

NAVIGATE

JTJB Shipping & International Trade Publication



Volume 2

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Introduction to Navigate

JTJB is proud to present this issue of *Navigate*, our dedicated publication providing timely insights into the shipping and international trade industry. In this volume, we bring you analyses of key judicial developments, legislative updates, and regulatory changes shaping the maritime sector across Singapore, Malaysia, and beyond.

Highlights include the Singapore courts' review of sanctions clauses in *Tina I* and shipowners' risks in misdelivery claims in *The Maersk Katalin*. We also examine global trade shifts such as the USTR's new tariff regime and Singapore's landmark Transport Sector (Critical Firms) Act which imposes new compliance obligations on sea transport operators.

This issue also discusses the growing use of AIS vessel tracking data in insolvency proceedings as affirmed by the Singapore Court of Appeal and provides an overview of Malaysia's ship arrest regime—an increasingly vital enforcement tool in the region.

We hope you find this publication insightful and engaging as we continue to guide you through the evolving currents of international trade and shipping law.





JTJB Shipping and International Trade Practice Group

About JTJB

Founded in 1988, for over 37 years, JTJB has been the trusted legal advisor of our clients worldwide. We are an award-winning law firm recognised by the major international legal directories.

We place our clients' interests first in all that we do and conduct ourselves with utmost integrity. We are experts in our field, have vast experience and a track record of success.

We provide specialist legal services in the areas of Shipping & International Trade, Dispute Resolution, Conveyancing & Real Estate, Corporate & Commercial, Construction & Infrastructure, Regulatory & Compliance and Corporate Secretarial Services. Our practice groups are led by skilled and experienced practitioners. We are able to take on matters of any size, urgency and complexity without compromising our commitment to provide clients with personalised and dedicated service.

Our Practice Group

JTJB has one of the most experienced Shipping and International Trade practices in Asia. We have been consistently ranked by various publications as one of the top maritime law firms in Singapore and are regarded as being amongst the leading experts in the maritime field. Our lawyers are recognised individually in these international legal directories and three of our lawyers are accredited as Senior Specialists in Maritime and Shipping Law by the Singapore Academy of Law.

We provide a full range of services encompassing registration, transactional (including mortgages, sale and purchase of vessels), advisory and disputes work. Our disputes work includes matters relating to the arrest and release of vessels, collisions and the constitution of limitation funds, personal injury claims, cargo claims, charterparty claims and shipbuilding/repair claims. Apart from court proceedings, we act in domestic and international arbitrations for maritime related matters under the various bodies such as SCMA, LMAA, KLRCA and HKIAC, as well as ad hoc arbitrations.



Kuala Lumpur



Los Angeles



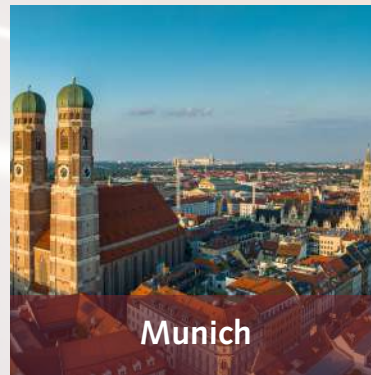
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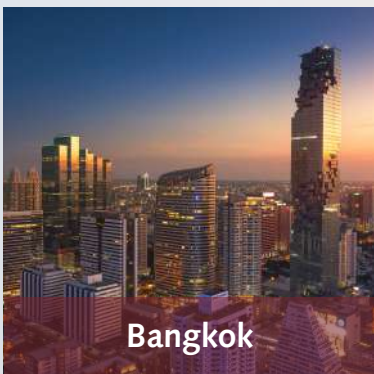
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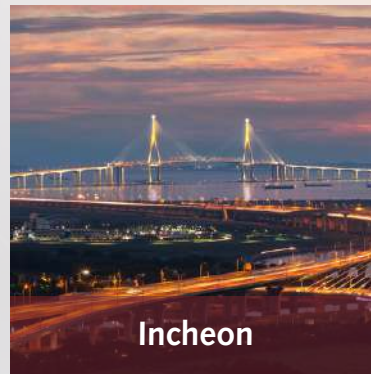
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Piraeus



Incheon

Our Global Network

We are able to assist our clients not just in Singapore but also across the world. Our JTJB Global Network spans 9 countries. We work closely with our network partners to provide our clients with an integrated and efficient service wherever their business takes them.

We are the only Singapore member of ADVOC, a client-focused, not-for-profit global network of independent law firms founded in 1990. ADVOC member firms undergo exceptional due diligence before admission, ensuring consistently high quality and professionalism. With 92 member firms in 73 countries worldwide and over 5,500 lawyers, ADVOC effectively creates a virtual international law firm. The network fosters close collaboration through member-to-member reviews, client seminars, and cross-border cooperation, enabling us to support clients seamlessly across jurisdictions, including in high-value, complex transactions and disputes.

Spotlight on Maritime Singapore

International Maritime Hub

Ranked as the leading maritime hub by both Menon Economics and the Xinhua-Baltic International Shipping Centre Development Index, among the world’s largest cities offering port and shipping services, Singapore has continued to dominate the maritime industry. Despite ongoing pressures across global supply chains, Singapore has sustained steady growth across its core performance indicators, scoring a 99.50/100 by Baltic group. Not only does Singapore retain a strategic location, but its bunkering status also remains the largest in the world, supplying 54.92 million tonnes of marine fuel.

Maritime Startups

Supporting over 140 enterprises, Pier71, in partnership with the Maritime and Port Authority of Singapore (MPA) and NUS Enterprise, serves as a global hub to support and accelerate the growth of maritime technology start-ups. Curated programmes, such as the Smart Port Challenge, identify and nurture high-potential start-ups that address key challenges faced by the industry today. Joseph Tan Jude Benny has collaborated with Pier 71 to support maritime startups and continue to advance Singapore’s position as the leading hub in the global maritime sector.



Maritime Arbitration

Singapore has firmly established itself as a leading arbitration hub, attracting a diverse array of international parties. This success is largely driven by the increasing demand for dispute resolution methods that are efficient, flexible, and confidential. Demonstrating this growth, the Singapore Chamber of Maritime Arbitration (SCMA) reports a remarkable 112% increase in maritime arbitration cases in Singapore over the past five years. This surge is attributed to growing market complexity and clients increasingly recognising the benefits of arbitration over traditional litigation. As a proud sponsor, Joseph Tan Jude Benny will be showing its support during the International Congress of Maritime Arbitrators, hosted by the SCMA in March 2026.

Maritime Decarbonisation

In alignment with the global push for maritime decarbonisation, the International Maritime Organisation (IMO) aims to reach net-zero emissions by 2050. While this poses a significant challenge for Singapore, it also presents a major opportunity. Tuas Port is at the heart of Singapore’s decarbonisation initiatives, with ongoing developments positioning it to become the world’s largest fully automated terminal by 2050. Alongside governmental efforts, companies such as Ocean Network Express (ONE) have begun their green shipping programmes, giving clients the choice of lower-carbon options. All these efforts strive to keep Singapore at the forefront of maritime innovation.





TINA 1: Should parties be permitted to use sanctions clauses to impose conditions that affect right to security created by way of payment into court.

Introduction

In this case, a dispute arose when the Claimant (an Iranian registered company) who was the registered owner of the “Shahraz” collided with the “Tina I” on 22 November 2020. Both parties accepted that the Claimant and the “Shahraz” are on the Specially Designated Nationals and Blocked Persons list administered by the US Office of Foreign Assets Control (“OFAC”).

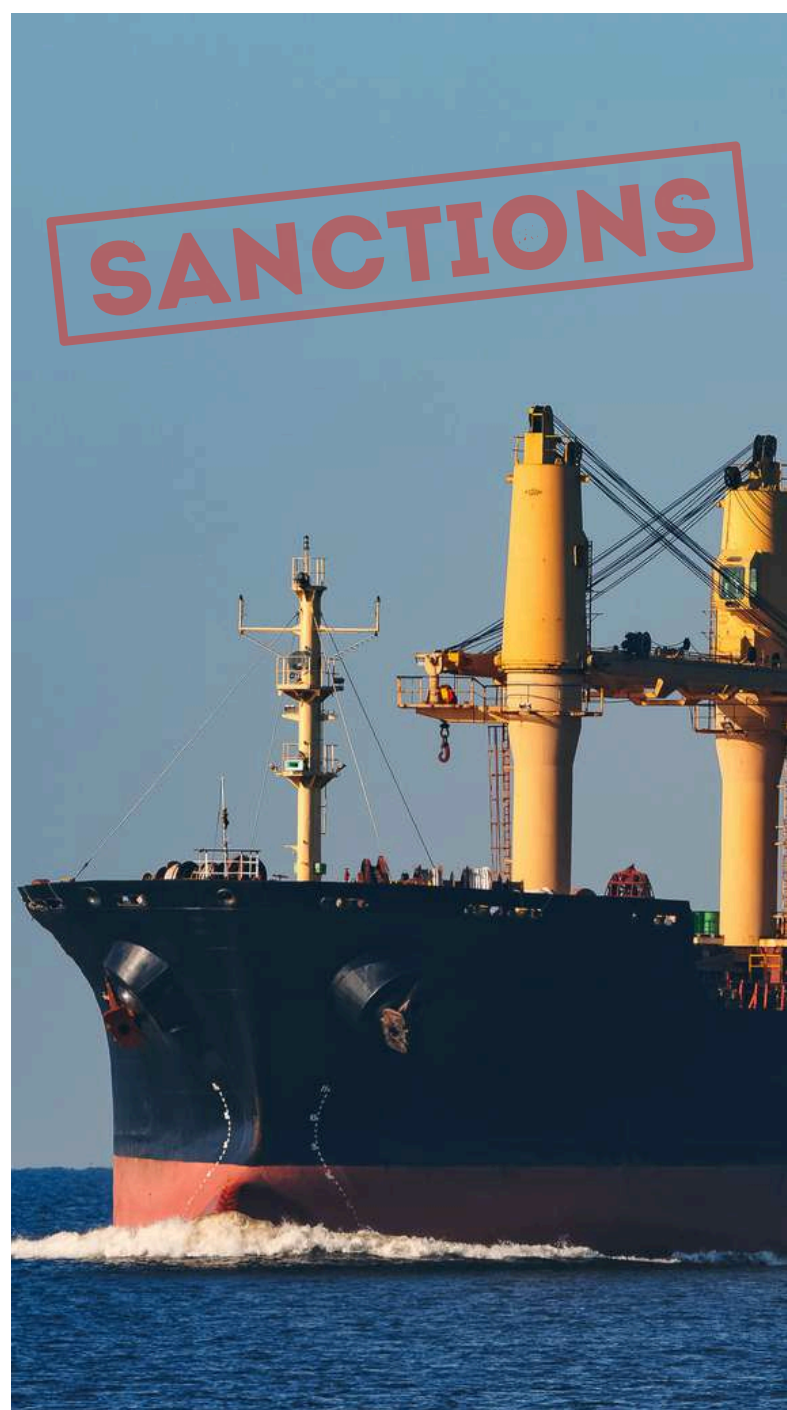
In the present case, the sanctions concern is of a ‘secondary’ type which deters non-US persons from dealing with sanctioned entities globally. Crucially, there were no applicable sanctions against the Claimant and the “Shahraz” in Singapore.

The Claimant commenced an action (“**the Action**”) for the collision but the parties later entered into an agreement on the collision whereby the Defendant agreed to bear 100% liability (the “**Agreement**”) and quantum was not yet assessed. After the Agreement was filed at the Supreme Court Registry, the parties negotiated a voluntary provision of security for the Action. The quantum of the security was agreed at S\$653,476.16 and was to be furnished by way of payment into court. However, the parties have not agreed on the inclusion of the sanctions clause (“**Sanctions Clause**”) into the Agreement.

The proposed Sanctions Clause prescribes that the payment out of court to the Claimant pursuant to any judgment or order of court can be legitimately refused by the Defendant in two prescribed scenarios:

1) if the payment would in the “Defendant’s reasonable opinion” be prohibited or expose the Defendant or its insurers to the risk of breach or penalties under, among other things, the sanctions laws of the US;

and 2) if any bank in the payment chain is unable to process or receive payment. In either scenario, the Defendant shall nevertheless use reasonable endeavours to obtain the necessary permissions or approvals to effect payment to the Claimant. Thus, the issue before the court was whether payment out from court should be subject to the Sanctions Clause.



The Law

The court restated that it has the jurisdiction in an *in rem* admiralty action to determine the form of a pre-judgment security, the quantum of security, and the terms on which security is to be provided to avoid the arrest of a Defendant’s vessel. This is derived from the court’s inherent jurisdiction to prevent the use of court procedure in an oppressive way and the need for the proposed security to be an adequate substitute for the arrest of a ship.

The court’s decision and reasoning

The court denied the inclusion of the Sanctions Clause into the Agreement for three reasons: 1) Sanctions Clause not supported by evidence; 2) Sanctions Clause inconsistent with the payment into court mechanism; and 3) Sanctions Clause would give Claimant inadequate security.

Reason 1: Sanctions Clause not supported by evidence

The court stressed the need to prove foreign law as a question of fact. As the Defendant sought to submit as evidence the advice on US law regarding the applicable sanctions regime, the Defendant ought to have followed the formalities regarding admitting the US law advice into evidence. In this case, the Defendant exhibited the US law advice it has received from an external lawyer through its own representative’s affidavit. This was not in compliance of the Rules of Court 2021 where a signed expert’s report must be exhibited in an affidavit made by the expert himself.

Additionally, the expert report did not contain the expert’s qualifications and a statement of the expert’s overriding duty to the court, both in contravention of the ROC.

Additionally, the US law advice exhibited in the affidavit did not touch on the risk of sanctions if monies are paid into court, instead touching only on the sanction risks of transferring the security through a lawyer’s undertaking. With the procedural and substantive aspects of the US law advice lacking, the Defendant’s reliance on the US law advice precluded the inclusion of the Sanctions Clause into the Agreement.

Reason 2: Sanctions Clause inconsistent with the payment into court mechanism

Under the payment into court mechanism, monies cannot be paid out to parties otherwise than under an order of a Judge sitting in the General Division of the High Court or a Registrar in certain limited situations. This is because the title to the monies paid by a Defendant ceases to be the Defendant’s and they become subject to the outcome of an action and any order that the Judge or the Registrar may make. Therefore, a defendant is not at liberty to take out the security as and when it wishes.

The subjective phrasing of the Sanctions Clause confers a discretion to the Defendant to deny payment of the security to the Claimant based on the Defendant’s own subjective risk assessment. While the Sanctions Clause states that the Defendant is still obliged to use reasonable endeavours to effect payment to the Claimant, this discretion could be abused to escape a bad bargain. However, Assistant Registrar Navin obiter said that he could not foreclose the possibility of future circumstances that may affect payment out.

Therefore, until the courts in Singapore revisit this issue, a sanctions clause worded similarly to the one in “Tina I” is incompatible with the payment into court mechanism espoused in the ROC.

Reason 3: Sanctions Clause would give Claimant inadequate security

The Claimant could receive inadequate security by adopting the Sanctions Clause in the Agreement instead of arresting the “Tina I.” In a ship arrest, the Claimant could apply for a judicial sale of the vessel to satisfy its claim. However, through adopting the Sanctions Clause, the Claimant would have issues in enforcing the security as it is dependent on the Defendant’s discretion to block the payment out of court to the Claimant. Thus, the Claimant is in a worse position if it adopts the Sanctions Clause instead of arresting the “Tina I.”

The Defendant’s case

The Defendant cited *M/V Pacific Pearl Co Ltd v Osios David Shipping Inc* [2022] 2 Lloyd’s Rep 448 (“**Pacific Pearl**”) as an instance where the court accepted security that included a similarly worded sanctions clause. In *Pacific Pearl*, the key issue was whether a letter of undertaking (“**LOU**”) with a sanctions clause constituted satisfactory security. The English High Court answered in the affirmative and this was upheld on appeal.

However, *Pacific Pearl* and “Tina I” can be distinguished. First, *Pacific Pearl* concerned an LOU while “Tina I” was concerned with payment into court. Assistant Registrar Navin stressed in “Tina I” that an LOU can have bespoke clauses to allocate risk while doing so to a payment into court mechanism is fundamentally flawed by design. Second, a clause relied on by the parties in *Pacific Pearl* provided that parties agree to forego better security attainable through ship arrest whereas this was not the case in “Tina I.”



Analysis of the “Tina I” case

As can be seen from the “Tina I” case, the parties tried to allocate risks of sanctions contractually. However, this failed due to, primarily, the drafting of the Sanctions Clause which would undermine the payment into court mechanism. It is now clear that an attempt to restrict the court’s ability to effect payment through the payment into court mechanism is not welcome. As an alternative, parties in a collision could consider using an LOU or a bank guarantee (“BG”) from reputable providers to settle and include a sanctions clause. If parties are not in agreement on the scope and wording of the sanctions clause, the court has jurisdiction to review the LOU or BG terms, as can be seen in the seminal case of *Kuvera v JPMorgan* [2023] SGCA 28.

In *Kuvera*, a confirming bank was precluded from denying payment to the beneficiary of a letter of credit (“LC”) on the ground that the LC included a sanctions clause. JPMorgan as the confirming bank had an internal list of vessels and entities that had been determined by JPMorgan itself to have a sanctions nexus and/or concern. JPMorgan as the party relying on the sanctions clause had the burden of proof in proving that the vessel in question was a sanctioned vessel objectively. This burden was not discharged as it relied on JPMorgan’s own internal risk assessments, similar to the subjective determination of risk on the Sanctions Clause in the present case.

As can be seen in *Kuvera* and *Pacific Pearl* it is important that a sanctions clause is drafted reasonably to address sanctions concerns but not to the extent that it casts into doubt the standing of the LOU as a suitable alternative security in lieu of arrest. The Court of Appeal in *Kuvera* took a strict and narrow approach to the interpretation of the sanctions clause and

stressed the need for the party relying on a sanctions clause to use objective criteria in invoking the sanctions clause and not to rely on a party’s own assessment of sanctions risks.

Therefore, it is advisable for parties in a collision to draft a narrowly worded sanctions clause in an LOU or BG that has clear and objective conditions to invoke it. Additionally, it would be wise for a party seeking to rely on a sanctions clause to use evidence from publicly available sources so that it is easier to demonstrate to a counterparty that an objective assessment was done without using its own subjective assessment.

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Special Thanks to our Intern, Izzad Danial

The Maersk Katalin: Shipowners' Risk and the Causation Defence in Misdelivery Claims



Introduction

In the fast-moving world of international trade, shippers sometimes resort to issuing letters of indemnity to shipowners in lieu of presenting the original bills of lading (“OBLs”) for the discharge of a cargo. However, a shipowner who delivers goods without production of the OBLs does so at their peril, as it may expose them to misdelivery claims.

In the recent decision of *The Maersk Katalin* [2024] SGHC 282, the Singapore High Court found for the claimant bank against the defendant shipowner (“**Maersk**”) for misdelivery. This article focusses on the causation defence and compares the Court’s handling of this defence against the English Court of Appeal’s handling of a similar causation defence in *The Sienna* [2024] 1 Lloyd’s Rep 177. We conclude with some takeaways for traders and shippers to consider in situations where OBLs are not available.

A. Relevant Facts

The dispute concerned United Overseas Bank Ltd’s (the “**UOB**”) claim against Maersk as lawful holder of the OBLs relating to two parcels of a shipment of gasoil (the “**Cargo**”) onboard the “Maersk Princess” (the “**Vessel**”) that was voyage chartered by Winson Oil Trading Pte Ltd (“**Winson**”). The Cargo was purchased by Winson from various sellers and eventually on-sold to Hin Leong Pte Ltd (“**Hin Leong**”) on DES terms from Mailiao, Taiwan to Universal Terminal, Singapore.

The Vessel commenced discharge of the Cargo on 28 February 2020 without presentment of the OBLs, but under a letter of indemnity issued by Winson to Maersk. On 3 March 2020, Hin Leong applied to UOB for a letter of credit (“**L/C**”) to finance the purchase of the Cargo. UOB approved Hin Leong’s application and issued the L/C the next day. On 5 March 2020, Winson presented compliant documents under the L/C and UOB made payment shortly after. UOB eventually received the OBLs for the Cargo sometime in June and July 2020. Upon receiving the OBLs and following Hin Leong’s announcement of insolvency, UOB sought to enforce its security by pursuing a misdelivery claim against Maersk.

B. The Causation Defence

Maersk and Winson (as intervener in the action) raised a number of defences, among which was the causation defence.

Maersk and Winson argued that UOB would have authorised the discharge of the Cargo without presentation of the OBLs in any event. As such, it was argued that the discharge of the Cargo without the OBLs did not cause UOB’s losses, or that UOB would have suffered the same loss in any event. The causation defence raised by the defendants in *The Maersk Katalin* was similar to the “negative causation” defence that succeeded in *The Sienna*, which was decided by the English Court of Appeal.

C. The Decisions

For the purpose of this article, we compare key aspects of the evidence tested at trial in both *The Sienna* and *The Maersk Katalin*. Whilst the causation defence succeeded in the former case but not the latter, it is worth noting that there was no major shift or change to the legal principles adopted by both courts. In fact, the main reason for the different outcome lay primarily with the evidence. As such, to understand why the outcomes differed it is necessary to delve more deeply into the evidence presented by parties in both cases.

In *The Sienna*, the claimant bank ("**Unicredit**") financed Gulf Petrochem FZC's ("**Gulf**") purchase of cargo of low-sulphur fuel oil (the "**Fujairah Cargo**") from BP Oil International Ltd ("**BP**") on DES terms to Fujairah, UAE. The Fujairah Cargo was carried on board the vessel *Sienna*, where BP were the original charterers who subsequently novated the charterparty to Gulf. At the time of discharge of the Fujairah Cargo, the OBLs remained in BP's possession. The owners discharged the cargo without production of the OBLs.

On the evidence, Justice Moulder (at first instance) found that Unicredit did, at least implicitly, approve discharge of the Fujairah cargo without production of the OBLs. We highlight three pieces of evidence that was considered by the Judge:

a. First, Unicredit accepted that the Fujairah Cargo would not be discharged into storage at Fujairah even though this meant that the bank lost the additional protection of control over the storage facilities. On 25 March 2020 (prior to discharge), Unicredit's liaison with Gulf ("**Ms Bodnya**") sought an update from Gulf on the transaction in an email that read as follows:

Will you please update me on the status of the BP transaction and the related transport documents.

Are the goods still on the vessel or have they already arrived to Fujairah? Latest NOR was March the 24th

Any news on the offtaker?

Gulf responded the next day, stating that:

...Goods are still on vessel and will not be discharged without approval from UniCredit.

Traders are discussing sales with some counterparties. Once confirmed will let you know.

Following further exchanges between the parties, Gulf sent an email to Ms Bodnya to state that:

...Cargo will be sold in small clips of 5000-6000 MT each to regular customers – delivered from the vessel.

(emphasis added)



Crucially, Ms Bodnya admitted during trial that the bank understood that at the time, there would be no delivery to the storage in Fujairah which was initially envisaged.

b. Second, Unicredit was aware that the OBLs would not be available until after the discharge had taken place. On 1 April 2020 (prior to discharge), Ms Bodnya wrote to Gulf to, amongst others, request for copies of the endorsed OBLs in light of the fact that the cargo was to remain on the vessel *“as floating storage until further transaction settlement”*.

However, on 3 April 2020 Gulf forwarded to Ms Bodnya a response from BP rejecting her request for copies of the OBLs and stating that delivery of the originals *“will be difficult due to COVID-19 restrictions”* but that they would be provided to Unicredit *“as soon as practicably possible”*.

On the same day, Ms Bodnya responded as follows:

Situation is well noted and completely understood. I believe to the point you would get the originals, the goods would already be with the offtakers. Given LOI in place and current situation it can take long indeed.

So we would proceed as agreed under consideration of below.

During cross-examination, with reference to Ms Bodnya’s aforementioned email, the bank representative acknowledged that if no OBLs were present at the time of discharge, then *“discharge would be done against LOI, which is more than practical in the oil business”*.

c. Third, the Judge also found that Unicredit had no specific concerns about Gulf falling into default at the time, given that Gulf had taken out trade credit insurance covering 90 per cent of the receivables under the contracts with the sub-buyers of the Fujairah Cargo, and that the bank had the benefit of an assignment of this policy and thus believed at the time that it was insured as to 90 per cent against credit risk.

It was against this backdrop of evidence that the negative causation defence succeeded in *The Sienna*. Moulder J’s reasoning and findings at first instance were upheld on appeal.

Conversely, in *The Maersk Katalin*, Mohan J found a contextual and factual gap in establishing the *“intermediate steps”* leading to the counterfactual ending that UOB would have authorised discharge of the cargo without the OBLs. Mohan J nevertheless considered the evidence presented and whether it supported a general inference that UOB would have consented to the discharge without the OBLs. However, even on that footing, the Judge was unpersuaded.

We highlight two pieces of evidence that was raised during trial:

a. First, Maersk and Winson argued that UOB knew that the Cargo had already been discharged prior to the issuance of the L/C.

As a result, UOB could not have treated the Cargo or the OBLs as security and would have therefore authorised the discharge to Hin Leong without the presentation of the OBLs in any event.

Reliance was placed on certain statements contained in Hin Leong's application form for the L/C (the "Transaction Form") which reads as follows:

Vessel & ETA: MT Maersk Princess IMO Number 9308948 (ETA arrived Singapore 29Feb2020)

...

**Performing vessel is "MT Maersk Princess".
Shipment has been effected around 21Feb2020.
Pending copy of BL/CQ.**

Shipment from Taiwan to Singapore. Latest Delivery Date is the NOR tenderred (sic) at discharge port ia 29Feb2020. As per copy of Purchase Contract, delivery is between 21-25Feb2020. Vessel's checked: ETA Singapore 29Feb2020.

b. Second, Maersk and Winson also raised a telephone conversation between UOB's and Hin Leong's representatives regarding the latter's application for the L/C (the "Telephone Conversation"). In particular, UOB's representative noted that:

Okay. And then the shipment already effected right... if we don't really have a copy of BL, copy to CQ. Because the delivery CQ-delivery date is 29—was 29, 29th of February.

On the other hand, UOB maintained that it did not have any knowledge of the discharge prior to issuing the L/C. With regard to the statements in the Transaction Form, UOB highlighted that there was also a handwritten note that read "Gasoil, DES at UT, to be discharged to HL's own tanks" (emphasis added).



Further, Hin Leong's cover email to UOB enclosing the Transaction Form read as follows:

**Dear All
Enclose the DOXLC APPLICATION for the
subject LC issuance
LOADPORT / ORIGIN – TAIWAN
INTENDED PORT OF DISCHARGE –
SINGAPORE**

With regard to the Telephone Conversation, UOB's evidence at trial was that the reference to "delivery" was understood to mean arrival of the Vessel at the discharge port with the Cargo still onboard, and the reference to the shipment having been "effected" was understood to mean that the Vessel had departed from the load port with the Cargo.

In his analysis, Mohan J was not persuaded on a balance of probabilities that UOB knew that the Cargo had already been discharged at the time it issued the L/C. The learned Judge was of the view that the transaction was processed in a very short time (i.e. in under two days) and that it was "one conducted between professional bankers and their clients", to which *"the active monitoring of financed cargoes is not one of the bank officers' primary functions"*.

D. Takeaways

The Maersk Katalin serves as a valuable reminder for traders, operators, and shippers to adopt best practices, including

1. Ensure that OBLs are properly endorsed before trading. It would be prudent to review current business practices to ensure that clerical errors on the OBLs can be identified and resolved swiftly with the bill of lading issuer.
2. Avoid assuming that financing banks understand industry shorthand or the various shipping terms used in correspondence. Always ensure that correspondence with the banks is clear and precise. It may be worthwhile to train representatives in communicating clearly with the objective of eliminating typographical errors and inconsistencies.
3. Regularly review and update company policies on third-party credit ratings to mitigate the risk of accepting letters of indemnity from potentially defaulting entities.

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Dawn of a new era in global shipping - An overview of the United States trade representative's proposed fees, requirements and restrictions





The Maritime and Shipping Industry is entering unprecedented times.

On 2 April 2025, the 47th President of the United States of America, Donald J Trump, announced sweeping tariffs against almost all its trading partners, unveiling a two-tier tariff structure – a baseline 10% tariff applying universally to all imports from all countries with the exception of Canada and Mexico, and additional “country-specific” reciprocal tariffs based on what the Trump administration deemed “unfair trading practices”. The People’s Republic of China, long seen as a threat to US global dominance, was the hardest hit. This day was widely known as the “Liberation Day”, a term coined by President Trump himself.

On 9 April 2025, President Trump issued Executive Order 14269 titled “Restoring America’s Maritime Dominance”, stating, inter alia, that *“the commercial shipbuilding capacity and maritime workforce of the United States has been weakened by decades of Government neglect, leading to the decline of a once strong industrial base while simultaneously empowering our adversaries and eroding United States national security”*.

Following Executive Order 14269, on 17 April 2025, the Office of the United States Trade Representative (USTR) issued a final notice of action for its Section 301 investigation on “China’s Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance”,

- 1.1 Phased Fee on Chinese Vessel Operators and Chinese Vessel Owners
- 1.2 Phased Fee on Chinese Built Vessels
- 1.3 Phased Fee on Vessel Operators of Foreign Vehicle Carriers
- 1.4 Requirement for the use of U.S. Vessels for the maritime transports of a certain percentage of LNG Exports
- 1.5 Additional duties on STS Cranes and other cargo handling equipment of China (including containers and certain chassis of China)

The fees are not cumulative and only one fee will be applied. That is, either a vessel is subject to the fees set forth in Annexes I, II, or III, or, a vessel is subject to the requirement of Annex IV. If any fee is applied, only one fee will be applied under the terms of the respective Annex.

The USTR port fees are slated to go into effect on 14 October 2025, with rates increasing after such time on a phased schedule. This USTR Notice of Final Action also appears to have bipartisan support in the House of Representatives and the Senate, and the steps that are now finalised now were in fact initiated under the previous Biden administration. Therefore, it is worthwhile to consider its practical effects in the context of charterparties, shipbuilding and ship sale and purchase.

Phased Fee on Chinese Vessel Operators and Chinese Vessel Owners

Under this phased fee scheme, Vessel Operators of China and Chinese Vessel Owners will be subject to the following fees: –

- 2.1 Effective as of April 17, 2025, a fee in the amount of \$0 per net ton for the arriving vessel.
- 2.2 Effective as of October 14, 2025, a fee in the amount of \$50 per net ton for the arriving vessel.
- 2.3 Effective as of April 17, 2026, a fee in the amount of \$80 per net ton for the arriving vessel.
- 2.4 Effective as of April 17, 2027, a fee in the amount of \$110 per net ton for the arriving vessel.
- 2.5 Effective as of April 17, 2028, a fee in the amount of \$140 per net ton for the arriving vessel. The fee will be charged up to five times per year, per vessel.

The fee will be charged up to five times per year, per vessel. The vessel operator is responsible for calculating this fee and providing supporting documentation, upon request.

The definition of what constitutes a Vessel Owner and a Vessel Operator can be found here:

<https://ustr.gov/sites/default/files/files/Press/Releases/2025/301%20Ships%20-%20Action%20FRN%204-17.pdf>

Phased Fee on Chinese Built Vessels

Upon the arrival of a Chinese-built vessel to a U.S. port or point from outside the Customs territory on a particular string, a vessel operator that is not a vessel operator of China, must pay the higher of these two fee calculation methods: –

- 3.1 Effective as of April 17, 2025, a fee in the amount of \$0 per net ton for the arriving vessel. Effective as of October 14, 2025, a fee in the amount of \$18 per net ton for the arriving vessel.
- 3.2 Effective as of April 17, 2026, a fee in the amount of \$23 per net ton for the arriving vessel.
- 3.3 Effective as of April 17, 2027, a fee in the amount of \$28 per net ton for the arriving vessel.
- 3.4 Effective as of April 17, 2028, a fee in the amount of \$33 per net ton for the arriving vessel.

OR

Under this phased fee scheme, Vessel Operators of China and Chinese Vessel Owners will be subject to the following fees: –

- 4.5 Effective as of April 17, 2025, a fee in the amount of \$0 for each container discharged.
- 4.6 Effective as of: October 14, 2025, a fee in the amount of \$120 for each container discharged.
- 4.7 Effective as of: April 17, 2026, a fee in the amount of \$153 for each container discharged.
- 4.8 Effective as of: April 17, 2027, a fee in the amount of \$195 for each container discharged.
- 4.9 Effective as of: April 17, 2028, a fee in the amount of \$250 for each container discharged.

The fee will be charged up to five times per year, per vessel.

If the per container fee is assessed, the vessel operator must report to US Customs and Border Protection (CBP) the total number of containers discharged at a U.S. port or discharged with an ultimate destination in the Customs territory of the United States.

However, CBP will suspend this applicable fee on a particular vessel for a period not to exceed three years if the vessel owner orders and takes delivery of a U.S.-built vessel of equivalent or greater net tonnage. Owners will be eligible for the remission upon order of, and until delivery of, a U.S.-built vessel. If a prospective vessel owner does not take delivery of the U.S.-built vessel ordered within three years, the fees will become due immediately. Proof of the order must be provided on demand and may include information such as order and contract information related to the order.

The fees do not apply to the following Chinese-built Vessels in the following circumstances:

- 5.1 U.S.-owned or U.S.-flagged vessels enrolled in the Voluntary Intermodal Sealift Agreement, the Maritime Security Program, the Tanker Security Program, or the Cable Security Program;
- 5.2 vessels arriving empty or in ballast;
- 5.3 vessels with a capacity of equal to or less than: 4,000 Twenty-Foot Equivalent Units, 55,000 deadweight tons, or an individual bulk capacity of 80,000 deadweight tons;
- 5.4 vessels entering a U.S. port in the continental United States from a voyage of less than 2,000 nautical miles from a foreign port or point;
- 5.5 U.S.-owned vessels, where the U.S. entity owning the vessel is controlled by U.S. persons and is at least 75 percent beneficially owned by U.S. persons
- 5.6 specialized or special purpose-built vessels for the transport of chemical substances in bulk liquid forms; and
- 5.7 vessels principally identified as "Lakers Vessels" on CBP Form 1300, or its electronic equivalent.

Phased Fee on Vessel Operators of Foreign Vehicle Carriers

Upon the entry of a non-U.S. built vessel at the first U.S. port or place from outside the US customs territory, the vessel operator must pay:

- 6.1 Effective as of April 17, 2025, a fee of \$0 on the entering non-U.S. built vessel.
- 6.2 Effective as of October 14, 2025, a fee in the amount of \$150 per Car Equivalent Unit (CEU) capacity of the entering non-U.S. built vessel.

The vessel operator is responsible for calculating this fee and providing supporting documentation, upon request and must pay all accumulated fees for which that entity is liable as determined by CBP.

Requirement for the use of U.S. Vessels for the maritime transports of a certain percentage of LNG Exports

All Liquefied Natural Gas ("LNG") carrier vessels (whether Chinese-built or Chinese-owned or operated) are exempt from the new fees. However, there will be restrictions on transporting LNG via non-US built Vessels. LNG will only be permitted to be exported on vessels that receive a licence, which will take effect from 17 April 2028, with incremental increases up until 17 April 2047, where 15% of all LNG exports must be transported by a U.S. built, U.S. Flagged and U.S. operated Vessel.

Tariffs on Ship-to-Shore (STS) Cranes and Cargo Handling Equipment of China

Additional tariffs on certain Chinese cargo handling equipment will also be imposed, which was not part of USTR's original proposed action. The proposal is based on instructions from Executive Order 14269. In the order, President Trump directed USTR to consider imposing tariffs on *"ship-to-shore cranes manufactured, assembled, or made using components of PRC origin, or manufactured anywhere in the world by a company owned, controlled, or substantially influenced by a PRC national;"* and *"on other cargo handling equipment"* as part of the Section 301 action.



The proposed rates are as follows: –

Item	HTSUS	Proposed Rate
Containers	HTSUS 8609.00.00	20% to 100%
Chassis	HTSUS 8716.39.0090	20% to 100%
Chassis parts	HTSUS 8716.90.30	20% to 100%
Chassis parts	HTSUS 8716.90.50	20% to 100%
Ship-Ship-to-shore gantry cranes, configured as a higher low-profile steel superstructure and designed to unload intermodal containers from vessels with coupling devices for containers, including spreaders or twist-locks	provided for in subheading HTSUS 8426.19.00	100%

Implications on Charterparties, Ship Building Contracts, Ship Sale and Ship Purchase

Calculating fees on a net tonnage basis would significantly disadvantage Chinese carriers and carriers operating Chinese-built Vessels, particularly Vessels with the largest capacity such as the Aframax and Suezmax Vessels. Parties may also seek to replace larger vessels with smaller MR tankers, LNG Carriers or non-container carrier vessels to avoid the additional fees.

Charterers may also be at risk of incurring high port fees in the event a Vessel calls at a US port. This may be problematic if charterers have no right of refusal of Chinese owned and operated vessels when the Owners nominate a particular Vessel.

Another thing that is unclear and is presently being clarified is the exact nature of the USTR port fees. Existing charterparties talk about dues, charges and taxes (or similar language) but it is unclear if this “fee” falls within this category. Parties to a charterparty should consider negotiating a specific clause on this, pending clarification, as the port fees come into effect on 14 October 2025.

Parties may also wish to amend their contracts of affreightment to take advantage of the exemption from fees of a voyage of less than 2,000 nautical miles from a foreign port or point. Parties may re-route their Vessels to Canada or Panama, before calling at a US port.

In the context of sale and leaseback transactions, Owners who have bought from and leased back to Chinese Vessel Owners should review their agreements to see if they will be liable for any fees if the Vessel were to call at a US port. This is because what constitutes a Vessel Owner is very expansive under the USTR Notice of Final Action and it also covers owners from Hong Kong and Macau.

Many vessel and commodity related contracts are long term in nature. As the port fees are expected to come into effect on 14 October 2025, operators and traders need to make long-term plans even if they are presently not exposed, such as negotiating contracts that provide a wider “force majeure” definitions or perhaps introducing an “adverse material market conditions clause”. Owners, operators and/or traders whose contracts are implicated by this need to see if there is room to re-negotiate terms, in order to preserve long-term business relationships.

Conclusion

As the USTR port fees come into effect on 14 October 2025, decisions need to be made regarding the ability to pass on/allocate the port fees. That decision needs to be made through the shipping chain, from head owner, charterers, freight forwarders as to their shipping contracts, as well as future contracts.

The USTR Notice of Final Action also brings direct operating cost implications through the shipping chain and may hit profit margins in the long run. Therefore, this will need to be carefully managed. Ultimately, market forces will determine if costs of shipping will become prohibitively expensive – whether through the use of non-chinese built vessels, non-chinese owned vessels, or through paying the port fees, or indeed committing to build commercial vessels in the US. Many calculations need to be made but operators and traders will need to monitor this space carefully to see if this impacts on global demand and supply of goods and commodities, including supply chain implications such as potential delays due to a lack of vessels.

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Law setting out compliance requirements impacting Singapore's sea transport sector comes into force



The Transport Sector (Critical Firms) Act 2024 (“Act”) is a legislation that aims to enhance the resilience of key firms in the air, land, and sea transport sectors and safeguard their provision of essential transport services in Singapore. The law came into force on 1 April 2025.

The Act empowers the Civil Aviation Authority of Singapore (“CAAS”), the Land Transport Authority (“LTA”), and the Maritime and Port Authority of Singapore (“MPA”) to designate key transport firms. CAAS, LTA and MPA will also provide their respective designated entities with sector-specific guidance on compliance with certain requirements.

A designated entity refers to a designated operating entity or a designated equity interest holder:

- Designated operating entity: An entity that provides any essential transport service in Singapore and are strategically important within the sector (e.g. if the services they provide are not readily replaceable due to significant market share or specialised expertise).
- Designated equity interest holder: An entity that holds an equity interest in a designated operating entity and has a strong nexus of control over the designated operating entity.

An entity that was formerly designated as a public licensee or a designated business trust, would now also be classified as a designated operating entity under the new law – this applies to PSA Corporation Limited (a designated public licensee since 15 January 2018).

PSA International Pte Ltd, being a person who holds equity interest in PSA Corporation Limited is a designated equity interest holder.

In accordance with the Maritime and Port Authority of Singapore Act 1996, the essential transport services identified within the sea transport sector are bunker supply and delivery, salvage operations, monitoring and management of shipping traffic and passenger ferry operations.

PSA Marine (Pte) Ltd and Jurong Port Pte Ltd are key players in the Singapore maritime sector and they were specified as designated operating entities with effect from 15 April 2025. PSA Marine supports the operations of PSA International (which operates a global network of ports and terminals) in various locations around the world. Jurong Port is a leading international port operator which begun its operations ever since Singapore’s independence. These entities play a critical role in Singapore’s national security, providing essential services that facilitates global trade.

After consultation with the Minister, the MPA may also designate a licensee that is not a designated operating entity as a designated licensee if the MPA considers that the designation is necessary in the public interest. In this regard, the MPA listed Singapore Cruise Centre Pte. Ltd. as a designated licensee by way of a notification made on 25 March 2025.

Operations and Resourcing Controls

The implementation of these controls ensure that designated operating entities are equipped and able to provide essential transport services in Singapore under all circumstances, including during crises.

Designated operating entities are required to notify the MPA of an agreement for the outsourcing of a material function performed by the designated operating entity in the provision of any essential transport service at least 14 days before entering into the agreement.

Designated operating entities are also required to notify the MPA within 7 days after becoming aware of the occurrence of any of the following:

- Civil or criminal proceedings (whether in Singapore or elsewhere) instituted against the designated entity, or any event that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service.
- The designated entity being or becoming, or being likely to become, insolvent.
- The designated entity being wound up or subject to any receivership or judicial management order or entering into a compromise or scheme of arrangement.

Upon receiving a notification in relation to an agreement or the occurrence of an event, the MPA may direct the designated entity to submit information relating to the agreement or event within a specified period.

Under the Act, the Minister can issue a special administrative order to direct that the affairs, business and property of a designated entity are managed by an appointed person (which may be the MPA) for the purposes of, amongst others, the security and reliability of the business, undertaking or activities of the designated entity in Singapore of providing essential transport service.

Ownership Controls

These controls are to ensure oversight of significant changes in effective control of the designated entities.

If a person becomes a 5% controller of a designated entity on or after the effective designation date as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, that person must within 7 days after becoming the 5% controller give written notice to the MPA of that fact.

Except with the prior written approval of the MPA, a person must not as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date. A person must not become an indirect controller of a designated entity on or after the effective designation date unless the person has obtained the prior written approval of the MPA.

Approval may be given by the MPA if the following requirements are satisfied:

1. Fit and proper: The requirements apply to the person who is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated entity and every associate of that person
2. Ongoing prudent management and compliance with legal obligations: Having regard to the influence of the person referred to in 1. above and every associate of that person known to the MPA, the designated operating entity/ the designated operating entity in respect of which the designated equity interest holder is so designated will continue to conduct the business of the designated operating entity prudently and comply with the provisions of the Act. The designated equity interest holder will continue to comply with the provisions of this Act.
3. Reliable, efficient, economical and safe provision of the essential transport service: An example of when this requirement applies is where the essential transport services provide is a licensed service and the provision is by the designated operating entity of the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller.
4. It is in the public interest to do so.

Management Appointment Controls

These controls ensure oversight of the key persons responsible for the management of the Designated Entities and operations affecting the continued provision of the essential transport service. Designated entities must notify the relevant authority and obtain prior written approval for leadership changes and where the business of the designated operating as going concern.

Leadership changes include the appointment of key positions such as the chief executive officer, the chairperson of its board of directors or any of its directors. Approvals for appointments are granted subject to any conditions that the MPA considers appropriate to impose. The specific criteria guiding these approvals have not been made public.

In relation to ownership changes, prior written approval must be obtained by the MPA before the acquisition of the designated operating entity's business of providing any essential transport service (or any part of such business). The application must be made jointly by the person intending to acquire the business and the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager.

Penalties

Individuals that contravene the aforementioned regulations could be subject to a maximum fine not exceeding \$500,000 or to imprisonment for a term not exceeding 3 years or to both. In any other case, entities could be subject to a maximum fine of \$1 million.

Conclusion

The introduction of regulatory controls over key firms, particularly in the maritime sector, is timely and necessary considering Singapore's growing reliance on global trade to secure essential supplies and sustain economic growth. These measures strengthen national resilience and support the development of a more robust and secure maritime infrastructure while ensuring that our transport industry remains open, pro-business and investor-friendly.

Designated entities should carry out business continuity due diligence to ensure compliance with the applicable controls. A keen understanding of the applicable regulatory requirements is crucial for potential investors in order to avoid legal, financial, and reputational consequences due to non-compliance.

The controls introduced safeguard the provision of essential transport services in Singapore against major disruptions and mitigates the risk of our key transport entities falling under the control of hostile or unqualified parties, whilst promoting greater stakeholder accountability.

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AIS Data in Insolvency Proceedings: Singapore court of appeal affirms use of VesselFinder to uncover fraud





Introduction

The Court of Appeal's decision in *Yit Chee Wah v Inner Mongolia Huomei-Hongjun Aluminium Electricity Co., Ltd* [2025] SGCA 27 marks a significant development in insolvency law. It not only clarifies the test under Rule 133(1) of the CIR Rules but also provides the first authoritative local endorsement of **vessel tracking data (specifically from VesselFinder)** as a reliable evidentiary tool in challenging proofs of debt.

Background

The case arose from attempts by the liquidator of Zhong Jun Resources (S) Pte Ltd to expunge previously admitted proofs of debt by two related PRC-based entities, Inner Mongolia and Shenzhen. Both claims related to trades involving the shipment of alumina allegedly loaded in Australia and supported by bills of lading.

Subsequent investigations raised serious doubts about whether the trades occurred at all. In particular, **AIS (Automatic Identification System)** data from VesselFinder suggested that the vessels in question had not been anywhere near the alleged loading ports in Australia during the relevant periods.

High Court's Reluctance to Rely on VesselFinder

At first instance, the High Court dismissed the applications. It found that the VesselFinder data raised only "suspicion" and noted its disclaimers about accuracy. Critically, the High Court placed **insufficient weight** on the AIS data in the absence of independent expert evidence, and relied instead on contractual documents and financial records.

Court of Appeal's Findings: AIS Data Vindicated

On appeal, the Court of Appeal overturned the decision and allowed both expungement applications. In doing so, the Court:

- **Clarified the test under Rule 133(1):** Under the first limb, the liquidator need only show a prima facie case that the proof of debt sought to be expunged/reduced was improperly admitted, not prove the underlying debt is invalid (rejecting the “Higher Standard”).
- **Affirmed the evidentiary value of VesselFinder:** The Court gave **significant weight** to AIS data, relying and accepting expert evidence from Captain White (a Master Mariner with 58+ years of experience) that:
 - AIS gaps are normal due to coverage issues or vessels involved in “dark activities”. With legitimate gaps occurring when the AIS transmission is not picked up by receiving stations within the range of the transmitters.
 - VesselFinder is widely regarded as a reliable source. VesselFinder amongst others lead the market, with 7,000 data sources, providing comprehensive tracking capabilities, ensuring that users can monitor the movements of vessels across the oceans.
 - General disclaimers do not negate the integrity of raw AIS data when corroborated.

This use of geolocation technology in forensic liquidation investigations sets a notable precedent.

Broader Implications

This judgment is noteworthy for several reasons:

- **Expanded Evidentiary Toolkit:** AIS data from VesselFinder and similar platforms can now be relied upon as primary evidence in insolvency, shipping, and trade finance disputes.
- **Heightened Risk for Sham Transactions:** Parties relying on fabricated or dubious trade documents may face serious consequences if vessel movement data contradicts their claims.
- **Liquidators’ Vigilance Endorsed:** The Court affirmed the right—and duty—of liquidators to act decisively when faced with red flags, especially involving related party claims or prior fraud investigations.
- **Future Litigation Strategy:** AIS data should now be considered at an early stage when assessing the credibility of shipping-based claims, whether in insolvency, arbitration, or court proceedings.

Conclusion

Yit Chee Wah v Inner Mongolia signals an important evolution in how Singapore courts assess and verify shipping-based claims in insolvency proceedings. With this decision, **AIS tracking data has crossed the threshold from investigatory tool to courtroom evidence**, and its probative value will likely feature prominently in future commercial and shipping litigation.

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Ship Arrests in Malaysia: Legal Strategy, Procedural Precision, and Emerging Enforcement Trends



Introduction

Ship arrest is one of the most potent remedies available to maritime claimants in Malaysia. It allows a claimant to secure jurisdiction over a vessel and ensure that any judgment obtained can be satisfied. In an era of heightened regulatory scrutiny and cross-border enforcement, understanding the Malaysian arrest regime is essential for shipowners, charterers, cargo interests, and financiers alike.

1. Legal Framework & Jurisdiction

Malaysia's admiralty jurisdiction is vested in the High Court, operating under **Section 24(b) of the Courts of Judicature Act 1964** which confers the same admiralty jurisdiction and authority under the **United Kingdom Senior Courts Act 1981 (UK SCA 1981)**.

The UK SCA 1981 is incorporated by reference, defining maritime claims under Section 20(2) of the UK SCA 1981.

Order 70 of the Rules of Court 2012 (O 70 of ROC 2012) sets out the procedural requirements for the arrest of ships and covering the mode of commencement of admiralty actions. The admiralty jurisdiction extends to both in rem and in personam actions, with ship arrest being a hallmark of in rem proceedings.

2. Grounds for Arrest

By virtue of Section 24(b) of the Courts of Judicature Act 1964 read together with Section 20(2) SCA 1981, actionable claims include:

- Ownership of freight
- Damage done by a ship
- Loss of or damage to goods carried in a ship
- Agreements for the carriage of goods or use/hire of a ship
- Salvage, towage or pilotage services
- Mortgages and charges on a ship
- General average or bottomry
- Supply of goods or materials to a ship
- Wages of the master, officers or crew
- Disbursements made on behalf of a ship

In Malaysia, under the "arrest as of right" principle, once a valid maritime claim is established, the court will generally issue a warrant of arrest without requiring proof of urgency or risk of dissipation. A warrant in an action in rem is obtained upon issuance of a writ in rem by filing a Praecipe in Form 148 of the ROC 2012. Once the legal and procedural requirements are satisfied, the Admiralty Court is bound to issue the warrant and has no discretion to decline its issuance.



3. Procedural Steps for Arrest

The procedural requirements for the arrest of ships are set out in **Order 70 of the Rules of Court 2012**, which provides that cause papers must be filed in court to commence of an admiralty action in rem and to effect the arrest of a ship.

- a. A warrant application is filed ex parte to the Admiralty Court where the application must be supported by an affidavit supporting the claim, providing details of the vessel such as the name of the vessel, IMO number and port of registry as well as sets out the legal grounds for arrest.
- b. Counter-Security – Although not always required, the court may order the claimant to provide countersecurity which acts as protection for the ship owner in case the arrest is later found to be wrongful.
- c. Once a warrant of arrest is issued, the warrant is carried out by the Admiralty Sheriff where the Sheriff serves the warrant directly on the vessel and takes custody of it, preventing it from moving or trading until the court orders release or the owner provides acceptable security.

4. Procedural Steps for Arrest

Ship arrest in Malaysia is only possible when the vessel is physically within Malaysia's territorial waters as provided under Order 70 of the ROC 2012 and the Courts of Judicature Act 1964. A delay in filing or serving the warrant risks the vessel sailing before arrest, leaving the claimant without security and forcing reliance on foreign proceedings.

The courts, as seen in *SK B&T Pte Ltd v The Owners of the Ship or Vessel "Silver Moon"* [2017] 8 MLJ 466, have stressed that arrest is only possible while the ship is under Malaysian jurisdiction. This makes advance preparation and close tracking of vessel movements essential, as even a short delay can mean a missed opportunity.

Moreover, arresting a ship in Malaysia often pressures owners to settle quickly because of the high costs and disruption caused by detention. While this can be a powerful tool, it must be used carefully – if the arrest is found to be wrongful, the claimant may be liable for damages, as recognised in *The Evangelismos (1858)* 12 Moo PC 352 and applied in *The Jasa Keramat* [2007] 5 MLJ 116. Claimants should therefore balance the benefits of securing an early settlement against the risks of an unjustified arrest.

5. Emerging Enforcement Trends

In recent years, Malaysia has witnessed heightened enforcement activity in the maritime enforcement sector:

- Regulatory Crackdowns

Malaysia has toughened its crackdown on illegal anchoring and ship-to-ship (STS) transfers. Since July 2025, the Malaysian Maritime Enforcement Agency (MMEA) and the Marine Department have enforced stricter rules whereby ships must keep their Automatic Identification System (AIS) switched on at all times and secure two separate permits before anchoring in key eastern corridors near the Singapore Strait. They are also required to submit anchoring plans for approval. Any vessel caught anchoring without permission faces detention and release could take weeks.

- High-Profile Arrests

In April 2024, the MMEA carried out an operation in Johor waters that led to the detention of two vessels and 44 crew members for anchoring without approval. This action formed part of the ongoing *Operasi Jangkar Haram*, which has so far resulted in more than 297 vessel seizures. Offenders are investigated under Section **491B(1) of the Merchant Shipping Ordinance 1952**, which provides for penalties of up to RM100,000, imprisonment of up to two years, or both, for illegal anchoring.

- Increased Cross-Border Coordination

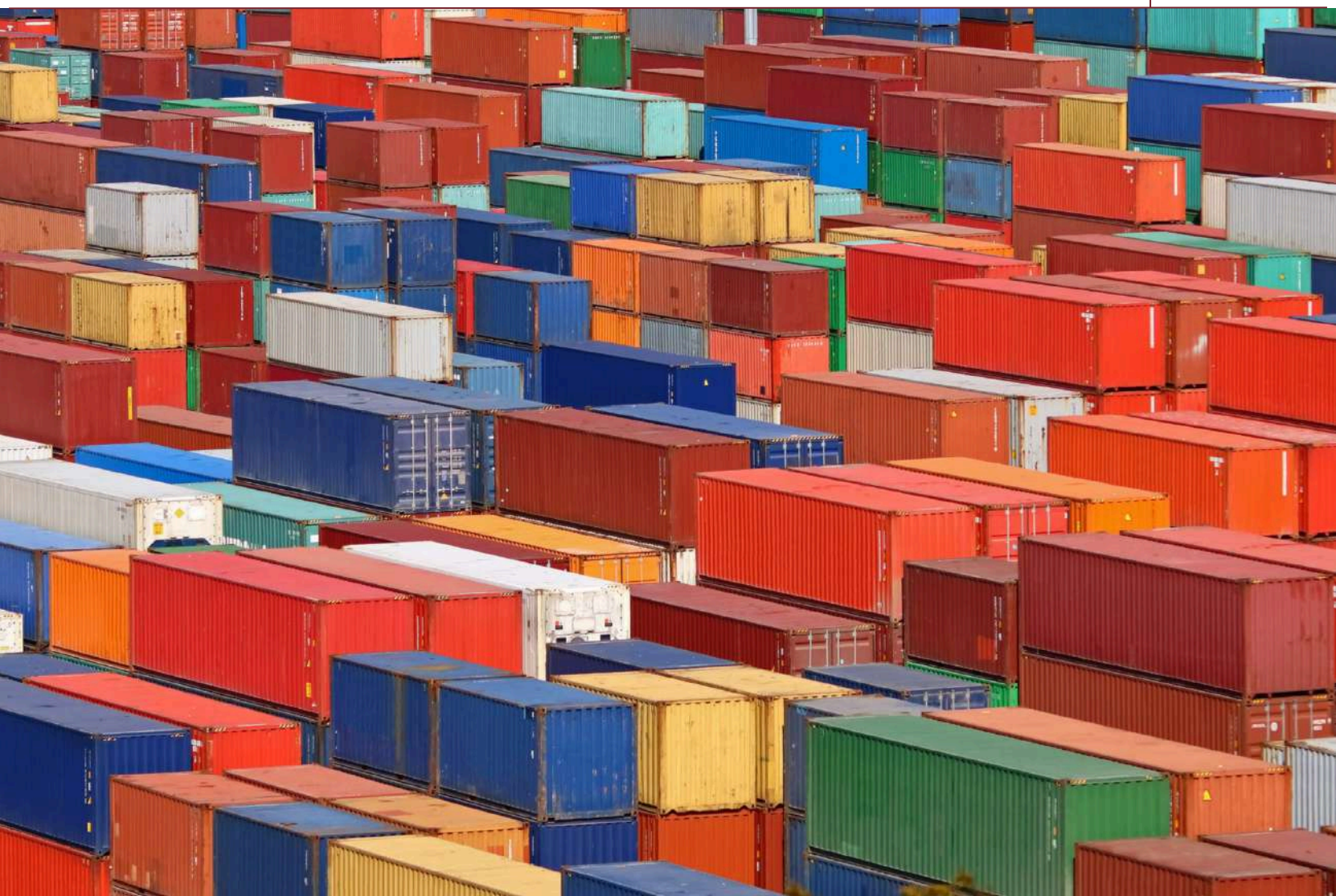
From 2022 to 2024, the MMEA handled 138 ship arrest cases in the Malacca Straits, covering a range of maritime offences and leading to seizures worth over RM10 million. Notably, one major operation saw 11 vessels intercepted while carrying 121 illegal immigrants. These results highlight how closer regional cooperation – especially between Malaysia and Indonesia has strengthened enforcement, with faster intelligence sharing and joint operations making a clear impact.

6. Risk Mitigation for Owners

To reduce the risk and impact of a ship arrest in Malaysia, ship owners should take proactive steps to reduce disruption:

- Track vessel movements by monitoring port calls and anchorage locations closely, arrest of ships occurs only within Malaysian waters. Being alert to high-risk ports such as Port Klang or Johor allows owners to anticipate potential issues.
- Stay prepared and keep P&I cover up to date as well as have local legal counsel on standby. Immediate access to legal advice is critical to securing the ship's release or challenging the arrest.
- Engage early with claimants where possible, open negotiations before an arrest application is made. Offering alternative security, such as a bank guarantee or P&I Club Letter of Undertaking (LOU) can prevent detention and minimise operational losses.

Owners can effectively manage the risks and financial exposure arising from ship arrests by remaining vigilant, well-prepared and open to early engagement.



Conclusion

Malaysia's ship arrest regime offers both opportunities and risks. For claimants, it is a powerful enforcement tool; for owners, it is a risk that demands proactive management. By understanding the legal framework, procedural nuances, and enforcement trends, maritime stakeholders can navigate this high-stakes remedy with confidence.

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Celebrating Individual Recognitions Across Leading Directories

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New Practice Launch – Construction & Infrastructure

Asian Legal Business featured the launch of our Construction and Infrastructure Practice, led by our new Senior Partner Boon Tat Yeo. This addition strengthens JTJB's capabilities in advising on large-scale projects and complex infrastructure matters, marking an important step in the firm's continued growth.

Read the full feature here:

<https://www.legalbusinessonline.com/appointments/singapore%E2%80%99s-jtjb-launches-construction-infra-practice-wfw-hire>



Insights from SCMA Bangkok 2025

AAAt the SCMA Bangkok 2025 Seminar, JTJB partners took part in key discussions on risks, opportunities, and dispute resolution in the shipping industry.

Managing Partner John Sze moderated the opening panel on market trends, Partner Rafizah Gaffoor spoke on insurer support and dispute resolution clauses, and Naiyachon Tathong, Managing Partner of JTJB Thailand, joined a distinguished panel emphasizing cross-border cooperation and knowledge-sharing.

Read the full post on LinkedIn:

<https://www.linkedin.com/feed/update/urn:li:activity:7358315859037081602>



ADVOC Dispute Resolution Conference 2025

JTJB was delighted to co-host the ADVOC Dispute Resolution Conference 2025 with ADVOC. The event opened with a keynote by Rahayu Mahzam, Minister of State, who highlighted the importance of innovation, resilience, and cross-border cooperation in dispute resolution.

Panel discussions brought together experts including John Sze, Murali Pany, Yeo Boon Tat, Rafizah Gaffoor, and Naiyachon Tathong, alongside international peers, to share perspectives on ESG litigation, asset preservation in insolvency, and cross-cultural approaches to ADR. With the strong support of the ADVOC network, the conference fostered meaningful dialogue on the evolving challenges shaping dispute resolution today.

Read more here:

<https://www.advoc.com/advoc-dispute-resolution-conference-singapore/>

Awards & Recognitions

JTJB is recognised as an industry leader with numerous awards and accolades for our outstanding work and commitment to excellence. Here are some of our recent accolades that highlight our achievements and reinforce our position as a leading firm in the legal industry.

These awards are a testament to the hard work and dedication of our exceptional team, whose expertise and professionalism drive our continued success. We are honored to be recognised and remain committed to providing unparalleled service to our clients.

2025 Chambers & Partners, Asia Pacific and Global

Singapore > Shipping: Domestic

2024 - 2025 AsiaLaw Profiles

Singapore > Aviation and Shipping,
Banking and Finance
Corporate and M&A
Dispute Resolution
Restructuring and Insolvency

2025 Benchmark Litigation Asia Pacific

Singapore > Litigation Star Firm
Future Star Firm

2025 The Straits Times Singapore Best Law Firms

Maritime Law
Banking & Finance
Commercial Law

2025 IFLR 1000 Notable Firms

Singapore > Banking and Finance
M&A
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