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Israel: Law & Practice

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J.SPRINZAK

ISRAEL

Law and Practice

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J.SPRINZAK was founded in 2003 and is located in the centre of Tel Aviv, with offices in one of the most prestigious buildings in the city. The firm enjoys strong contacts throughout the shipping sector, gaining a strong international reputation in the specialised fields of shipping and maritime law, international transport, insurance, international trade and international arbitrations. In particular, the firm deals with and has broad experience in these areas: admiralty/in rem actions, cargo claims (recovery and defence), charterparty contracts and disputes, coastal shipping, contracts of affreightment, dangerous goods' transportation, general average, marine insurance and policy drafting, maritime liens, necessaries, pilotage, pollution, port operations, property damages and personal injury arising from commercial or small-vessel operations, protection and indemnity risks, receivership, sale and purchase of vessels, salvage, ship arrest and detention, ship collisions, ship equipment and supplies, ship finance including mortgages, ship registration in Israel and abroad, ship repairs, ship-building, towage contracts and liabilities, and notarial services in relation to all of these.

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1. Maritime and Shipping Legislation and Regulation

1.1 Domestic Laws Establishing the Authorities of the Maritime and Shipping Courts

The Admiralty Court in Israel applies the admiralty law and jurisdiction adopted by the English High Court of Admiralty in 1890, and consequently the Admiralty Courts Acts of 1840 and 1861 (legislation left over from the time of the British Mandate). However, this jurisdiction is naturally subject to subsequent local legislation.

The most important local law affecting the Admiralty Court's jurisdiction is the Shipping (Vessels) Law – 1960. This Law deals with:

- the registration of vessels;
- their transfer and devolution;
- liens;
- mortgages;
- loss of qualification;
- striking off the register;
- the effect of the registration of rights, nationality and flag; and
- the name of the vessel.

The provisions that affect the jurisdiction of the Admiralty Court are laid out in Section 40, which provides for debts to be secured by a first lien (on the vessel, freight and accessories), and in Section 41, which lists the type of debts that can be secured and the order of priority of the liens.

The Shipping (Vessels) Law does not expressly refer to the position under the Admiralty Courts Acts, although it does retain existing legislation concerning the creation or transfer of a mortgage or charge upon a vessel.

It is accepted that the creation of these statutory liens also confers complementary jurisdiction in rem on the Admiralty Court.

1.2 Port State Control

The Israel Ministry of Transport has established the Shipping and Ports Administration (SPA) to regulate all activities relating to Israel's maritime activities. The SPA is responsible for the safety of Israeli shipping.

Port Regulations provide very detailed regulations relating to the conduct of vessels, safety and order in Israeli ports. The State of Israel implemented the Port State Control (PSC) inspection system in 1997, in accordance with International Maritime Organization (IMO) and International Labour Organization (ILO) resolutions.

Section 99 of the Ports (Shipping Safety) Regulations, 1982, empowers the manager of the Ports Authority in the Ministry of Transport to appoint a casualty investigator in respect of any Israeli vessel wheresoever or foreign vessel located in the Israeli jurisdiction upon the occurrence of a maritime accident, including those involving seafarers. The investigator may examine witnesses, collect documents and evidence, and make recommendations to prevent similar accidents in the future.

PSC inspections are conducted to ensure that foreign vessels calling at Israeli ports comply with international regulations and conventions. The SPA is responsible for all PSC activities and aims to inspect each and every tanker and passenger ship arriving at Israeli ports, as well as 25% of the container ships and general cargo, with an emphasis on bulk carriers.

1.3 Domestic Legislation Applicable to Ship Registration

The principal law governing the registration of vessels in Israel is the Shipping (Vessels) Law – 1960. Other relevant legislation includes the Shipping (Registration & Marks) Law – 1962, the Shipping (Regulations of Building & Measurements) Law – 1961 and the Vessels (Mortgage & Transfer) Ordinance – 1948.

Under Israeli law, all Israeli vessels must be registered, using the same process without distinction as to the size or purpose of the vessel concerned. Nonetheless, in practice, small boats, namely, vessels less than seven metres in length, are exempted from registration in the registry, and the details of the boat are maintained in a separate small boats registry. Vessels under construction in Israel or abroad may also be registered

in certain circumstances. Separate registries are kept for each port.

In addition, the Shipping (Foreign Vessel Under Control by Israeli Interests) Law – 2005 provides that any vessel that is not eligible for registration in the Register in accordance with the conditions specified in the foregoing, but which is controlled by Israeli interests (as these terms are defined in this Law), must be registered in Israel in a registry book, which is customarily referred to as the Secondary Register (or the Grey Register), regardless of its ownership registration in a foreign registry. A vessel so registered shall be subject to the technical supervision of the Israeli Ministry of Transport and to the manning regulations with respect to the employment of Israeli crew members. Nonetheless, various exemptions are available in respect of Israeli vessels, set out in Section 6 of the Shipping (Seamen) (Manning of Ships and Tugs with Israeli Crew) Regulations – 2016; for example, in circumstances relating to the area of trade of the ship or the security situation relating to the voyage of the vessel, the chartering of the vessel or unusual circumstances concerning the technical operation of the vessel, and the owner's ability to control the vessel.

Israeli law does not provide for bareboat-charter registration of foreign ships under the Israeli flag, nor does it provide for the bareboat-charter registration of Israeli flag ships under a foreign flag.

1.4 Requirements for Ownership of Vessels

A vessel owned by the State of Israel, an Israeli citizen or a company registered in Israel or owned by a foreign company, where more than 50% of the shares in the vessel are owned by an Israeli citizen, must be registered in the Israeli vessel registry. Israeli law allows the registration in Israel of a vessel, less than 50% of which is Israeli-owned, upon special application to the Minister of Transport. Similarly, where more than 50% of a vessel is Israeli-owned, the owner may apply to the Minister of Transport for permission not to register the vessel.

A non-Israeli may register an interest in an Israeli vessel, provided that this registration does not preclude the vessel from being registered as an Israeli vessel and, as previously noted, a foreign vessel controlled by Israeli interests must be registered in Israel.

Vessels under construction in Israel or abroad may also be registered in certain circumstances.

1.5 Temporary Registration of Vessels

Temporary registration of vessels is permissible in accordance with Section 16 of the Shipping (Vessels) Law – 1960 in respect of vessels located in foreign ports. The temporary registration is effective for six months but may be extended for up to one year. In all cases, the temporary registration lapses within seven days of the vessel first reaching an Israeli port.

Dual registration is not permitted, except in the case of foreign vessels controlled by Israeli interests. See **1.3 Domestic Legislation Applicable to Ship Registration**.

1.6 Registration of Mortgages

The process for registration of a mortgage before the Registrar of Vessels is a simple commercial financing procedure. The agreement, setting out the degree of the mortgage and conditions for repayment, must be drafted in writing, and one copy thereof must be delivered to the Registrar and entered into the vessel's file.

When both parties have signed the mortgage deed before the Registrar, the Registrar approves the deed and registers it in the Register on the page corresponding to the vessel in question. The same procedure is followed when the owner of the vessel wishes to "increase the mortgage amount", "transfer the mortgage", "change the terms of the mortgage" or "delete the mortgage" from the Register of Vessels.

If a lien is imposed on a vessel by virtue of a competent court decision, and a written order is produced to the Registrar, the Registrar will record the court's order in the Register of Vessels, without being under an obligation to notify the vessel owner that such an entry has been made. Finally, it should be noted that, if the grantor of the mortgage (the mortgagor) is a company, the mortgage must also be registered as a charge with the Registrar of Companies. All documents submitted to the Registrar may be drawn up in English or Hebrew.

1.7 Ship Ownership and Mortgages Registry

According to Section 109 of the Shipping (Vessels) Law – 1960, the Vessels Registry and all documents filed with the Registrar in connection with the registration, cancellation of registration or other transaction in connection with a vessel shall be open for inspection by any person. Additionally, under the Freedom of Information Law – 1999, every Israeli citizen or resident has the right to obtain information from a public authority in accordance with the provisions of the law. The public authority is not under any obligation to provide information that is a commercial or professional secret, or which has economic value; information on commercial or professional matters connected with a person's business; or information that may infringe a person's privacy.

In practice, the Registrar will provide access to all entries (registrations, mortgages, charges, pledges); however, access will not be provided to the underlying documents.

The fee for an application to the SPA to inspect or verify any entry in the Registry of Vessels currently stands at ILS476.

2. Ship Finance and Leasing

2.1 Ship Loan Finance

Ship financing in Israel is generally structured as traditional bank debt financing. Equity is typically provided by owners through ordinary share capital or straightforward shareholder loans, while complex equity or hybrid financing structures are uncommon.

The primary form of security is a ship mortgage. A ship mortgage must be in writing and registered with the Israeli Registrar of Vessels to be valid and enforceable. It must identify the secured obligations and the loan amount or maximum secured amount. In the event of default, the mortgage may be enforced through arrest and judicial sale of the vessel by the Israeli Admiralty Court, subject to statutory maritime liens and preferred maritime claims, including crew wages and salvage.

In practice, lenders usually require a broader security package in addition to the ship mortgage, commonly including pledges over the shares of the ship-owning company, assignments of earnings and insurances, charges over bank accounts and corporate or personal guarantees.

Ship finance transactions most commonly relate to the acquisition, construction or refinancing of vessels owned or controlled by Israeli interests or registered under the Israeli flag. In financings involving foreign-flagged vessels, lenders often require parallel security under the relevant flag state law.

2.2 Ship Leasing

Ship leasing and sale and leaseback transactions are used to a limited extent in Israel. However, publicly available information does not indicate a market-wide shift away from traditional secured bank lending. These structures function primarily as complementary financing tools reflecting global shipping finance trends, rather than as domestically driven alternatives to bank debt.

Israeli law does not recognise ship leasing as a distinct statutory financing regime, and there is no developed body of Israeli case law addressing the enforcement of ship lease defaults as such. Leasing and sale and leaseback transactions involving Israeli operators are typically structured with foreign lessors and financiers and governed by foreign law. As a result, issues of default and enforcement in such transactions are generally determined under the applicable foreign law, while Israeli law remains relevant mainly in relation to vessel registration, flag state matters and procedural enforcement where applicable.

3. Marine Casualties and Owners' Liability

3.1 International Conventions: Pollution and Wreck Removal

Israel is a party to the following International Conventions relating to pollution:

- International Convention for the Prevention of Pollution from Ships, 1973 as modified by Protocol, 1978 (MARPOL 73/78);
- Protocol to the International Convention on Civil Liability for Oil Pollution Damage (CLC PROT 1992);
- Protocol to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971 (FUND PROT 92);
- International Convention on Oil Pollution Preparedness, Response and Co-operation, 1990 as amended (OPRC 1990); and
- Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean, 1995.

Local legislation relating to pollution includes:

- Prevention of Sea-Water Pollution by Oil Ordinance [New Version] – 1980;
- Regulations for the Prevention of Sea-Water Pollution by Oil (Guarantee for Fine Payments and Cleaning Expenses) – 1983; and
- Regulations for the Prevention of Sea-Water Pollution by Oil (Marine Environment Protection Fee), 1983.

The Prevention of Sea-Water Pollution by Oil Ordinance applies to Israeli territorial waters and inland waters, and its provisions may be applied to non-Israeli vessels outside Israeli territorial waters that threaten to pollute Israeli territorial waters. The Ordinance specifies actions to be taken in the case of oil discharges and creates the Fund for the Prevention of Sea-Water Pollution, with the goal of creating financial resources for the fight against and prevention of pollution of sea water and the seashore and for their cleansing and inspection. In cases of discharge of oil into the sea, the Minister of Transport may, by notice, request the owner of the vessel to take specified measures aimed at preventing, stopping or reducing the discharge. A "marine environment protection fee" may be imposed on owners or operators of vessels, as well as on owners or operators of installations on land or at sea from which oil might be discharged or allowed to escape into the sea.

After many years of delay, in January 2022 the Knesset's Economic Committee finally approved the Ministry of Transport Regulations, designed to protect the marine environment by drastically reducing the amount of organic and non-organic sewage dumped by vessels at sea. The regulations give effect to MARPOL 1973, Annex IV. The new regulations provide for the removal of waste stored in vessels while in port, and sanctions for infringement. It remains to be seen how efficiently these regulations will be enforced. It should be noted in this regard that legal advisers to the Economics Ministry consider that Israeli law applies to Israel's exclusive economic zone, relevant in terms of enforcement of these regulations as well as others.

With regard to wrecks, the Ports Ordinance – 1971 provides that the Israel Ports Company may demand that owners remove a vessel that has been lost or abandoned in Israeli waters where that vessel poses a danger to navigation or docking.

Further, the Wrecks and Salvage Fees Ordinance – 1926 provides that where any services are rendered wholly or in part within the waters of Israel in saving life from any vessel; assisting any vessel that is wrecked, stranded or in distress; or saving the cargo or apparel of that vessel, or any part thereof, there shall be payable to the salvor, by the owner of the vessel, cargo, apparel or wreck, a reasonable amount of salvage, to be determined in the case of dispute.

The Ordinance provides for determination of salvage disputes by arbitration. Section 20 (3) of the Ordinance provides that the decision of the arbitrators shall, for the purposes of execution, have the effect of a judgment of the Magistrate's Court.

Finally, the order of priority of the maritime lien for salvage, including life salvage, is determined by Section 41 of the Shipping (Vessels) Law – 1960, although it has been argued that the Court has discretion to deviate from the order prescribed in the section on grounds of equity.

3.2 International Conventions: Collision and Salvage

With regard to matters of salvage, see **3.1 International Conventions: Pollution and Wreck Removal**.

In terms of collision, Israel has ratified the International Regulations for Preventing Collisions as Sea, 1972 (COLREG 72) and incorporated them into Israeli law via the Ports (Preventing Collisions at Sea) Regulations 1972.

Israel is not a party to the Salvage Convention 1989. Section 41 (7) of the Shipping (Vessels) Law – 1960 creates a statutory lien for damages resulting from collisions or damage caused by the vessel to port installations, buildings and dry docks, as well as loss or damage to cargo and to passengers' personal effects.

3.3 Convention on Limitation of Liability for Maritime Claims

The Israeli Shipping Law (Limitation on a Ship-Owner's Liability) – 1965 adopts the International Convention relating to the liability of Owners of Sea-Going Ships (Brussels, 10 October 1957).

As Israel has not ratified the International Convention on Limitation of Liability for Maritime Claims, 1976 ("LLMC 1976"), no limitation is available for those claims introduced by the LLMC 1976 and not found in the 1957 Convention.

Accordingly, the types of claims subject to limitation of liability are those set out in Articles 1 (a)–(c) of the 1957 Convention. Claims that are not subject to limitation of liability are set out in Article 1 (4) of the 1957 Convention.

The Israel Shipping (Limitation on a Ship-Owner's Liability) (Amendment) Law – 1987 amended the 1965 Law previously referred to by adopting the 1979 Protocol and replacing gold francs with Special Drawing Rights (SDR). Pursuant to the 1979 Protocol, the limitations of liability applicable in Israel are SDR66.67 per tonne for cargo claims and SDR206.67 per tonne for personal claims.

It should be noted that the Shipping (Limitation on a Ship-Owner's Liability) (Amendment) Bill, 2015 proposes that Israel adopt the 1976 Convention, together with the Protocols of 1996 and 2012. The proposed law intends to allow salvors to limit their liability.

3.4 Vienna Convention on the Law of Treaties

Israel has not ratified the 1969 Vienna Convention on the Law of Treaties. However, Israeli courts and legal authorities generally regard the Vienna Convention as a persuasive reflection of customary international law on treaty interpretation and may refer to its principles, including those on interpretation and non-retroactivity, as an interpretative aid when construing treaties binding on Israel. In the context of limitation of liability, Israel has implemented the 1957 Brussels Limitation Convention through the Shipping Law (Limitation of Liability of Sea-Going Ships), 1965, and has not adopted the 1976 LLMC. Accordingly, any limitation issues before Israeli courts would arise under the 1957 regime as incorporated into domestic law, with the Vienna Convention potentially serving as a non-binding interpretative reference, in a manner broadly consistent with the approach endorsed by the UK Supreme Court in *MSC Flaminia*.

3.5 Procedure and Requirements for Establishing a Limitation Fund

Owners can apply to the Admiralty Court to establish a limitation fund, calculated as set out in **3.3 Convention on Limitation of Liability for Maritime Claims**. The Court will give orders as to the ship-owner's deposit and the manner in which notices will be published to creditors.

It should be noted that the Israeli courts accept the deposit of funds in Israeli currency, in a sum determined by the court. However, parties will often agree on the provision of local bank guarantees and, in some cases, foreign bank guarantees. Further, as the Israeli Admiralty Court has accepted letters of undertaking issued by P&I clubs as security for the release of vessels from arrest (in essence, in a manner similar to the position taken in the English case *Atlantik Confidence* [2014] 1 Lloyd's Rep 586), it seems likely that they would follow the same approach and accept letters of undertaking issued by P&I clubs in lieu of limitation funds.

Once a fund is constituted, claims by local creditors must be filed within 30 days, whereas foreign creditors are given 60 days to file their claims. According to Section 9 (a) of the Law, constitution of a fund creates a bar to other actions.

In an important precedent concerning the establishment of a limitation fund in Israel, the Israeli Admiralty Court has recently held (In Rem File 44990-07-19*Moraz Shipping v Israel Ports Company*) that no limitation fund would be approved in cases of marine pollution on the grounds that "the polluter pays". The Court upheld the Israel Ports Company's objection to the establishment of the fund, inter alia, because the provisions of the Oil Pollution Prevention Ordinance – 1980 impose an obligation on those convicted of offences under the law to clean up, and after analysing the principles of the International Convention on the Limitation of Liability of Owners of Sea-Going Ships 1957 as adopted into Israeli law.

3.6 Seafarers' Safety and Owners' Liability

Israel is not a party to the MLC 2006, although legislative efforts have been initiated to encourage the employment of Israeli seamen. Israel has also ratified 49 International Labor Organization Conventions and one Protocol, including all eight Fundamental Conventions. The Technical Conventions include:

- the Placing of Seamen Convention, 1920 (No 9);
- Paid Vacations (Seafarers) Convention (Revised), 1949 (No 91);
- C092 – Accommodation of Crews Convention (Revised), 1949 (No 92);
- C133 – Accommodation of Crews (Supplementary Provisions) Convention, 1970 (No 133);
- C134 – Prevention of Accidents (Seafarers) Convention, 1970 (No 134); and
- C147 – Merchant Shipping (Minimum Standards) Convention, 1976 (No 147).

The Ports (Shipping Safety) Regulations, 1982, govern the safety of seafarers and use of safety equipment, as well as the seaworthiness of vessels, including through the adoption of the provisions of the International Convention for the Safety of Life at Sea (SOLAS) 1974 and the Convention on Training and Certification 1978, as amended in 1995.

4. Cargo Claims

4.1 Bills of Lading

Israel has adopted the Hague-Visby Rules by virtue of the Carriage of Goods by Sea Ordinance – 1926, as amended in 1992. By virtue of this Ordinance, as amended in 1992, the Hague-Visby Rules apply to any bill of lading in respect of carriage of goods by sea in any vessel:

- from a port in Israel to another port, whether in Israel or outside Israel;
- from a port in a country that is party to the Hague Rules or the Hague-Visby Rules, or when the bill of lading was issued in a country that is party to the Rules;
- when they apply to the contract of carriage included in the bill of lading, or where the bill serves as proof of its existence, according to a term stipulated in a contract or under the laws of the country whose laws apply to that contract; and
- to a port in Israel when the laws of Israel apply to any such carriage, whether according to the contract of carriage, another agreement between the parties or the determination of the court.

4.2 Title to Sue on a Bill of Lading

As a rule, the lawful holder of the bill of lading may bring suit under the bill of lading. There may be cases, however, where a party who is a named consignee under a non-negotiable bill of lading may have a cause of action against the maritime carrier – for example, the buyer of the cargo under a sale contract, who has not received by way of transfer or endorsement a right to assert a claim under the bill of lading.

Under Section 22 of the Torts Ordinance [New Version], it is generally not permissible to assign the right to a remedy for a tort or liability, except by operation of law. However, in the landmark case of *Ma'ale Ephraim Printing Ltd v Ellerman Lines and Others* (Judge King), later affirmed by the Supreme Court, the Court clarified several important principles.

Regarding a bill of lading, the Court held that, upon its transfer, the proprietary right in the cargo passes to the transferee, who is thereby entitled to sue and be sued in their own name. While English law restricts the

right to sue for cargo damage to the holder of the bill of lading who has a proprietary interest in the goods, the Court found no reason to adopt this principle in Israeli law. In this case, the plaintiff's contractual right to receive the cargo, coupled with their distinct economic interest in it, was deemed sufficient to confer standing to sue for damages caused to the cargo.

In a tort action for negligence, the Court emphasised that the right to sue is not limited to the owner of the damaged property. A holder or any person with a proprietary interest in the property may also sue. The tort of negligence is not confined to individuals entitled to immediate possession of the property, and any party with a legitimate right of recourse may avail themselves of this remedy. The Court dismissed concerns that broadening this right would overwhelm the judicial system.

An individual creates a cause of action that is not tortious and therefore not subject to the limitation in Section 22 of the Torts Ordinance; therefore, there is no impediment to the assignment of the right to sue. The Court explained that a significant reason for prohibiting the assignment of the right in torts is that it is sometimes a personal right, which cannot be reduced to a purely monetary right. However, no "personal" element exists in a claim for compensation for damage caused to machinery.

Certain statutory provisions in Israeli law also specifically allow for the assignment of claims, such as subrogation under Section 62 of the Insurance Contract Law, 1981. This provision enables an insurer to step into the shoes of the insured to recover damages from a third party.

It should be noted that in *Bellina Maritime SA Monrovia v Menora Insurance Company Ltd* (2002), which interpreted Section III(6a) of the Hague-Visby Rules providing for a one-year time limit for claims by cargo owners against the carrier, the Supreme Court determined that the carrier, as a direct party to the bill of lading, is not a "third party" in relation to the cargo owner. When the insurer steps into the shoes of the cargo owner through subrogation, the carrier remains a direct counterparty, not a third party. In addition, the insurer is bound by the same one-year time limitation under Section III(6) that applies to the cargo owner. The Supreme Court held that the District Court had erroneously treated the insurer's subrogation claim as falling under Section III(6a)'s exception for third-party indemnity claims. The Supreme Court overturned this, emphasising that subrogation does not alter the direct relationship between the insured and the carrier.

It should be noted that, according to Article 8 of the Ordinance (and without derogating from Article I(b) and Article III Part 4 of the Hague-Visby Rules and any other provisions of law), the party to whom the cargo was consigned (the consignee) and the party to whom the bill of lading was duly endorsed (the endorsee) are considered, as applicable, as a party to the bill of lading, and as such are entitled to all the rights arising from the transaction pursuant to which the bill was made, and subject to the obligations referring to that transaction in exercising their aforementioned rights.

Finally, the Israeli Supreme Court has also recently recognised the right of foreign insurers to institute subrogation proceedings in Israel. See also **10. Additional Maritime or Shipping Issues**.

4.3 Ship-Owners' Liability and Limitation of Liability for Cargo Damages

The limitation of liability regime available to carriers is as set out in the Hague-Visby Rules, as amended by the 1979 Protocol and, where appropriate, the provisions of the Israeli Shipping (Limitation on a Shipowner's Liability) Law – 1965, as amended in 1987. See also **3.3 Convention on Limitation of Liability for Maritime Claims** and **10.1 Other Jurisdiction-Specific Shipping and Maritime Issues**.

4.4 Misdeclaration of Cargo

In accordance with the Hague-Visby Rules, Article III(5), the shipper is deemed to have guaranteed to the carrier the accuracy at the time of shipment of the marks, number, quantity and weight, as furnished by them, and the shipper is required to indemnify the carrier against all loss, damages and expenses arising or resulting from inaccuracies in such particulars. The right of the carrier to this indemnity in no way limits the latter's responsibility and liability under the contract of carriage to any person other than the shipper.

It should be noted that, as part of the effort to deal with safety problems at sea and on shore arising from incorrect declarations of weight of containers, Israel has taken steps through its Port Regulations to ensure the reliability of weights of containers by scrutinising the SOLAS VGM (Verified Gross Mass) declarations issued by shippers, as well as the weighing of all trucks entering the port.

4.5 Time Bar for Filing Claims for Damaged or Lost Cargo

Israel has adopted the Hague-Visby Rules by virtue of the Carriage of Goods by Sea Ordinance 1926, as amended in 1992. In accordance with these Rules, the limitation period for filing a claim against a maritime carrier for damage/shortage of cargo is one year from the date of arrival of the cargo at its destination or from the date the cargo was due to reach its destination. This limitation period also applies to subrogation claims brought by insurance companies.

As noted, Israel has incorporated the Hague-Visby Rules into its law. In accordance with Article III 6 of the Rules, subject to paragraph 6 bis, the carrier and the vessel shall in any event be discharged from all liability whatsoever in respect of the goods, unless suit is brought within one year of their delivery or of the date when they should have been delivered. According to Israeli case law, the time bar is not merely a procedural matter but a substantive right, and the limitation period may therefore only be extended if the parties agree to this voluntarily.

It will be recalled that Article 6 bis provides that an action for indemnity against a third person may be brought, even after the expiry of a year, if brought within the time allowed by the law of the court seized of the case; however, the time allowed shall be not less than three months, commencing from the day when the person bringing such an action for indemnity has settled the claim or has been served with process in the action against themselves.

In the Supreme Court case ALA 9444/00*Bellina Maritime SA Monrovia v Menorah Insurance Co Ltd*, the Court held that a subrogated insurer cannot benefit from the provisions of Article III 6A of the Rules (namely, the provision that forms an exception to the short prescription period of one year set out in Article III 6).

5. Maritime Liens and Ship Arrests

5.1 Ship Arrests

Israel is not a party to either the 1952 or the 1999 Arrest Conventions. For historical reasons, the jurisdiction of the Israeli Admiralty Court is equivalent to that applied by the English High Court of Admiralty in 1890. Similarly, the admiralty practice is that set out in the Vice-Admiralty Rules of 1883.

It is to be noted that the Admiralty Court's material jurisdiction under the English Admiralty Courts Acts is fairly limited. Thus, in a recent case (In Rem File 31813-10-22*Vos Prince*) the Israeli Admiralty Court held that prima facie a dispute over the validity of a sale agreement for a vessel does not fall within the Court's jurisdiction to deal with causes for possession.

5.2 Maritime Liens

The Shipping (Vessels) Law – 1960, Section 40 deals inter alia with debts to be secured by a first lien (on the vessel, freight and accessories). Section 41 lists the type of debts that are capable of being secured as a maritime lien and the order of priority amongst the liens.

The Law does not expressly refer to the position under the Admiralty Courts Acts, although it does retain existing legislation concerning the creation or transfer of a mortgage or charge upon a vessel. It is accepted that the creation of these statutory liens also confers complementary jurisdiction in rem on the Admiralty Court, but the Court has not yet dealt with the issue of the ranking of priorities in the event of a conflict between the provisions of Section 41 of the Shipping (Vessels) Law and accepted principles of general admiralty law. In any event, Section 41 sets out the debts in the following order of priorities:

- expenses of judicial sale;
- pilotage and port fees;
- expenses of guarding and maintaining the vessel;
- Master and crew wages;
- salvage;

- personal injury;
- collision; and
- necessaries.

It should be noted that Section 41 (4) specifically provides for a statutory right in rem in respect of payments claimed by the captain, crew or their survivors, due to their employment on the vessel, according to a contract or as compensation for civil damages or in any other way.

According to Section 53 of the Shipping (Vessels) Law – 1960, debts accumulated by a charterer are dealt with in the same way as those accumulated by an owner. More precisely, the Section states: "The provisions of this chapter shall apply also to a vessel operated by a charterer or some other person who is not the owner thereof, unless he obtained the vessel unlawfully and the fact was known to the creditor". Consequently, it is arguable, pursuant to Section 53, that debts created by a charterer during the period of a charterparty will vest a maritime lien, or at minimum a statutory action in rem, against the vessel. However, this matter has not yet been decided by the highest instance in Israel.

With regard to foreign maritime liens, it should be noted that the Israeli Admiralty Court will look at the proper law of the claim in order to determine the validity of a lien.

5.3 Liability in Personam for Owners or Demise Charterers

The Admiralty Court has concurrent jurisdiction in rem and in personam. While there is no statutory requirement that owners be personally liable in order for a right in rem to arise, recent case law suggests that the Admiralty Court will not enforce a maritime lien in the absence of personal liability on the part of the owner (ALA 851/99*M/V Ellen Hudig* (2004)). Similarly, in CF 45897-02-12*M/V Emmanuel Tomasos* (2014), the actual bunker supplier's claim was denied on the ground that only the contractual supplier who had contracted with the owners could be a creditor under the necessaries lien. Likewise, in AF 24399-05-15*M/V Nissos Rodos* (2016), it was held that the local agent who had been nominated by the operator of the vessel, and paid the port dues for the numerous calls of the vessel at Haifa Port, was not entitled to enforce a maritime lien for "port dues of any kind… paid by a third party" on the ground that the agent had no agreement with the owners such that the owners were not personally liable to pay the agent.

Equally, in AF 22358-02-14*M/V Captain Harry* (2016), a supplier's claim was dismissed due to a lack of owner's liability; nonetheless, the Admiralty Court noted that there were different types of maritime liens and that, for example, the maritime lien for salvage existed, even if the owners were not liable for the circumstances leading to the salvage event. On appeal, the Supreme Court held that the claim for unpaid bunkers could not be heard on the merits due to the principle of res judicata (CA 7138/16*M/V Captain Harry* (2018)).

5.4 Unpaid Bunkers

It should be noted that bunker supplies are regarded as necessaries both under Section 41 (8) of the Shipping (Vessels) Law – 1961 and under Section 5 of the Admiralty Court Act 1861, and accordingly a bunker supplier may arrest the vessel in the event of breach of contract to pay for the bunkers. Nonetheless, according to the judgment handed down in CF 45897-02-12*OW Bunker Malta Ltd v M/V Emmanuel Tomasos* (referred to in **5.3 Liability in Personam for Owners or Demise Charterers**), the lien, and consequently the right of arrest, is limited to the party that directly entered into the supply agreement with the vessel and does not follow into the hands of subcontractors who supplied the fuel.

The rationale behind the distinction between the supplier of the goods and subcontractors is that the supplier has collateral to secure the payment for the goods, namely the vessel itself. Under this construction, the vessel may proceed with its regular voyage, while the supplier need not wait for other collateral, thereby delaying and interfering with the operation of the vessel. By comparison, the subcontractor (namely, the physical supplier) does not have a direct arrangement with the vessel and will receive its payment from the party ordering the goods and not the vessel, its owners or crew. The grant of security over the vessel to a subcontractor is not required in order to secure the mobility of the vessel. The court also noted that the recognition of the right of each one in the chain

of subcontractor suppliers to realise a maritime lien would probably lead to the situation whereby the vessel would be required to pay a number of entities for the same supplies, contrary to the vessel's expectation that it would have to pay one supplier the agreed consideration for these supplies.

5.5 Arresting a Vessel

A claimant seeking to arrest a vessel will usually file an ex parte application supported by an affidavit and supplement it with a claim in rem before the court, asking for the arrest of the vessel as security for their claim. The grounds for arrest must satisfy the provisions of the Admiralty Courts Acts. Once the court is persuaded that there is a cause of action and that the damage caused to the applicant by not granting the warrant of arrest would be greater than the damage caused to the defendant by the grant of the order, it will issue a warrant of arrest, which will be valid for six months. To become effective, the warrant of arrest is served on the Master, the Port Authority and the Border Police. Usually, service is effected by electronic means. A ship-owner anticipating this process may file a caveat against arrest, undertaking to provide security in lieu of arrest.

There is a court fee, equal to 2.5% of the amount being sought, for filing the claim. Of this, 1.25% is payable upon filing the claim in rem or the application for arrest, whichever is earlier, and 1.25% is payable seven days before the first evidentiary hearing.

In accordance with rules of procedure and Supreme Court precedent, particularly CA 168/93 and ALA 201/93*Fullwood Marinated Inc v Lofobunker Co SA (The Arctic Hunter)*, claimants in admiralty proceedings seeking the arrest of a vessel will not be required to put up any security for the arrest, except in exceptional case. According to the aforementioned case, an exceptional circumstance might be if the application for a warrant of arrest is based on documents the veracity of which is doubtful. Nonetheless, the court will take into account the property rights of the ship-owner, if appropriate, in accordance with Section 3 of Basic Law: Human Dignity and Liberty and the need to balance these fundamental rights against the claimant's right to an ex parte order of arrest, and where necessary do so by ordering counter-security in favour of the ship-owner.

5.6 Arresting Bunkers and Freight

According to Section 10 of the Vice Admiralty Rules 1883, a writ in rem may be served upon cargo, freight or other property if the cargo or other property is on board a ship. Conceivably, an issue of title would arise in the event of an attempt to arrest unpaid bunkers.

5.7 Sister-Ship Arrest

Israel does not recognise the right of a plaintiff to arrest a vessel that is not directly connected with the cause of action – ie, claims against sister-ships or associated vessels (although any such vessels may be attached within the framework of in personam proceedings in the civil courts) as previously described. This was confirmed in the AF 6731-02-17*M/V Huriye Ana* (2017), where the Admiralty Court held that it had no jurisdiction to order a "sister-ship arrest".

Nonetheless, within the context of a civil suit against the ship-owner as opposed to admiralty proceedings, and subject to strong evidence, the court could order the "corporate veil" to be lifted, and consequently the attachment of sister ships or vessels owned by affiliated companies; it should be noted that attachment orders in civil proceedings are comparable to arrest orders, except insofar as concerns collateral security.

5.8 Other Ways of Obtaining Attachment Orders

In contrast to the in rem proceedings described in **5.5 Arresting a Vessel**, a vessel or other asset may be attached in ordinary civil proceedings. In such cases, claimants are required to provide a letter of undertaking (LOU) on their own behalf, as well as a third-party LOU to reimburse the defendant, should the temporary application be set aside and/or the claim be dismissed on the merits, causing the defendant to incur a loss. The court may exempt the claimant from providing a third-party LOU if it deems it just and proper to do so.

5.9 Releasing an Arrested Vessel

An owner or interested party may produce a P&I club LOU as acceptable security in lieu of arrest. Similarly, an Israeli bank guarantee is acceptable security, as is

the deposit of the claimed amount in the court treasury.

5.10 Procedure for the Judicial Sale of Arrested Ships

Once a vessel has been arrested in accordance with the rules, and judgment has been entered in rem against the vessel and/or ship-owner, the court, usually at the request of the claimant, will examine whether the ship-owner is able to pay the sum awarded. In the event that it concludes that they are incapable of paying this sum, the court will order the sale of the vessel.

There have been cases, particularly where the vessel is deteriorating in value, guarantees have not been produced in lieu of arrest or crew and suppliers have not been paid, where the court, at the request of a claimant, will order the appointment of a receiver in order to preserve the vessel, and her crew and cargo. Normally, this process will shortly afterwards be followed by an order of sale, with or without judgment in favour of the claimant. In all these cases, the sale proceeds will serve as substitute security for the claim, pending judgment on the claim in rem and subsequently subject to an order as to priorities in accordance with Section 41 of the Shipping (Vessels) Law – 1960.

It should be noted that in mortgage cases where an urgent sale is required in order not to prejudice the rights of a mortgagee, Section 74 of the aforementioned law specifically allows the sale of the vessel by private agreement even before judgment is given on the claim. Section 72 of the law empowers the court to appoint a receiver or manager for a vessel and to grant them any of the powers that a district court may grant to a receiver, and this would likely also include the power to conduct a private sale of the vessel in a non-mortgage case.

All of the maritime liens set out in Section 41 (except "necessaries") rank higher in terms of priority than the statutory right in rem granted by a mortgage.

5.11 Insolvency Laws Applied by Maritime Courts

As a matter of Israeli practice, a ship-owning or other company must settle its business, file suits, etc, while it retains its legal personality. Usually, all business is taken care of prior to or during the process of dissolution of the company and not after it has ceased to exist.

5.12 Damages in the Event of Wrongful Arrest of a Vessel

There is no decisive authority in the Admiralty Court regarding damages for wrongful arrest. A party seeking an interim remedy (such as an attachment) may potentially be liable in tort if they have acted unreasonably or maliciously (CA 732/80*Arens v Bait-El*, where the Supreme Court discussed the applicant's duty to present the Court with the full factual basis).

Alternatively, if the Admiralty Court has required a guarantee to be put up at the time of arrest, that could be forfeited in the appropriate circumstances.

6. Passenger Claims

6.1 Laws and Conventions Applicable to the Resolution of Passenger Claims

Israel is not a party to the Athens Convention relating to Carriage of Passengers and their Luggage by Sea. Accordingly, it seems likely that in passenger claims brought in Israel the courts would apply Section 5 of the Prescription Law – 1958, which sets a limitation period of seven years for non-land disputes. It is possible to stipulate a limitation period in a contract, albeit such a stipulation would be open to scrutiny as a potentially unfair restrictive clause. Section 41 (6) of the Shipping (Vessels) Law creates a statutory right in rem to claim compensation for death and bodily injury caused to passengers on the vessel.

7. Enforcement of Law and Jurisdiction and Arbitration Clauses

7.1 Enforcement of Law and Jurisdiction Clauses Stated in Bills of Lading

The Israeli courts give full effect to choice of law clauses contained in any contract, including contracts of carriage and bills of lading. Where the case is conducted in Israel, foreign law is considered a matter of

fact, which must be proved in the usual way, generally through expert testimony.

With regard to jurisdiction clauses, the Israeli courts will give effect to exclusive jurisdiction clauses, even where the action sought to be stayed is in rem. In the case of CA 8205/16*M/V Thor Horizon*, the Supreme Court held that a foreign jurisdiction clause contained in a bill of lading issued by a sub-charterer could apply to a claim in rem against the vessel for damage to goods. The Supreme Court emphasised that seizure of the vessel in Israel alone, without further links to the country, would not be sufficient to determine that Israel is the convenient forum in the face of a foreign jurisdiction clause. Further, the fact that the damage to the goods was discovered upon the arrival of the vessel in Israel was not, on its own, sufficient to weigh against a stay of proceedings in Israel. Nonetheless, in that case, prescription in the foreign forum meant that, in the particular circumstances, the convenient forum for hearing the case was in fact Israel.

In another case, ALA 1785/15*Cosco Container Lines Co Ltd v Alison Transport Inc*, the Supreme Court upheld the District Court decision that a consideration against an argument that Israel was not a forum non conveniens was that suit was being brought against the carrier, shipper and other parties, and it was important for all the disputes to be heard in a single forum.

7.2 Enforcement of Law and Arbitration Clauses Incorporated Into a Bill of Lading

In the event of a foreign arbitration clause, Section 6 of the Israeli Arbitration Law – 1968 provides that when an action is brought before a court in a dispute in which it had been agreed to refer to arbitration, and if an international convention to which Israel is a party applies to the arbitration and that convention lays down provisions for a stay of proceedings, the court will exercise its power under Section 5 in accordance with and subject to those provisions.

This is also true where the arbitration clause is in a charterparty incorporated into the relevant bill of lading, subject always to the true construction of the relevant arbitration clause (ALA 1917/19*M/V Chem Antares* (2019)).

7.3 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards

Israel is a party to the 1958 New York Convention on the Enforcement and Ratification of Foreign Arbitral Awards, which provides for the stay of judicial proceedings in the case of a foreign arbitration agreement unless it finds that the agreement is null and void, inoperative or incapable of being performed.

Section 29 of the Israeli Arbitration Law – 1968 provides that matters regarding the enforcement or cancellation of an arbitration award governed by an international convention to which Israel is a party will be dealt with according to the provisions of that convention. As a result, a court considering the ratification of a foreign arbitral award would give consideration to such matters as whether the subject matter is capable of arbitration according to the laws of Israel and whether recognition and enforcement of the award is consistent with Israeli public policy.

7.4 Arrest of Vessels Subject to Foreign Arbitration or Jurisdiction

The Admiralty Court has jurisdiction to order the attachment of a vessel as security for foreign judicial or arbitral proceedings, upon provision of prima facie evidence that the ship-owner will not be in a position to satisfy a judgment or arbitral award. Moreover, interim relief in the form of ship arrest or temporary attachment may be obtained before the foreign arbitration proceedings have been initiated (CA 102/88*Silver Goose Delicatessen Ltd v Cent or SARL*).

7.5 Domestic Arbitration Institutes

There are a number of expert maritime lawyers and retired judges who specialise in handling maritime arbitrations.

7.6 Remedies Where Proceedings Are Commenced in Breach of Foreign Jurisdiction or Arbitration Clauses

A defendant facing proceedings in breach of an exclusive foreign jurisdiction or arbitration clause may ask for a stay of the proceedings until judgment is rendered by a competent foreign tribunal.

8. Ship-Owners' Income Tax Relief

8.1 Exemptions or Tax Reliefs on the Income of Ship-Owners' Companies

Israeli shipping companies are subject to the same corporate tax regimes as other companies in Israel, and are not subject to any special regulation or legislation. Incentives are, however, provided to shipping companies in terms of amortisation, and seafarers are provided with incentives in terms of income tax deductions.

9. Implications of Non-Performance, IMO 2020, Trade Sanctions and International Conflict

9.1 Force Majeure and Frustration

Israeli legislation does not contain a definition of the term "force majeure". Accordingly, when considering non-performance of contractual obligations, the Israeli courts always look first at the construction of the contract and the intention of the parties. Force majeure in shipping contracts usually relates to wars and hostilities, natural disasters such as hurricanes and other matters outside the control of the parties. When considering the construction of the clause, the courts will also take into account the foreseeability of the event.

Even if a particular event does not fall within the definition of force majeure, it is possible that in the appropriate circumstances the court would consider the shipping contract to be frustrated. In this regard, the Israeli courts have held that "war" per se in Israel does not frustrate a contract governed by Israeli law. It is highly likely that the on-going Russia-Ukraine war would also not be considered a frustrating event by the Israeli court in relation to a contract governed by Israeli law, in light of the foreseeability of the hostile activities.

Section 18 (a) of the Israeli Contracts (Remedies for Breach of Contracts) Law 1970 provides that, where the breach of contract is the result of circumstances that at the time of making the contract the person in breach did not or could not know or foresee, and which they could not have avoided, and the performance of the contract under these circumstances is impossible or fundamentally different from what was agreed between the parties, the breach will not give cause for enforcement of the contract or a right to compensation. The outcome is termination of the contract. The breaching party is not required to pay compensation; however, by virtue of Section 18 (b) of the law, they must return the moneys or goods received from the innocent party.

9.2 Enforcement of the IMO 2020 Rule Limiting the Sulphur Content of Fuel Oil

The State of Israel adopted new national regulations for the prevention of air pollution from ships, which took effect on 23 February 2023. These regulations reflect the Regulations to Annex VI of MARPOL.

The new regulations adopt low-sulphur limits at berth, similar to the requirements in EU member states, based on an EU Directive. The regulations require ships to change to 0.1% low-sulphur fuel as soon as possible, but not more than one hour after arrival/before departure to/from port (pier or anchorage), and to maintain proper records in the sulphur record book.

Ships equipped with an exhaust gas cleaning system (EGCS; scrubber), in accordance with IMO guidelines, which has been approved by the flag state, may use it within the port limits. These ships will not be required to use compliant fuel as stipulated in the Regulations. Wash water from EGCS may not be discharged overboard within port limits.

Israel has also stipulated in the Regulations provisions limiting volatile organic compound (VOC) emissions in its ports. The Regulations define what is considered as a VOC and to which ships the Regulations shall apply. A 2016 task force funded by the Ministry of Environmental Protection recommended a number of measures to reduce pollution in the marine sector at both the Haifa and Ashdod ports.

9.3 Trade Sanctions

In Israel, issues of trading with the enemy are governed by the Trading With The Enemy Ordinance, which was enacted during the British Mandate in 1939.

Section 3 (1) of the Ordinance prohibits all trade with an enemy, and also establishes criminal sanctions for contravention of the prohibition. The term "enemy" is defined in Section 4 (1) to include "any individual resident in enemy territory" and "any state... at war with the State of Israel". Section 3 (3) of the Ordinance states the prohibition on trading with the enemy, which applies also to a "person acting on behalf of an enemy". The prohibition on trade with the enemy also applies to payment or transmission of money "to an enemy or for the benefit of an enemy or to a place in enemy country" (Section 3 (2)(a)(2) of the Ordinance). Section 4 (d) of the Prevention of Terror Ordinance, 5708 – 1948, prohibits the transmission of money "for the benefit of a terrorist organisation".

The Ordinance also prohibits transferring money or commercial documents and securities (Sections 6 and 7 of the Ordinance), clearly with the purpose of preventing any financial assistance that might aid the enemy in its war against Israel. The Finance Minister is responsible for determining the enemies of the State of Israel, and currently this list consists of citizens and residents of Syria, Lebanon and Iran.

Israel is also a member of the Organisation for Economic Co-operation and Development (OECD) and therefore adopts a wide range of legislation regarding anti-money laundering and terror financing, as well as laws forbidding trade with "terrorist organisations".

Israel has not imposed formal trade or economic sanctions against Russia following the invasion of Ukraine; however, many companies are reluctant to engage in trade with Russia for fear of being blacklisted under international sanctions regimes. Moreover, in practice, Israeli banks comply with almost all financial sanctions against Russia and Belarus set by European and US regulators.

9.4 International Conflict

The most notable legal impact of the war in Ukraine on commercial grain contracts has been the shift in the attachment of the risk in cost, insurance and freight (CIF) contracts to the entry into the Bosphorus Straits. This provides a measure of comfort to Israeli buyers seeking to mitigate the risk attendant on loading in Black Sea ports.

A month after the Hamas attack on Israel on 7 October 2023, the Houthis began attacking commercial vessels suspected of being linked to Israel or to Israeli entities or individuals in the Bab el-Mandeb straits and Gulf of Aden, leading to the diversion of shipping routes between Asia/Oceania and the Mediterranean/Europe from the shorter route through the Red Sea to the longer route around the Cape of Good Hope and West Africa.

According to Bank of Israel findings, the impact on Israeli imports and exports of these attacks has been limited compared to other OECD countries in the Mediterranean, first in light of the small volume shipped to and from Asia/Oceana and second because of the swift action taken by ZIM Integrated Shipping Services Ltd to divert its vessels to an alternative shipping route that bypasses Africa, followed by the majority of the international shipping industry. Similarly, there have been minimal legal consequences of the Houthi attacks in the Israeli jurisdiction.

10. Additional Maritime or Shipping Issues

10.1 Other Jurisdiction-Specific Shipping and Maritime Issues

In Israel, cabotage is regulated by the Coastal Shipping (Permit to Foreign Vessel) Law – 2005, and the regulations promulgated thereunder in 2012 regarding applications for permits.

Section 1 of the Law defines coastal shipping broadly and includes the carriage of goods and passengers originating from and destined for a port, vessel, facility or structure located in coastal or internal waters of Israel, without calling on a foreign port, excluding the carriage of empty containers or empty tows used by the ship-owner to carry goods.

The law provides for permits to engage in cabotage, including the requirement for a permit to perform any other operation in such waters, excluding fishing, oil and natural gas drilling and production, and the placing of pipes for conducting oil or natural gas on or under the sea bed. Insofar as the contiguous zone is

concerned, the placing of cables or pipes on or under the seabed is also excluded.

It should be noted that, in practice, foreign vessels are permitted to operate in Israeli coastal waters under a 30-day temporary permit. The vessel will be subject to testing by the Chief Marine Engineer of the SPA prior to being given a full permit.

As to sea collisions and casualties, the right of non-Israelis, including foreign insurance companies, to access full investigative materials from the Ports Authority by virtue of the Freedom of Information Law – 1998 was confirmed in Administrative Petition 67484-03-19*HDI Global Antwerp v The State of Israel et al (The Diana)*, despite this law essentially being intended to establish Israeli citizens' rights to receive information held by public authorities (see **1.2 Port State Control**).

In 2025, the Israeli government introduced new regulations implementing a significant reform to enhance port services, accelerate cargo handling, strengthen the economy and reduce the cost of living.

Amendments to the operational permits of four port terminals at Haifa and Ashdod enable them to expand operations and compete under fair conditions. The reform is expected to ease port congestion, and improve efficiency, by opening additional berths to reduce wait times and increase unloading speeds. Specific steps address congestion in both general cargo and container handling, recognising that 99% of Israel's imports and exports pass through its seaports:

- in Haifa Port, additional land has been allocated for logistics and commercial activities;
- in Bay Port (at Haifa), authorisation has been granted to use berths 7 and 8 for general and bulk cargo, with a maximum annual handling capacity of 750,000 tons per cargo type, valid until the end of 2031 – restrictions can be lifted if more than 30 vessels are waiting;
- Ashdod Port has been granted 40 dunams (approximately ten acres) at berth 25 for six years, while maintaining its status as Israel's "national port" for strategic security reasons; and
- South Port (at Ashdod) has been authorised to use berth 28 under similar conditions to Bay Port.

Finally, it should be noted that the Israeli Minister of Transport together with the Minister of Finance, issued an order amending the operational licence of the Israel Shipyard Port (ISP), removing as of 2025 all restrictions on the cargo-handling capacity of the port, except in relation to the import of new vehicles, which may not be imported to the ISP at all. This regulatory update forms part of the broader port sector reforms aimed at increasing competition and efficiency in Israel's maritime trade operations.

In an interesting recent case, *Maersk A/S v Gold Bond Group Ltd* (Israel Supreme Court, 5 May 2025), the Court held that the one-year time bar under Article III(6) of the Hague-Visby Rules applies only to parties to the bill of lading (or their successors), and does not bar indemnity or tort claims brought by third parties. The case concerned damage to heavy cargo that occurred during unloading at Gold Bond's Haifa container terminal, a facility providing container handling, storage and inland transportation services, following carriage by sea. Gold Bond, which was not a party to the bill of lading, subsequently sought indemnity from the ocean carrier, Maersk. The Supreme Court denied leave to appeal, confirming that such third-party claims are governed by Israel's general limitation regime rather than the Hague-Visby Rules, thereby clarifying the limited personal scope of the Hague-Visby time bar under Israeli law.

In another recent case, *Xin Hai Tong 23* (Haifa Maritime Court, Case No 73288-06-23), the Court upheld an in rem claim for unpaid general average (GA) contributions against a visiting Chinese-flagged vessel, notwithstanding a GA bond governed by English law with exclusive English jurisdiction. Relying on the historic Admiralty Acts 1840/1861 and Section 41 of the Shipping (Vessels) Law, the Court asserted local admiralty jurisdiction and enforced the GA claim, applying the York-Antwerp Rules 2016 and awarding approximately USD1.8 million plus costs and interest. The decision reinforces the Israeli Admiralty Court's robust in rem jurisdiction over foreign vessels in Israeli waters for GA and related maritime claims, prioritising local enforcement and public policy over foreign forum selection clauses, consistent with prior authorities such as Chem Antares and Thor Horizon.