THE SHIPPING LAW REVIEW

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THE LAWREVIEWS

Chapter 25

ISRAEL

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I COMMERCIAL OVERVIEW OF THE SHIPPING INDUSTRY

Located at a strategic meeting point between Europe, Asia and Africa, the Israeli ports of Haifa and Ashdod (on the east shore of the Mediterranean Sea) and Eilat (on the west shore of the Red Sea) fulfil a key role in domestic and other related and connected trade, including trade that became available after the Abraham Accords[2] were concluded. We confirm that after the building of new ports and the privatisation of the Israeli ports, port users will have freedom of choice to decide which port that they will use.

On September 2021, the new Bay Port located at Haifa Bay began to operate. This new port is under the ownership of the State of Israel through the Israel Ports Development and Assets Company (Ltd) and is operated by the Messrs Shanghai International Port Group. In quarter one of 2022, the new Sought Port located next to Ashdod Port (operated by Messrs Terminal investment Limited SA of Switzerland) is expected to operate at full capacity. In January 2023, the selling of the Haifa Port to Adani-Gadot group (a group comprised of Adani Ports and Special Economic Zone Ltd and Gadot Chemical Terminals (1985) Ltd) has been completed, meaning that the main Israeli ports are now operated under private commercial operators. These private companies may compete with each other and provide the merchants with the possibility to choose at which port they will have their import or export activities.

According to statistics provided by the Israeli Administration of Shipping and Ports, the volume of cargoes both loaded and discharged at all Israeli ports during 2021 reached a total of 59.765 million tonnes. In February 2022, the number of vessels under Israeli ownership or control was reported to be 38, having a total deadweight tonnage of 1.895 million tonnes and average age of 7.1 years.[3]

With government support, such as allowing an increase of 20 per cent depreciation on vessels for reducing income tax payments and subsidising the employment of Israeli crew and officers, the government of Israel supports local shipowners to preserve and develop Israeli ownership of shipping and vessels.

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2 The Abraham Accords are a joint statement between Israel, the United Arab Emirates and the United States, reached on 13 August 2020. See Section VII.ii.

3 The Annual Statistics Shipping and Ports, 2021, *The Administration of Shipping & Ports*, available at www.gov.il.

II GENERAL OVERVIEW OF THE LEGISLATIVE FRAMEWORK

Israel has been a member of the International Maritime Organization since 1952 and follows, including by domestic legislation, the international conventions relating to the different aspects of maritime law, shipping and marine environment, including the Convention for the Protection of the Mediterranean Sea against Pollution 1978 (in its updated version as the Convention for the Protection of the Marine Environment and Coastal Region of the Mediterranean 1995), the International Convention Relating to the Limitation of Liability of Owners of Sea-Going Ships 1957 and its amending Protocol of 1979, the Protocol to amend the International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading 1968 (the Hague-Visby Rules), the International Convention for the Prevention of Pollution from Ships 1973 (MARPOL, Annexes I, II, III and V) and The Admiralty Acts of 1840 and 1861.

III FORUM AND JURISDICTION

i Courts

All ports of Israel are governed by the Haifa Maritime Court located in the Haifa District Court, which has the authority to judge *in rem* claims and ship arrests, ownership and registration disputes, and to order on confiscation of vessels according to the Naval Prize Act of 1864.

Other aspects of shipping and maritime law, such as cargo claims or charter-party disputes, are considered commercial civil claims and are brought before either a magistrate court or a district court, depending on the amount claimed and the relevant local jurisdiction. Claims up to 2,500,500 shekels are filed before a magistrate court, whereas claims that exceed this amount are filed before a district court.

Under Clause 48 of the Shipping Act (Vessels) 1960, a maritime lien (which is enforced by the Haifa Maritime Court) expires within one year. The date of enforcement depends on the nature of the lien; for example, in a lien for salvage, the one-year expiry period will count from the end of providing the salvage service; and in a lien for a damage to cargo, the expiry period will start from the date of delivery of the cargo, or from the date on which the cargo should have been delivered.

However, if at the end of the expiry period (as explained above) the vessel is not in Israeli territory, the beginning of the expiry period will be extended until the vessel's arrival at an Israeli port, provided that the lien will expire no later than three years from the date of the beginning of the expiry period had the vessel been in Israel.

Unless subject to specific rules, such as the one-year time bar on filing cargo claims against shipowners according to Article III(6) of the Hague-Visby Rules or the one-year expiry of the maritime lien according to Clause 48 of the Shipping Act (Vessels) 1960 (which is similar to Article 9 of the International Convention for the Unification of Certain Rules of Law Relating to Maritime Liens and Mortgages 1926), all other matters are governed by the standard seven-year limitation period, as stipulated in the Israeli Limitation Act 1958.

ii Arbitration and ADR

Israel has ratified the Convention on the Recognition and Enforcement of Arbitral Awards 1958 (the New York Convention). Under the Regulations for the Performing of the New York Convention (Foreign Arbitration) 1978, the district courts are authorised to enforce a foreign arbitral award, provided that the applicant will present the court with a verified copy of the award and of the arbitration agreement.

In addition, under Articles 5 and 6 of the Arbitration Act 1968, the district court can order a stay of proceedings when the matter in dispute is subject to an arbitration agreement or to an arbitration clause in the contract.

Pursuant to Clauses 16(a) and 39A of the Arbitration Act 1968, a district court is authorised to order on supportive remedies, such as liens and restraining orders, so as to secure arbitration proceedings, including proceedings taking place in foreign jurisdictions. The Haifa Maritime Court, situated in the Haifa District Court, exercises this authority and will order on the arrest of the vessels even if the claim itself should be determined in arbitration or foreign jurisdiction.

In M/V *Aquis Perla* and M/V *Mare Zen*,[4] the Haifa Maritime Court held that it is authorised to order on attachments on assets of the local defendant to secure a London arbitration in relation to unpaid hire, following the above-mentioned orders of the Israeli Arbitration Act and with no need to enquire whether English arbitration law does or does not allow attachment of a defendant's assets.

iii Enforcement of foreign judgments and arbitral awards

Under the Enforcement of Foreign Judgments Act (the Enforcement Act), an Israeli court is authorised to enforce a foreign judgment, provided that the judgment is issued by an authorised court. It is not appealable and its contents are not in contravention of public policy (Enforcement Act, Article 3, Paragraphs (1) to (4)). If the foreign courts handling the subject judgment do not, according to their domestic law, enforce Israeli judgments, then the foreign judgment will be enforced by an Israeli court only if so requested by the Attorney General (Enforcement Act, Article 4, Paragraphs (a) and (b)). Treaties for mutual recognition and enforcement of judgments have been reached between Israel and Germany and between Israel and the United Kingdom. In the matter of MV *Captain Hurry* (2016), the Maritime Court recognised a German court's declaratory judgment, declaring that the owners were not liable for any payment for the bunkers claimed by the claimant. As a result, the claim was dismissed.

IV SHIPPING CONTRACTS

i Shipbuilding

Israel does not undertake a significant amount of shipbuilding.

ii Contracts of carriage

The Hague-Visby Rules have been adopted into Israeli law as part of the Ordinance for the Carriage of Goods by Sea, as amended on 21 January 1992.

4 Folio No. 59972-07-19.

The Hague-Visby Rules will apply to any bill of lading that governs the sea carriage of cargo from any Israeli port or a port or country that is a party to either the Hague Rules or Hague-Visby Rules, or when the bill of lading incorporates the Hague-Visby Rules or is governed by the laws of a country that applies the Rules.

Israel has adopted neither the UN Convention on the Carriage of Goods by Sea 1978 (the Hamburg Rules) nor the UN Convention for the International Carriage of Goods Wholly or Partly by Sea 2009 (the Rotterdam Rules).

iii Cargo claims

In line with the above, a claimant in a cargo claim should file within one year of the date of delivery of the cargo or the date on which it should have been delivered (Hague-Visby Rules, Article III(6)). In *Polska Morska v. Bank National de Paris*,[5] the Supreme Court held that a cargo claim filed in a foreign jurisdiction 'cuts' the one-year limitation period under Article III(6) of the Rules. In MV *Eleftheria*,[6] Haifa Maritime Court held that the underwriter can add the insured as an additional claimant even after the one-year limitation period has elapsed. The Court's reasoning was that the underwriter's claim was filed within the one-year time bar and that the ownership of the vessel is immaterial to the legal identity of the entity suing it. The Court also stated that an owner's interests are in the merits of the claim itself, the preservation of evidence and the owner being aware of the fact that there is a claim for damage to the cargo. The Court ruled that all the information in the underwriter's claim that was filed within the one-year time bar was known to the owners and that the addition of the cargo interests as an additional plaintiff would not prejudice the owners of the vessel.

In *Fehya Maritime v. Millubar*,[7] the Supreme Court held that a claim filed by a claimant who did not have title to sue does not 'cut' the one-year time bar and therefore after the 12 months have elapsed, the claim cannot be amended by adding the claimant who had the title to sue to the claim.

The cargo claim is subject to the owner's limitation of liability to either 666.67 special drawing rights (SDRs) per package or unit or to 2 SDRs per kilogram of the cargo lost or damaged, according to the highest of the two (Hague-Visby Rules, Article IV(5)(a)). The claimed damage to the cargo should be a result of the owner's failure to exercise due diligence at the beginning of the voyage to make the vessel seaworthy and properly manned and equipped (Hague-Visby Rules, Article III(1), Paragraphs (a) to (c); Article IV(1)). Neither the carrier nor the vessel will be liable for damage resulting from perils of the sea or any other cause not arising from the actual fault or privity of the carrier or without the fault or neglect of the agents or servants of the owners (Hague-Visby Rules, Article IV(2), Paragraphs (a) to (q)).

In *Trans KA v. Vitol Energy*,[8] the Supreme Court held that the owners of a vessel that called at Haifa port, and was later prohibited by Libyan authorities from entering a Libyan port because of the Arab boycott on Israel, was exempt, according to Article IV(2)(5) of the Rules (Restraint of Princes), from paying damages to the charterer of the vessel that chartered it for a carriage between Libya and Turkey.

5 Civil Appeal 6260/97.

6 *In rem* Claim No. 30100-10-10.

7 Civil Appeal 7195/18.

8 Civil Appeal 7802/11.

In Appeal No. 8518/19, the Supreme Court affirmed the decision of the Haifa Maritime Court in Civil Claim 35583-11-18 relating to MV *Chrysopigi*, that a foreign marine insurer has a title to sue under the insured rights that have been subrogated to him or her, even if the foreign insurer is not listed in the Israeli insurance supervisor's list as an insurer active in Israel and subject to the supervisor's supervision. Under this decision, the Court has given effect to the Israeli legislator's wording and meaning when excluding marine insurance from the supervision and other liabilities according to the Insurance Agreement Act 1982. In a similar matter of Civil Claim 31521-01-20, *Nobel v. Zim*, the Haifa District Court ordered that the act of subrogation does not relate to the manner in which an insurer handles its insurance agreements, and accordingly, the act of subrogation is not subject to local regulations and supervisions on insurers.

In *HDI v. Orl*,[9] the Supreme Court held that the quantities stated in a bill of lading are *prima facie* evidence towards not only the owners (who issued the bill of lading) but also the underwriter insuring the cargo in marine insurance.

iv Limitation of liability

Israel has adopted the International Convention Relating to the Limitation of Liability of Owners of Sea-going Ships 1957 (and its amending Protocol of 1979) as part of the Shipping Act (Limitation of Liability of Sea-going Ships) 1965.

Following the orders of this Act, the owners of a vessel can apply to the Maritime Court for the establishment of a limitation fund. If the Court is satisfied with the owner's application, it will order the establishing of the limitation fund and will give orders as to the owner's deposit and the publishing of notices to the creditors. Creditors' claims, or participation claims that are filed by a local creditor, have to be filed within 30 days. A foreign creditor must file a claim within 60 days.

In the matter of MV *Moraz* (2022), the Haifa Maritime Court has denied owners' application to set a limitation found in order to limit its liability damages caused as a result of oil leakage from the vessel while being bunkered near Haifa Port. The Court held that the nature of the damage caused – the contamination of the port's facilities – should be construed as damage to 'harbour works, basins and navigable water ways', which appear in Article 1(1)(c) of the Brussels Limitation Convention 1957 and which have been excluded by the above-mentioned Israeli Act of 1965 adopting the Convention. In addition, the Court held that the incident was caused by the actual fault or privity of the owners through the local operators of the vessel who did not give the vessel's crew the required instructions for the bunkering operations, and did not supervise the crew members' qualifications; therefore, also for this reason, the owner's application was denied.

V REMEDIES

i Ship arrest

By a King's Order in Council dated 2 February 1937, the Supreme Court of Jerusalem was constituted as a Maritime Court, under the Colonial Courts of Admiralty Act 1890 (the Colonial Act). On the date on which the Colonial Act was enacted, the relevant acts of

9 Civil Appeal No. 7779/09.

Admiralty in force were the Admiralty Court Acts of 1840 and 1861, and the Naval Prize Act of 1864. These continue to apply to the jurisdiction of the Israeli Maritime Court situated in Haifa.

In 1952, the state of Israel enacted the Admiralty Courts Act. This is merely an administrative act transferring the authorities of the Supreme Court of Jerusalem to act as a maritime court to the Haifa District Court, which has acted as a maritime court ever since.

When enacting the Shipping Act of 1960, the Israeli legislator included specific chapters on mortgages and liens, adopting the continental maritime lien regime of the International Convention for the Unification of Certain Rules relating to Maritime Liens and Mortgages 1926, preferring the Convention's regime to that of English law.

The result is that the Haifa Maritime Court has two non-identical sets of rules relating to maritime liens and there are relatively few Supreme Court judgments on appeals filed on decisions of the Haifa Maritime Court, so there are no Supreme Court precedents covering all aspects of maritime liens.

The main Supreme Court judgment is the one that was handed down on 5 July 1990 in MV *Nadia S*, in which it was held that a maritime lien is a substantive right rather than a procedural right (and in this regard diverged from the majority opinion in the English judgment in *Halycon Isle*), attaching to the ship and following the *res* into the hands of third parties, and is determined according to the *lex* cause.

The ranking of the recognised liens is as follows:

a the costs of the court's auction sale of an arrested vessel;

b port dues of all kinds and other payments for such port services as much as they are due to the state, to another state or authority, or have been paid to them by a third party;

c the costs of preservation of an arrested vessel (from the date of its entry into the port and until its sale by the court;

d wages;

e salvage;

f compensation for death or injury of passengers;

g compensation for damage caused as a result of a collision at sea or any other navigation accident, or for damage done by the vessel to port facilities, and indemnities for loss or damage to cargo or passengers' baggage; and

h payments due for the supply of necessaries.

A mortgage is ranked after the lien in point (g), above, and has priority over the lien in point (h), above, which is the lien for necessaries.

In MV *Ellen Hudig* (2004), the Haifa Maritime Court denied a maritime lien for 'indemnities for loss or damage to cargo or baggage'. The alleged damage that was claimed was alleged to be additional expenses relating to the discharge of the cargo from an arrested vessel and additional freight paid to another vessel for the voyage to Singapore. The Court held that the vessel was arrested because of a claim filed by the crew for unpaid wages and, within 10 days, the owners fell into bankruptcy proceedings before a Belgian court, and that these circumstances did not fall under the owner's liability. Therefore, the claim was denied.

Since then, the *Ellen Hudig* case has been cited by the Haifa Maritime Court as an authority that establishes the need to show the owner's liability for the court to recognise and enforce a maritime lien.

The case of MV *Emmanuel Tomasus* (2014) dealt with a physical supplier who had supplied bunkers to the vessel and was not paid. Its claim to enforce the lien for 'necessaries'

was denied, under the reasoning that this is a contractual lien, and that when the claimant was not a party to the supply agreement, and the contractual supplier was paid by the owners, there is no personal liability on the owners to pay the physical supplier.

In MV *Nissos Rodos* (2016), the Haifa Maritime Court held, citing the *Ellen Hudig* case, that the local agent who paid the port dues for 17 calls at Haifa was not entitled to the maritime lien for port dues. The Court's reasoning was that the agent had no agreement with the owners and that there was no personal liability on the owner to pay the agent the port dues because the commercial relations were between the owner of the vessel and the operator of the vessel, and not between the owner and the agent.

In MV *Captain Hurry* (2016), the Haifa Maritime Court dismissed a claim by a bunker supplier who argued that an enforcement of a maritime lien does not require an owner's personal liability. In this matter, the owners asked the Court to enforce a German court's judgment declaring that the owners were not liable to pay the supplier. After examining the German court's judgment and its finding that all the contractual relations took place between the bunker supplier and the charterer only, and not with the owners, the Haifa Maritime Court dismissed the claim due to *res judicata* and lack of owner's liability.

However, in the matter of MV *Captain Hurry*, the Haifa Maritime Court noted the fact that maritime liens differ from each other, whereby some are intended to secure liabilities voluntarily and others are to secure liabilities under law. For example, according to the Court's view, a lien for salvage exists even if the owners were not liable in the circumstances that led the vessel to distress.

These views of the Haifa Maritime Court, which recognise the diversity of maritime liens, may open a path to an enforcement of maritime liens that does not require an owner's personal liability.

Israel is not a signatory party to any of the conventions allowing the arrest of a sister ship (such as the International Convention for the Unification of Certain Rules relating to the Arrest of Sea-going Ships 1952 or the International Convention on the Arrest of Ships 1999) and no authority of sister ship arrest is mentioned in either the Admiralty Acts of 1840 and 1861 or the Israeli Shipping Act (Vessels) of 1960. Therefore, in MV *Huriye Ana* (2017), the Haifa Maritime Court held that there was no legal basis to order a 'sister ship' arrest. In M/V *OSOGOVO* (2021), while denying a supplier's arrest application for necessaries supplied to a sister ship vessel of the subject vessel, the Haifa Maritime Court mentioned that it does not deny the possibility of extending, under judicial legislation, the causes for sister ship arrest, leaving the path for applying for such an arrest by using the legal principles of lifting the corporate veil.

Security and counter security

A protection and indemnity (P&I) letter of undertaking can be accepted as security on behalf of an arrested vessel, provided that the P&I club is a respected or reputed club that will be able to pay the secured amount. An Israeli bank's guarantee will be accepted. It is likely that a guarantee from a foreign bank will be rejected.

The Haifa Maritime Court has continuously held that, typically, there is no justification for putting procedural thresholds before creditors seeking enforcement of their maritime liens and only in exceptional occasions. For instance, when the validity of the documents constituting the lien is doubted or when the owners' liability in a claim to enforce a maritime lien for necessaries is questioned, the claimant will be required to deposit a counter security for the arrest. The nature and ranking of the lien would also be considered.

In MV *Captain Hurry*, a deposit of US$12,500 was required as counter security for an arrest securing a claim of US$315,763 for the delivery of bunkers, which was ultimately denied.

Position and location of arrested vessel

In MV *Donar*,[10] the Supreme Court held that according to Articles 5, 10 and 17 of the Rules Touching the Practice in the Vice Admiralty Court, established in 1883 (the Vice Admiralty Rules 1883), an action *in rem* is opened with a writ of summons that should be served by the plaintiff within six months. Accordingly, the Supreme Court held that proceedings (before the Haifa Maritime Court) can be commenced (by the plaintiff) even within six months prior to the vessel entering Israeli territorial waters, provided that the writ of summons will be served to the vessel within six months and in the territorial waters.

Therefore, legally, a vessel can be arrested even before entering Israeli waters and can be served with a writ of summons (and the arrest order and pleadings filed by the claimant) on entering the territorial waters as long as the intended vessel for arrest is within the designated port area it can be arrested, namely, the vessel can be arrested even if not in berth as long as it is in the port area. There is no legal requirement for the arrested vessel to be at a berth when it is arrested. Obviously, in practice, the chances of an arrested vessel either at a berth or in port unlawfully escaping arrest are relatively slim, whereas at open sea on the edge of or within the territorial waters, these chances are much higher.

ii Court orders for sale of a vessel

If no Notice of Appearance is filed on behalf of the arrested vessel within seven days of the service of the maritime claim documents (including the writ of summons), the court may order the judicial sale of the vessel so as to save maintenance, port due and crew costs. According to the Vice Admiralty Rules 1883, the court is authorised to order that the vessel will be sold either by public auction or by private contract.

VI REGULATION

i Safety

As a member of the International Maritime Organization (IMO) since 1952, under Articles 99 and 100 of the Israeli Regulations on Port Safety (Vessels) and the IMO Code for the Investigation of Marine Casualties and Incidents, the Administration of Shipping and Ports conducts investigations of marine casualties and issues reports.

In *HDI Global Antwerp and Others v. The State of Israel and Owners of MV Diana*,[11] Haifa District Court ordered that the Israeli Authority for Shipping and Ports should have disclosed foreign cargo interests in the communications that took place between the distressed MV *Diana* and the Rescue Coordination Centre at Haifa port, prior to the vessel's grounding on 19 January 2018, 250 metres from Haifa Bay Watch, which were collected by the Authority while investigating the incident.

The decision was reached in view of the separate London arbitration proceedings between the cargo interests and the owners and following the cargo interests' application filed on grounds of the Israeli Freedom Act 1998 and the Arbitration Act 1968. Haifa District

10 Civil Appeal 362/83.

11 Folio No. 67484-03-19.

Court's reasoning was that the cargo interests were entitled to receive information collected by the Authority for Shipping and Ports regarding the cargo that was damaged as a result of the grounding.

ii Port state control

The Administration of Shipping and Ports is a statutory authority with the Ministry of Transport. The Administration supervises the ports of Haifa, Ashdod and Eilat. It is responsible for marine traffic, licensing and registration of vessels, certification of seafarers, supervising the safety of vessels, conducting port state control, issuing notices to mariners and acting as the Israeli representative within the international marine community.

iii Registration and classification

The Israeli registration of vessels takes place before the Registrar at the Administration of Shipping and Ports. Registration should include ownership rights, mortgages and liens, among other things, as required in each case.

In MV *Badar* (2020), the Haifa Maritime Court held, in a decision accepting an application for attachments on the Israeli registration of the vessel, that a vessel is registered with a foreign registry unless properly deleted from its former registration, even if a writ of ownership arises from a writ of ownership issued by an authority.

In MV *Hurriye Ana* (2020), the Haifa Maritime Court denied a bank's claim for the enforcement of a mortgage incorporated in a foreign vessel's registration. The Court held that the validity of the loan agreement was not proven and that no information was provided in relation to the payment schedule agreed with the debtor (who was not the owner) nor the exact amount of debt that remained. The fact that a mortgage is incorporated in the vessel's registration is not enough to have it enforced.[12]

iv Environmental regulation

Israel is a party to the Convention for the Protection of the Mediterranean Sea Against Pollution 1978 and reaffirmed its updated version and the Convention for the Protection of the Marine Environment and Coastal Region of the Mediterranean 1995. In addition, Israel joined MARPOL in 1983 and has reaffirmed Annexes I, II, III and V.

v Collisions, salvage and wrecks

The law relating to a distressed vessel, wrecks and lost merchandise is governed by the Salvage Fee and Lost Merchandise Order of 1926. Under this Order, whoever finds lost merchandise or discovers any wreck must inform the Receiver of the Wrecks at the Authority of Shipping and Ports, who will publish a notice about the finding of the same and serve a copy of the notice to the Lloyd's agent in Israel or to Lloyd's in London. If the merchandise or the wreck is not claimed within six months, it will be sold by the Receiver of the Wrecks and the balance of the sale after deducting the salvage fee and expenses will applied by the Minister of Treasury as part of the national income.

The International Regulations for Preventing Collisions at Sea 1972 (COLREGs) have been adopted into Israeli law under the Port Regulations (Preventing Collisions at Sea) 1972.

12 Folio No. 67484-03-19.

Under the Salvage Fee and Lost Merchandise Order of 1926, whenever a ship is grounded, sinking or in distress within Israeli territorial waters, the receiver nominated by the Minister of Transportation shall go to the relevant place to give orders to attending persons to preserve the ship and the lives of people on board. Anyone who provides aid to a distressed or grounded vessel or helps to save lives of people on board is entitled to a fair payment for those services, which should be paid by either the owners of the ship or the salvaged cargo. If no understanding is reached, the parties will refer to arbitration.

The amount due by the shipowners for salvage is a recognised lien either according to Clause 42(5) of the Shipping Act (Vessels) 1960 or Clause 9 of the Admiralty Court's Act 1961. As mentioned above, in MV *Captain Hurry*, the Haifa Maritime Court advised that the lien for salvage will exist even if the owners were not liable for the circumstance that led the vessel to distress.

vi Passengers' rights

Israel is not a party to the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea 1974. Therefore, passengers' claims will be governed by general contract and tort law, and other general laws, including those relating to jurisdiction clauses.

vii Seafarers' rights

The qualification requirements, supervision, duties and requirements of and from Israeli seafarers are the subject of the Shipping Act (Seaman) 1973. Israel has not adopted the Maritime Labour Convention. However, the amount due to a seafarer for wages is a recognised maritime lien and Israeli law considers the labour relationship as a contractual relationship. Therefore, any entitlement of seafarers either from an international convention or a collective agreement, which can be viewed as governing the labour contract (including as an implied term), can be enforced by the competent maritime court when deciding on the amount due to a seafarer in wages.

In M/V *MORAZ* (2021) the Haifa Maritime Court accepted that the costs of medical treatment provided by a local hospital to a crew member who became ill with the coronavirus (covid-19) constituted a maritime lien on the vessel under the recognised lien for 'payments claimed by the captain, crew and others who served on board arising out of their employment in the vessel'. In the matter of M/V *Stellar Pacific* (2023), the Haifa Maritime Court ordered compensation payments to the heirs of a late third officer who suffered from head injuries while serving on the vessel located near Ashdod port and later died in the hospital, in amounts exceeding those that are usually stated in the collective agreements. This judgment was rendered by the Court by way of settlement and with no reasoning. However, it seems that the amount awarded validates the proposition that under Israeli law owners cannot limit their tortious liabilities and other liabilities in relation to tortious incidents that occur to a crew member, as this limitation is not within public policy.

Arresting a vessel in respect of a claim *in rem* and an arrest application filed by the crew, either for wages for tortious compensation for injury or casualty, when the vessel arrives at an Israeli port is a common practice for arresting vessels in Israel.

VII OUTLOOK

i Prize

In MV *Estelle* (2014), quoting as its authorities the Colonial Court's Act of 1890 and the Naval Prize Act 1864, the Haifa Maritime Court held that it is authorised to act as a Prize Court and order the confiscation of a vessel attempting to breach the naval blockade imposed on Gaza. In the specific case of MV *Estelle*, the vessel was released by the Court because the Israeli Navy did not promptly bring the matter to adjudication. Later, in MV *Marianne* (2016), MV *Zaytouna-Oliva* (2019), M/V *Freedom* and M/V *Kaarstein* (2021) the Haifa Maritime Court ordered the confiscation and judicial sale by auction of the vessels and ordered that the amount received from the sales would be transferred to the state of Israel.

ii The Abraham Accords

The Treaty of Peace, Diplomatic Relations and full normalisation between the United Arab Emirates and the State of Israel, followed by normalisation agreements with Bahrain, strengthens the strategic location of Israel and Israeli ports. An increase in the volume of trade and transport between Israel and the Gulf States is expected.

The Haifa Maritime Court has exercised its rights in favour of either a bunker supplier located in Dubai (arresting the MV *Huseyn Javid* for unpaid bunkers) or a Libyan owner (in cancelling the Israeli registration of MV *BADR* which was done *ex parte* while the vessel was registered in its original Libyan registration). Following the conclusion of the Abraham Accords, the Persian Gulf and other Middle East claimants and interests will find the Haifa Maritime Court and other Israeli courts to be a favourable jurisdiction.