

**A Brief Introduction to the Draft UN Convention  
on the International Effects of Judicial Sales of Ships**

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# **A Brief Introduction to the Draft UN Convention on the International Effects of Judicial Sales of Ships**

## **1. Introduction**

- On 15<sup>th</sup> July 2022 the 55<sup>th</sup> Session of UNCITRAL ended up with the finalization and approval of the Draft Convention
- On 20<sup>th</sup> October 2022 at the ongoing 77<sup>th</sup> UN General Assembly the Draft Convention was informally approved
- Hopefully in next January the General Assembly will formally adopt the Draft Convention

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## 2. The reasons to have this Convention

- Shipping is playing a crucial role in international trade and transportation
- Ships are of high economic values and ship finance is always needed for ship building or purchasing
- Judicial sales of ships should be maintained as a means to enforce claims against shipowners for the benefit of ship financiers and other creditors
- Adequate legal protection for purchasers may positively impact the price realized at judicial sales of ships to the benefit of shipowners and their creditors including financiers

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## 3. The road from a proposal to an UN Convention

- 2007 CMI Dubrovnik ExCo Meeting – proposal made  
... ( IWG, CMI Questionnaire, analysis response, drafting )
- 2012 CMI Beijing Conference – Beijing Draft -- Formulated
- 2013 CMI Dublin Colloquium – Beijing Draft -- Polished
- 2014 CMI Hamburg Conference — Beijing Draft -- Approved  
... (IMO, HCCH, UNCITRAL)
- 2018 UNCITRAL 51<sup>st</sup> Session – Decided to work on Beijing Draft
- 2019 –2022 UNCITRAL WG VI 35<sup>th</sup>-40<sup>th</sup> Sessions -- Negotiations
- 2022 UNCITRAL 55<sup>th</sup> Session – Finalized and Approved the Draft Con.

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## 4. The key provisions of this Convention

- Obligation to recognize a foreign judicial sale Art. 6
- Issuance of certificate of judicial sale Art. 5
- Notice of judicial sale Art. 4
- Obligation of ship's registry Art. 7
- No arrest of ship for pre-sale claim Art. 8
- The only Excuse for refusal to recognize Art. 10
- Exclusive jurisdiction to avoid/suspend a JS Art.9

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## 5. Conclusion

It is proposed by UNCITRAL to the General Assembly:

- To adopt the Convention on the basis of the approved draft
- To authorize a signing ceremony as soon as practicable in 2023 in Beijing
- To recommend that the Convention be known as the “Beijing Convention on the Judicial Sales of Ships”