

Global shipping capabilities

2021



Global reach

The shipping industry is experiencing dramatic change through having to keep pace with new financing sources, ever-increasing regulation, competitive pressures and the adoption of new technologies and working practices. Top of mind are the 2020 sulphur cap, the One Belt, One Road initiative which opens new trade routes and the minutiae of the international sanctions regimes.

A track record of advising clients for nearly 100 years gives us unparalleled knowledge of business operations and challenges, as well as strong connections and excellent working relationships across the industry. Our global shipping team consists of more than 120 lawyers, including six seafarers, of whom three are master mariners. This gives the firm an unrivalled knowledge of the important concerns of the industry. We maintain large shipping practices in our offices in Athens, London, Hong Kong, Houston, New York, Paris, Singapore and Washington D.C. from which we can service the needs of our global clients.

Whether you are looking at financing or restructuring options, are dealing with a marine casualty, navigating a dispute, sanctions violation or regulatory issue, you can depend on us to look at the issue from all angles and guide you appropriately.

Our core areas include:

- 1 Dry shipping**, often involving the preparation of cases for arbitration or the Commercial and Admiralty Courts. Many of these matters feature multi-jurisdictional disputes – a core strength for us. Our caseload comprises mainly contractual matters, including charter party disputes, cargo claims, shipbuilding, conversions and repair disputes, and ship sale and purchase disputes.
- 2 Casualty and admiralty**, particularly collisions and other major casualties, salvage, Article 14, SCOPIC wreck removal and pollution, and their associated insurance and general average implications, guarantees and securities, fires, total losses, loss of and damage to containerised cargoes, oil and HNS pollution. Our track record of handling casualties across the globe distinguishes us from other wet practices.
- 3 Finance and transactional**, regarded as a leading group in the industry, we guide clients through the intricacies of acquisition, disposal, financing and operation of ships, super yachts and other capital equipment used in the maritime industry. Our reputation for handling of the structuring, preparation, review and negotiation of transactions and documentation is second to none. Our corporate practice handles M&A, capital markets and private equity transactions, as well as every type of commercial matter, working with some of the world's most successful and sophisticated businesses.

Due to our Formal Law Alliance (FLA) with Singapore law practice Resource Law LLC in 2016, we are now able to service our clients' legal requirements in handling multi-jurisdictional transactions, disputes and cross-border work involving Singapore law.

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Winners of the
global law firm of
the year i-law
Maritime Law
Award

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*Lloyd's List Global
Awards 2018*

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Ranked Band 1 for
Shipping

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*Chambers UK 2020
and Legal 500 UK
2021*

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"We are very impressed
with Reed Smith. They
are impressively
commercial, astutely
knowledgeable and work
seamlessly as a team."

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Chambers UK 2020

Dry shipping

Impressive experience and international reach characterise our dry shipping litigation team. These attorneys join forces to bring a best in class approach to all your commercial and contractual matters.

Time spent on client secondments has given many team members a profound understanding of the types of challenges you need to be ready for. We put these learnings to good use, by making sure that your operational documents – whether charterparty agreements, bills of lading, shipbuilding contracts or joint venture agreements – are meticulously drafted to mitigate risk, protect your interests and keep you competitive. While we are adept at preparing cases for court to achieve positive outcomes for you, we always take a real world view and will tell you when and at what level commercial settlement is the best option.

We can offer you real bench strength. 60 attorneys and mediators, work closely across our international offices enabling us to mobilise at short notice, essential when timescales are tight or when we need to prioritise urgent instructions.

Our team includes several attorneys who are also Master Mariners. This gives our advice an added dimension. Their familiarity with sea-faring terminology helps them interpret technical information and get to the heart of the matter quickly.

Our team advises on:



Charterparty disputes – including hire issues, termination, frustration, laytime and demurrage. We are also called in on those with a more technical element, for example groundings, breakdown, fire and explosion, unsafe ports, indemnity claims, shipbuilding, conversion and repair disputes, ship sale and purchase disputes and personal injury and tortious claims.



Cargo – complex claims including cargo loss incidents (e.g. containers).



Dispute resolution – daily experience of The London Maritime Arbitrators Association and other arbitration bodies. (e.g., The London Court of International Arbitration, The Grain and Feed Trade Association and The Federation of Oils, Seeds & Fats Association). We are equally comfortable in court or running arbitration proceedings and have the necessary resources and support to manage both.



Drafting or reviewing - bills of lading, tanker, dry cargo and specialist charter parties, shipbuilding contracts, MOAs maritime joint venture agreements, shipping agency agreements and P&I club rules.



New building/shipyards – experience extends to disputes with yards and new building and contractual warranties.

Selected examples of dry shipping experience

Elin Maritime Limited, Owners of the ELIN, in defence of a claim brought by various Cargo Interests including Aprile SPA

Shipowners' ability under English law to exclude their liability for loss of and/or damage to a cargo carried on deck, pursuant to an express exclusion clause contained on the face of a bill of lading.

BAML DAC "ALKYON"

The Alkyon matter concerned a loan of US\$15,700,000 granted by Natwest Markets (previously known as the Royal Bank of Scotland) to Stallion Eight Shipping (a Greek shipowning company). A mortgage was subsequently granted over Stallion Eight's vessel MV "Alkyon" as security for the loan. Reed Smith acted for Bank of America Merrill Lynch ('BAML'), the sub-participant of the economic interest of the loan.

Crescendo Maritime Co and Alpha Bank AE v Bank of Communications Co Ltd [2016] 1 Lloyd's Rep. 414 –

Anti-suit injunction – Shipbuilding contract – Buyer and its bank bringing London arbitration against Chinese bank to enforce awards under refund guarantees – injunction to restrain guarantor bank from pursuing fraud proceedings in China.

Glory Wealth Shipping Pte Ltd v Flame SA [2016] 1 Lloyd's Law Rep. 571

Appeal from arbitration award – damages assessment arising out of long term CoA where Claimant wrongfully trying to divert funds to non-related companies.

Suez Fortune Investments v Talbot Underwriting M/V BRILLANTE VIRTUOSO [2015] EWHC 42 (Comm)

The High Court held that the vessel "Brillante Virtuoso" was a constructive total loss ("CTL") following an attack by pirates in July 2011. The claim was pursued by the Owners (Suez Fortune Investments Ltd) and Bank (Piraeus Bank AE) as mortgagee and co-assured. The Defendants in the case are a panel of ten Lloyd's of London insurers led by Talbot Underwriting.

Wuhu Guoyu Logistics Group v Emporiki Bank SA [2013] 1 Lloyd's Rep. 161 (Court of Appeal)

(shipbuilding/on demand guarantees) - (No. 2) – (Court of Appeal) [2013] EWCA Civ 1679 - Payment under performance guarantee giving rise to alleged trust.

Zim Integrated Shipping Services v European Container KS [2013] EWHC 3581 (Comm)

Urgent application to make injunction for interim relief for preserving assets in aid of arbitration.

Assuranceforeningen Gard v The IOPC Fund [2014] EWHC 3369 (Comm)

A claim by a member of the International Group of P&I clubs against the IOPC Fund arising out of the grounding of the "NISSOS AMORGOS" in Venezuela and subsequent major pollution. The Club claimed there was an agreement under which, once its clients had paid the vessels CLC limit, the Fund would be liable for all claims in excess of this. The claim was rejected on the ground that there was no agreement in the terms alleged and that even if there was an agreement the Fund was entitled to claim immunity.

Other Experience

- Acted for the charterers in relation to a claim for vessel damage and delay on account of a shipment of dangerous cargo in the form of highly combustible Ethylene gas shipped as cryogenic liquid.
- Revised voyage and time charters for a variety of leading owners and charterers in a number of shipping sectors including the container sector.
- Advised a number of ship managers on their standard form wordings in relation both to newbuilding supervision and ship management and producing bespoke contracts including (1) ship yard analysis (2) shipbuilding supervision and (3) management after delivery.
- Acted for a commodities house in relation to a ship investment project (including advising in relation to ownership structures, ship management and pooling structures).
- Advised on legislative policy and regulatory reform in the emerging markets of various parts of the world.
- Acted as advisers to the International Group and advising a number of International Group Clubs on their rules and advising on regulatory compliance over many years.
- Acted for a client in a highly technical dispute with a shipyard, arising from a shipbuilding contract.
- Acted for a major Korean shipbuilder in dispute with one of Korea's largest shipowners over the termination of two shipbuilding contracts out of the four originally entered into.
- Acted for a client in defending a large redelivery claim comprising over 45 defect claims.
- Assisted in the transformation of crew management services, including development of an app to support and enhance ship owner and sea farer experience.
- Handled a large number of disputes in relation to IMO 2020 compliance issues arising under very long-term charterparties and contracts of affreightment for LNG carriers engaged in various projects and trades.
- Acted for owners with claims against charterers who have understated the expected length required to complete voyage under trip time charter.
- Acted for a blue-chip shipowner of an ice-breaking cargo ship in relation to a dispute relating to their obligations under the related contract of affreightment, issues of seaworthiness, insurance cover, general average and towage terms.
- Acting for Liquidating Trust Fund. This case arose from a maritime dispute in South Africa, regarding the arrest of an oil tanker as security for claims made by our client for the breach of three separate charterparties. The defendant in the South African proceedings made an application in the United States District Court for the Southern of New York seeking a maritime attachment for counter-security to be directed at funds held by a trust in the US. We made an immediate application to vacate the attachment. The court adopted all of our arguments and granted our client's application in full.

Casualty and admiralty

Experience tells us that any form of maritime casualty or admiralty issue needs a rapid, but measured, response and that speed should never compromise the quality of advice given.

We have a skilled team of casualty attorneys in key locations able to pinpoint critical issues quickly and support you round the clock – essential attributes when there will be many unknowns, for example, both the situation and the jurisdiction may be new to you. These professionals will often work as one casualty and admiralty team – one example being our attorneys in the UK and Asia who regularly advise in high profile casualty and admiralty cases.

Many of us are legally qualified Master Mariners and ex-seafarers and so speak the language of shipping. Our ability to think through an issue in the context of broader operational and commercial imperatives can be a real source of reassurance as the matter develops.

We work with independent surveyors and other experts in most maritime countries. Having cultivated these connections we can recommend and instruct appropriate professionals quickly, if we need to. The straightforward way we can handle casualties across the globe distinguishes us from much of the competition.

Our international client base includes owners and hull underwriters as well as P&I Clubs, salvors and charterers.

Our skills apply not only to the traditional 'wet' casualties involving collision and salvage, but also to those incidents needing detailed nautical knowledge (like loss of cargo, oil spillages, ice damage, fires and unsafe port cases).

We can advise on:



Emergency response



Terminal damage and unsafe ports



Wreck removal



Environmental response



Ship arrest



Yachts



Casualty and admiralty selected experience

Collisions

- “COMMON SPIRIT” advising on liability in relation to a collision with another vessel in the Singapore Strait.
- “CMA CGM FLORIDA” collision with “CHOU SHAN” collision off China.
- “LAMMA IV” tragic Hong Kong ferry disaster involving foundering and loss of life to 39 passengers.

Container casualties

- “HANJIN ATHENS” multiple cargo claims for non-delivery, delay or damage following a fire on board.
- “WEHR SINGAPORE” multiple cargo claims following loss overboard and damage to containers due to heavy weather.
- “MOL COMFORT” breaking in two in Indian Ocean.

Fire, explosion and General Average

- “CCNI ARAUCO” cargo claims and GA matters following a fire and explosion on board.
- “ALGOMA DISCOVERY” GA Declared following a grounding acting for the owners.
- “COMMENCEMENT” acting for the Owners in relation to salvage and GA following main engine breakdown due to bad bunkers.

Oil Pollution

- “HEBEI SPIRIT” acting for the IOPC Fund.
- “ERIKA” total loss and oil pollution: emergency casualty management including on site work and media relations. Acting for Owners and Club.
- “AGIA ZONI II” sinking and oil pollution on the Athens coastline.

Salvage and groundings

- “MARITIME MAISIE” salvage of a tanker on fire following a collision off the coast of Busan, Korea.
- “NEW KATERINA” acting for salvors in grounding and refloating in the Suez Canal under LOF.
- “MODERN EXPRESS” salvage of a seriously listing ro-ro vessel endangering the French coast after engine failure.

Total Losses

- “BENITA” total loss following a high profile grounding off Mauritius.
- “ABERCORN” fire and total loss. Issues of cover and causation.
- “FAIRPLAY 22” total loss of tug following collision in Europort

Dock/Terminal damage

- “BALTIC LEOPARD” tri-jurisdiction matter with claim for damage to berth and cement un-loader, passing-by/wash damage (collision) claim and related unsafe berth claim under charterparty.
- “BRITISH COURTESY” damage to strategic oil reception terminal by tanker or berthing.
- “XIN XIA MEN” damage to container gangway crane.

Wreck removal

- “TROLL SOLUTION” wreck removal in difficult weather conditions and subsequent total loss off the coast of Mexico.
- “SEA WORKER” wreck removal of offshore asset on a ‘true’ lumpsum (amended Wreckstage) contract.
- “NEW MYKONOS” advice in relation to wreck removal of a bulk carrier off Madagascar.

Ship finance and transactional

Shipping as an asset class attracts interest from traditional and alternative investors. Any client planning to invest in a shipping company, or purchase a fleet of vessels will need specialist advice on the potential risks and liabilities as well as on the various methods of financing to consider.

Our advice is comprehensive. It includes debt and mezzanine finance, secondary market debt transactions, restructurings and workouts, direct investments in shipping assets (new buildings and fleet purchases). We also handle corporate planning and vessel ownership structuring, private equity investments and joint venture work, capital markets transactions, sale and leaseback, M&A, and the construction, acquisition, operation and disposal of ships, offshore assets, and related capital equipment.

We advise on all types of investment used in the shipping industry. Whatever your preferred route, we can help you plan for, structure and determine the most effective investment or financing arrangement to suit your circumstances.

Our cross-discipline approach to shipping transactions gives you cohesive legal support across the full range of investments including debt and mezzanine finance, secondary market debt transactions, restructurings and workouts, direct investments in shipping assets, corporate planning and vessel ownership structuring, private equity investments and joint ventures, capital markets transactions and M&A (including post-transaction integration). We also advise on the construction, acquisition, operation and disposal of ships, offshore assets and related capital equipment.

Being based in strategic locations globally means that even the most novel multi-jurisdictional financing arrangements can be capably executed. Global clients expect and receive a fully joined-up service from us. Those clients include many of the world's leading banks, financial institutions, private equity funds, hedge funds and other investors, energy and trading companies, shipowners, and other vessel operators. We also put in place finance arrangements and agreements for the use of rigs, ships, and other equipment in the offshore/energy sector.



Commercial restructuring and bankruptcy



Structured finance



Corporate and securities



Funds and private equity



Shipping and offshore (litigation and enforcement)



Loan financing and security



Capital markets



Secondary debt transactions



Enforcement of security



Direct asset investments



Marshall Islands law

Selected examples of ship finance experience

Acted for York Capital in its investment in publicly listed vessel owner Costamare Inc. to exploit opportunities in the containership market – the Lloyd’s List 2014 North American Deal of the Year.

Advised Trafigura (as sellers and charterers) from term sheet stage to conclusion on a sale and leaseback transaction with Minsheng Financial Leasing (“MSFL”) involving a 11 bitumen tankers being sold to and bareboat chartered back from MSFL entities, including the documentation.

Acted for an independent investment firm in connection with a secured term loan facility made available to a Nigerian-based energy-orientated conglomerate to part-finance the acquisition of two gas carriers being constructed in Korea.

Acted for Oak Hill Advisers in relation to its US\$100 million joint venture with Odfjell SE, an Oslo-listed shipowner, relating to the ownership, acquisition and operation of existing and newbuilding LPG carriers.

Acted for various lenders in relation to the restructuring of three different loan facilities to “Vessel Co” structures for the commercial warehousing of vessels and chartering arrangements as part of a consensual restructuring of a large shipowner group with substantial container vessel operations.

Acted for a Chinese leasing company in its first (US\$820 million) and second (US\$1.19 billion) lease financing transactions of 24 PRC newbuilding container vessels to two major European shipping lines.

Acted for various lenders in relation to the restructuring of three different loan facilities to “Vessel Co” structures for the commercial warehousing of vessels and chartering arrangements as part of a consensual restructuring of a large shipowner group with substantial container vessel operations.

Acted for Hayfin as lender in connection with the restructuring of a \$100,000,000 secured term loan facility, which had been made available to a publicly-traded dry bulk shipowner. The loan is secured by mortgages on 13 vessels.

Acted for Navig8 as borrower in connection with the secured loan facility for two 25,000 DWT stainless steel chemical tankers made available by Credit Suisse.

Acted for Hayfin as lender in connection with the restructuring of a \$100,000,000 secured term loan facility, which had been made available to a publicly-traded dry bulk shipowner. The loan is secured by mortgages on 13 vessels.

Acted for Sinotrans & CSC Holdings Co., Ltd. (one of the largest transportation and logistics companies in the PRC) in the debt restructuring of its subsidiary, Nanjing Tanker Corporation, totalling US\$1 billion.

Acted for a bank in connection with a term loan facility made available to a Dutch shipping company for the purposes of refinancing existing debt in relation to a 10,000 DWT multipurpose vessel and for general corporate purposes.

Acted for ICBC Leasing in an offshore energy project financing, which involved the acquisition, financing, leasing and operation of 2 semi-submersible DP3 drilling platforms located in Brazil and sub-leased to Petrobras.

Acted for a syndicate of international banks and financial institutions in relation to the restructuring of a US\$210 million debt facility made available to a U.S. listed borrower group secured by five container vessels,

Acted for Unicorn Tankers in its fleet restructuring and relocation to Singapore, including the novation of charters and shipbuilding contracts, vessel transfers, and loan restructurings in relation to shipping assets in excess of US\$500 million.

How else we can help you

Ports and terminals

Reed Smith has strong experience in ports and terminals. We have recently worked on a number of projects in Africa and the Middle East, Europe and Latin America regions covering M&A, construction contracts and disputes, concession agreements and disputes and general day-to-day operations matters.

Competition

Our Competition practice has clients from every sector, including transport and related service companies, ports, media companies, broadcasters, film distributors, consumer products suppliers and manufacturers, life science companies, health care providers, energy companies, commodity traders, insurance companies, financial services firms, manufacturing companies and real estate developers.

Construction and infrastructure

Reed Smith has one of the largest and most experienced projects and construction teams of any law firm in the world. Our global team has the expertise to guide clients on all aspects of construction projects across a wide range of industries, assisting from inception to financing to project management to, when necessary, disputes.

Corporate, commercial and M&A

Our Corporate practice handles M&A, capital markets, and private equity transactions, as well as every type of commercial matter, working with some of the world's most successful and sophisticated businesses. We are a full service corporate practice, working closely with colleagues in tax, employment, benefits, real estate, intellectual property and other specialist areas to provide a comprehensive transactional and advisory service.

Environmental law

Reed Smith's environmental practice is global in both scope and reach. Our "one-stop service" approach allows us to advise on energy and greenhouse gas matters, provide regulatory compliance advice, litigate environmental claims, and counsel on commercial transactions. We regularly counsel clients in every substantive area of environmental law, including air, water, hazardous waste, solid waste and chemicals management.

Data and cyber

As technology develops we are seeing more companies impacted by cyber and data breaches and we want to help our clients ensure they are as prepared as possible. Our team can help with managing data risk and ensuring your data is secure in line with industry standards, by providing training for people within the organisation.



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Reed Smith is a dynamic international law firm, dedicated to helping clients move their businesses forward.

Our long-standing relationships, international outlook, and collaborative structure make us the go-to partner for speedy resolution of complex disputes, transactions, and regulatory matters.



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