".

The courses were envisaged to help suitably qualified legal personnel in acquiring the necessary knowledge and expertise in maritime law and developing appropriate skills in the

drafting of maritime legislation.

The courses to be run in Malta will be among the first to teach maritime law on an international basis. They will consist of annual nine-month courses gathering together topics ranging from shipping and the law of the sea to marine insurance and transportation. Emphasis will be particularly laid on the training of the participants, who have to be law graduates with senior Government posts, in the drafting of maritime legislation.

Among the facilities of the Institute will be the first World International Maritime Library which will be collecting major works on the subject, making the Institute a centre for the teaching of international maritime law which will attract scholars seeking knowledge on the subject as well as the participants themselves. To this effect, seminars and other academic workshops will be held at the Institute.

The Institute's director will be an intellectual professor of international repute. It is also intended to engage visiting professors and members of the local legal profession to give lectures at the Institute.

Malta was chosen to set up this Institute because the IMO, which runs courses on maritime-related topics other than law at its World University in Sweden, wanted to spread its activities and establish contacts with developing countries.