

# Bill Summary

## The Admiralty (Jurisdiction and Settlement of Maritime Claims) Bill, 2016

- The Admiralty (Jurisdiction and Settlement of Maritime Claims) Bill, 2016 was introduced in Lok Sabha on November 21, 2016 by the Minister of State for Shipping, Mr. Mansukh Mandaviya. The Bill seeks to consolidate the existing laws on civil matters of admiralty jurisdiction of courts, admiralty proceedings on maritime claims, and arrest of ships. Admiralty laws deal with cases of accidents in navigable waters or involve contracts related to commerce on such waters. The Bill repeals laws such as the Admiralty Court Act, 1861, the Colonial Courts of Admiralty Act, 1890. Key features of the Bill include:
  - **Admiralty jurisdiction:** The jurisdiction with respect to maritime claims under the Bill will vest with the respective High Courts and will extend up to the territorial waters of their respective jurisdictions. The central government may extend the jurisdiction of these High Courts. Currently admiralty jurisdiction applies to the Bombay, Calcutta and Madras High Courts. The Bill further extend this to the High Courts of Karnataka, Gujarat, Orissa, Kerala, Hyderabad, and any other High Court notified by the central government.
  - **Maritime claims:** The High Courts may exercise jurisdiction on maritime claims arising out of conditions including: (i) disputes regarding ownership of a vessel, (ii) disputes between co-owners of a vessel regarding employment or earnings of the vessel, (iii) mortgage on a vessel, (iv) construction, repair, or conversion of the vessel, (v) disputes arising out of the sale of a vessel, (vi) environmental damage caused by the vessel, etc. The Bill defines a vessel as any ship, boat, or sailing vessel which may or may not be mechanically propelled.
  - While determining maritime claims under the specified conditions, the courts may settle any outstanding accounts between parties with regard to the vessel. They may also direct that the vessel or a share of it be sold. With regard to a sale, courts may determine the title to the proceeds of such sale.
  - **Priority of maritime claims:** Among all claims in an admiralty proceeding, highest priority will be given to maritime claims, followed by mortgages on the vessel, and all other claims. Within maritime claims, the highest priority will be given to claims for wages due with regard to employment on the vessel. This would be followed by claims with regard to loss of life or personal injury in connection with the operation of the vessel. Such claims will continue to exist even with the change of ownership of the vessel.
- **Jurisdiction over a person:** Courts may exercise admiralty jurisdiction against a person with regard to maritime claims. However, the courts will not entertain complaints against a person in certain cases. These include: (i) damage, or loss of life, or personal injury arising out of collision between vessels that was caused in India, or (ii) non-compliance with the collision regulations of the Merchant Shipping Act, 1958 by a person who does not reside or carry out business in India. Further, Courts will not entertain action against a person until any case against them with regard to the same incident in any court outside India has ended.
- **Arrest of vessel:** The courts may order for the arrest of any vessel within their jurisdiction for providing security against a maritime claim which is the subject of a proceeding. They may do so under various reasons such as: (i) owner of the vessel is liable for the claim, (ii) the claim is based on mortgage of the vessel, and (iii) the claim relates to ownership of the vessel, etc.
- **Appeals:** Any judgments made by a single Judge of the High Court can be appealed against to a Division Bench of the High Court. Further, the Supreme Court may, on application by any party, transfer an admiralty proceeding at any stage from one High Court to any other High Court. The latter High Court will proceed with the matter from the stage where it stood at the time of the transfer.
- **Assessors:** The central government will appoint a list of assessors qualified and experienced in admiralty and maritime matters. The central government will also determine the duties of assessors, and their fee. Typically, assessors assist the judges in determining rates and claims in admiralty proceedings.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research ("PRS"). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.