

# **Merchant Shipping Code (Title amended, SG No. 113/2002)**

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Text in Bulgarian: Кодекс на търговското корабоплаване

## **Chapter One GENERAL PROVISIONS**

### **Section I Subject-matter and Scope of Application**

Social Relations Regulated by Code

Article 1. (Amended, SG No. 113/2002) (1) This Code shall regulate the social relations in the Republic of Bulgaria, arising from merchant shipping and control thereover, the requirements for Bulgarian nationality of ships, the requirements to ship's documents and shipping documents, the rights and obligations of masters and crews, contracts of carriage of goods, passengers and luggage, real rights to ships, contracts of affreightment, contracts of marine insurance, averages on board ships, salvage at sea and river, as well as other relations concerning navigation and the safety thereof.

(2) Any legal relations under Paragraph (1), which are not regulated by this Code, shall be governed by the standards of effective Bulgarian legislation.

#### Freedom of Contract

Article 2. Except for the cases provided for by the imperative standards of this Code, the parties to merchant shipping relations may settle their mutual rights and obligations in a contract at their own discretion.

#### Scope of Shipping and Freedom of Commerce

Article 3. (Amended, SG No. 113/2002) (1) Merchant shipping shall comprehend carriage of passengers, luggage, goods and mail by ship, chartering of ships, other transactions involving ships, towage and pushing of ships and cargo, search, rescue and assistance to persons and ships in distress, provision of marine and river services related to shipping, commercial fishing, exploitation of marine and river resources, as well as other economic activities involving the use of ships.

(2) Merchant shipping shall be carried out freely, in conditions of protection and promotion of competition and free initiative in economic activity.

#### Merchant Ship

Article 4. (1) (Amended, SG No. 113/2002, supplemented, SG No. 52/2015) Within the meaning given by this Code, a merchant ship shall be any self-propelled or non self-propelled craft or any floating structure designed for sailing and for performance of the activities covered under Article 3 herein with the exception of floating docks and repair ships anchored within harbour areas, designed for shipbuilding and/or ship repair.

(2) (Amended, SG No. 113/2002) Floating structures used for the removal of wrecks or for some other economic activity shall also be considered merchant ships.

(3) (Amended, SG No. 113/2002, supplemented, SG No. 85/2010) The rules concerning ships shall apply to ships under construction, following the launch thereof with the exception of the provisions of Section I of Chapter Three herein, which shall apply as of the moment of laying the keel.

#### Application to Special Types of Ship

Article 5. (Amended, SG No. 113/2002) (1) The provisions of this Code regarding merchant ships, except for the provisions regarding carriage of passengers and cargo and general average, shall apply, mutatis mutandis, to ships employed for research, training, cultural and sports purposes, for pilotage, for exercise of control and supervision, for fire-fighting, communications, customs and sanitary purposes, for ice-breaking, for the saving of life and property.

(2) The provisions [of this Code] shall not apply to military transport of cargo and passengers, even where they are carried by merchant ships.

(3) The provisions [of this Code] shall also apply to warships when used for merchant purposes.

#### Carriage of Passengers and Cargo between Ports of Republic of Bulgaria

Article 6. (Amended, SG No. 113/2002) (1) The carriage of passengers and cargo and the towage and pushing of ships, involving the use of ships, between the ports of the Republic of Bulgaria shall be performed by ships flying the Bulgarian flag.

(2) The carriage and any activities related to hydraulic-engineering and underwater technical works, take of marine and river living resources, prospecting and extraction of mineral and other inorganic resources, pilotage, bunkering, receipt of waste, water-and-oil mixtures and other such, performed

by ships in the internal sea waters, the territorial sea and on the inland waterways of the Republic of Bulgaria, shall be performed by ships flying the Bulgarian flag.

(3) (Effective 1.01.2007 - SG No. 113/2002) The activities covered under Paragraphs (1) and (2) may also be performed using ships flying the flag of a Member State of the European Union, provided the said ships comply with the statutory requirements for coastal (cabotage) shipping.

(4) The activities covered under Paragraphs (1) and (2) may also be performed using ships flying another flag, provided this is agreed in an international treaty whereto the Republic of Bulgaria is a party, or by a decision of the Council of Ministers for each particular case.

(5) (Effective 1.01.2007 - SG No. 113/2002, amended, SG No. 106/2023) In case of serious disturbances of the domestic market resulting from market liberalization, the Minister of Transport and Communications may notify the competent bodies of the European Union of the introduction of derogations from the rule under Paragraphs (3) and (4) for a period of 12 months.

(6) In the course of carriage on inland waterways, a public service obligation may be fulfilled on the basis of a contract aimed at achieving a definite level of transport service and prices for specific types of public services.

(7) (Amended, SG No. 87/2005, SG No. 106/2023) The public service obligation under Paragraph (6) may be commissioned by contract for a period of up to five years, concluded between the Minister of Transport and Communications and the respective carrier, on the basis of a decision of the Council of Ministers to commission a public service. Any such contract shall be updated annually. The contract shall be updated annually.

(8) (Amended, SG No. 87/2005) Any contract with a carrier under Paragraph (7) shall specify the types of services and the procedure for the accounting for them, the frequency, quality and volume of carriage, the prices and special price reliefs and the relevant compensation mechanisms thereto related.

(9) (Amended, SG No. 87/2005, SG No. 106/2023) The terms and procedure for performance of the activities covered under Paragraph (1) shall be established by ordinances of the Minister of Transport and Communications.

(10) (New, SG No. 87/2005) The terms and procedure for conclusion of a public service contract for carriage of passengers by inland waterways shall be established by ordinance of the Council of Ministers.

### Carriage of Goods by Inland Waterways

Article 6a. (New, SG No. 113/2002) (1) (Amended, SG No. 92/2011, effective 1.01.2012) Goods shall be carried by inland waterways by carriers which satisfy the requirements for proficiency, financial stability, and good reputation.

(2) (Amended, SG No. 106/2023) The terms and procedure for establishment and certification of the requirements referred to in Paragraph (1) shall be established by an ordinance of the Minister of Transport and Communications.

(3) (Amended, SG No. 92/2011, effective 1.01.2012) In order to perform carriage of goods by inland waterways, carriers shall need to hold a certificate of proficiency.

(4) (Amended, SG No. 92/2011, effective 1.01.2012) A certificate of proficiency shall be issued after the carriers prove that they satisfy the requirements of Paragraph (1).

(5) (New, SG No. 87/2005, amended, SG No. 92/2011, effective 1.01.2012) Fees in an amount determined by the Council of Ministers shall be charged for the issuance of a certificate of proficiency to a carrier for carriage of goods by inland waterways.

### Inland Waterways Fund

Article 6b. (New, SG No. 113/2002, amended, SG No. 87/2005, effective 1.01.2007, SG No. 15/2013, effective 1.01.2014, SG No. 106/2023) For financing of the activities for regulating the capacity of the fleet on inland waterways, there shall be established an Inland Waterways Fund as a budget authoriser by sub-delegation under the Minister of Transport and Communications.

#### Collection and Reporting of Resources under Inland Waterways Fund

Article 6c. (New, SG No. 87/2005, effective 1.01.2007) (1) (Amended, SG No. 106/2023) The revenues from the Inland Waterways Fund shall be collected, reported and centralised in the Single Account System through the use of separate transit accounts, opened on the name of the Ministry of Transport and Communications with the Bulgarian National Bank.

(2) The revenues of the Fund shall be sourced in contributions from the shipowners who bring craft into service and who are subject to application of the measures for regulating the capacity of the fleet.

(3) The revenues of the Fund shall be credited to three separate transit accounts according to the type of the craft:

1. for dry cargo carriers;
2. for tanker vessels;
3. for pusher craft.

#### Spending of Resources under Inland Waterways Fund

Article 6d. (New, SG No. 87/2005, effective 1.01.2007) ((1) Resources under the budget of the Inland Waterways Fund shall be expended on regulating the capacity of the fleet on the inland waterways.

(2) (Amended, SG No. 106/2023) The expenditures referred to in Paragraph (1) shall be projected annually under the budget of the Ministry of Transport and Communications and shall be made by forming a separate payment code in the electronic budget payment system.

(3) The unabsorbed portion of the resources credited under Article 6c herein, including the resources from previous years, shall be an integral part of the Single Account and shall be expended only in accordance with the provisions of the Code.

(4) The resources referred to in Paragraph (3) shall be managed within the framework of the control and management of the liquidity of the Single Account System.

#### Inland Waterways Fund Management Board

Article 6e. (New, SG No. 87/2005, effective 1.01.2007) (1) The Inland Waterways Fund shall be directed by a Management Board, which shall consist of five members, including a Chairperson.

(2) (Amended, SG No. 106/2023) The Chairperson of the Management Board of the Fund shall be the Minister of Transport and Communications.

(3) Any person, who has been convicted of a publicly indictable offence or who is a spouse of or a direct or collateral relative to another member of the Management Board of the Fund up to the fourth degree of consanguinity inclusive or an affine to such a member up to the third degree of affinity, shall be ineligible for membership of the Management Board.

#### Inland Waterways Fund Management Board Composition

Article 6f. (New, SG No. 87/2005, effective 1.01.2007) (1) (Amended, SG No. 14/2015, SG No. 106/2023, SG No. 41/2024, effective 10.05.2024) Members of the Management Board of the Inland Waterways Fund shall be a Deputy Minister of Transport and Communications, a

Deputy Minister of Finance, a Deputy Minister of Economy and Industry and the Executive Director of the Maritime Administration Executive Agency.

(2) The heads of the ministries referred to in Paragraph (1) shall designate the representatives thereof on the Management Board of the Fund.

(3) The Chairperson of the Management Board shall issue an order designating thereby the name list of the members of the Management Board.

#### Inland Waterways Fund Management Board Meetings

Article 6g. (New, SG No. 87/2005, effective 1.01.2007) (1) The Management Board of the Inland Waterways Fund shall meet at least once every three months for the application of measures for regulating the capacity of the fleet.

(2) For the valid transaction of business at a meeting of the Management Board, not less than two-thirds of the members thereof shall have to be present thereat.

(3) The decisions of the Management Board shall be adopted by open ballot and shall require a simple majority of the total number of members of the Board.

(4) Representatives of the shipowners' organisations may attend the meetings of the Management Board of the Fund in a non-voting capacity for the purposes of decision-making.

#### Inland Waterways Fund Management Board Powers

Article 6h. (New, SG No. 87/2005, effective 1.01.2007) (1) The Management Board of the Inland Waterways Fund shall adopt measures for regulating the capacity of the fleet and shall adopt a draft budget of the Fund.

(2) (Amended, SG No. 106/2023) The draft budget of the Fund, as adopted by the Management Board, shall be included in the draft budget of the Ministry of Transport and Communications and shall be proposed to the Ministry of Finance according to the procedure established in the law.

#### Fleet Capacity Regulation Measures

Article 6i. (New, SG No. 87/2005, effective 1.01.2007) (1) Measures for regulating the capacity of the fleet shall be taken in compliance with the provisions of the secondary legislation of the European Union in force.

(2) Where the provisions of the secondary legislation of the European Union in force cannot be applied directly, the Council of Ministers shall adopt ordinances on their transposition.

(3) The control as to compliance with the measures for regulating the capacity of the fleet and the logistical support for the operation of the Fund shall be executed by the Maritime Administration Executive Agency.

#### Freedom of Association

Article 6k. (New, SG No. 113/2002, renumbered from Article 6c, SG No. 87/2005) Carriers of cargo and passengers shall enjoy freedom of association for the achievement of common goals, while observing the provisions of the Protection of Competition Act.

#### Powers of Minister of Transport and Communications

(Title amended, SG No. 106/2023)

Article 7. (Amended, SG No. 113/2002) (1) (Amended, SG No. 106/2023) The Minister of Transport and Communications shall implement the policy of the State in the area of merchant shipping and shall represent the Republic of Bulgaria in the relevant international organizations, and to this end shall:

1. perform the functions of administration with regard to the international treaties where to the Republic of Bulgaria is a party and propose accession of Bulgaria to international organizations and treaties;
  2. determine the standards for training and the procedure for certification of seafarers and exercise control over compliance with the said standards;
  3. determine the safety standards for merchant shipping, control compliance with the safety rules, and organize activities related to shipping;
  4. exercise control for prevention and minimization of pollution from ships of the territorial sea, the internal sea waters and inland waterways;
  5. establish a procedure and arrangements for search and rescue at sea and on inland waterways and for detection of sources of environmental pollution;
  6. jointly with the Minister of Defence, establish a system for collection and provision of information, management and control of vessel traffic.
- (2) (Amended, SG No. 106/2023) The Minister of Transport and Communications shall implement the functions thereof through the Maritime Administration Executive Agency.
- (3) (New, SG No. 92/2011, amended, SG No. 106/2023) The Minister of Transport and Communications shall coordinate the activity of conducting an audit by the International Maritime Organization for complying with the requirements of international treaties in the field of merchant shipping to which the Republic of Bulgaria is a party. The Minister of Transport and Communications shall publish the outcome of the audit as conducted on the Internet site of the Ministry of Transport and Communications.

#### Concerted Actions

Article 7a. (New, SG No. 113/2002, effective 1.01.2007, amended, SG No. 106/2023) The Minister of Transport and Communications shall take the relevant actions required in cases where free access of Bulgarian carriers to carriage of passengers and cargo in States which are not members of the European Union is restricted.

#### Construction Sites

Article 8. (Amended, SG No. 106/2023) Ground and aquatic areas shall be allocated and construction along the coast and in internal waters and the territorial sea, or within the range of aids to navigation shall take place only after advance clearance with the Ministry of Defence and the Ministry of Transport and Communications.

## **Section II**

### **Applicable Law**

#### Shipowner's Liability

- Article 9. (1) (Amended, SG No. 113/2002) The grounds for and the limits of the shipowner's liability shall be governed by the law of the State whose flag the ship flies (the law of the flag).
- (2) (Amended, SG No. 113/2002) Bulgarian legislation shall apply to any detriment and loss caused in tort by a ship in the internal sea waters, in the territorial sea and on the inland waterways of the Republic of Bulgaria.

(3) Within the meaning given by this Code, a shipowner is a person who or which operates a ship in its own name, regardless of whether the said person owns the ship or uses her on any other legal grounds.

#### Real Rights

Article 10. (1) (Amended, SG No. 113/2002, SG No. 85/2010) The law of the principal register shall be applicable to the right of ownership and the other real rights to ships, to the acquisition, modification and transfer of any such rights, as well as to the entry in the register of ships.

(2) (Amended, SG No. 113/2002) The form of the contract for transfer of a right of ownership or for creation of real rights to ships shall be governed by the *lex loci contractus*.

#### Privileged Claims

Article 11. (Corrected, SG No. 58/1970) Privileges for claims provided for in this Code shall be settled according to the law of the State where the coercive enforcement is levied.

#### Crew

Article 12. (Corrected, SG No. 58/1970) The legal status of the crew, the relations between the crew members and the shipowner, as well as the relations between the crew members, shall be governed by the law of the flag of the ship, regardless of their citizenship and of the place where such relations have arisen.

#### Events and Acts on Board

Article 13. (Supplemented, SG No. 113/2002) The relations arising out of events or acts which have occurred on board a ship, or in connection with it, on the high seas or on a waterway over which no State exercises sovereignty, shall be governed by the law of the flag.

#### Collisions between Ships

Article 14. (1) (Amended, SG No. 113/2002) The relations incidental to indemnification of detriment resulting from collision between ships on internal sea waters, in the territorial sea and in the inland waterways of the Republic of Bulgaria shall be governed by the effective Bulgarian legislation.

(2) Where the collision has occurred on the high seas or on a waterway over which no State exercises sovereignty, the law of the State whose court or arbitration tribunal examines the dispute for indemnity shall be applicable.

(3) If all the ships in collision fly the same flag, the law of the flag shall apply regardless of the place of the collision.

#### Salvage and Assistance

Article 15. (1) The relations incidental to reward for salvage rendered on internal waters or in the territorial sea of the Republic of Bulgaria shall be regulated according to the provisions of this Code.

(2) (Corrected, SG No. 58/1970) Where the salvage has taken place on the high seas or on a waterway over which no State exercises sovereignty, the law of the State whose court or arbitration tribunal examines the dispute shall be applicable.

(3) If the salving ship and the salvaged ship fly the same flag, the law of the flag shall apply regardless of the place of the salvage.

(4) The apportionment of the reward amongst the shipowner, the master, and the other crew members shall be governed by the law of the flag of the salving ship.

#### General Average

Article 16. (1) Any obligations for general average contributions shall be governed by the law of the State wherein the voyage after the general average was completed.

(2) Where all parties involved in the general average are of the same nationality, the common national law thereof shall be applicable.

#### Wrecks

Article 17. (Amended, SG No. 113/2002) The relations incidental to the removal of wrecks in the maritime space and inland waterways of the Republic of Bulgaria shall be regulated according to the provisions of this Code, and where the wrecks are on the high seas, by the law of the flag of the salving ship.

#### Sea Protests

Article 18. Sea protests shall be effected according to the law of the State before whose institutions or organizations they are noted.

Article 19. (Repealed, SG No. 108/2020).

#### Chartering of Ship

Article 20. The law of the flag of the ship shall apply to contracts of affreightment.

Article 21. (Amended, SG No. 113/2002, repealed, SG No. 42/2005).

#### International Treaties

Article 21a. (New, SG No. 41/2001, amended, SG No. 106/2023) Where by virtue of an international treaty whereto the Republic of Bulgaria is a party, designation of Bulgarian participants is required for performance of activities comprehended in carriage of passengers and cargo, the said participants shall be selected by competition under terms and according to a procedure established by an ordinance of the Minister of Transport and Communications.

#### Contract of Towage

Article 22. With regard to contracts of towage under Section III of Chapter Nine of this Code, the law of the flag of the tug shall apply.

#### Convention whereto Republic of Bulgaria Is Party

Article 23. If an international treaty, whereto the Republic of Bulgaria is a party, establishes any rules other than those contained in this Code, the rules established by the international treaty shall prevail.

Article 24. (Repealed, SG No. 42/2005).

#### Choice of Court or Arbitration Tribunal

Article 25. (1) In case of a dispute arising out of relations associated with merchant shipping, if one of the parties has its registered office in another State or is a citizen of another State, provisions may be made by mutual consent of the two parties to submit the said dispute for settlement to a court or arbitration tribunal in one of the two States or in a third State.



(2) Absent such a stipulation, the court of the State where the shipowner has its registered office shall be competent.

Article 26. (Amended, SG No. 113/2002, repealed, SG No. 42/2005).

## **Chapter Two**

### **SHIPS**

#### **(Heading amended, SG No. 113/2002)**

### **Section I**

#### **Bulgarian Nationality of Ships**

##### Bulgarian Flag

Article 27. (Amended, SG No. 113/2002, SG No. 55/2004) The flag of the Republic of Bulgaria shall be flown solely by a ship:

1. which is owned by the [Bulgarian] State;
2. which is owned by a Bulgarian natural or legal person;
3. more than one-half of which is owned by a Bulgarian natural or legal person;
4. which is owned by a natural or legal person of the Member State of the European Union, subject to the condition that Bulgarian natural or legal persons or natural or legal persons of a Member State of the European Union, established in the Republic of Bulgaria, are authorized to fulfil the technical, administrative and other requirements of Bulgarian legislation with regard to ships;
5. which is chartered under bareboat charter terms by the persons covered under Items 1 to 4, for the term of validity of the contract.

(2) The natural and legal persons of a Member State of the European Union shall be afforded treatment which is not less favourable than the treatment afforded to Bulgarian natural and legal persons with regard to registration of ships.

(3) (New, SG No. 109/2013) The flag of the Republic of Bulgaria may furthermore be flown by a ship used for tourism, sports, angling or pleasure, which is owned by a natural person from a country which is not a Member of the European Union, who holds a permanent residence permit for the Republic of Bulgaria.

(4) (New, SG No. 109/2013) The rights to ships under Item 5 of Paragraph (1) may not be different from the rights covered by the contract of affreightment.

Article 28. (Supplemented, SG No. 10/1987, amended, SG No. 113/2002, repealed, SG No. 109/2013).

Article 29. (Repealed, SG No. 30/1990).

##### Identification of Ships

Article 30. Ships shall be identified by the following particulars:

- (a) name or number;
- (b) nationality;
- (c) port of registry;
- (d) (amended, SG No. 113/2002) gross or net tonnage, applicable to seagoing ships, and displacement, applicable to river boats.

### Naming of Ships

Article 31. (Amended, SG No. 55/1975, SG No. 113/2002) (1) (Previous text of Article 31, SG No. 108/2020) Each ship must be named by the owner thereof, after conducting an advance search for exclusivity of the name at the Maritime Administration Executive Agency.

(2) (New, SG No. 108/2020) If the name chosen for the ship is ridiculing, disgracing, publicly unacceptable or incompatible with the national pride of the Bulgarian people, the Maritime Agency Executive Agency shall have the right to refuse to enter the said name in the registers referred to in Article 34 herein.

### Marking of Ships

Article 32. (1) (Previous text of Article 32, SG No. 113/2002, amended, SG No. 109/2013) Each ship flying the Bulgarian flag shall have her name or number indicated on the starboard side and the port side of her bow and on the stern. In addition, the port of registry shall be marked on her stern under the ship's name or number.

(2) (New, SG No. 113/2002, amended, SG No. 106/2023) Commercial fishing vessels shall be marked according to a procedure established by an ordinance of the Minister of Transport and Communications.

(3) (New, SG No. 92/2011, amended, SG No. 109/2013) Ships flying the Bulgarian flag shall fly the national flag of the Republic of Bulgaria.

## **Section II**

### **Registers for Entry of Ships**

#### **(Heading amended, SG No. 113/2002)**

### Entry

Article 33. (1) (Amended and supplemented, SG No. 113/2002, amended, SG No. 87/2005) Every ship flying the Bulgarian flag shall be entered on the registers of ships in a Bulgarian port. The said registers shall be kept by the regional divisions of the Maritime Administration Executive Agency.

(2) (New, SG No. 113/2002, effective 1.01.2007, amended, SG No. 55/2004) The terms and procedure for re-registration of ships from a register of a Member State of the European Union into the Bulgarian register of ships shall be established by the ordinance referred to in Article 45 (1) herein.

(3) (Renumbered from Paragraph (2), SG No. 113/2002) Floating structures, such as boats etc., which are accessories to ships, shall not need entry.

(4) (Renumbered from Paragraph (3), SG No. 113/2002) Shipowners shall be free to determine the port where entry on the register shall be effected.

### Types of Registers

Article 34. (Amended, SG No. 113/2002) (1) Registers shall be subdivided into:

1. registers of small vessels;
2. registers of large vessels;
3. registers of ships chartered under bareboat charter terms;
4. registers of ships under construction, exceeding 12 metres in length.

- (2) The following ships shall be entered on the registers of small vessels:
1. of a length not exceeding 20 metres inclusive: applicable to river boats;
  2. of 40 gross tonnage or less: applicable to seagoing ships.
- (3) The following ships shall be entered on the registers of large vessels:
1. of a length exceeding 20 metres: applicable to river boats;
  2. of 40 gross tonnage or more: applicable to seagoing ships.
- (4) (Repealed, SG No. 36/2008).
- (5) (Amended, SG No. 109/2013) The registers of the individual categories of ships subject to entry shall constitute a comprehensive integral register of ships flying the Bulgarian flag.

#### Registration Certificate

(Heading amended, SG No. 113/2002)

Article 35. (Amended, SG No. 113/2002, SG No. 55/2004, SG No. 85/2010) Any ships entered on the registers referred to in Items 1 and 2 of Article 34 (1) herein shall be issued a Registration Certificate.

#### Interim Registration Certificate

Article 35a. (New, SG No. 113/2002, amended, SG No. 55/2004, SG No. 85/2010) (1) Any ships entered on the registers referred to in Item 3 of Article 34 (1) herein shall be issued an Interim Registration Certificate.

(2) The document referred to in Paragraph (1) shall certify the right of the ship to fly the Bulgarian flag for the term of validity of the bareboat charter, but the period of enjoyment of this right may not exceed five years.

#### Interim Flag-Flying Certificate

Article 36. (Amended and supplemented, SG No. 113/2002, amended, SG No. 92/2011) (1) (Amended, SG No. 109/2013) The Executive Director of the Maritime Administration Executive Agency or a person empowered thereby shall issue an interim certificate for flying the flag of the Republic of Bulgaria to any ship which, at the time of acquisition by a person referred to in Items 1 to 4 of Article 27 (1) herein or Article 27 (3) herein, is flying a foreign flag and to any ship which is being built in the Republic of Bulgaria.

(2) (Supplemented, SG No. 109/2013) A certificate referred to in Paragraph (1) of any ship acquired abroad shall be valid until the arrival of the ship at a Bulgarian port at which she shall be registered but for a period that may not be longer than one year. Where the ship is in a Bulgarian port at the time of acquisition, the certificate referred to in Paragraph (1) shall be issued for a period of one year.

(3) A certificate referred to in Paragraph (1) of any ship which is being built in the Republic of Bulgaria shall be issued following the launch of the said ship for a period not exceeding one year.

#### Terms and Effect of Registration

Article 37. (1) Any ship entered on a foreign register may be entered on a Bulgarian register after having been stricken from the foreign register. After the ship is entered on the Bulgarian register, all prior registrations regarding the same ship in foreign registers shall be null and void.

(2) (Amended, SG No. 109/2013) The entry of a ship flying the Bulgarian flag on a foreign register shall give rise to no legal consequences whatsoever if the ship has not been stricken from the Bulgarian register according to the established procedure.

(3) (New, SG No. 113/2002) The effect of the registration under Paragraphs (1) and (2) shall not apply to any ships entered on the registers referred to in Item 3 of Article 34 (1) herein or on a foreign register of ships chartered under bareboat charter terms.

#### Registable Particulars

Article 38. (1) The following shall be entered in the Register:

1. port of registry;
  2. sequential number and date of entry;
  3. (amended, SG No. 113/2002) former name, registration or number of the ship assigned by the International Maritime Organization (IMO), if any;
  4. time and place of building of the ship;
  5. name and registered office of the owner;
  6. grounds on which the ship has been acquired;
  7. technical characteristics of the ship;
  8. (amended, SG No. 85/2010) mortgages and any other limitations on the right of disposal of the ship;
  9. (new, SG No. 113/2002) name, address and nationality of the bareboat charterer;
  10. (renumbered from Item 9, supplemented, SG No. 113/2002) date of and grounds for entry on or striking from the register of the ship.
- (2) Any change in the particulars entered on the register of ships shall also be subject to entry.
- (3) (New, SG No. 113/2002, repealed, SG No. 36/2008).

#### Application for Entry and Striking

(Heading supplemented, SG No. 113/2002)

Article 39. (1) (Amended, SG No. 113/2002) A ship shall be entered on and stricken from the register acting on an application by the shipowner which shall state all requisite particulars.

(2) (Amended, SG No. 85/2010) The notary or the consul who has witnessed the transfer of ownership, the raising of a ship mortgage or other encumbrances shall report this fact proprio motu to the authority in charge of the register of ship.

#### Entry of Ship Chartered under Bareboat Charter Terms

Article 39a. (New, SG No. 113/2002) (1) Any ship chartered under bareboat charter terms may be entered on the registers referred to in Item 3 of Article 34 (1) herein, provided the following conditions have been met:

1. (amended, SG No. 93/2017) the ship is hired by the Bulgarian State or by a person referred to in Items 2, 3 and 4 of Article 27 (1) herein;
2. (repealed, SG No. 85/2010);
3. the ship is not entered on other registers under bareboat charter terms;
4. (amended, SG No. 87/2005) an excerpt from the principal registration of the ship, containing a description of the ship and particulars of the shipowner, is submitted.

(2) To effect an entry under Paragraph (1), the bareboat charterer must submit to the Maritime Administration Executive Agency a written consent for the ship flying the Bulgarian flag according to the said procedure, expressed by:

1. the competent authorities of the principal register;
2. the shipowner;
3. (repealed, SG No. 87/2005).

## Terms under Which Ship Chartered under Bareboat Charter Terms May Fly Foreign Flag (Heading amended, SG No. 109/2013)

Article 39b. (New, SG No. 113/2002) Any ship entered on the registers referred to in Items 1 and 2 of Article 34 (1) herein may be provisionally entered on a register of another State as a ship chartered under bareboat charter terms entitled to fly the flag of the said State for the duration of the contract, following a written consent of the Executive Director of the Maritime Administration Executive Agency, subject to the condition that:

1. (repealed, SG No. 85/2010);
2. the following documents have been submitted to the Maritime Administration Executive Agency:
  - (a) a written application by the shipowner for entry of the ship on a foreign register under bareboat charter terms;
  - (b) a written consent with notarised signatures to such registration by all mortgagees or encumbrancers if any;
  - (c) a written declaration by the shipowner on submission to the Maritime Administration Executive Agency of all documents of the ship within 14 days after entry of the ship on the respective register;
  - (d) a written declaration on the part of the charterer, to the effect that the ship will not fly the Bulgarian flag for the duration of the registration;
  - (e) the bareboat charter.

### Principal Register

Article 39c. (New, SG No. 113/2002, amended, SG No. 85/2010) The principal register shall be the register on which the ownership of the ship is entered and wherein all ship mortgages or any other encumbrances and restrictions on the right of disposal are subject to entry.

Article 39d. (New, SG No. 113/2002, repealed, SG No. 85/2010).

### Time Limit for Application

Article 40. (Amended, SG No. 113/2002) The application for entry on the register must be submitted within six weeks after the day on which the persons obliged to make such applications have learnt of the registrable circumstances.

(2) Upon acquisition of a ship abroad, this time limit shall be six weeks after the day on which the ship has arrived in a Bulgarian port for the first time.

(3) (Amended, SG No. 113/2002, repealed, SG No. 85/2010).

### Right of Appeal

Article 40a. (New, SG No. 113/2002) Any refusal by the Maritime Administration Executive Agency to effect an entry of a registrable circumstance on the register shall be appealable according to the procedure established by the Administrative Procedure Code.

### Entry of Ship under Construction

Article 40b. (New, SG No. 113/2002) (1) Ships under construction shall be entered on the register referred to in Item 4 of Article 34 (1) herein as of the moment of laying the keel or completion of equivalent building works.

(2) (Supplemented, SG No. 85/2010, amended, SG No. 109/2013) Entry of a ship under construction shall be effected acting on an application by the shipowner, accompanied by the

shipbuilding contract. Upon transfer of the right of ownership to a ship under construction, which has already been entered on the registers referred to in Item 4 of Article 34 (1) herein, acting on an application by the new owner, the ship may remain entered on the same record until the final completion of the said ship, and Article 27 herein shall not apply in this case.

(3) The Maritime Administration Executive Agency shall issue to a ship under construction a certificate of entry on the register.

#### Striking of Entry

Article 41. (1) The entry on the register shall be stricken in respect of any ship:

1. whereof the grounds for flying the flag of the Republic of Bulgaria have lapsed;
2. which has sunk, has been lost, or has been destroyed;
3. which has been pronounced unrepairable, or where the repair thereof has become economically unjustifiable.

(2) (New, SG No. 113/2002) Acting proprio motu, the Maritime Administration Executive Agency may cancel the entry on any ship which does not meet the safety requirements. Cancellation shall be proceeded with after the following conditions have been successively fulfilled:

1. the term of validity of the safety certificates of the ship has expired;
2. in the course of three months, the shipowner has failed to notify the Agency about conduct of a survey for renewal of the safety certificates of the ship or for suspension of the operation of the ship;
3. within one month, the shipowner has failed to respond to a written invitation to submit evidence that the ship is not subject to striking.

(3) (Renumbered from Paragraph (2), supplemented, SG No. 113/2002) In the cases specified in Items 1 and 3 of Paragraph (1) and in Paragraph (2), the striking of the ship shall be effected with the consent of the creditor whose real right has been entered on the register.

#### Ship Lost

Article 42. (Amended, SG No. 113/2002) A ship shall be presumed lost when no news of her has been received in the course of one month in the Black Sea, the Mediterranean Sea or inland waterways in Europe and in the course of three months while on ocean voyage. Where receipt of the news could be delayed by military operations, the said period shall be six months.

#### Relevance of Entry in Respect of Third Parties

Article 43. The circumstances subject to registration shall be effective in respect of third parties only after the entry of the said circumstances.

#### Registers Open to Public Inspection

Article 44. The registers of ships shall be open to public inspection. Interested parties may request certified abstracts from the registers, against payment of a fee.

#### Ordinance on Register of Ships

Article 45. (Amended, SG No. 113/2002) (1) (Amended, SG No. 106/2023) The Minister of Transport and Communications shall establish by an ordinance the terms and procedure for entry on the register of ships.

(2) (Amended, SG No. 109/2013) For the entries effected, excerpts and certification of circumstances subject to entry on the register of ships flying the Bulgarian flag, the Maritime Administration Executive Agency shall collect fees in amounts fixed by the Council of Ministers.

# **Chapter Three**

## **REAL RIGHTS AND PRIVILEGES**

### **Section I**

#### **Transfer and Mortgage of Ships**

##### Form of Transaction

Article 46. (1) (Amended, SG No. 113/2002, SG No. 85/2010) Transactions for the transfer of ownership, as well as for raising of a mortgage on a ship or on a ship under construction, shall be concluded in writing with notarised signatures of the parties.

(2) (Repealed, SG No. 113/2002).

(3) Legal mortgage shall be inadmissible.

(4) (New, SG No. 93/2017) A transaction for the acquisition of a right of ownership to any craft manufactured in series for sports, tourism and pleasure, whereto the manufacturer or a distributor thereof and the first transferee are parties, shall be concluded in writing. Any such contract shall be accompanied by a written declaration from the transferor to the effect that the ship has not been entered on any register of ships by the day of conclusion of the transaction.

##### Validity of Transaction

Article 47. (1) (Supplemented, SG No. 113/2002) Any transfer of ownership of a ship or of a ship under construction may be adverse to third parties only after entry on the register.

(2) (Amended, SG No. 113/2002, SG No. 85/2010) The raising of a mortgage on a ship or on a ship under construction shall be valid after entry on the register.

(3) (Amended, SG No. 85/2010) Where a ship is provided with an interim registration certificate, any transfer of ownership of the said ship may be adverse to third parties only after entry in the said certificate.

##### Ship Mortgage

Article 47a. (New, SG No. 85/2010) (1) A mortgage may be raised on a ship entered on the registers to secure a claim.

(2) A ship mortgage may be raised to secure an obligation of the mortgagor himself or of another party.

##### Term of Validity of Entry

Article 48. (1) (Amended, SG No. 85/2010) A mortgage on a ship or on a ship under construction shall continue in effect for 5 (five) years after the date of entry, unless the said entry is renewed by the mortgagee.

(2) (Amended, SG No. 85/2010) The right to preferential satisfaction shall extend to all obligations defined in the contract of mortgage.

##### Subject of Ship Mortgage

Article 49. (Amended, SG No. 85/2010) (1) A mortgage may be raised on an entire ship. Any such mortgage shall also extend to the indemnity under the insurance of the ship but shall not extend to the cargo, the freight and the hire.

(2) A ship mortgage shall extend at least to the hull, machinery, mechanisms and equipment of the ship.

#### Effect of Mortgage

- Article 50. (1) A mortgaged ship shall not be delivered into possession of the mortgagee.
- (2) Coercive enforcement against ships owned by the Bulgarian State shall be inadmissible. An exception to this principle may be allowed only in favour of creditors who have extended credit for the purchase of a ship and to whom the ship is mortgaged.
- (3) Coercive enforcement shall be stayed upon furnishing of a bank guarantee.
- (4) (Supplemented, SG No. 85/2010) A change of the port of registry or a change of the name of the mortgaged ship, as well as a structural alteration of the ship, shall not be admissible without a written consent of the mortgagees.

#### Mortgagor's Obligations

Article 50a. (New, SG No. 85/2010) For the term of validity of the mortgage, the mortgagor shall be obliged to maintain the class of the ship, if any, the validity of the ship's documents, as well as to insure the ship against maritime perils.

#### Mortgagee's Rights

- Article 50b. (New, SG No. 85/2010) (1) If the mortgagor fails to fulfil the obligations thereof, the mortgagee shall have the option to sell the mortgaged ship, and where so agreed in the contract of mortgage, the mortgagee shall have the option to charter the ship, to contract the management thereof to a manager or to perform any other act provided for in the said contract.
- (2) In case the mortgagor poses any obstacles to the execution of any of the acts referred to in Paragraph (1), the mortgagee shall exercise the rights thereof according to the procedure established by the Code of Civil Procedure. The proceeds from the exercised rights shall extinguish the secured claim after deduction of eligible costs.
- (3) The mortgagee shall be liable for the detriment inflicted if the said mortgagee exercises groundlessly any of the rights thereof referred to in Paragraph (1).

#### Coercive Satisfaction out of Price of Ship

- Article 50c. (New, SG No. 85/2010) (1) Any creditor whereof a claim is secured by a mortgage shall have the right to be satisfied preferentially out of the price of the mortgaged ship regardless of who owns the said ship.
- (2) The right to preferential satisfaction shall furthermore extend to the income accruing from the ship as from the day on which, upon coercive enforcement, the owner is due to account for the said income according to the Code of Civil Procedure.
- (3) If the claim is for a specific amount of money, or if liquidated damages in cash have been agreed for the said claim, the creditor shall have the option to move, on the basis of the contract of mortgage, for the issuance of an immediate enforcement order according to the procedure established by Article 418 of the Code of Civil Procedure.

#### Validity of Mortgage Raised Abroad

- Article 51. (1) Any mortgage raised on a ship acquired or built abroad before becoming Bulgarian property shall be valid subject to the condition:
- (a) that the said mortgage be of the nature of conventional mortgage;



- (b) (amended, SG No. 85/2010) that the said mortgage was recorded when raised according to the law of the principal register;
- (c) that the said mortgage is entered according to the procedure established by this Code simultaneously with the entry of the ship on the register.
- (2) Where the above conditions have been complied with, the mortgage shall preserve the priority it had before the transfer of the ship into Bulgarian ownership.

#### Rank of Mortgages

Article 52. When two or more mortgages have been raised on one and the same ship, the rank of preferential satisfaction shall be determined by the date of entry. When the entry was effected on one and the same date, the consecutive number in the register shall prevail.

## **Section II**

### **Privileged Claims**

#### Effect

- Article 53. (1) The claims provided for in this Chapter shall enjoy preference over any other general or specific privileges on movable things established in other laws.
- (2) (Amended, SG No. 85/2010) The said privileged claims shall furthermore enjoy preference over ship mortgages, regardless of the order of entry thereof.

#### Rank of Privileged Claims

- Article 54. The following claims shall enjoy the right to preferential satisfaction out of the assets covered under Article 55 herein, in the order in which they are listed:
- (a) legal costs and costs incurred in the common interest of the creditors for the purpose of preservation of the ship subject to public sale, or in connection with the sale of a ship and the distribution of the proceeds of the sale;
  - (b) claims for ship and port dues, payments for services rendered in the port, pilot assistance, and costs of inspection of the ship and her condition, incurred after the ship's entry into the last port;
  - (c) claims by the factory and office workers arising from contracts of employment, claims for social security, and claims for disablement and death, insofar as all these claims are related to the ship;
  - (d) claims for salvage rewards, as well as general average contributions;
  - (e) (Amended, SG No. 113/2002) claims for compensation due for damage caused by collision or other incidents, as well as claims for damage sustained by passengers, including crew members; compensation for loss of or damage to cargo or luggage;
  - (f) claims arising from the actions of the master by virtue of the lawful powers thereof (Articles 95 to 98 herein), provided that such actions were dictated by genuine needs to preserve the ship or to continue the voyage thereof, regardless of whether the master is concurrently a shipowner and whether the claim appertains to the master or to a third party.

#### Sums for Satisfaction of Privileged Claims to Ship

- Article 55. The claims covered under Article 54 herein shall be satisfied out of:
- (a) the value of the ship;
  - (b) the freight and the charges for carriage of passengers and the luggage thereof for the voyage during which the privileged claim has arisen;

- (c) the general average contributions apportioned to the ship, as well as indemnity for damage to the ship which has not been repaired yet, or resulting from the loss of freight;
- (d) money due to the ship in reward for salvage operations before completion of the voyage, after deducting the sums due to the master and the crew members.

#### Privileged Claims to Cargo

Article 56. The right to preferential satisfaction out of the assets covered under Article 57 herein shall be enjoyed by the following claims in the order they are listed, even before claims secured by pledge of the assets:

- (a) legal costs and costs incurred in the common interest of the creditors for the purpose of preservation of the cargo subject to public sale, or in connection with the sale of the cargo and distribution of the proceeds of the sale, customs duties and port dues for services related to the cargo;
- (b) claims for salvage rewards due, and apportionable general average contributions;
- (c) claims arising from the actions of the master by virtue of the lawful powers thereof (Articles 95 to 98 herein) for preservation of the cargo or for continuation of the voyage, regardless of whether the master is concurrently a shipowner and whether the claim appertains to the master or to a third party;
- (d) claims for freight and other payments due for the carriage of a particular cargo.

#### Sums for Satisfaction of Privileges on Cargo

Article 57. The claims covered under Article 56 herein shall be satisfied out of:

- (a) the value of the cargo undelivered to the consignee;
- (b) the indemnity for damaged cargo;
- (c) the amount to be allowed for the cargo as general average.

#### Proportionality of Same Grade Privileges

Article 58. (1) The claims covered under Articles 54 and 56 herein shall be satisfied in the order of the grading thereof and proportionately within each grade. The claims referred to in Litterae (d) and (f) of Article 54 and Article 56 herein, shall be satisfied up to the extent of the said grades, in a reverse order of arising.

(2) Any claims arising from one and the same event shall be presumed to have arisen simultaneously.

#### Privileged Claims from Last Journey

Article 59. (1) Any privileged claims covered under Article 54 herein, which are related to the last journey, shall be satisfied before the claims related to the preceding journey.

(2) The claims referred to in Littera (c) of Article 54 herein, related to several voyages, shall be satisfied on an equal footing with the claims for the last voyage.

#### Duration of Privilege

Article 60. (Amended, SG No. 113/2002) The right to preferential satisfaction out of the assets covered under Litterae (b) and (d) of Article 55 herein shall remain in effect until the respective sums remain unpaid or undelivered by the master to the shipowner.

#### Termination of Privilege

Article 61. (1) The right to preferential satisfaction out of the value of a ship or cargo shall terminate by the act of distribution of the proceeds of the sale.

(2) (Amended, SG No. 113/2002) The privilege shall furthermore terminate upon the lapse of one year, applicable to claims covered under Articles 54 and 56 herein, while the privilege for any claims referred to in Littera (e) of Article 54 and Littera (c) of Article 56 herein shall terminate upon the lapse of a six-month period.

#### Insurance Indemnities Excepted

Article 62. Any claims enjoying the right to preferential satisfaction shall not be satisfied out of the insurance indemnities due for the ship and the cargo, except upon total loss of the said ship and cargo.

## **Chapter Four**

# **CONDITIONS FOR SAFETY OF NAVIGATION**

### **(Heading amended, SG No. 113/2002)**

## **Section I**

### **Measurement of Ships**

#### Scope

Article 63. (1) (Amended, SG No. 113/2002, previous text of Article 63, SG No. 55/2004) Measurement of a ship consists in determining her gross and net tonnage, applicable to seagoing ships, or her displacement, applicable to river boats, and of the remaining registrable technical particulars.

(2) (New, SG No. 55/2004) Measurement of ships in the Republic of Bulgaria shall be performed by the Maritime Administration Executive Agency.

(3) (New, SG No. 55/2004) Measurement of the tonnage of seagoing ships may furthermore be performed by organizations recognized according to Article 73 (2) herein.

#### Mandatory Measurement

Article 64. The following shall be subject to mandatory measurement:

(a) Bulgarian merchant ships;

(b) (Amended, SG No. 113/2002) foreign merchant ships, which call at a Bulgarian port for the first time and fly the flag of a State wherewith the Republic of Bulgaria has not signed an agreement on mutual recognition of tonnage certificates, or which do not hold tonnage certificates issued by societies recognized in Bulgaria and the European Union according to the relevant procedure.

#### Voluntary Measurement

Article 65. Other ships may be measured at the request of the shipowner or master.

Article 66. (Amended, SG No. 113/2002, repealed, SG No. 55/2004).

#### Check Measurements

Article 67. (1) (Previous text of Article 67, SG No. 113/2002) Any ship subject to mandatory measurement may be subjected to verification for the purpose of check measurement.

(2) (New, SG No. 113/2002, amended, SG No. 36/2008) All fishing vessels, engaged in commercial fishing, shall be subject to check measurement for the purposes of the Register of Fishing Vessels kept by the National Agency for Fisheries and Aquaculture.

#### Check Measurement of Foreign Ship

Article 68. (Amended, SG No. 113/2002) A foreign ship calling at a Bulgarian port and flying the flag of a State wherewith the Republic of Bulgaria has signed an agreement on mutual recognition of the measurement documents, or holding a tonnage certificate issued by a classification society recognized in the Republic of Bulgaria and the European Union, may be subjected to a check measurement of the gross and net tonnage or, in the case of river boats, of the displacement.

#### Tonnage Certificate

Article 69. After the measurement of a ship, a tonnage certificate shall be issued.

#### Measurement Fees

Article 70. (1) (Amended, SG No. 113/2002) The Maritime Administration Executive Agency shall collect fees for the measurement of ships.

(2) (Supplemented, SG No. 113/2002) No fees shall be charged for check measurements, if the results of the check measurement correspond to the particulars in the tonnage certificate or the measurement was made under Article 67 (2) herein.

#### Ordinance on Measurement

Article 71. (Amended, SG No. 106/2023) The Minister of Transport and Communications shall establish the procedure for measurement of ships by an ordinance.

## **Section II** **Safety of Navigation** **(Heading amended, SG No. 113/2002)**

#### Basic Requirements

Article 72. (Amended, SG No. 113/2002) (1) A ship may not be commissioned before it has been established according to the relevant procedure by the Maritime Administration Executive Agency that the said ship had been built and outfitted and that in number and qualifications of the crew thereof satisfies the requirements for safety of navigation.

(2) Shipowners shall be obliged to render assistance to the competent authorities and to take the measures required with regard to the ship and her crew for compliance with the safety requirements, protection of the marine environment against pollution from ships, and conservation and restoration of fishing resources.

(3) (New, SG No. 55/2004, amended, SG No. 106/2023) The Minister of Transport and Communications shall establish, by ordinances, the safety requirements to the various types of ships, the construction thereof and marine equipment.

(4) (Renumbered from Paragraph (3), SG No. 55/2004, amended and supplemented, SG No. 93/2017) Ships and craft sailing in the internal sea waters, the territorial sea and the contiguous zone of the Republic of Bulgaria must be equipped with radio communication devices consistent

with the technical and operational requirements according to the secondary legislation of the European Union regarding marine equipment and the testing thereof.

(5) (Renumbered from Paragraph (4), SG No. 55/2004, amended, SG No. 93/2017) Self-propelled and non-self-propelled ships operating on inland waterways, including small vessels, ferries and floating structures and devices, must be equipped with on-board radiocommunication stations complying with the technical and operational requirements of the Regional Arrangement on the Radiocommunication Service for Inland Waterways (RAINWAT), signed at Bucharest on 18 April 2012 (State Gazette No. 44 of 2012).

(6) (Renumbered from Paragraph (5), SG No. 55/2004, amended, SG No. 93/2017, SG No. 106/2023) The terms and procedure for the equipment, registration and use of the radiocommunication service in shipping on inland waterways shall be established by an ordinance issued by the Minister of Transport and Communications in accordance with the Regional Arrangement on the Radiocommunication Service for Inland Waterways (RAINWAT).

(7) (New, SG No. 92/2011) The Maritime Administration Executive Agency may consult the losing flag State of the vessel concerning the activities under Paragraph (1) in order to establish whether any outstanding deficiencies or safety-issues identified by the losing flag state remain unresolved. Whenever another flag State requests information concerning a vessel which was previously flying the Bulgarian flag, the Maritime Administration Executive Agency shall provide information concerning outstanding deficiencies, as well as any other safety-related information, to the requesting flag State.

(8) (New, SG No. 93/2017) The ships subject to application of the 1974 International Convention for the Safety of Life at Sea (SOLAS), as modified by the Protocol of 1988, done at London on 1 November 1974 ([Convention] ratified by a decree, State Gazette No. 61 of 1983) ([Convention] promulgated in the State Gazette No. 12 of 2005; amended in Nos. 16, 17, 19, 20, 22, 23 and 24 of 2017), the 1973 International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978 (MARPOL 73/78) and by the Protocol of 1997, done at London on 2 November 1973 ([Convention] ratified by a law, State Gazette No. 94 of 2004), or the 1972 Convention on the International Regulations for Preventing Collisions at Sea, signed at London on 20 October 1972 (ratified by a decree, State Gazette No. 22 of 1975) ([Convention promulgated in the] State Gazette No. 17 of 2003), the binding protocols and codes thereto, must have equipment placed on board which complies with the requirements of Directive 90/2014/EU of the European Parliament and of the Council of 23 July 2014 on marine equipment and repealing Council Directive 96/98/EC of the Council (OJ, L 257/146 of 28 August 2014), hereinafter referred to as "Directive 90/2014/EU", the implementing acts adopted by the European Commission under Article 35 and delegated acts under Articles 8, 11, 27 and 36 of the said Directive and the international standards regarding marine equipment and the testing thereof. The conformity of the equipment with the requirements of the secondary law of the European Union and international standards shall be assessed by organizations notified by the Maritime Administration Executive Agency under the terms and according to the procedure established by the ordinance referred to in Paragraph (3) regarding the equipment of seagoing ships.

(9) (New, SG No. 93/2017, amended, SG No. 106/2023) The Minister of Transport and Communications shall establish by an ordinance the terms and procedure for servicing the unmanned ships operating in inland waterways during a voyage, while at off-harbour anchorage, upon entering, berthing and staying within harbour areas, as well as upon the performance of cargo operations.

Article 73. (Amended, SG No. 113/2002) (1) The Maritime Administration Executive Agency shall conduct surveys of ships and shipowners for the purpose of ascertaining the conformity with the requirements for the safety of navigation, safe operation of ships and prevention of environmental pollution. On the basis of such surveys, the Maritime Administration Executive Agency shall issue the respective certificates.

(2) (Amended, SG No. 92/2011, supplemented, SG No. 108/2020) Surveys referred to in Paragraph (1) may also be conducted by other authorities, recognized according to the procedure established by the secondary law of the European Union in force. In such cases, the respective certificates shall be issued by the recognized authority that has conducted the survey.

(3) (Amended, SG No. 92/2011, SG No. 106/2023) The Minister of Transport and Communications shall establish, by ordinances, the terms and procedure for conducting surveys, for authorising and for withdrawing authorisations to conduct the surveys.

(4) (Repealed, SG No. 92/2011).

#### Ship Classification

Article 73a. (New, SG No. 113/2002, amended, SG No. 92/2011) (1) (Amended, SG No. 109/2013) The classification and the maintenance of the class of ships flying the Bulgarian flag, which are required to be classed, as well as the technical surveillance over the design, construction, operation and repair thereof, shall be performed by Bulgarian legal persons (classification societies) or by foreign classification societies recognized according to the procedure established by the secondary law of the European Union in force.

(2) (Amended, SG No. 93/2017) The ships subject to application of the 1974 International Convention for the Safety of Life at Sea (SOLAS), the 1966 International Convention on Load Lines, signed at London on 5 April 1966 (ratified by a decree, State Gazette No. 94 of 1968), ([Convention promulgated in the] State Gazette No. 81 of 2003) and the 1973 International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978 (MARPOL 73/78) and by the Protocol of 1997, as well as the ships carrying dangerous goods by inland waterways according to the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways (ADN), done at Geneva on 26 May 2000 (ratified by a law, State Gazette No. 9 of 2006) ([Agreement promulgated in the] State Gazette No. 43 of 2008), shall be required to be classed.

(3) (Supplemented, SG No. 93/2017) The technical surveillance over the design, construction, operation and repair of the ships which are not required to be classed, the installation, maintenance and repair of the electro-navigation, rescue and fire fighting equipment may be carried out by Bulgarian or foreign natural and legal persons empowered for this activity by the Maritime Administration Executive Agency.

(4) (New, SG No. 93/2017, amended, SG No. 106/2023) The Minister of Transport and Communications shall establish by an ordinance the terms and procedure for carrying out the activities referred to in Paragraph (3), as well as for empowering the persons implementing the said activities and for withdrawing the powers conferred.

#### Detention of Ships

Article 74. (1) (Amended, SG No. 113/2002, SG No. 92/2011) The Maritime Administration Executive Agency may detain a ship in the territorial sea, in the inland waterways or in the Bulgarian section of the River Danube in accordance with the international treaties whereto the Republic of Bulgaria is a party and in the course of 24 hours may conduct an

inspection of the ship, if the Agency has reason to believe that the said ship does not conform to the prescribed safety requirements.

(2) (Amended, SG No. 113/2002) Should the Maritime Administration Executive Agency find that the ship has faults which render her unseaworthy or unfit for the purpose for which the shipowner wants to the said ship, the Agency shall prohibit the operation of the ship and shall specify the faults which must be remedied.

#### Safety Certificates

(Heading amended, SG No. 113/2002)

Article 75. (1) (Amended, SG No. 113/2002) Following each survey of the overall condition of a ship, conducted by the Maritime Administration Executive Agency or by the organizations referred to in Article 73 (2) herein, the Maritime Administration Executive Agency shall issue the relevant safety certificates if the conditions for the issuance thereof have been fulfilled.

(2) (Amended, SG No. 113/2002) Any safety certificate shall specify the term of validity thereof.

(3) (Amended, SG No. 113/2002) Where the state of the ship so permits, the term of validity of the safety certificate may be extended, where permissible, by not more than five months to enable the ship to reach the designated port of survey. In any case, the term of validity shall expire at the point of arrival of the ship at the said port.

(4) (Amended, SG No. 113/2002) The validity of a safety certificate shall lapse prior to the expiry of the term for which the certificate was issued if the ship has undergone any changes endangering her safety.

#### Safety Certificate Issued by Foreign Control Authority

(Heading amended, SG No. 113/2002)

Article 76. (Amended, SG No. 113/2002, SG No. 109/2013) Any safety certificates issued to a ship flying the Bulgarian flag by control authorities of foreign States wherewith the Republic of Bulgaria has not concluded an agreement on recognition of safety certificates, shall be recognized on an equal footing with the Bulgarian certificates if the survey of the ship has been conducted with the consent of the Bulgarian control authority.

#### Compliance with Safety Regulations

Article 77. (1) (Previous text of Article 77 and amended, SG No. 113/2002) Any seagoing ships, river boats and seaplanes, while on the high seas or in waters connected with a sea and called at by seagoing ships, shall be obliged to comply with the rules for preventing collisions between ships at sea.

(2) (New, SG No. 113/2002) Any ships operating in inland European waterways shall be obliged to comply with the respective rules for safety of navigation.

#### Application of Regulations to Foreign Ships

Article 78. (Amended, SG No. 113/2002) The regulations for safety of navigation and monitoring of fishing vessels in the internal sea waters, in the territorial sea and on the inland waterways of the Republic of Bulgaria, shall furthermore apply to any foreign vessels, unless otherwise provided for by an international treaty whereto the Republic of Bulgaria is a party.

#### Investigation of Marine Casualties and Incidents

(Heading amended, SG No. 93/2017)

Article 79. (Amended, SG No. 113/2002, SG No. 87/2005, effective 1.01.2006, SG No. 92 of 2011, SG No. 93/2017) (1) (Amended, SG No. 62/2019, effective 6.08.2019) Marine accidents and incidents shall be investigated by investigation inspectors who are employees of the National Aircraft, Maritime and Railway Accident Investigation Board.

(2) The purpose of the investigation under Paragraph (1) shall be to improve maritime transport safety and to help to prevent marine casualties by identifying the causes and circumstances of the occurrence of a particular casualty without determination of fault or apportionment of liability being inferred from the findings. The investigation under Paragraph (1) shall be carried out separate from and independent of the criminal, administrative penalty or civil proceeding conducted in connection with the same marine casualty and may not be precluded, suspended or delayed by reason of the conduct of any such proceeding.

(3) The following marine casualties and incidents shall be subject to a safety investigation:

1. those involving a ship flying the Bulgarian flag, irrespective of the location of the casualty;
2. those occurring within the territorial sea and the internal sea waters of the Republic of Bulgaria, irrespective of the type and assigned purpose of the ships involved and of the flag of the said ships;
3. those involving other substantial interests of the Republic of Bulgaria, irrespective of the location of the casualty and the flag of the ships involved;
4. those involving seagoing ships present in the inland waterways of the Republic of Bulgaria.

(4) A safety investigation shall not be carried out of marine casualties and incidents involving only:

1. warships, troop ships and other ships owned by the State or used thereby only on government non-commercial service;
2. ships not propelled by mechanical means, wooden ships of primitive build, yachts and other craft for sports, tourism and pleasure not engaged in trade, unless they are or will be crewed and carrying more than twelve passengers for commercial purposes;
3. river ships operating only in inland waterways;
4. fishing vessels with a length of less than 15 metres;
5. fixed offshore drilling units.

(5) (Amended, SG No. 62/2019, effective 6.08.2019) The conduct of a safety investigation shall be mandatory upon the occurrence of a very serious marine casualty. In all other cases of marine casualties and incidents, the managing body of the National Aircraft, Maritime and Railway Accident Investigation Board shall exercise its judgment regarding the necessity of an investigation of a particular casualty, after taking into account the expert opinion of the investigating inspectors of the board regarding the nature of the marine casualty or incident, the type of ship and/or cargo involved, and the potential for the findings of the investigation to lead to the prevention of future casualties and incidents. When a decision is taken not to carry out a safety investigation of a serious casualty, the reasons for that decision shall be notified to the European Commission by means of the European Marine Casualty Information Platform.

(6) A safety investigation shall be started as promptly as practicable but not later than two months after the occurrence of the marine casualty or incident.

(7) (Amended, SG No. 62/2019, effective 6.08.2019) In implementing its functions and in the decision-making process, the National Aircraft, Maritime and Railway Accident Investigation Board shall be independent and shall act only on the basis of the law.

(8) (Amended, SG No. 62/2019, effective 6.08.2019) Pursuant to an agreement reached with the investigating body of another Member State of the European Union on a case-by-case basis, the National Aircraft, Maritime and Railway Accident Investigation Board may delegate to the said body the power of leading a safety investigation or assign to the said body specific tasks within the



framework of such an investigation being carried out. The terms and procedure for the conclusion of an agreement with the investigative bodies of the other Member States of the European Union shall be established by the ordinance referred to in Paragraph (13).

(9) (Amended, SG No. 108/2020) The investigating inspectors shall be obliged to carry out safety investigations in an unbiased manner and to act only on the basis of the law. The inspectors shall carry out the investigation in accordance with the Code for [a Safety] Investigation into a Marine Casualty or Marine Incident, adopted by Resolution MSC.255(84) of 16 May 2008 of the Maritime Safety Committee of the International Maritime Organization, and shall have the right of access to any information pertinent to the investigation being carried out, and shall be authorized to:

1. have free access to any area or casualty site as well as to any ship, wreck or structure including cargo, equipment or debris;
2. make the necessary arrangements for the immediate listing of evidence and controlled search for the removal of wreckage, debris or other components or substances for examination or analysis;
3. require examination or analysis of the items referred to in Item 2, as well as have free access to the results of such examinations or analysis;
4. have free access to, copy and have use of any relevant information and recorded data, including voyage data recorders (VDR) data, pertaining to the ship, voyage, cargo, crew or any other person, object, condition or circumstance;
5. have free access to the results of examinations of the bodies of victims or of tests made on samples taken from the bodies of victims;
6. require and have free access to the results of examinations of, or tests made on samples taken from, people involved in the operation of the ship or from any other relevant person;
7. interview witnesses in the absence of any person whose interests could be considered as hampering the safety investigation;
8. obtain survey records and relevant information held by the flag State, the shipowners, classification societies or from any other interested party, whenever those parties or the representatives thereof are established in the Republic of Bulgaria;
9. call for the assistance of the relevant authorities in the respective States, including flag-State and port-State surveyors, coastguard officers, vessel traffic service operators, search and rescue teams, pilots or other port or maritime personnel.

(10) (Amended, SG No. 62/2019, effective 6.08.2019, SG No. 106/2023) Each safety investigation shall result in a report presented in the format and with the content defined by the ordinance referred to in Paragraph (13). Within 12 months from the date of the marine casualty or incident, the managing body of the National Aircraft, Maritime and Railway Accident Investigation Board shall publish the report, including the conclusions and recommendations, contained therein, on the Internet site of the Ministry of Transport and Communications. The conclusions and recommendations contained in the report may not be used in the course of a civil, administrative, disciplinary or criminal proceeding.

(11) (Amended, SG No. 62/2019, effective 6.08.2019) The National Aircraft, Maritime and Railway Accident Investigation Board shall store the documentation on safety investigations and shall maintain an information database on marine casualties and incidents. Data on marine casualties and incidents shall be provided to the European Commission by means of the European Marine Casualty Information Platform.

(12) (Amended, SG No. 62/2019, effective 6.08.2019) The National Aircraft, Maritime and Railway Accident Investigation Board shall be obliged to use the following information and records only for the purposes of the safety investigation and not make them available to third parties, unless

the relevant competent authority determines that there is an overriding public interest in the disclosure thereof:

1. witness evidence and other statements, accounts and notes taken or received by the investigating inspectors in the course of a safety investigation;
  2. records revealing the identity of persons who have given evidence in the context of the safety investigation;
  3. information relating to persons involved in a marine casualty or incident which is of a particularly sensitive and private nature, including information concerning their health.
- (13) (Amended, SG No. 106/2023) The Minister of Transport and Communications shall establish by an ordinance the procedure for the investigation of marine casualties and incidents.

#### Investigation of Casualties in Inland Waterways of Republic of Bulgaria

Article 79a. (New, SG No. 93/2017) (1) Casualties involving ships operating in inland waterways shall be investigated by the respective territorial directorate of the Maritime Administration Executive Agency in whose area of operation the casualty has occurred.

(2) (Amended, SG No. 106/2023) The investigations referred to in Paragraph (1) shall be carried out in accordance with the Rules for River Surveillance Applied on the Danube, adopted by the Council of Ministers, and under terms and according to a procedure established by an ordinance of the Minister of Transport and Communications.

#### Fees

Article 80. (Amended, SG No. 113/2002) The Maritime Administration Executive Agency shall collect charges and fees for any surveys conducted, the issuance of safety certificates, for issuance and certification of ship's documents and for extension of the term of validity thereof, in an amount fixed by a rate schedule of the Council of Ministers.

## **Section IIa** **(New, SG No. 108/2020)** **Marine Equipment Market Surveillance**

#### Marine Equipment Market Surveillance

Article 80a. (New, SG No. 108/2020) (1) Marine equipment market surveillance shall be undertaken in accordance with Chapter III of Regulation (EC) No. 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No. 339/93 (OJ L 218/30 of 13 August 2008), hereinafter referred to as "Regulation (EC) No. 765/2008".

(2) Marine equipment market surveillance in the territory of the Republic of Bulgaria shall be carried out in order to ensure the conformity of the marine equipment placed on the market and/or placed on board a seagoing ship flying the Bulgarian flag and subject to application of the international conventions referred to in Article 72 (8) herein, the requirements of the ordinance referred to in Article 72 (3) herein, the implementing acts adopted by the European Commission under Article 35 and delegated acts under Articles 8, 11, 27 and 36 of Directive 2014/90/EU and the international standards regarding marine equipment and the testing thereof.

(3) The Maritime Administrative Executive Agency shall be a marine equipment market surveillance authority. Market surveillance shall be undertaken by inspectors empowered by the Executive Director of the Agency.

(4) Marine equipment market surveillance shall be undertaken:

1. according to an annual programme for marine equipment market surveillance that has been endorsed in advance by the Executive Director of the Maritime Administration Executive Agency;
2. acting on an alert that marine equipment presents a risk to maritime safety, to the environment or to health.

(5) Marine equipment market surveillance shall be undertaken by means of:

1. documentary checks of the marine equipment placed on the market and/or placed on board a seagoing ship, as to the availability of and/or compliance with the requirements of:

(a) the EU declaration of conformity;

(b) the technical documentation, the documents issued by organizations notified under Article 72

(8) herein according to conformity assessment procedures laid down in the ordinance referred to in Article 72 (3) herein;

2. checks of the marine equipment placed on the market and/or placed on board a seagoing ship, as to the availability of and compliance with:

(a) the wheel mark and/or an electronic tag, set out in the ordinance referred to in Article 72 (3) herein;

(b) the information which identifies the marine equipment, the manufacturer and the importer;

(c) instructions and information for safe installation on board and safe use of the marine equipment, including limitations of use, which accompany the marine equipment;

(d) the EU declaration of conformity;

3. taking specimens or samples of the marine equipment and testing the said specimens or samples.

(6) The checks referred to in Item 2 of Paragraph (5) shall be carried out:

1. on board the seagoing ships;

2. at the manufacturer's premises and at the premises where the marine equipment is stored and traded before being placed on board seagoing ships.

(7) A check of marine equipment placed on board a seagoing ship shall be an examination which is carried out while the marine equipment remains fully functional on board the ship.

#### Inspectors' Rights when Undertaking Marine Equipment Market Surveillance

Article 80b. (New, SG No. 108/2020) (1) The inspectors referred to in Article 80a (3) herein shall be authorized to:

1. have free access to:

(a) the board of seagoing ships flying the Bulgarian flag;

(b) commercial premises and other storage and presentation sites for marine equipment placed on the market or items of marine equipment;

(c) manufacturer's, storage and commercial premises and other sites where marine equipment is stored before being placed and/or used on board a seagoing ship;

2. require from economic operators or, in the case of marine equipment placed on board a seagoing ship, from the shipmaster or from the shipowner, to produce, depending on the obligations thereof:

(a) an EU declaration of conformity;

(b) the technical documentation on the marine equipment;

(c) documents issued by organizations notified under Article 72 (8) herein according to the applicable conformity assessment procedures;

(d) instructions and information for safe installation on board and safe use of the marine equipment, including limitations of use;

3. take specimens or samples of the marine equipment for testing the said specimens or samples, including to be given on-the-spot access;

4. call for the assistance of the relevant authorities in the other Member States of the European Union.

(2) The inspectors referred to in Article 80a (3) herein shall set a 14-day time limit for the submission of the documents and information referred to in Item 2 of Paragraph (1), which may be extended to one month if additional documents and information need to be submitted.

(3) The economic operators, the shipmaster and the shipowner shall be obliged to allow access to the sites referred to in Item 1 of Paragraph (1) and to render cooperation to the inspectors referred to in Article 80a (3) herein in the discharge of the duties thereof.

(4) The inspectors referred to in Article 80a (3) shall:

1. use the documents and information obtained solely for the purposes of market surveillance;

2. identify themselves when carrying out the checks;

3. share information with the relevant authorities in the other Member States of the European Union;

4. assist the European Commission and the relevant authorities in the other Member States of the European Union.

#### Testing Specimens or Samples of Marine Equipment

Article 80c. (New, SG No. 108/2020) (1) Specimens or samples of marine equipment shall be tested at a laboratory accredited by the Bulgarian Accreditation Service Executive Agency or at a laboratory accredited by a body of a Member State of the European Union or a State that is party to the Agreement on the European Economic Area.

(2) The marine equipment may not be tested by the organizations notified under Article 72 (8) herein which participated assessing the conformity of the said equipment.

(3) The costs of testing shall be borne by the economic operator, where the marine equipment does not conform to the applicable technical requirements and standards referred to in Article 80a (2) herein.

(4) The costs of testing shall be borne by:

1. the Maritime Administration Executive Agency: where the marine equipment conforms to the requirements and standards referred to in Paragraph (1);

2. the economic operator, irrespective of the outcome, where it is established that:

(a) the marine equipment does not bear the wheel mark and/or an electronic tag;

(b) technical documentation on the machine equipment is not available;

(c) the technical documentation does not contain all relevant data on the means used by the manufacturer to ensure the conformity of the marine equipment.

#### Restrictive Measures and Corrective Actions on Marine Equipment Market

Article 80d. (New, SG No. 108/2020) (1) Acting on a proposal by the inspectors referred to in Article 80a (3) herein, the Executive Director of the Maritime Administration Executive Agency or officials empowered thereby shall impose the following restrictive measures:

1. suspension of the marine equipment being made available on the market and/or being placed and used on board seagoing ships flying the Bulgarian flag;

2. prohibition of the marine equipment being made available on the market and/or being placed and used on board seagoing ships flying the Bulgarian flag;

3. withdraw from the market and/or recall of the marine equipment.

(2) Acting on a proposal by the inspectors referred to in Article 80a (3) herein, the Executive Director of the Maritime Administration Executive Agency or officials empowered thereby, shall require the economic operator, depending on the obligations thereof in the marine equipment supply chain, to take corrective actions:

1. to bring the marine equipment into compliance with the applicable technical requirements and standards referred to in Article 80a (2) herein;

2. to make marine equipment again available on the market and/or to place marine equipment again on board a seagoing ship while preventing a risk to maritime safety, to the environment or to health;

3. withdraw from the market and/or recall of the marine equipment.

(3) Restrictive measures under Paragraph (1) shall be imposed and/or corrective actions under Paragraph (2) shall be required by an order of the Executive Director of the Maritime Administration Executive Agency or officials empowered thereby.

(4) The orders referred to in Paragraph (3) shall be appealable according to the procedure established by the Administrative Procedure Code. The appeal shall not stay the enforcement of any such orders.

(5) The Executive Director of the Maritime Administration Executive Agency or officials empowered thereby shall issue an order suspending the marine equipment being made available on the market and/or being placed and used on board seagoing ships flying the Bulgarian flag for the purpose of an assessment of the risk to maritime safety, to the environment or to health. In such cases, the inspectors referred to in Article 80a (3) herein shall carry out an evaluation in relation to the marine equipment covering all the relevant technical requirements and standards referred to in Article 80a (2) herein.

(6) Where, in the course of the evaluation referred to in Paragraph (5), it is established that the marine equipment does not comply with the relevant technical requirements and standards referred to in Article 80a (2) herein, the Executive Director of the Maritime Administration Executive Agency or officials empowered thereby shall issue an order requiring the economic operator to take the appropriate corrective actions under Paragraph (2) to put an end to the non-compliance within two months. Article 21 of Regulation (EC) No. 765/2008 shall apply in such cases.

(7) Where the economic operator does not take corrective actions within the time limit referred to in Paragraph (6), the inspectors referred to in Article 80a (3) herein shall propose to the Executive Director of the Maritime Administration Executive Agency to impose measures under Paragraph (1) and to inform the European Commission and the other Member States without delay.

(8) Where the inspectors referred to in Article 80a (3) herein establish that non-compliance is not restricted to the territory of the Republic of Bulgaria or to ships flying the Bulgarian flag, the said inspectors shall inform the European Commission and the other Member States of the results of the evaluation under Paragraph (5) and of the corrective actions under Paragraph (6).

(9) In the cases referred to in Paragraph (6), the inspectors referred to in Article 80a (3) herein shall inform the relevant organization notified under Article 72 (8) herein which has assessed the conformity of the marine equipment of the non-compliances detected.

(10) Where, as a result of the evaluation under Paragraph (5), the marine equipment is found to present a serious risk to maritime safety, to the environment or to health, Articles 20 to 22 of Regulation (EC) No. 765/2008 shall apply.

(11) Where, within four months of receipt of the information referred to in Paragraph (7) no objection has been raised by a Member State or by the European Commission in respect of a provisional restrictive measure, that measure shall be deemed justified.

## Sharing Information Concerning Restrictive Measures on Marine Equipment Market

Article 80e. (New, SG No. 108/2020) (1) Where information has been received about restrictive measures adopted by competent authorities of another Member State, the Executive Director of the Maritime Administration Executive Agency or an official empowered thereby shall without delay inform the European Commission and the other Member States of any measures adopted by the Agency and of any additional information at the disposal of the Maritime Administration Executive Agency relating to the non-compliance of the marine equipment concerned, and, in the event of disagreement with the restrictive measures adopted by the other Member State, of the objections of the Agency.

(2) Where no objections to the restrictive measures as adopted have been raised by the competent authorities of another Member State, or where the European has adopted an implementing act deciding that the measure is justified, the Maritime Administration Executive Agency shall without delay apply the restrictive measures and shall inform the European Commission.

## Prohibition on Making Marine Equipment Available on Market where Maritime Safety, Environment or Health Are at Risk

Article 80f. (New, SG No. 108/2020) (1) The Executive Director of the Maritime Administration Executive Agency or officials empowered thereby shall issue an order prohibiting the marine equipment concerned being made available on the market and/or being placed and used on board seagoing ships flying the Bulgarian flag and requiring the economic operator to take corrective actions under Article 80d (2) herein within two months, where the inspectors find, according to the procedure established by Article 80d (5) herein, that the following conditions are simultaneously fulfilled:

1. the marine equipment complies with the applicable technical requirements and standards referred to in Article 80a (2) herein;

2. the marine equipment presents a risk to maritime safety, to the environment or to health.

(2) The Executive Director of the Maritime Administration Executive Agency or officials empowered thereby shall without delay inform the European Commission and the other Member States of the cases referred to in Paragraph (1).

(3) Where the European Commission decides, by means of an implementing act, that the measure referred to in Paragraph (1) is unjustified, the Executive Director of the Maritime Administration Executive Agency shall issue an order revoking the measure as imposed or taking the measures laid down by the implementing act.

(4) Where competent authorities of another Member State have adopted restrictive measures in respect of compliant products which present a risk, the European Commission shall adopt an implementing act deciding that the said measures are justified or that other measures need to be adopted. In such cases, the Maritime Administration Executive Agency shall without delay take action in accordance with the implementing act.

## Imposition of Restrictive Measures in Case of Formal Non-compliance of Marine Equipment

Article 80g. (New, SG No. 108/2020) (1) The Executive Director of the Maritime Administration Executive Agency or officials empowered thereby shall issue an order suspending the marine equipment being made available on the market and/or being placed and used on board seagoing ships flying the Bulgarian flag and requiring the economic operator concerned to take the

appropriate corrective action within two months under Article 80d (2) herein where the said Executive Director or officials establish that:

1. the wheel mark has not been affixed or has been affixed in breach of the requirements of Article 9 of Directive 2014/90/EU;
2. the EU declaration of conformity has not been drawn up, has not been drawn up correctly, or has not been sent to the ship;
3. technical documentation is either not available or not complete;
4. the marine equipment does not appropriately bear the type, batch or serial number or other element allowing the identification of the said equipment or, where the size or nature thereof does not allow it, the said information is not provided on the packaging and/or in a document accompanying the said equipment;
5. the name, registered trade name or registered trade mark of the manufacturer, as well as the address thereof and a single point at which the manufacturer can be contacted, are not appropriately indicated on the equipment or on the packaging thereof and/or in a document accompanying the said equipment;
6. the name, registered trade name or registered trade mark of the importer, as well as the address thereof, are not appropriately indicated on the equipment or on the packaging thereof and/or in a document accompanying the said equipment;
7. the marine equipment is not accompanied by instructions and the necessary information for safe installation on board and safe use of the product, including limitations of use.

(2) Where the corrective actions imposed under Article 80d (2) herein have not been implemented within the time limit referred to in Paragraph (1), the Executive Director of the Maritime Administration Executive Agency or officials empowered thereby shall issue an order imposing the restrictive measures referred to in Article 80d (1) herein.

#### Information Concerning Marine Equipment Market Surveillance

Article 80h. (New, SG No. 108/2020) The data on the marine equipment in respect of which the Executive Director of the Maritime Administration Executive Agency has issued an order under Article 80d and Article 80f (1) herein shall be published on the Internet site of the Maritime Administration Executive Agency.

## **Section III**

### **Ship's Documents**

#### Types

Article 81. (Amended, SG No. 113/2002, SG No. 109/2013) Depending on the type, tonnage and navigation area, Bulgarian ships shall be provided with ship's documents in accordance with the national legislation and the international treaties whereto the Republic of Bulgaria is a party.

#### Special Duty Ships

Article 82. Ships on special government duty shall not be obliged to hold a tonnage certificate. The tonnage of such ships may be determined in a simplified manner, and to this end the relevant certificate shall be issued by the competent authorities.

Article 83. (Repealed, SG No. 113/2002).

Registration Certificate and Interim Registration Certificate  
(Heading supplemented, SG No. 55/2004, amended, SG No. 113/2002)

Article 84. (Amended, SG No. 113/2002) (1) (Amended, SG No. 55/2004, SG No. 85/2010) A Registration Certificate shall certify the right of ships to fly the Bulgarian flag and the right of ownership.

(2) (Amended, SG No. 85/2010) The following particulars shall be entered in a Registration Certificate:

1. (amended, SG No. 55/2004) the shipowner;
2. the name or number of the ship;
3. the port of registry of the ship, including volume, page and number of the register of ships;
4. length, width, depth, gross and net tonnage, radio call sign;
5. ship number assigned by the International Maritime Organization (IMO), if any;
6. (repealed, SG No. 55/2004).

(3) (New, SG No. 55/2004, amended, SG No. 85/2010) The bareboat charterer, the term of the chartering, as well as the particulars referred to in Items 2, 3, 4 and 5 of Paragraph (2) shall be entered in an Interim Registration Certificate.

Article 84a. (New, SG No. 113/2002, amended, SG No. 55/2004, repealed, SG No. 85/2010).

Issuance of Registration Certificate

Article 85. (Amended, SG No. 113/2002, SG No. 55/2004, SG No. 85/2010) A Registration Certificate and an Interim Registration Certificate shall be issued by the Executive Director of the Maritime Administration Executive Agency or by officials empowered by him.

Ordinance on Keeping Ship's Documents

Article 86. (Amended, SG No. 113/2002, SG No. 92/2011) (1) (Amended, SG No. 106/2023) The type of ship's documents and all requirements related thereto and to the issuance thereof shall be established by an ordinance of the Minister of Transport and Communications.

(2) The standard forms of the ship's documents shall be approved by the Executive Director of the Maritime Administration Executive Agency.

## **Chapter Five**

# **SHIPMASTER AND SHIP'S CREW. SHIPBOARD PERSONNEL**

### **(Heading amended, SG No. 93/2017)**

Ship's Crew

Article 87. (1) (Previous text of Article 87, amended, SG No. 113/2002, SG No. 109/2013, SG No. 106/2023) The ship's crew shall consist of the master, the other officers, and the crew members, entered in the Crew List. Ships flying the Bulgarian flag shall be manned by the required number of qualified seafarers, possessing the proper competency, according to an ordinance on the competence of seafarers in the Republic of Bulgaria, issued by the Minister of Transport and Communications.



(2) (New, SG No. 113/2002) The certification and registration of the competent seafarers shall be effected by the Maritime Administration Executive Agency under terms and according to a procedure established by the ordinance referred to in Paragraph (1).

(3) (New, SG No. 55/2004, amended, SG No. 93/2017) The ordinance referred to in Paragraph (1) shall furthermore determine the requirements to educational establishments in respect of:

1. the topics and the minimum number of training hours in specific subjects;
2. the manner of delivery, including the facilities, the topics and the duration of practical training;
3. the instructors delivering training in marine and river subjects.

(4) (New, SG No. 55/2004, amended, SG No. 106/2023) The crew members must satisfy the requirements of physical fitness, established by an ordinance issued by the Minister of Transport and Communications and the Minister of Health.

(5) (New, SG No. 77/2005, supplemented, SG No. 62/2006) The ordinance referred to in Paragraph (1) shall establish the terms and procedure for recognition of competency of seafarers attained in a Member State of the European Union and of the European Economic Area, in Switzerland and in third countries.

### Manning of Ship

Article 88. (Amended, SG No. 113/2002, supplemented, SG No. 71/2008, amended, SG No. 85/2010) (1) The crew of merchant ships shall be composed of qualified seafarers. Not less than 25 per cent of the positions at management and operational level and not less than 25 per cent of the positions at order-taking level shall be occupied by Bulgarian citizens.

(2) The crew of seagoing merchant ships may be composed of persons who hold certificates of competency issued in accordance with the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, done at London on 7 July 1978 (promulgated in the State Gazette No. 31 of 2005; corrected in Nos. 86 and 91 of 2009), as amended (STCW, as amended), from the Republic of Bulgaria, from another Member State of the European Union, or from a third country which has been recognized according to the procedure established by secondary European Union law. The crew of merchant ships operating in the inland waterways of Europe shall be composed of persons who hold certificates of competency issued in accordance with the recommendations on the training and issuing of certificates of competency to boatmasters for international traffic of the Committee on Inland Transport of the UN Economic Commission for Europe and the Danube Commission.

(3) The shipowner shall appoint the ship's crew without discrimination based on nationality, religion, pay and other working conditions, but who shall be required to be fluent in a language commonly understood on board the ship as determined by the shipowner.

(4) The master and the chief engineer of the ship shall mandatorily be Bulgarian citizens or citizens of a Member State of the European Union, or of a State which is a Contracting Party to the Agreement on the European Economic Area, or of the Swiss Confederation.

(5) The crew of craft for sports, tourism and pleasure and of such which do not carry out economic activity shall be composed of competent seafarers who are Bulgarian and/or foreign citizens.

(6) Where, due to extraordinary circumstances the shipowner is unable to fulfil the requirement of Paragraph (1), the said shipowner may, after obtaining permission from the Maritime Administration Executive Agency, hire qualified seafarers who are citizens of other Member States of the European Union, of a State which is a Contracting Party to the Agreement on the European Economic Area, or of the Swiss Confederation or, should this be impossible, citizens of third countries. Any such permission shall be valid until the arrival of the ship in the first port for

replacement of the crew, which has been declared in advance by the shipowner, but in any case within a period not longer than three months.

#### Checks Related to Seafarers' Training and Qualification

Article 88a. (New, SG No. 113/2002) (1) The Maritime Administration Executive Agency shall periodically verify the conformity of the training delivered for attainment of competency and of the supplementary training of seafarers to the requirements established by the ordinance referred to in Article 87 (2) herein and the international treaties whereto the Republic of Bulgaria is a party.

(2) (Amended, SG No. 55/2004) Upon ascertainment of any non-conformity with the requirements established by the ordinance referred to in Article 87 (2) herein and the international treaties whereto the Republic of Bulgaria is a party, the Maritime Administration Executive Agency shall refuse to issue certificates of competency or certificates of specialist or supplementary training.

(3) For ascertainment of the competency and for issuance of certificates of competency, the Maritime Administration Executive Agency shall collect fees to an amount determined by the Council of Ministers.

#### Shipboard Personnel

Article 88a1. (New, SG No. 93/2017) Shipboard personnel shall be all employees on board a passenger ship operating in inland waterways who are not crew members.

#### Common Rules for Employment Relationships (Heading amended, SG No. 93/2017)

Article 88b. (New, SG No. 113/2002, supplemented, SG No. 55/2004, amended, SG No. 109/2013) (1) (Supplemented, SG No. 93/2017) The employment relationships and the relationships directly related thereto between the crew members and of the shipboard personnel members of a ship flying the Bulgarian flag and the shipowner shall be governed by this Code and by an ordinance of the Council of Ministers.

(2) The ordinance referred to in Paragraph (1) shall furthermore establish the requirements for:

1. occupational safety and health on board the ships, taking into account the specificity of the carriage performed;
2. shipowners regarding compliance with the rules for health and safety at work;
3. prevention of occupational diseases and accidents on board the ships;
4. maintenance of the appropriate standards of hygiene on board the ships.

(3) The employment contract may be concluded for an indefinite period or as a fixed-term employment contract. A fixed-term employment contract shall be concluded:

1. for a definite period, which may be shorter than one year;
2. for undertaking a particular voyage;
3. until completion of a particular work;
4. for replacement of a factory or office worker who is absent from work.

(4) A fixed-term employment contract with the same factory or office worker for the same work on board the same or another ship of the same shipowner may be concluded an unlimited number of times successively in time.

(5) A contract for an indefinite period may not be transformed into a contract for a definite period, nor a fixed-term contract may be transformed into a contract for an indefinite period, unless the parties have agreed so in writing. The transformation of a contract for an indefinite period into a

contract for a definite period and the transformation of a fixed-term contract into a contract for an indefinite period shall not require an advance written declaration by the factory or office worker.

(6) The notice period to be given for the termination of an employment contract for an indefinite period shall be 30 days, insofar as the parties have not agreed a longer period but not more than three months. The notice period to be given for the early termination of a fixed-term employment contract shall be 30 days but may not exceed the residual period of the contract.

(7) The normal length of working time for persons employed on board a ship flying the Bulgarian flag shall be eight hours per day.

(8) The employer may establish calculation of working time on a longer basis: a week, a month or over another calendar period, which may not be longer than 12 months. In such cases, the hours worked in excess of the normal length of working time, established in Paragraph (7), on board a ship by a crew member shall not be considered as overtime and shall be compensated by an equal number of hours of shore rest after repatriation. If compensation is impossible within the longer reference period for calculation of working time, any such work shall be paid for according to a procedure and in amounts specified by the ordinance referred to in Paragraph (1).

(9) (Amended, SG No. 93/2017) Crew members and shipboard personnel members shall use sick leave according to a procedure established by the ordinance referred to in Paragraph (1).

(10) (Amended, SG No. 93/2017) Where necessary for the immediate safety of the ship, persons or cargo on board, or for the purpose of giving assistance to other ships or persons in distress at sea, the master shall have the right to require each crew member and support staff to perform as many hours of work as shall be necessary for the restoration of the normal situation. In these cases the provisions of Article 88c, Paragraphs 1 and 2 and Article 88d, Paragraphs 3, 4 and 5 shall not apply.

(11) (Repealed, SG No. 93/2017).

(12) (Repealed, SG No. 93/2017).

(13) (Repealed, SG No. 93/2017).

(14) (Repealed, SG No. 93/2017).

(15) (Repealed, SG No. 93/2017).

#### Specific Rules for Employment Relationships of Seagoing Ship's Crew Members

Article 88c. (New, SG No. 93/2017) (1) The minimum length of the rest period for crew members of a seagoing ship shall be 10 hours in each 24-hour period and 77 hours in any seven-day period.

(2) The hours of rest in each 24-hour period, referred to in Paragraph (1), may be divided into no more than two periods, one of which shall be at least six hours in length. The intervals between consecutive periods of rest shall not exceed 14 hours.

(3) Owing to the specificity of work on board a seagoing ship, a postponement of the use of the weekly rest periods shall be authorized in accordance with the Weekly Rest (Industry) Convention, 1921 (No. 14), adopted at Geneva on 25 October 1921 (ratified by a law, State Gazette No. 81 of 1924) ([Convention promulgated in the] State Gazette No. 36 of 1997). The use of the weekly rest periods may furthermore be postponed where so provided for in the employment contract and/or in the internal acts of the employer, and/or in a collective agreement in force at the enterprise. The hours worked during the postponed weekly rest periods shall be incorporated into the work schedule but shall be excluded from the normal working hours standard in case of established calculation of working time on a weekly or longer basis.

(4) The hours worked during the postponed weekly rest periods and statutory public holidays within the normal length of working time referred to in Article 88b (7) herein shall not be

considered as overtime and shall be compensated by additional paid shore leave after repatriation, equal to the number of hours worked during weekly rest periods and statutory public holidays. By mutual agreement between the parties to the employment relationship, the use of this type of additional paid leave may be replaced by payment of monetary compensation, calculated on the basis of the basic monthly labour remuneration of the crew member and the additional remunerations of a constant nature.

(5) The hours worked during the postponed weekly rest periods in excess of the normal length of working time shall be compensated according to the procedure established by Article 88b (8) herein.

#### Specific Rules for Employment Relationships of Crew Members and Shipboard Personnel Members of Ship Operating in Inland Waterways

Article 88d. (New, SG No. 93/2017) (1) In case of established calculation of working time on a 12-month basis, the maximum length of working time in such reference period may not exceed 2,304 hours. Where a crew member or a shipboard personnel member has been appointed for a period of less than 12 months, the maximum permissible working time shall be calculated pro rata.

(2) In the cases referred to in Paragraph (1), the average weekly working time may not exceed 48 hours over a 12-month period and 72 hours over a four-month period.

(3) Where working time is calculated on a weekly or longer basis, the maximum length of a working shift may not exceed 14 hours in any 24-hour period, and the length of the working week may not exceed 84 hours in any seven-day period, 4 hours, and for factory and office workers entitled to reduced working time, the maximum length of a working shift may not exceed the reduced working time thereof by more than one hour.

(4) Where working time is calculated on a weekly or longer basis, the maximum length of a working shift for crew members and shipboard personnel members performing seasonal work on board a passenger ship operating in inland waterways may not exceed 12 hours in any 24-hour period, and the length of the working week may not exceed 72 hours in any seven-day period.

(5) The minimum length of the rest period for crew members and shipboard personnel members of a ship operating in inland waterways shall be:

1. 10 hours in each 24-hour period, of which at least six hours are uninterrupted;
2. 84 hours in any seven-day period.

(6) The calculation basis for the maximum length of working time under Paragraph (1), the requirements for the work schedule where working time is calculated on a weekly or longer basis, the calculation basis and the procedure for use of daily and weekly rest periods shall be determined by the ordinance referred to in Article 88b (1) herein.

#### Subsidiary Application

Article 88e. (New, SG No. 93/2017) The rules of Bulgarian labour legislation in force shall apply to any matters not regulated by this Code and by the ordinance referred to in Article 88b (1) related to the employment relationships and the relationships directly related thereto between the crew members and of the shipboard personnel members of a ship flying the Bulgarian flag.

#### Master's Administrative Powers

Article 89. (1) The shipmaster shall be entrusted with the command of the ship, including navigation, as well as with taking all measures necessary for safe voyage and for the maintenance of order on board the ship.

(2) All persons present on board the ship shall be obliged to obey the directions of the master intended to ensure safety and order on board the ship.

(3) The shipmaster shall have the right to take the appropriate measures with regard to any person present on board, in case the said person disobeys the lawful directions of the master. Where the behaviour of the persons present on board threatens the safety of the shipmaster or of the persons and property on board, or where such behaviour constitutes a criminal offence under the Criminal Code of the Republic of Bulgaria, the master shall have the right to confine such persons to isolated quarters.

#### Master's Powers in Case of Criminal Offence

Article 90. (1) (Amended, SG No. 113/2002, SG No. 109/2013, SG No. 108/2020) When a criminal offence under the Criminal Code has been committed on board a ship during a voyage, the master shall have the right to detain the person suspected of committing a criminal offence, pending surrender of the said person to the competent authorities in the first Bulgarian port of call.

(2) (Repealed, SG No. 108/2020).

(3) When a criminal offence is committed on board a ship during her stay in a Bulgarian port, the master shall be obliged to surrender the offender to the competent local authorities.

#### Master's Powers in Civil Status Matters and Notarial Functions

Article 91. (1) (Amended, SG No. 113/2002, SG No. 109/2013) In the event of childbirth, marriage or death occurring on board a ship flying the Bulgarian flag outside the territorial boundaries of the Republic of Bulgaria, the master shall be obliged to make an entry of the occurrence in the official log-book and to draw up a record conforming to the requirements of the Civil Registration Act.

(2) (Amended, SG No. 113/2002) The master shall deliver any records drawn up on the above occurrences to the civil status office at the municipality of the first Bulgarian port of call or to a Bulgarian Consul abroad.

(3) The master shall be obliged to accept for safekeeping any holographic wills from persons present on board the ship and shall deliver the said wills to the notary in the first Bulgarian port of call or to a Bulgarian Consul abroad.

(4) (Amended, SG No. 113/2002) When a ship is outside the territorial boundaries of Bulgaria, the master may certify the signatures of persons present on board the ship, and such certification shall have the effect of notarisation after recording in the official log-book.

#### Master's Navigation Duties

Article 92. (1) (Amended, SG No. 113/2002) The master shall have no right to leave the ship while performing duties requiring the presence thereof on board, unless exceptional circumstances dictate this.

(2) (Supplemented, SG No. 113/2002) The master shall be obliged to navigate the ship in person during entry, passage or exit from harbours, bays, channels, locks and critical sections of straits and rivers, as well as in cases of particular difficulty or danger.

(3) (Supplemented, SG No. 113/2002) The master shall be responsible for the navigation even in the cases where he resorts to pilot or leadsman assistance.

#### Master's Duties Regarding Safety of Navigation and for Environmental Protection (Heading supplemented, SG No. 113/2002)

Article 93. (1) Before commencement of the voyage and during the voyage, the master shall be obliged to exercise due care so that the ship be in a seaworthy state and responsive to the requirements in respect of safety, the appropriate fitting, supply and manning.

(2) The master shall be obliged to take care of the proper loading, securing and shifting of the cargo, as well as of the unloading of the cargo, and in the course of the voyage the master shall exercise due care to protect the cargo against damage or loss, taking measures for securing the interests of the persons related to the cargo and freight.

(3) (New, SG No. 113/2002) The master shall be obliged to protect the environment and fishing resources.

(4) (New, SG No. 113/2002, repealed, SG No. 36/2008).

(5) (New, SG No. 55/2004) For passage through the English Channel or upon a voyage in the North Sea, the Executive Director of the Maritime Administration Executive Agency shall issue mandatory directives to the masters of ships flying the Bulgarian flag, to resort only to the services of a pilot holding a certificate issued by a competent authority of a coastal State in respect of the English Channel or the North Sea.

(6) (New, SG No. 52/2015) The master shall be obliged to report to the administration of the coastal State in case of a maritime casualty resulting in a wreck.

#### Master's Duties in Case of Military Operations

Article 94. When military operations, whether war or blockade has been declared or not, threaten the port of departure, the next port of call, the port of destination, or the waters through which the ship will have to pass, the master shall be obliged to take all necessary measures to avoid capture of the ship and of the persons, cargo, property and documents on board the said ship.

#### Master's Representative Authority

Article 95. (1) The shipmaster shall be a representative of the shipowner and of the cargo owners in respect of transactions resulting from the needs of the ship, the cargo, or the freight.

(2) In the capacity of representative of the shipowner and of the cargo owners, the master may bring actions and may respond to actions related to the ship, the cargo and the freight, provided there are no other representatives of the shipowner or of the cargo owners at the particular location.

(3) Any restriction of the powers of the master by the shipowner or by the cargo owner shall have legal effect in the relations between these parties and the master, and in respect of third parties solely where they were aware of the said restrictions.

#### Master's Powers in Case of Urgent Financial Need

Article 96. (1) A shipmaster who, during a voyage, experiences an urgent need of financial resources for repair of the ship, for replenishment of her appurtenances, for subsistence of the crew, and in general for continuation of the voyage, shall have the right to undertake the following, if there is no time to wait for the instructions of the shipowner:

(a) to sell the excess appurtenances of the ship, with the exception of special-purpose equipment;

(b) to sell the excess part of the victuals;

(c) to sell part of the cargo or the entire cargo.

(2) The master shall be obliged to elect such a manner of acquiring funds for continuation of navigation as would involve the least damage to the shipowner and to the owners of the cargo.

#### Master's Powers in Case of Shortage of Supplies

Article 97. (1) (Amended and supplemented, SG No. 113/2002) When the provisions, including the emergency stores, become depleted on the high seas or at anchorage in a river remote from a settlement in ice conditions of navigation, the shipmaster shall have the right to requisition the necessary amount of provisions from such in the possession of particular individuals, or to requisition part of the cargo which may be edible.

(2) The value of the provisions or cargo so requisitioned shall be paid by the shipowner or by the persons who have received provisions, if not members of the ship's complement and provided the subsistence on board the ship, according to the contract of carriage, is not included in the passage price.

#### Obligation to Render Assistance

Article 98. (1) (Amended, SG No. 113/2002) During navigation on rivers and seas, the shipmaster shall be obliged to render assistance to persons in danger and to ships in distress, provided this does not expose to the ship, the crew and the passengers to serious danger.

(2) The shipowner shall not be liable for breach of the provisions of the foregoing paragraph.

#### Ship Council

Article 99. (1) In case of danger to passengers, crew, ship and cargo, the master shall have discretion to convene a ship council from amongst the crew members.

(2) The ship council may not restrict the rights of the master. The master shall make the final decision, even though it might be at variance with the opinion of the ship council.

#### Master's Obligation upon Endangerment of Ship

Article 100. (1) If, in the judgment of the master, the ship is threatened by unavoidable loss, the master shall be obliged to take all possible measures for the rescue of the passengers, after which he shall grant the ship's crew permission to abandon ship.

(2) The master shall be the last to abandon ship, having taken all measures to recover the official log-book, the engine-room log-book and the radio messages log-book, the charts of the voyage, the documents, valuables, and cash at hand.

#### Medical Services

Article 100a. (New, SG No. 113/2002) (1) The shipowner shall provide medical services, medicinal drugs, medical equipment and supplies on board the ship depending on the type of ship, the number of crew and passengers, and the length of the voyage.

(2) (Amended, SG No. 106/2023) The requirements for the provision of medical services on board the ship shall be established by an ordinance of the Minister of Transport and Communications jointly with the Minister of Health.

(3) The shipmaster or a designee thereof shall be responsible for the fulfilment of the requirements for medical services and for the availability of medicinal products and medical articles on board the ship.

(4) The master shall be obliged to take all required and practicable measures to solicit medical attention in case of urgent need.

#### Check of Conditions of Work and Rest

Article 100b. (New, SG No. 113/2002) (1) After receiving an alert or complaint in writing, the Maritime Administration Executive Agency shall be obliged to conduct a check of the

living and working conditions, the periods of work and of rest of the crew of a ship in a Bulgarian port.

(2) (Amended, SG No. 109/2013) Should any breaches be ascertained during a check conducted under Paragraph (1), the Maritime Administration Executive Agency shall issue mandatory prescriptions, addressed to the shipmaster, for remedying the said breaches. The Maritime Administration Executive Agency may detain the ship in the port until such non-conformities have been rectified, and shall notify the administration of the flag State of this.

(3) (Amended, SG No. 106/2023) The terms and procedure for conduct of an inspection referred to in Paragraph (1) shall be established by an ordinance of the Minister of Transport and Communications.

## **Chapter Six**

# **CONTRACT OF CARRIAGE OF GOODS**

## **(Heading amended, SG No. 113/2002)**

### **Section I**

## **General Provisions; Shipping Documents**

#### Basic Characteristics

Article 101. (Amended, SG No. 113/2002) By a contract of carriage of goods, a carrier shall undertake, in consideration of payment of a stipulated freight (charge for carriage), to carry by ship to a specified port (place) goods which are tendered or will be tendered thereto by a consignor, and to deliver the said goods to a consignee or to a person authorized by the consignee.

(2) (Repealed, SG No. 113/2002).

#### Applicability to Cabotage

Article 102. (1) (Amended, SG No. 113/2002) The provisions of this Chapter shall furthermore apply to coastal carriage (cabotage) of goods, insofar as this Code or any special provisions do not provide otherwise.

(2) (Amended, SG No. 113/2002) The provisions of this Chapter shall not apply to carriage of postal items.

#### Evidence of Contract

Article 103. (Amended, SG No. 113/2002) The conclusion and the contents of contracts of carriage of goods can be proved by charter parties, bills of lading and other written evidence.

#### Carriage under Charter Party Terms

Article 104. (1) Contracts under Article 101 herein may be concluded for carriage of goods which the carrier will perform using the entire ship, or a specific part of her cargo space, or a particular compartment of the ship.

(2) In the above cases, the parties shall specify whether the carriage will be performed during one or several specific voyages.

(3) (Corrected, SG No. 58/1970) For carriage of bulk cargoes, the parties may use standard charter party forms in settling their relations.



## Carriage of Separate Consignments (Heading corrected, SG No. 58/1970)

Article 105. (1) (Corrected, SG No. 58/1970) Contracts under Article 101 herein may also be concluded for separate cargo shipments, whether single or in consignments, specified in number, size, and weight.

(2) The parties may provide in a single contract for the carriage of multiple consecutive shipments within specified periods of time, whenever the carrier operates a regular line to the destination (time-table carriage).

## Contents of Charter Parties

Article 106. The charter party must state the names of the parties and the amount of freight, designation of the ship and cargo, place of loading and the destination or course of the ship. The charter party may include other conditions or stipulations as well with the consent of the parties. The charter party shall be signed by the consignor and by the carrier or by authorized representatives thereof.

## Effect of Charter Party on Parties

Article 107. (1) (Amended, SG No. 113/2002) A contract of carriage (on charter party terms) shall regulate the relations between consignor and carrier.

(2) The stipulations in the contract (the charter party) shall be effective in respect of consignees if the bills of lading expressly reproduce such stipulations or make express reference to the document in which the said stipulations are set forth.

## Conditions for Issuance of Bill of Lading

Article 108. (1) After receiving the cargo on board the ship, the carrier shall issue a bill of lading to the consignor.

(2) Where the consignor has loaded onto the ship any cargoes destined for several consignees or different cargoes or consignments destined for one and the same consignee, the carrier shall be obliged to issue the consignor separate bills of lading for each shipment or consignment.

(3) Where prior to loading the shipments onto the ship the carrier has issued the consignor a bill of lading on receipt of the said shipments for carriage, after the loading the carrier shall be obliged to issue a bill of lading on the cargo actually accepted on board the ship against return of the bill of lading issued in advance.

(4) In the cases under Paragraph (3), instead of issuing a new bill of lading, the carrier may, with the consent of the consignor, note in the bill of lading already issued that the cargoes received for carriage were actually loaded onto the ship, indicating the name of the ship and the date of loading.

## Shipping Note

Article 109. (1) The carrier shall issue a bill of lading for the cargo accepted on board the ship on the basis of a written shipping note submitted prior to the loading and signed by the consignor or by a person authorized thereby (shipper).

(2) This note must contain particulars of the type and nature of the cargoes, the quantity and condition thereof, the number of shipments (parcels), the identification marks (signs) placed upon them, and a confirmation that all export, carriage and import requirements have been fulfilled.

(3) The consignor shall be responsible to the carrier for all consequences of an incorrect, false or deficient statement of particulars in the note.

## Contents of Bill of Lading

Article 110. The Bill of Lading must state:

1. name of the carrier;
2. name of the consignor;
3. name of the consignee, indication of the destination, and specifying whether the bill of lading is an order, straight, or demand bill of exchange. If there is no stipulation as to the type of bill of lading, or if issued to order without naming a consignee, the bill of lading shall be presumed issued to the order of the consignor;
4. name of the ship;
5. description of the cargo, number of packages, weight of the cargo and of the separate shipments, volume and dimensions;
6. particulars of the apparent condition of the cargo and of the packing thereof;
7. leading marks or signs necessary for identification of the cargo, furnished in writing by the consignor before loading commences, provided the said marks or signs were inscribed or attached in some other manner to the separate parcels of the cargo or the packing thereof;
8. stipulation regarding the freight and other receivables due to the carrier, as well as indication as to whether they have already been paid in full amount or must be paid in accordance with the terms contained in the charter party or other documents;
9. place of loading;
10. place of discharge;
11. number of copies of the bill of lading issued;
12. date and place of issue of the bill of lading;
13. signatures of the carrier, the shipmaster or any other representative of the carrier.

### Notations; Refusal to enter Particulars

Article 111. (1) The carrier shall have the right to enter a note in the bill of lading if the apparent condition of the cargo or the packing thereof give sufficient ground to suspect misrepresentation.

(2) Where the carrier has serious grounds to suspect that the particulars of the quantity, dimensions, volume and distinctive features of the cargo declared thereto by the consignor do not correspond to the actual state of the cargo at the time of loading, or where the carrier has no means of verifying the said particulars, the carrier shall have the right to refuse to enter the said particulars in the bill of lading.

(3) The carrier may refuse to enter into the bill of lading particulars regarding the identification marks or signs of the cargo, if the said marks or signs have not been placed on the separate parcels of the cargo or on the packing thereof in such a manner so as to be legible or discernible under normal conditions until the end of the voyage.

(4) Where the cargo has been tendered for carriage packed, the carrier may enter a note in the bill of lading to the effect that the content of the packages is unknown to the carrier.

(5) Where the cargo is received for carriage in bulk or in a liquid state and the particulars related to the said cargo have not been verified upon loading, the carrier may note these circumstances in the bill of lading if the carrier has been unable to perform verification.

### Presumption of Date of Issue

Article 112. (1) If the date of issue is not expressly indicated in the bill of lading, it shall be presumed to be the date on which the cargo was loaded onto the ship.

(2) If the number of copies is not expressly indicated in the bill of lading, the consignor shall be presumed to have been issued a single original of the said bill.

#### Multiple Originals, Original and Copies

Article 113. (1) At the request of the consignor, the carrier shall issue the bill of lading in multiple originals of identical contents, and copies of the bill of lading.

(2) A copy of bill of lading shall remain on board the ship, accompanying the cargo.

(3) (Amended, SG No. 113/2002) In coastal carriage by inland waterways, the carrier shall issue a bill of lading or a consignment note to the consignor.

#### Significance of Multiple Originals

Article 114. (1) Where a bill of lading has been issued in multiple originals, the consignor may exercise the right thereof to demand discharge and return of the shipments to the port of departure, or delivery of the shipments at an intermediate port or to another consignee only upon presentation of all originals issued.

(2) The provisions of the foregoing paragraph shall furthermore apply in cases where the same right is exercised by the transferee of the bill of lading.

(3) If the carrier delivers the cargo to the consignee legitimated under one of the originals of the bill of lading, the remaining originals shall be voided.

#### Types of Bills of Lading

Article 115. A bill of lading may be issued:

(a) to a named consignee (straight bill of lading);

(b) to the order of the named consignee or to the consignor (order bill of lading), and

(c) to bearer (demand bill of lading).

#### Effect of Bill of Lading on Parties

Article 116. The bill of lading shall be effective in the relations between the carrier and the legitimated consignee of the cargo.

#### Probative Effect of Bill of Lading

Article 117. (1) The bill of lading shall constitute evidence of the actual receipt for carriage and presence on board of the cargo stated in the bill.

(2) After issuance of the bill of lading, the cargo stated therein shall be presumed to correspond in type, quantity and apparent condition to the particulars contained in the same bill of lading.

#### Effect of Bill of Lading as Negotiable Instrument

Article 118. (1) The bill of lading shall legitimate the consignee named or legitimated thereby to dispose of the cargo, including pledging of the said cargo as security for letters of credit, as well as to take delivery of the said cargo.

(2) Delivery of the bill of lading shall have the effect of delivery of the cargo in the relations between the legitimate consignee and the transferee.

(3) The consignee legitimated under the bill of lading may claim delivery of the cargo short of the port of destination, under the terms established by Article 114 herein.

(4) A garnishment of a bill of lading, as imposed by creditors of the legitimate consignee, shall have the effect of a garnishment of the cargo itself.

#### Transfer of Bills of Lading

Article 119. (1) A straight bill of lading may be transferred by the consignee according to the rules established for transfer of receivables.

(2) An order bill of lading may be transferred by a full or blank endorsement. The transferee under a blank endorsement may transfer a bill of lading by delivery or by a further endorsement. The transferee of an order bill of lading by virtue of an endorsement shall have no recourse against the endorser.

(3) A demand bill of lading shall be transferred by delivery.

#### Through Bill of Lading

Article 120. (1) (Amended, SG No. 113/2002) The carrier which assumes obligation of carriage with the participation of other carriers by sea, river, rail, road or air, and acting on the consignor's demand, shall issue a bill of lading for the entire carriage of the cargo to the final destination thereof (through bill of lading).

(2) Any such bill of lading shall furthermore name the ports or places of transshipment, as well as the other modes of transport that are to be used until the point of destination. The first carrier shall undertake to conclude or to ensure the conclusion of the contracts with the subsequent carriers.

(3) A carrier, which has issued the through bill of lading, shall be liable solidarily with the subsequent carriers for performance of the obligations over the entire carriage until delivery of the cargo to the ultimate consignee. Each of the remaining carriers shall be liable solidarily with the first carrier for its leg of the carriage.

(4) (Supplemented, SG No. 113/2002) In relation to carriage over any legs of the common route other than carriage by sea or river, the legal provisions governing that particular mode of transport shall apply.

(5) Should it be impossible to identify the leg of the common route on which the cargo was lost or damaged, as established at the point of destination, the consignee may claim indemnity from the last carrier as well. Upon delivery of the cargo, the last carrier shall be obliged to exercise also the rights of the precedent carriers known thereto.

(6) A carrier participating in carriage under a through bill of lading, which has paid the indemnity to the consignee, shall have the right to claim refund from the other carriers for the corresponding parts of the total freight.

(7) A carrier issuing a through bill of lading may limit therein the liability thereof to the leg of the route over which the said carrier performed the carriage. This shall not excuse the carrier of the obligation to exercise due care for the proper performance of further carriage.

#### Written Delivery Orders

Article 121. (1) Any legitimate disposer of the cargo stated in a bill of lading may, if so stipulated in the contract of carriage, demand from the carrier to issue written orders to the master for delivery of parts of the cargo to consignees named therein (delivery orders).

(2) In the written orders, issued acting on the above demand, the carrier shall specify the type, quantity and quality of the cargo for each order. The written orders shall be signed by the carrier and by the person who has demanded the issuance thereof.

(3) Where the entire cargo stated in the bill of lading is distributed according to the delivery orders, the original bill of lading or the originals of the bill of lading shall be kept by the carrier. Otherwise, the issuing of delivery orders for parts of the cargo shall be noted in the bills of lading.

(4) The written delivery orders for parts of the cargo shall be negotiable instruments. The shipments specified therein may be transferred by transfer of the delivery orders themselves.

### Multiple Bills of Lading under Single Charter Party

Article 122. The consignor under a charter party may load and dispatch, even on a single voyage, cargoes destined for different consignees, at the same or at different ports provided for in the contract. A separate bill of lading shall be issued for the cargo of each particular consignee.

### Cession of Rights in Charter Carriage

Article 123. The consignor under a charter party may cede the rights thereof, in whole or in part, to a third party under a charter party without the consent of the carrier. The consignor nonetheless remains liable to the carrier for the performance of the charter party solidarily with the said third party.

### Delivery of Separate Shipments for Carriage

Article 124. (1) Where a contract of carriage is for separate objects or shipments, the consignor shall tender them for carriage within the stipulated or customary time.

(2) (Amended, SG No. 113/2002) Where the separate cargoes or shipments are to be delivered packed, the consignor shall be obliged to put them in packing appropriate to the carriage.

(3) The loading and discharge of separate objects or shipments onto and from vessels on liner service, as well as their stowage and securing, shall be done by the carrier, unless otherwise stipulated.

(4) Provisions in regard of lay time and extra lay time, as well as payment of demurrage and dispatch money, shall not be applicable to liner service, unless otherwise stipulated.

### Substitute Ship

Article 125. (1) Where the carriage is to be performed using the entire ship, part of a ship, or an entire compartment, the carrier may load the cargo onto another ship solely with the consent of the consignor.

(2) Upon carriage of separate shipments, the carrier may substitute for the intended ship another equivalent ship unless expressly prohibited from doing so by the contract. The carrier shall be obliged to tender the substitute ship at the time agreed and to notify the consignor of the substitution.

(3) If the carrier maintains regular shipping lines to certain destinations, the said carrier may load the separate cargoes or goods received for carriage on any of the liners thereof, unless the nature of the cargo requires the carriage to be performed by a ship having specific equipment, refrigerating units, etc.

### Seaworthiness of Ship

Article 126. (1) The carrier shall be obliged, prior to commencement of the voyage, to make the ship seaworthy with regard to the nature of the cargo and the intended voyage, to man her, to equip and supply her properly, and to make the holds, refrigerating and cool chambers and all other spaces where shipments are to be loaded, fit for the reception, carriage and preservation thereof. Any stipulations conflicting with this provision shall be void.

(2) The carrier shall not be liable if the carrier can prove that the unseaworthiness of the ship has been caused by defects which could not have been discovered despite the due care exercised thereby (latent defects).

(3) The carrier shall be obliged to tender the ship ready for loading at the agreed or customary place and at the agreed time, and to place the ship at the disposal of the consignor throughout the stipulated time for loading.

(4) Under charter parties, the carrier shall be obliged, when so instructed by the consignor, to take the ship to the stipulated place, provided it is safe and accessible for berthing and for loading, as well as for sailing off of the ship laden with the cargo.

(5) Where there are several consignors and they have been unable to agree on the instruction of a place for tendering the ship for loading, the carrier shall tender the ship at the accepted customary place.

#### Notice by Carrier

Article 127. (1) The carrier shall be obliged to notify the consignor in writing of having tendered the vessel at the place for loading in a state of readiness to commence loading. If the consignor has commissioned another party to perform the loading and has given advance notice of this to the carrier, the said notice shall be sent to the shipper.

(2) A notice to the consignor on the tendering of the vessel for loading, if not true at the time of receipt, shall be considered undischarged, and the carrier shall be liable for compensation for the detriment caused to the consignor.

#### Providing Short Loading Space

Article 128. If the ship, part of a ship or compartment as tendered is of a smaller area or space for loading than originally agreed, the consignor may demand a proportionate reduction of the freight and compensation for the detriment suffered in consequence, though not more than the freight for the cargo left unloaded, and if the disparity is particularly significant, the consignor may elect to rescind the contract.

#### Delivery of Shipments: Packing and Signs

Article 129. (1) The consignor shall be obliged to deliver the cargo on board the ship in proper packing, fit to withstand the carriage and transshipment and to protect the goods.

(2) The consignor shall be obliged to furnish the goods with marks (signs) capable of remaining clear until the end of the voyage.

(3) Where the goods are dangerous or such as call for special care, the consignor must note this on the goods themselves.

#### Documents Accompanying Cargo

Article 130. (1) The consignor shall be obliged to tender to the carrier promptly the documents required by the port, customs, sanitary and other regulations in connection with the type and properties of the cargo.

(2) The consignor shall be liable to the carrier for any detriment inflicted to the carrier as a result of late presentation of documents or presentation of insufficient, incomplete, or untrue documents on the cargo.

(3) The carrier shall not be obliged to verify the authenticity and completeness of the documents tendered thereto by the consignor.

#### Quantity to Be Loaded

Article 131. (1) If the consignor fails to tender the cargo for carriage within the agreed time, the carrier shall have the right to receive the full freight, unless otherwise agreed.

- (2) If the consignor tenders for loading onto a ship a quantity of goods less than provided for in the contract, this shall not excuse the consignor from the obligation to pay the full freight for the ship, for part thereof or for a compartment of the ship, unless otherwise agreed.
- (3) If the consignor loads shipments in a quantity larger than agreed, the carrier shall have the right to unload the excess from the ship at the expense of the consignor as well as to claim from the consignor compensation for any detriment sustained.
- (4) If the carrier leaves the excess of the goods loaded onto the ship or in compartments of the ship, the carrier shall have the right to claim the relevant increase of the freight.

#### Keeping the Full Freight

Article 132. In the case of single (separate) shipments, the carrier shall reserve the right thereof to the full freight if the consignor fails to tender the said shipments for carriage, in full or in part, within the agreed time.

#### Substitution of Cargoes in Charter Carriage

Article 133. (1) Under contracts of carriage of goods by an entire ship, by part of a ship or by separate ship compartments, the consignor may tender other goods for carriage, differing in type from those specified in the contract, provided this does not place the carrier in a worse position, does not prolong the loading time, and does not endanger the ship or her equipment, as well as the cargoes of other consignors.

- (2) In case of cargo substitution, the consignor may not demand reduction of the freight, even if the freight for the cargoes tendered in lieu of the stipulated cargoes may be lower.
- (3) If the substitution involves payment of higher freight, the consignor shall be obliged to pay the balance.

#### Other Consignors' Cargoes

Article 134. If the contract of carriage covers to the entire space of the ship or particular compartments therein, the carrier may not accept for carriage therein any cargoes belonging to other consignors, even if the cargo of the first consignor has not occupied the entire area or space of the ship as stipulated. At the request of the consignor, the carrier shall be obliged to discharge the cargo belonging to other consignors before the departure of the ship.

#### Refusal to Receive Cargo

Article 135. (1) The carrier shall have the right to refuse to receive on board and, if the carrier finds they have been loaded, to land any shipments as are prohibited for export from the State where the loading is performed, as well as any goods constituting contraband.

- (2) The carrier shall have the right to refuse to receive or, if already loaded, to land any flammable, explosive and other dangerous goods, if they have been inaccurately or incompletely stated in the declaration of the consignor.
- (3) The above provisions shall furthermore apply to all types of cargo loaded onto a ship without the carrier's knowledge.
- (4) In the above cases, the costs of the landing, the compensation for the delay and the risk shall remain at the expense of the consignor. Moreover, the consignor shall also incur liability under Article 182 herein.

#### Cooperation by Consignor in Loading

Article 136. (1) The ship shall be loaded according to a cargo plan drawn up by the carrier.

(2) Unless otherwise provided by the contract, the consignor must tender the cargo alongside the ship at the consignor's own expense with a view to the proper loading of the said cargo.

(3) The carrier shall be obliged to exercise due care and to cooperate with the consignor or the shipper for the purpose of achieving proper stowage and securing of the cargoes and for their appropriate separation from one another, supplying the necessary dunnage, partitions, etc.

(4) The separating and securing materials shall be supplied by the party specified in the contract.

#### Space and Compartments Excepted from Loading

Article 137. (1) Upon carriage using an entire ship or part of a ship, the consignor may not stow cargo in passenger cabins, the crew's quarters, and in compartments used for storage of supplies, ship equipment, and fuel.

(2) The master may not order the loading of the shipments by the consignor on the deck of the ship, unless the consignor (the shipper) consents to this in writing. Exception to this rule shall be allowed solely with regard to the types of cargo whose stowage on deck is permitted by effective regulations. If a bill of lading is issued for the carriage of cargo on deck, such consent shall be noted on the said bill.

#### Carriage in Sealed Compartments

Article 138. (1) By mutual agreement between consignor and carrier, the cargoes may be stowed and carried in compartments sealed by the consignor.

(2) (Repealed, SG No. 113/2002).

#### Mate's Receipts

Article 139. The consignor may require that the carrier issue thereto receipts for the shipments of the cargo received on board the ship in the course of loading (mate's receipts). The said receipts shall state the type, quantity and apparent condition of the cargo, the packing and signs. The said receipts shall be returned to the carrier upon the issuing of the bill of lading.

#### Time Allowed for Loading (Lay Time)

Article 140. (1) The period of time during which the entire quantity of the cargo must be loaded onto the ship (the lay time) shall be specified by the contract.

(2) Unless expressly stipulated by the contract, loading shall be performed within the time established by the custom of the port.

(3) Unless otherwise agreed or established, the period of time allowed for loading shall begin to run from the day succeeding the dispatch of the notice of readiness of the ship for loading, and the working days and hours in the respective port shall be taken into account in computing the said period.

(4) The time during which loading does not commence or is interrupted for reasons beyond the control of the carrier or due to force majeure or of weather conditions endangering the cargo or the correct and safe loading, shall be deducted from the period allowed for loading.

#### Departure ahead of Time

Article 141. Where an entire ship is used for a carriage, the consignor may order the carrier to depart even before expiry of the period for loading, even though the full cargo has not been loaded on board the ship. The carrier shall reserve the right thereof to the full freight.



### Extra Time for Loading

- Article 142. (1) The parties may provide for extra time for loading after expiry of the initial period (extra lay time), specifying also the amount due for the delay in loading (demurrage).  
(2) The parties may agree on payment to the consignor of a reward (dispatch money) if loading is completed ahead of time.  
(3) Where the parties have not expressly fixed the duration of the extra lay time, the amount of demurrage or of the dispatch money, the regulations or the customs existing in the port of loading shall apply.  
(4) If no such regulations or customs exist, the amount of demurrage shall be determined on the basis of the costs of maintenance of the ship and the ship's crew throughout the entire delay, and the dispatch money shall amount to one-half of the respective demurrage.

### Loading after Lapse of Extra Lay Time

- Article 143. (1) Where the contract is for carriage by part of the ship or by a particular compartment, the carrier may refuse to receive the cargo that is not tendered within the agreed extra loading time, and to depart. In such case, the carrier shall have the right to claim the full freight.  
(2) Where, however, the contract is for carriage by an entire ship, the carrier shall have no right to refuse to accept any cargoes tendered for loading before expiry of the lay time or the extra lay days, where the contract contains a clause to this effect, even if the loading of such cargoes onto the ship may keep the ship beyond the stipulated date. In such case, however, the consignor shall be obliged to indemnify the carrier also for the detriment sustained thereby as a result of the delay of the ship beyond the extra lay time.

## **Section II**

### **Performance of Contract: Carriage and Delivery of Cargo**

#### Care for Preservation of Cargo

- Article 144. (1) The carrier shall be obliged to take care of preservation of the cargo from the point of receipt to the point of delivery of the said cargo to the consignee, as well as of the interests of all persons in respect of the cargo.  
(2) The feeding and watering of live animals carried on board shall be the responsibility of the consignor or of an attendant commissioned thereby, unless expressly agreed otherwise.  
(3) When the cargoes received for carriage require special care or supervision in view of their nature, including controlled temperature, and this is mentioned in the contract and is marked on the units of cargo, the carrier shall be obliged to take such special care as well. In such cases, the carrier shall be entitled to additional freight.

#### Term and Route

- Article 145. (1) The carrier shall be obliged to perform the carriage within the contractual term or, absent a stipulation, within the customary terms.  
(2) Deviation from the fixed route for the purpose of rendering assistance and rescue of human life, salvage of ships and cargoes at sea, or for some other valid reason, shall not constitute breach of the contract of carriage. The carrier shall not be liable for any damage resulting therefrom.

#### Landing of Dangerous and Prohibited Goods during Carriage

Article 146. (1) The carrier may, without paying indemnity for the cargo and without forfeiting freight, land any flammable, explosive or other dangerous goods which have been loaded onto the ship under inaccurate or false designation, if the carrier has been unable to ascertain the dangerous nature of the said goods upon loading by survey of the apparent condition thereof. The costs of the landing and any damage incurred shall be for the account of the consignor.

(2) The carrier may land such goods even where they have been placed in the ship compartments with their actual properties indicated, if they become dangerous to human life or to the rest of the cargoes during the voyage. The carrier then shall be entitled to freight in proportion to the distance actually covered.

(3) In the cases under the foregoing paragraph, the carrier shall be liable for any damage incurred in connection with the carriage of dangerous goods solely according to the rules of general average.

(4) The carrier may land from the ship, at any port, any goods which are prohibited for carriage, including any goods whereof the import of the State of destination is prohibited. The carrier shall reserve the right thereof to full freight.

#### Obstacles to Entering Port

Article 147. (1) If force majeure, including prohibition by public authorities or other reasons beyond the control of the carrier, prevents the ship from entering the port of destination, the carrier shall be obliged to inform immediately the consignor or the rightful disposer of the cargo, if the carrier is aware of any such person.

(2) If no instructions are received within a reasonable time from the consignor or from the rightful disposer as to what should be done with the cargo, the carrier shall have the right to discharge the cargo at some of the nearest ports or, if this better serves the interests of the consignor in the judgment of the carrier, to return the ship to the port of departure.

(3) (Amended, SG No. 113/2002) Where the contract provides for carriage by part of a ship or by a particular compartment thereof, the carrier shall be obliged to discharge the cargo in another port following the instructions of the consignor. Should no such instructions be received within a reasonable time after dispatch of communication by the carrier, or if, in the judgment of the carrier, acting as a prudent administrator, the instructions received cannot be followed with due diligence without detriment to the cargoes of the other consignors, the carrier may discharge the cargo concerned as well in one of the nearest ports of call, advising the consignor of this discharge.

(4) The consignor or the rightful disposer of the cargo shall be obliged to reimburse the carrier for the expenses incurred by waiting for the instructions of the consignor and for the extra expenses for the cargo, as well as to pay the freight in proportion to the distance actually covered.

#### Legitimate Consignee

Article 148. (1) The carrier shall be obliged to deliver the cargo at the port of destination to the consignee legitimated by the bill of lading.

(2) Where written delivery orders have been issued, the carrier shall be obliged to deliver, to the legitimated holder of each separate written delivery order, the part of the cargo stated therein.

(3) Where several originals of the bill of lading have been issued for the cargo, the carrier shall fulfil the obligation thereof by delivering the cargo to the consignee legitimated by any original of the bill. Thereafter, all remaining copies shall be void.

(4) If no bill of lading has been issued, the cargo shall be delivered to the person named in the contract or in an additional instruction by the consignor.

#### Notice of Readiness of Ship to Discharge

Article 149. (1) In charter carriage, the carrier shall be obliged to notify the consignee, if aware of the said consignee, or the person named in the contract, of the readiness of the ship to discharge.

(2) If the carrier is unaware of the consignee or the contract does not name another person, the notice shall be made public according to the custom of the port of destination.

#### Survey by Experts before Delivery

Article 150. (1) (Amended and supplemented, SG No. 113/2002) Both the carrier and the consignee shall have the right to request survey by experts and surveyors of the condition, quantity and number of units of cargo. The experts and surveyors shall notify the carrier and the consignee of the time when they shall perform the survey.

(2) The costs of the survey shall be paid by the requesting party and shall be borne by the defaulting party.

#### Failure to Find Consignee

Article 151. Where the ship is in a position to discharge and the consignee cannot be found despite the notice served according to the procedure established by Article 149 herein, the carrier may discharge the cargo from the ship or may entrust the unloading to a competent enterprise, and deliver the cargo in safe custody. In such cases, the carrier shall notify the consignor, and the consignee again, unless otherwise agreed.

#### Consignee's Delay

Article 152. (1) (Corrected, SG No. 58/1970) If the consignee has expressed readiness to receive the cargo but delays acceptance of the cargo from the ship, the carrier shall have the right to deliver the cargo in safe custody at the expense and risk of the consignee, advising the consignee of this.

(2) Where the time for discharge has expired because of the consignee's delay or the delivery of the cargo in safe custody, the carrier shall be entitled to claim payment of the amounts due for the delay as well as compensation for the excessive detriment sustained.

#### Consignee's Refusal to Take Delivery

Article 153. (1) Where the consignee refuses or fails to appear for taking delivery of the cargo within the specified time, the carrier may deliver the cargo in safe custody at the expense and risk of the consignee, unless otherwise stipulated.

(2) In such cases, the carrier may demand from the consignor payment of any unpaid freight, or of the part due, as well as other receivables arising in connection with the carriage.

(3) The consignor may receive the cargoes refused or unaccepted by the consignee, paying the relevant costs of storage or disposing of the cargoes at his discretion.

#### Costs of Discharge

Article 154. Unless the contract or the regulations and customs of the port provide otherwise, the costs of the discharge of the cargo from the ship onto the quay or alongside the ship shall be at the expense of the carrier, while all other costs of removal of the cargo and of delivery of the cargo to the consignee, or of the storage, shall be for the expense of the consignee.

#### Time Allowed for Discharge; Consequences of Non-compliance therewith

Article 155. (1) (Amended, SG No. 113/2002) The period of time allowed for performance of the discharge in charter carriage shall begin to run after dispatch of the notice to the consignee according to the procedure established by Article 149 herein.

(2) The duration of the time for discharge and of the extra time for discharge, the calculation of these periods of time, the amount of payment for delay (demurrage) and of the reward for dispatch ahead of time shall be determined according to the relevant provisions of this Code on loading.

#### Effect of Receipt

Article 156. (1) If the consignee fails to notify the carrier in writing of any shortages (partial or total loss) or of damage of the cargo before completion of the delivery (receipt), until otherwise proven the consignee shall be presumed to have received the cargo in accordance with the bill of lading (or with the written delivery orders for parts of the cargo), or if the carriage is performed without a bill of lading, in accordance with the contract.

(2) Where the partial loss or damage cannot be discovered upon delivery and receipt of the cargo in the customary manner, the consignee must notify the carrier of this in writing within three days after completion of the receipt.

(3) Where, upon receipt of the cargo, the condition and quantity thereof have been established jointly with the carrier, the consignee shall reserve the right thereof to claim compensation for partial loss and damage even if the consignee does not send the written notification under the foregoing paragraphs.

(4) Any stipulations in the bill of lading and or, in the absence of a bill of lading, in the carriage contract which limit or impede the consignee in the exercise of the rights thereof as provided under this Article, shall be void.

#### Payment on Receipt

Article 157. (1) On receipt of the cargo, the consignee shall be obliged to pay the outstanding freight or the outstanding balance thereof, the payments due to delay of loading, discharge and receipt (demurrage), as well as any costs incurred by the carrier for the cargo, and in case of general average, also the contribution due therefrom.

(2) With the consent of the carrier, the consignee may furnish appropriate security instead of paying the amounts referred to in Paragraph (1).

#### Consequences of Non-payment

Article 158. The carrier shall be entitled to retain the cargo until payment of the sums under Article 157 herein or until appropriate security is furnished.

#### Delivery of Cargo in Safe Custody

Article 159. (1) If the consignee refuses or delays payment of the sums due to the carrier under Article 157 herein, the carrier may deliver the cargo safe in custody at the expense and risk of the consignee.

(2) In the ship is delayed by reason of delivery of the cargo in safe custody, the carrier may claim the amounts provided for delay of discharge for the time of the said delay.

(3) The carrier shall immediately notify the consignor of the delivery of the cargo in safe custody.

(4) Where the carriage is performed by an entire ship, the carrier shall notify the consignor of the non-payment of the sums due by the consignee and of the non-receipt of the cargo. In such case, the carrier shall unload the ship and shall deliver the cargo in safe custody only if no other instructions from the consignor are received until the discharge.

(5) If within one month after the date of arrival of the ship at the port of destination the cargo placed in safe custody is not claimed by the consignee and the consignee does not pay the sums due under Article 157 herein, the carrier shall have the right to sell the cargo.

(6) The carrier may sell such cargo even before expiry of the one-month period under the foregoing paragraph, in case the said cargo is perishable or where the costs of the storage thereof would exceed the value of the cargo.

(7) (Amended, SG No. 113/2002, repealed, SG No. 108/2020).

#### Right to Preferential Satisfaction

Article 160. (1) The carrier shall have the right to preferential satisfaction out of the value of the cargoes under Article 159 herein for receivables of freight or part thereof and for other receivables thereof in connection with the cargo or arising out of delays in loading and discharge.

(2) The above provision shall furthermore apply to the payments due to precedent carriers of the same cargo.

(3) Any carrier, which has delivered the cargo to the consignee without receiving payment of the sums due therefrom, may seek recovery of such payment from the consignee according to the standard procedure.

## **Section III**

### **Modification and Termination of Contract**

#### Return of Cargo before Departure

Article 161. (1) The consignor may order the carrier in writing at the port of loading, before the ship has departed, to redeliver thereto the whole cargo or part thereof. If a bill of lading has been issued, the consignor may exercise this right the consignor returns to the carrier all copies of the bill of lading.

(2) The costs of landing and re-delivery of the cargo, as well as the consequences of the delayed departure of the ship, shall be for the expense of the consignor.

(3) Save insofar as otherwise provided by the contract, the carrier shall reserve the right thereof to the freight up to the following amounts:

(a) one-half of the full freight, if the order of the consignor was given before commencement of the lay time at the point of loading, irrespective of whether the ship has arrived there or not;

(b) the full freight, if the order of the consignor was given after the lapse of the time referred to in Littera (a) and the contract of carriage contract has been concluded for a single voyage, and if the order was given after the expiry of the lay time, demurrage shall be payable as well;

(c) the full freight for the first voyage, together with one-half of the freight for the rest of the voyages, if the contract has been concluded for several voyages.

#### Consignor's Order after Ship's Departure

Article 162. (1) The consignor may, even after the ship's departure, order the carrier in writing to land and deliver the cargo or part thereof at a prescribed intermediate port on the route to the port of destination, or at a port where the ship has called under stress of circumstances, or to another consignee at the port of destination. If a bill of lading has been issued, the carrier shall be obliged to comply with this order provided the consignor returns to the carrier all copies of the bill of lading, or with the carrier's consent, against furnishing appropriate security thereto.

(2) Save insofar as otherwise provided by the contract, the carrier shall reserve the right thereof to the freight as initially agreed. All extra costs incurred for fulfilment of the orders under Paragraph (1) shall be at the expense of the consignor.

(3) The carrier shall not be obliged to follow the consignor's order if the said order requires such a change of route as would result in considerable delay in the carriage of cargoes of other consignors on the same or the following journey, or would endanger the security of the ship.

#### Consignee's Orders

Article 163. (1) The consignee may order the carrier to land and deliver thereto the cargo or part thereof at a prescribed intermediate port on the route to the port of destination, or to deliver the cargo at an intermediate port or at the port of destination to another consignee, against returning to the carrier all copies of the bill of lading or, with the carrier's consent, against furnishing appropriate security thereto.

(2) In the cases under Article 162 (3) herein, the carrier may refuse to comply with the consignee's order.

(3) If the carriage is performed without a bill of lading, the consignee may order the carrier to deliver the cargo to another consignee only after receiving a notice of readiness to discharge.

(4) In the cases under the foregoing paragraphs, the carrier shall retain the claim thereof to the initially agreed freight and to any additional expenses.

#### Rescission of Contract by Carrier

Article 164. (1) If the value of the cargo tendered for carriage does not cover the freight and the other sums due to the carrier in connection with the cargo, and the consignor has not paid the full freight in advance or has not furnished appropriate security before the departure of the ship, the carrier may rescind the contract before commencement of the carriage.

(2) If the carrier rescinds the contract, the carrier shall be entitled to claim one-half of the freight agreed, the sums due for delay if any, and the other sums due in connection with the cargo. The cargo shall be landed at the expense of the consignor.

#### Rescission of Contract by Consignor upon Carrier's Failure to Tender Ship

Article 165. (1) The consignor may rescind the contract of carriage by an entire ship, part of a ship or a compartment, if the carrier has failed to tender the ship at the port of loading before expiry of the agreed time limit or has delayed receipt of the cargo on board the ship or the dispatch of the laden ship.

(2) In the above cases, the consignor shall be entitled to claim compensation from the carrier up to the amount of the freight, unless otherwise agreed.

(3) The provision of Paragraph (1) shall not apply where the ship arrives at the port in time but cannot be berthed at the place agreed or appointed by the consignor by reason of harbour congestion or for other causes arising without the fault of the carrier.

#### Rescission of Contract of Consignor in Other Trades

Article 166. (1) Where the contract of carriage is for part of a ship, compartment or for separate shipments, the consignor may rescind the contract before the departure of the ship, paying the carrier the full freight, the sums due for delay, if any, and the costs of discharge.

(2) The consignor may not exercise the right thereof under the foregoing paragraph if the discharge of the cargo received onto the ship would cause a considerable delay of the departure of the ship.

#### Rescission of Contract during Carriage

Article 167. (1) Either party to the contract may rescind it after commencement of the voyage if any circumstances occur that prevent the continuation of the carriage for a long or unforeseeable period, and specifically in the event of:

1. war, which may imperil the ship or her cargo with capture;
2. blockade of the point of destination;
3. detention of the ship by order of the authorities, for reasons beyond the control of the consignor or carrier;
4. requisitioning of the ship for government needs;
5. prohibition of import to the point of destination, where the prohibition affects goods such as the cargo carried.

(2) In the above cases, the freight shall be paid for the distance actually covered.

(3) Detention of a ship on account of circumstances arising without the fault of either party, as well as prohibition of export or import, shall be no grounds for rescission of the contract without payment of indemnity, if this delay was of a short duration or if the said delay was interrupted before the notice of rescission of the contract.

(4) The costs of discharge shall be at the expense of the consignor.

#### Rescission before Departure

Article 168. (1) Either party to the contract of carriage may rescind it without paying indemnity to the other party, if any of the grounds provided for under Article 167 herein should occur before the departure of the ship.

(2) Where the detention of the ship or the prohibition of export (of import) is of a short duration or has been lifted before the written notice of rescission of the contract, the said contract may not be terminated through rescission by any of the parties.

(3) Where the contract is terminated through rescission by either party according to the procedure established by Paragraph (1), the costs of discharge shall be at the expense of the consignor.

#### Termination of Contract by Right

Article 169. (1) A contract of carriage shall be terminated by right (without notice of rescission by any of the parties) if, before the departure of the ship from the point of loading and without the fault of the parties:

1. the ship is lost or condemned;
2. the ship has been captured as booty or has been confiscated;
3. the particular cargo specified has been lost;
4. the cargo specified by generic properties, has been lost, after having been placed on board or has been received for loading and has been placed alongside the ship. The consignor may keep the contract in force if, instead of the lost cargo specified by generic properties, the consignor notifies the carrier immediately of the readiness of the consignor to tender for carriage another cargo of the same kind before expiry of the running lay time.

(2) Where any of the cases above occurs during the voyage, the contract of carriage shall be terminated by right as well. However, the carrier shall reserve the right thereof to part of the freight in proportion to the distance actually covered, considering the quantity of the cargo salvaged and delivered, save insofar as otherwise agreed in the contract.

## **Section IV Carrier's Liability**

### Liability under Rules for Carriage by Sea

Article 170. (1) The carrier shall be liable for detriment in cases of partial or total loss of and damage to the cargoes as from the time of receiving the cargoes for carriage until delivery of the cargoes to the consignee.

(2) Until otherwise proven, a total or partial loss of or damage to the cargoes occurring after receipt thereof for carriage shall be presumed to have been culpably caused by the carrier.

### Liability for Cargoes in Sealed Compartments or in Intact Packing

Article 171. (1) The carrier shall not be liable for total or partial loss of and damage to cargoes, where the said cargoes have been placed and have arrived at the port of destination in proper compartments and with intact seals affixed by the consignor.

(2) The carrier shall not be liable for total or partial loss of and damage to cargoes discharged from ships in intact and appropriate packing, including cases, sealed containers, etc., without traces of breaking during the carriage.

(3) The consignee may claim indemnity from the carrier even in the cases above, if the consignee can prove that the loss or damage has occurred through the fault of the carrier.

### Detriment in Case of Misdeclared Cargoes

Article 172. The carrier shall not be liable for loss of or damage to cargo where related to false particulars furnished by the consignor or shipper regarding the nature of the cargo shipments, the proper packing or the value of the cargo, or the number of the separate units of cargo.

### Detriment Due to Navigational and Commercial Negligence

Article 173. (1) The carrier shall not be liable for detriment and loss if the carrier can prove that the total or partial loss of or damage to the cargo occurred due to an act or omission of the master, of the other crew members, of the pilot or of any other persons hired by the carrier in the navigation or steering of the ship (navigational negligence).

(2) For total or partial loss of or damage to the cargo due to an act or omission of the above persons upon the receiving, loading, preservation, discharge or delivery of the cargo (commercial negligence).

### Grounds for Exoneration from Liability

Article 174. (1) The carrier shall be exonerated from liability for detriment and loss if the carrier proves that the total or partial loss or damage has resulted from:

1. force majeure;
2. perils and emergencies at sea or in other navigable waters;
3. fire, unless caused by the fault of the carrier;
4. orders and other acts of government authorities, including detention of the ship, imposition of a garnishment, and quarantine;
5. acts of war, including undeclared war, riots, civil commotion etc.;
6. strikes, lock-outs, or other circumstances which have led to complete or partial stoppage or restraint of labour;
7. saving or attempting to save life, ships or cargoes at sea;



8. act or omission by the consignor or the consignee, or by the persons in their charge;
  9. latent defects of the cargo, inherent properties thereof, including wastage;
  10. insufficiency of packing;
  11. insufficiency, inaccuracy, or indistinctness of the signs (marks) on the cargo;
  12. latent defects of the ship, or of the equipment thereof, if the carrier has not been able to discover the said defects even though the carrier has exercised due care upon preparation of a ship intended for performance of carriage.
- (2) The carrier shall not be liable for total or partial loss and for damage where due to other causes as well arising without the fault of the carrier or the persons in the charge thereof.
- (3) The carrier shall not be liable for loss and damage to the cargo placed on deck where occurring in connection with this method of carriage.

#### Dangerous Goods

(Heading amended, SG No. 113/2002)

Article 175. (1) The carrier shall not be liable for total or partial loss of and damage to dangerous goods even where the consignor, upon tendering for carriage or upon loading onto the ship, has negligently failed to state the properties of the said goods accurately and completely.

(2) (Repealed, SG No. 113/2002).

#### Obligation Regarding Handling and Carriage of Dangerous Goods

Article 175a. (New, SG No. 113/2002) (1) The shipmaster shall be obliged to notify the harbour master of the type and location of any goods dangerous or harmful to human health or the environment, which the ship carries, loads or discharges.

(2) (Amended, SG No. 106/2023) The terms and procedure for handling and carriage of dangerous goods shall be established by an ordinance of the Minister of Transport and Communications.

#### Requirements for Ships

Article 175b. (New, SG No. 113/2002, amended, SG No. 106/2023) The minimum requirements for ships sailing to and from ports of the Republic of Bulgaria and carrying dangerous or polluting goods shall be established by an ordinance issued by the Minister of Transport and Communications.

#### Retention and Refund of Freight

Article 176. (1) The carrier shall have the right to retain the full freight, as well as to claim any unpaid balance of the freight, if the cargo has been totally lost or damaged by causes beyond the control of the carrier.

(2) If the cargo has been totally lost through shipwreck or has been seized, without fault of the consignor or carrier, the freight, up to the amount paid, shall be refundable unless otherwise agreed. If after the shipwreck the cargo proves to be salvaged, or if the seized cargo be released, the carrier shall be entitled to such part of the freight as is proportionate to the distance actually covered.

#### Amount of Indemnity for Total Loss

Article 177. (1) (Amended, SG No. 113/2002) The carrier shall be obliged to pay indemnity for totally (or partly) lost cargo to the amount of the price of the said cargo but not exceeding BGN 300 per unit of cargo.

(2) (Amended, SG No. 113/2002) A unit of cargo shall be considered to be:

1. for general cargo: each separate pack, receptacle, case, pallet, container, piece, bunch or other units of cargo, described in the tariff nomenclature of the ports;
2. for bulk and liquid cargo: each tonne, if the freight is fixed by reference to weight;
3. for timber and other cargoes: each tonne or cubic metre, if the freight is fixed by reference to volume.

(3) (Amended, SG No. 113/2002) An international treaty whereto the Republic of Bulgaria is a party may establish an amount of indemnity other than the amount referred to in Paragraph (1) per unit of cargo.

(4) (Amended, SG No. 113/2002) Where the indemnity is due to a foreign creditor whereof the State has fixed an amount of the carrier's liability lower than the amount referred to in Paragraph (1), the carrier shall be liable for indemnities at the said lower amount.

#### Amount of Indemnity for Stated Value

Article 178. (1) If the cargo has been received for carriage at an expressly declared value, the amount of the indemnity shall be fixed on the basis of the said value. If the carriage is performed under a bill of lading, the above rule shall apply only if the stated value stipulation has been entered in the bill of lading.

(2) The indemnity for totally lost cargo shall be reduced below the amount of the stated value if the carrier proves that the actual value of the cargo was lower.

#### Place of Pricing

Article 179. (1) The price of the cargo shall be fixed according to the price at the point of destination at the time of the actual or intended arrival of the ship.

(2) If fixing the price of the cargo proves impossible according to the procedure established by Paragraph (1), the price at the point of departure on the date when the cargo was received for carriage shall prevail. The cost of carriage shall be added to the said price.

(3) Any amounts saved by the consignee from the freight, from customs duty and through non-payment of other expenses due therefrom shall be deducted from the amount of indemnity calculated according to the procedure established above.

#### Indemnity for Damage to Cargo

Article 180. (1) Indemnity for damage to cargo shall be fixed in an amount of the difference between the price of the said cargo in a sound state, calculated according to Articles 177 to 179 herein, and the price of the said cargo in a damaged state.

(2) In the cases provided for under Paragraphs (1) and (3) of Article 177 herein, the amount of indemnity for damage to cargo may not exceed the price fixed according to the said provisions.

#### Clauses Regarding Carrier's Liability

Article 181. (1) Clauses in the contract of carriage and in the bills of lading, establishing grounds for exoneration of the carrier from liability other than the grounds provided for by this Code, or limiting the extent of such liability, or providing for more stringent requirements for incurrance of such liability, shall be null and void.

(2) The above rule shall not affect any stipulations regulating in a different manner the liability of the carrier for detriment and loss resulting from total loss of or damage to the cargo which have occurred prior to the loading or after the discharge of the said cargo onto or from the ship, nor shall the said rule apply to the carriage of live animals, or to the carriage of cargo placed on deck in conformity with the contract.

### Indemnity Due to Consignor

Article 182. (1) The consignor shall be liable to pay the carrier indemnity for the detriment and loss caused thereby to the carrier by loading shipments onto the ship and misstating the type and properties of the said shipments or by performing the loading without the carrier's knowledge.

(2) The above rule shall also apply in cases where the misdeclared cargo consists of flammable, explosive or generally dangerous goods. In the cases under the foregoing paragraph, the consignor shall also be liable for detriment and loss to the consignees or consignors of other cargoes, as well as to the crew members and the passengers.

(3) If the dangerous goods have been received on board the ship with the carrier's knowledge and consent and this results in detriment to the cargoes forwarded by other consignors to other consignees, indemnity to the latter shall be due from the carrier.

### Application of Rules for Carriage to Towage of Rafts

Article 183. (1) The rules for carriage of goods shall apply, mutatis mutandis, to contracts of towage of timber on rafts.

(2) In such cases, the particulars of the cargo shall be entered in the bill of lading according to the shipper's declaration without being verified by the carrier.

(3) The consignor shall tender the rafts at the agreed place in a condition warranting the integrity of the said rafts in the course of carriage.

(4) The rules of Article 177 herein shall not apply to towage of timber on rafts.

## **Chapter Seven**

### **CHARTERING OF SHIP**

#### **(Heading amended, SG No. 113/2002)**

### **Section I**

#### **(New, SG No. 113/2002)**

#### **Time Charter**

#### Basic Characteristics

Article 184. (1) (Amended and supplemented, SG No. 113/2002) Under the terms of a time charter, the carrier shall undertake, in consideration of payment of a fixed hire, to place an entire ship at the disposal of a charterer for the purpose of the said charterer using the said ship for carriage of goods or passengers and for any other activity in conformity with this Code during an agreed period of time.

(2) (Supplemented, SG No. 113/2002) The conclusion and contents of a time charter shall be proved solely by written evidence.

#### Contents of the Memorandum

Article 185. A time charter shall contain stipulations regarding the name, technical and operational specifications of the ship, including cargo carrying capacity, number and type of compartments, refrigerating units and other technical installations, engine output, speed, activities

for which the ship is to be used, areas wherewithin the is to perform voyages for the agreed purposes, etc., the amount of the hire and the modes of payment thereof, the period of the chartering, and the place and time of delivery and re-delivery of the ship.

#### Chartering for Specified Voyages (Heading corrected, SG No. 58/1970)

Article 186. The parties to the contract may stipulate tendering a ship to the charterer for performance of a single or several voyages for attainment of the planned purposes instead of a specified period of time.

#### Sub-chartering of Ship

Article 187. (1) Within the limits of his rights vested therein by the time charter, the charterer, acting on its own behalf, may conclude contracts with third parties, sub-chartering thereto the ship or part thereof for the entire period or part of it.

(2) In the above cases, the head charterer shall have the rights and obligations of a carrier in respect to the sub-charterer in conformity with the provisions of this Chapter.

(3) The head charterer shall remain liable to the carrier for the performance of the time charter, even after conclusion of the sub-chartering contract.

#### Transfer of Ship

Article 188. (1) (Amended, SG No. 113/2002) The chartering relation shall not be terminated upon transfer of ownership of a ship under a time charter, as well as upon sub-chartering of a ship by the head charterer, to another natural or legal person.

(2) The above rule shall also apply in the cases where the time charter for a ship is subject to entry in the register of ships of the State where the shipowner will have a registered office, although such entry has not been effected.

(3) (Amended, SG No. 85/2010) In the cases under Paragraph (1), the new owner of the ship shall accede by right to the chartering relations affecting the ship in the place of the original carrier. Any payments, which the charterer has effected to the original carrier, shall be effective in respect of the new carrier if effected before receiving written notification of the new carrier acceding to the contract.

#### Carrier's Duties

Article 189. (1) (Amended, SG No. 113/2002) The carrier shall be obliged to tender the ship to the charterer in the agreed time and at the agreed place in a seaworthy state and fit for use with a view to the purposes (types of activities provided for by the contract), together with the requisite documents, duly equipped and manned.

(2) (Amended, SG No. 113/2002) During the term of validity of the charter, the carrier shall be obliged to maintain the ship in a state of fitness for normal use, as well as to pay labour remuneration to the crew members. The carrier shall not be liable for the costs of damage or total loss of the ship, the equipment thereof and the supply thereof where culpably caused by the charterer.

(3) Expenses on minor and current repairs of the ship and of the equipment shall be borne by the charterer.

#### Consequences of Failure to Tender Ship

Article 190. (1) If the carrier fails to tender the ship to the charterer within the agreed term or, should no such term has been provided for in the charter, within the term indicated in the invitation which the carrier has extended to the charterer, the charterer may rescind the contract unilaterally, as well as to claim indemnity for any detriment and loss sustained up to the amount of the hire for one month.

(2) The carrier can be exonerated from liability for an indemnity only if the carrier can prove that the delay was due to causes arising without the fault thereof.

#### Use of Ship

Article 191. (1) The charterer shall operate the ship in conformity with the charter as from the time when the ship is delivered thereto, acceding to the rights and assuming the obligations and responsibilities under the contracts of carriage of goods, including such under the bills of lading signed by the master for the cargoes received for carriage.

(2) In the course of operation of the ship, the charterer must take into account the technical characteristics of the ship as determined in the ship's documents, as well as observe the contractual clauses regarding the manners of use of the ship and of the equipment thereof.

(3) The charterer shall also be liable for indemnity to passengers carried by the ship, according to the rules of Chapter Eight herein.

(4) The costs of fuel and the other costs attendant to the operation of the ship shall be at the expense of the charterer.

(5) The carrier shall have no right to carry its own and other parties' cargoes and passengers for its own account in compartments of the ship, even if the cargoes received by the charterer for carriage may not occupy the entire cargo area, cargo space, or tonnage of the said ship, unless otherwise agreed.

#### Charterer and Master

Article 192. (1) After the ship has been tendered to the charterer, the master and the other crew members shall be obliged to comply with the instructions of the charterer regarding the commercial operation of the ship, inter alia in connection with the receipt of cargoes for carriage, stowage and delivery in the ship compartments, the performance of the carriage and the delivery to the consignees. This provision shall apply irrespective of the fact that the employment relationships between the master, the crew members and the carrier subsist.

(2) After the ship has been tendered to the charterer, the carrier may give instructions to the master only in connection with the technical operation and internal order of the ship and the complement and discipline of the ship's crew.

#### Consequences of Total Loss of Ship

Article 193. If the ship is totally lost, the hire shall be due up to the day of the total loss or, if the said day cannot be established, up to the day on which the ship was last heard of.

#### Payment of Hire

Article 194. (1) The charterer shall be obliged to pay the hire before commencement of the period of time for which it is due. Absent other stipulations between the parties, this period shall be presumed to be one month.

(2) The charterer shall not be obliged to pay hire for any period of time in the course of which the ship has been disabled due to unseaworthiness, lack of crew or undermanning, when the carrier

tenders the ship manned, and lack of or damage to the equipment. During such periods of time, the charterer shall not be liable, either, for the costs incurred for operation of the ship.

(3) If the ship has become disabled through the fault of the charterer, the carrier shall be entitled to claim the full hire without prejudice to the indemnity for the detriment caused by the charterer.

#### Consequences of Non-Payment of Hire

Article 195. If the charterer delays payment of the hire as agreed without any valid reasons for refusing to do so, or uses the ship in a manner contrary to the contract, the carrier may elect to rescind the contract and claim indemnity for the detriment sustained or the full hire up to the end of the contractual period.

#### Damage to Ship

Article 196. The charterer shall not be liable to the carrier for loss of or damage to the ship or to the equipment which has occurred through the fault of the master and of other crew members if hired by the carrier.

#### Expiry of Time Limit

Article 197. (1) A time charter shall terminate by the expiry of the period of time for which it has been concluded.

(2) If the charterer fails to redeliver the ship to the carrier at the agreed place immediately after termination of the contract, or in the absence of a stipulation to this effect, at the place where the charterer has received the ship, the charterer shall owe the carrier indemnity amounting to double the hire for the period of delay.

(3) Where the delay has occurred through the fault of the charterer, the carrier may claim indemnity for any detriment in excess of the amount fixed under the foregoing paragraph.

(4) The period during which the chartered ship was used to render assistance and for salvage at sea shall not count as delay.

#### Other Grounds for Termination

Article 198. (1) (Amended, SG No. 113/2002) A time charter shall be terminated by right, if the ship is totally lost, is confiscated, etc.

(2) Either party may rescind the contract if, owing to the outbreak of war, civil commotion etc., the purposes for which the contract was concluded cannot be achieved, subject to the condition that these circumstances affect the areas in which the charterer is to perform the activities for which the charterer has chartered the ship.

(3) Article 197 herein shall apply to re-delivery of the ship.

#### Apportionment of Salvage Reward

Article 199. The reward due for rendering assistance and salvage by the ship during the period of chartering shall be shared equally between the owner and the charterer, after deduction of the costs of repair of any damage sustained by the ship, the salvage charges, as well as the amounts intended for reward of the crew.

## **Section II** **(New, SG No. 113/2002)** **Bareboat Charter**

## Basic Characteristics

Article 199a. (New, SG No. 113/2002) A bareboat charter shall be a time charter by virtue of which the charterer shall be granted full rights of possession and control over the ship, including a right to appoint a shipmaster and ship's crew for the entire period of the chartering.

### Conclusion

Article 199b. (New, SG No. 113/2002) (1) Upon conclusion of a bareboat charter, the shipowner (carrier) shall undertake, in consideration of payment of a fixed hire, to grant to the bareboat charterer the full right of possession and control over the ship, including a right to appoint a shipmaster and ship's crew, for the entire period of the chartering.

(2) A bareboat charter shall be concluded in writing.

### Contents of Bareboat Charter

Article 199c. (New, SG No. 113/2002) A bareboat charter must contain clauses regarding the contracting parties, the name of the ship, the class of the ship, if any, the flag, the technical and operational specifications of the ship, including fuel consumption, the navigation area, the purpose of the chartering, the place and time of delivery and acceptance of the ship, the hire, and the period of time for which the ship is chartered.

### Sub-Chartering of Ship Chartered under Bareboat Charter Terms

Article 199d. (New, SG No. 113/2002) (1) Unless otherwise agreed, within the limits of his rights vested therein by the bareboat charter, the charterer, acting on its own behalf, may conclude contracts with third parties sub-chartering the ship or part thereof thereto under bareboat charter terms for the entire period or for part of it.

(2) In the cases under Paragraph (1), the head bareboat charterer shall have the rights and obligations of a carrier in respect to the sub-charterer in conformity with the provisions of this Section.

(3) The head charterer shall continue to be liable to the carrier for the performance of the bareboat charter even after conclusion of the sub-chartering contract.

### Seaworthiness of Ship

Article 199e. (New, SG No. 113/2002) (1) The shipowner shall be obliged to tender the ship to the charterer in a seaworthy state, fit for operation with respect to the hull, machinery and equipment for the purposes provided for in the charter.

(2) The charterer shall be obliged to maintain the ship in a seaworthy state throughout the period for which the charter has been concluded at its own expense. Repair of latent defects shall be the responsibility of the shipowner.

### Crew

Article 199f. (New, SG No. 113/2002) The charterer shall man the ship. The master and the other crew members shall take their orders from the charterer.

### Bareboat Charterer's Obligations

Article 199g. (New, SG No. 113/2002) (1) Commercial operation of the ship shall be performed by the charterer in conformity with the bareboat charter, with all costs attendant to the operation, including the remuneration of the crew, being at the expense of the charterer. The charterer shall insure the ship and the third-party liability thereof.

(2) Upon expiry of the time period of the bareboat charter, the charterer shall be obliged to return the ship to the shipowner in the condition in which the ship has been received therefrom, allowing for normal wear due to operation.

#### Charterer's Third-Party Liability

Article 199h. (New, SG No. 113/2002) The charterer shall be liable to third parties for justified claims arising in connection with the operation of the ship, including claims for indemnity for detriment resulting from oil pollution, as well as for detriment caused in the course of carriage of dangerous and harmful substances.

#### Payment of Hire

Article 199i. (New, SG No. 113/2002) (1) The charterer shall be obliged to pay the hire to the shipowner within time limits and in a manner specified in the contract.

(2) In case of failure to pay the hire without valid reason for more than 14 calendar days or another period specified in the contract, the shipowner shall be entitled to terminate the contract without notice, to regain possession and control over the ship and to claim indemnity for the detriment sustained thereby.

(3) In case the ship is totally lost, the hire shall be due as from the day provided for in the contract up to the day of the total loss, or should it be impossible to establish the said day, up to the day on which the ship was last heard of.

#### Prevention of Recovery of Ship

Article 199j. (New, SG No. 113/2002) Where buy-out of the ship has been agreed under the bareboat charter terms, the shipowner shall have no right to terminate the contract in case payment of the last instalment is delayed for a period exceeding 14 calendar days, if the delay was caused by circumstances arising without the fault of the charterer. In such cases, the shipowner shall reserve the right thereof to claim from the charterer indemnity for the detriment caused by the delay.

#### Buy-Out of Ship

Article 199k. (New, SG No. 113/2002) In the cases where buy-out of the ship has been agreed under the bareboat charter terms, the ownership of the ship shall pass from the carrier, where the said carrier is also the shipowner, to the charterer under the contract, provided that the said charterer has fulfilled the obligations thereof under the bareboat charter and has paid the last instalment.

#### Liability for Defects of Ship Bought Out

Article 199l. (New, SG No. 113/2002) The carrier shall be liable for any latent defects of the ship bought out, if the charterer can prove that such defects have existed or have occurred before passing of the ownership of the ship.

## **Charter Eight** **CONTRACT OF CARRIAGE OF PASSENGERS AND** **LUGGAGE** **(Heading amended, SG No. 113/2002)**



## Basic Characteristics

Article 200. (Amended, SG No. 113/2002) By a contract of carriage of passengers, a carrier shall undertake to transport by ship a passenger and the carry-on luggage thereof to a specified place in consideration of payment of passage money.

### Passenger Ticket

Article 201. (Amended, SG No. 113/2002) (1) A contract of carriage of passengers shall be concluded by means of the carrier issuing an individual or group passenger ticket. The passenger ticket shall be evidence of the conclusion and of the contents of the contract of carriage, as well as evidence of the payment of passage money.

(2) A passenger ticket must state the place and date of issue, the point of departure and the point of destination, as well as the fare. The ticket may be issued to a named passenger or to bearer. With tickets issued to a named passenger, the right to passage may be transferred to another passenger only with the consent of the carrier.

(3) The carrier must announce the tariff applicable to the services provided.

### Transportation of luggage

Article 202. (1) (Amended, SG No. 113/2002) The fare as indicated on the ticket shall also cover carriage of carry-on (hand) luggage. The volume or the weight of the objects, which constitute carry-on luggage and are carried in the passenger compartments, shall be determined by the carrier.

(2) Any luggage exceeding the established limits shall be accepted for carriage by the same ship in consideration of payment of an extra charge, with the carrier issuing the passenger a receipt stating an exact description of the luggage, the date of acceptance, and the points of departure and destination.

### Duties in Connection with Carriage

Article 203. (1) Before proceeding with the carriage, the carrier shall be obliged to tender the ship thereof in a seaworthy state, duly equipped and fully manned, as well as to ensure safe passage for the passenger.

(2) With the exception of coastal carriage, the carrier shall be obliged to provide the passengers with board, sleeping accommodation and services throughout the passage at no extra charge.

### Passenger List

Article 203a. (New, SG No. 113/2002) (1) The carrier shall draw up a list of particulars of the passengers for each voyage performed by a passenger ship designed to transport more than twelve passengers over a distance exceeding 20 nautical miles.

(2) (Amended, SG No. 106/2023) The terms and procedure for passenger registration shall be established by an ordinance of the Minister of Transport and Communications.

(3) Before the departure of a passenger ship designed to transport more than twelve passengers over a distance exceeding 20 nautical miles, the list of persons present on board the said ship shall be delivered by a representative of the carrier to the master of the passenger ship, and on shore to a representative of Maritime Administration Executive Agency.

(4) All persons on board a ship leaving a port shall be counted by the master of the passenger ship who, if finding any persons missing, shall notify promptly the ship agent, the carrier, and the Maritime Administration Executive Agency.

### Passenger's Obligations during Carriage

Article 204. Passengers shall be obliged to observe the established order on board and to comply with all standing orders issued by the master in this connection.

### Obstacles to Carriage

Article 205. (1) Either party may rescind the contract by reason of the outbreak of war which imperils the carriage, by reason of blockade of the port of departure or of the point of destination, by reason of detention of the ship by order of the authorities, or other similar obstacles, which have occurred prior to or after commencement of the carriage.

(2) Upon rescission by any party for the above reasons, the passenger may claim refund of the passage money where the rescission has been made before commencement of the voyage, or the portion of the passage money due for the uncovered distance where the rescission has been made after commencement of the voyage.

### Interruption of Carriage

Article 206. If a ship cannot proceed with the carriage after she has commenced it, or cannot reach the destination on account of local constraints, the passenger shall be entitled to claim refund of the passage money for the uncovered distance or to demand from the carrier to provide another ship or another means of transport to the destination.

### Rescission of Contract

Article 207. (1) At any time prior to the departure of the ship, or at any port where the ship calls for embarkation or disembarkation of passengers, the passenger may rescind the contract of carriage.

(2) Once the carriage has commenced, the passage money shall be non-refundable.

### Rescission without Notice

Article 208. If the passenger fails to appear on board at the appointed time, the passenger may not claim refund of the passage money, including the cost of board and sleeping accommodation.

### Consequences of Notice

Article 209. Passengers who have notified the carrier that they rescind the contract shall be entitled to claim refund of the passage money paid as follows:

(a) in full amount: upon giving such notice at least six hours prior to the scheduled departure of a ship in coastal carriage, or at least seven days for international services;

(b) in full amount: on demand by the heirs, in the event the passenger dies before departure of the ship;

(c) (supplemented, SG No. 113/2002) 50 per cent: upon giving such notice not later than three days before the scheduled departure for an international voyage.

### Delay of Departure

Article 210. (1) (Amended, SG No. 113/2002) If departure is delayed through the fault of the carrier, the passenger shall be entitled to full board and sleeping accommodation, as well as to services, during the time of the delay.

(2) Where the departure of the ship was delayed for more than six hours in cabotage and three days in other types of carriage, the passenger shall be entitled to rescind the contract and claim refund of the passage money.

(3) Where carriage is performed by a ship other than a passenger ship, the above time limits shall be doubled.

#### Termination of Contract

Article 211. (1) A contract of carriage of passengers shall be terminated by right when the ship is totally lost, sinks, or is destroyed.

(2) In the above cases, the passage money shall be refunded under the terms established by Article 205 (2) herein.

#### Carrier's Liability

Article 212. The period of the carrier's liability shall commence at the time of the embarkation of the passenger on board the ship or the means of transport whereby the passenger is conveyed from the shore to the ship, provided the fare for such transport is included in the passage money or is performed by a means of transport of the carrier, even though at a separate charge.

#### Liability in Event of Passenger's Death or Bodily Injury

Article 213. (1) The carrier shall be liable for detriment upon death, bodily injury, or deterioration of the health of a passenger if caused through the fault of the carrier or the carrier's employees, in so far as they have acted on board within the limits of the official duties thereof.

(2) In the cases under the foregoing paragraph, the carrier shall be presumed in fault until otherwise proven.

(3) Where the carrier proves that the detriment has occurred also as a result of wilful misconduct or gross negligence of the passenger, the extent of the carrier's liability shall be correspondingly reduced.

(4) Where the carriage is performed on the basis of an international agreement whereto the Republic of Bulgaria is a party, the terms, procedure and extent of the liability for detriment under Paragraph (1) shall be determined by the said agreement.

#### Carrier's Liability for Luggage

Article 214. (1) The carrier shall be liable for loss of or damage to the luggage received for carriage according to the rules for liability for the carriage of goods.

(2) The carrier shall be liable for jewellery, cash, securities, works of art and other valuables only if, upon delivery of the said valuables as luggage, they have been declared to the master or a designee thereof.

(3) The carrier shall be liable for loss of or damage to the carry-on (hand) luggage of the passenger only where the passenger proves that such loss or damage resulted from any wilful or grossly negligent acts performed by the carrier or by persons hired in the service of the ship.

#### Time of Establishment of Loss and Damage

Article 215. Any loss of or damage to the luggage must be established upon receipt of the said luggage, or where the loss and damage cannot be ascertained during an ordinary survey, within three days after the luggage is claimed.

#### Amount of Indemnity

Article 216. (Amended, SG No. 113/2002) The amount of indemnity for loss of or damage to the luggage shall be assessed on the basis of the actual price of the objects tendered for carriage without stating the value thereof, but may not exceed BGN 40 per kilogram.

#### Right of Retention of Luggage

Article 217. The carrier shall have a right of retention of the luggage of a passenger until the satisfaction of the claims of the carrier under the contract of carriage. The carrier shall have a right to preferential satisfaction out of the value of the said luggage.

#### Unclaimed Luggage

Article 218. (Amended, SG No. 113/2002, SG No. 108/2020) Any luggage, which has not been claimed for up to three months after the arrival of the ship at the port of destination, shall be sold by the carrier according to one of the methods referred to in Article 474 (1) of the Code of Civil Procedure.

#### Stowaways

Article 219. (Amended, SG No. 113/2002) With regard to any persons travelling on board the ship without a ticket, the carrier shall be liable only when such persons prove that the detriment sustained thereby during the journey have resulted from wilful or grossly negligent acts performed by the carrier.

#### Prohibition to Limit Liability

Article 220. (Corrected, SG No. 58/1970) Any stipulations limiting the rights of passengers under this Chapter, or excluding or limiting the liability of the carrier, shall be null and void.

#### Group Travel

Article 221. (1) (Amended, SG No. 113/2002) These rules shall apply to group travel of passengers save insofar as otherwise agreed.

(2) Any stipulations whereby the liability of the carrier under Article 213 herein is reduced or excluded shall be null and void.

#### Applicability to Passengers under Article 2 of Regulation (EU) No. 1177/2010

Article 221a. (New, SG No. 113/2002, amended, SG No. 52/2015) The provisions of this Chapter shall apply to passengers:

1. under Article 2 (2) of Regulation (EU) No. 1177/2010 of the European Parliament and of the Council of 24 November 2010 concerning the rights of passengers when travelling by sea and inland waterway and amending Regulation (EC) No. 2006/2004 (OJ, L 334/1 of 17 December 2010), hereinafter referred to as "Regulation (EC) No. 1177/2010";

2. under Article 2 (1) of Regulation (EU) No. 1177/2010 concerning the rights which are not set out therein and arise from the contract of carriage.

## **Chapter Nine**

# **CONTRACTS FOR SERVICES IN SHIPPING**

# **Section I**

## **Contract of Agency**

### Basic Characteristics

Article 222. (1) By a contract of agency, a ship agent shall undertake, in consideration of payment of a compensation, to provide, acting on behalf of and for the account of the shipowner, customary services connected with shipping in the area of a certain port or within a certain territory. (2) (Amended, SG No. 113/2002) A ship agent shall represent the shipowner in dealing with port authorities and with all institutions and bodies of power, natural and legal persons in the Republic of Bulgaria. Any such agent shall represent the shipowner and the shipmaster in connection with all formalities and acts related to the arrival, stay and departure of the ship, and may conclude on behalf of the shipowner contracts of carriage, contracts of insurance, and contracts of handling of the ship, to issue and sign bills of lading for the cargoes loaded, to deliver the shipments received on presentation of the original bills of lading by the legitimate holders thereof, to collect prepaid and due freight as well as other sums due to the shipowner, arising from the performance of a contract of carriage, to pay sums related to the call of the ship in the ports of the Republic of Bulgaria on instructions by the shipowner or the shipmaster, and to bring actions on behalf of the shipowner or the shipmaster before the courts of law.

### Acting for Both Parties

Article 223. Upon conclusion of a contract on behalf of the shipowner, the ship agent may act on behalf of the other contracting party as well, provided the said party has authorized the agent to do so and the shipowner agrees.

### Agent's Duties

Article 224. The shall be obliged to take care of the interests of the shipowner, to be guided by the orders and instructions thereof, to present thereto immediately the requisite information regarding the course of affairs, to account thereto for any sums received and spent, and to take the efforts necessary for protection of the rights of the shipowner.

### Advance Payments

Article 225. Unless otherwise agreed, the shipowner shall be obliged, on demand by the ship agent, to advance payments for meeting the expenses connected with the agency services for the ship.

## **Section Ia**

### **(New, SG No. 98/2008)**

## **Ship Management Agreement**

### Basic Characteristics

Article 225a. (New, SG No. 98/2008) By a ship management agreement, a ship manager shall undertake, in consideration of payment of a compensation, to provide, acting on behalf and for the account of the shipowner, one or more of the following services:

1. organizing and maintaining a system for management of the safe operation of the ship and prevention of pollution;
2. manning the ship by competent seafarers;
3. providing technical management of the ship;
4. providing the commercial operation of the ship;
5. providing management of the finances of the shipowner in connection with the ship managed thereby;
6. arranging the insurances of the ship;
7. providing accounting services to the shipowner in connection with the ship managed thereby;
8. assisting the shipowner upon the purchase and sale of ships;
9. arranging for the supply of provisions to the ship;
10. arranging for the supply of bunker fuel and oils;
11. providing other services assigned thereto by the shipowner.

#### Contents of Ship Management Agreement

Article 225b. (New, SG No. 98/2008) (1) A ship management agreement shall contain clauses at least regarding the parties to the agreement, identification of the ship, IMO number, class of the ship, if any, the technical and operation particulars of the ships, the rights and obligations of the parties, the representative authority of the ship manager, the management fee and the period of the Agreement, as well as the terms, procedure and manner according to which each of the services covered under Article 225a herein are provided and reported.

(2) A ship management agreement shall be concluded in writing.

#### Due care

Article 225c. (New, SG No. 98/2008) The ship manager shall perform the work assigned thereto exercising the care of responsible merchantship in accordance with the standards of prudent seamanship.

#### Advance Payments

Article 225d. (New, SG No. 98/2008) Upon request by the manager, the shipowner shall be obliged to provide the appropriate advances to meet the expenses incurred in connection with the management of the ship.

## **Section II**

### **Contract of Shipping Brokerage**

#### **(Heading amended, SG No. 113/2002)**

#### Basic Characteristics

Article 226. (Amended, SG No. 113/2002) By a contract of brokerage, the intermediary (ship-broker) shall undertake, in consideration of payment of a fee, to intermediate, acting on order from the principal thereof, for conclusion of contracts of carriage by ships, charter parties, contracts of towage, and contracts of insurance. By order of the principal, such intermediation may also extend to other activities related to shipping.

#### Scope of Authorization

Article 227. On order from the principal, the authorization may be extended to cover the right to contract, to receive and to pay sums on behalf of and for the account of the principal.

#### Acting for Both Parties

Article 228. The ship-broker may represent both contracting parties if they have so requested, but shall be obliged to advise each party that he represents the other contracting party as well, and in the course of intermediation must take into account the interests of both parties.

#### Fee

Article 229. The ship-broker shall be entitled to brokerage fee where the contract has been concluded as a result of the efforts thereof.

#### Obligation to Account

Article 230. Following the execution of an order, the ship-broker shall be obliged to render account immediately for each sum received.

## **Section III**

### **Contract of Towage**

#### Basic Characteristics

Article 231. (Amended, SG No. 113/2002) (1) By a contract of towage, the owner of a ship (tow boat or pusher tug) shall undertake, in consideration of payment of a charge, to tug (or push) another ship or some other floating structure over a specified distance or during a specified period of time, or to carry out a specified manoeuvre.

(2) The provisions of Paragraph (1) may also apply to pushing of a train of ships and to towage of a laterally connected group of ships.

#### Scope of applicability

Article 232. (Amended, SG No. 113/2002) (1) The provisions of the contract of towage shall furthermore apply to the provision of harbour services of towage by a tow boat of a laterally connected group of ships, pushing, assisting ships or floating structures when entering or leaving ports, manoeuvring in harbours to and from anchorages and berths, piloting ships to the approaches to harbours, etc., unless otherwise agreed by the parties.

(2) (Amended, SG No. 106/2023) The terms and procedure for provision of the harbour service of towage (tugging or pushing) of ships and other floating structures shall be established by an ordinance of the Minister of Transport and Communications.

#### Form of the contract

Article 233. (Amended, SG No. 113/2002) A contract of towage may be concluded verbally as well, but the agreement reached regarding the surrender of the duty to command the towed (or pushed) ship or train of ships to the master of the tow boat (or pusher tug) may be proved solely by written evidence.

#### Obligations of Parties

Article 234. (1) (Supplemented, SG No. 113/2002) Each party to a contract of tugging (or pushing) shall be obliged to bring the ship (or floating structure) thereof promptly into a tuggable (or pushable) condition.

(2) Navigational command shall be exercised according to the instructions of the master of the ship to be towed, unless otherwise agreed.

(3) (Amended, SG No. 113/2002) The shipowner of the towing ship shall not be liable for any defects of the ship thereof which could not have been discovered during normal use despite exercise of due care.

#### Requirements for Safe Navigation

Article 235. (Amended, SG No. 113/2002) (1) Towage must be performed with the skill required by the specific circumstances, after an accurate assessment of the hydrological and weather conditions and other navigation circumstances, by competent seafarers and in accordance with the standards of prudent seamanship.

(2) The ship which is under the navigational command of the master of another ship shall not be excused from the obligation to do what is necessary for safe navigation.

(3) In order to carry out tugging or pushing, the master who is in charge of the towage shall be obliged to certify a plan of towage at the competent administration. The towed (or pushed) ship must be provided with a towage certificate issued by the Maritime Administration Executive Agency at the respective port from which the towage will commence. Such a certificate shall not be required for normal operations on rivers.

#### Liabilities

Article 236. (1) (Amended, SG No. 113/2002) When the master of the tow boat (or pusher tug) is in command of the towed ship (or pushed ship or floating structure) as well, unless otherwise agreed, the liability for any detriment caused to the towed ship (or pushed ship or floating structure) or to any persons and property present on board the said ship shall be incurred by the shipowner of the tow boat (or pusher tug), unless the said shipowner can prove that the said damage occurred without the fault thereof.

(2) (Amended, SG No. 113/2002) When the master of the towed ship (or the pushed ship or floating structure) is in command of the tow boat (or pusher tug) as well, unless otherwise agreed, the liability for any detriment caused to the tow boat (or pusher tug) or to any persons and property on board the said ship shall be incurred by the shipowner of the towed ship (or the pushed ship or floating structure), unless the said shipowner can prove that the said damage occurred without the fault thereof.

#### Tugging or Pushing of Unmanned Ship

Article 236a. (New, SG No. 113/2002) (1) Upon tugging or pushing of an unmanned ship, the master of the towing (or pushing) ship shall be liable for the towage.

(2) The unmanned ship must be prepared for the forthcoming tugging (or pushing) in conformity with prudent seamanship, in accordance with the directions of the Maritime Administration Executive Agency.

(3) The master of the towing (or pushing) ship shall be obliged to receive the ship to be tugged (or pushed) accompanied by valid ship's documentation and appropriately prepared in conformity with prudent seamanship. The master shall sign a memorandum on receipt of the ship.



## **Section IV Pilotage**

### Scope of applicability

Article 237. (1) To secure the safety of navigation between ports, along approaches to harbours in the areas thereof, as well as in other places where pilotage has been acknowledged as necessary, ships regardless of flag and ownership shall be assisted by sea pilots.

(2) While in attendance, the pilot shall remain under the command of the master of the attended ship.

(3) The shipmaster shall be obliged to provide the pilot with all information regarding the navigational peculiarities of the attended ship.

(4) (Repealed, SG No. 28/2018).

### Compulsory and Voluntary Pilotage

Article 238. (1) (Amended, SG No. 113/2002, SG No. 92/2011) Compulsory and voluntary pilotage areas shall be designated by the Maritime Administration Executive Agency and shall be published in Notices to Mariners and the Mandatory Port Rules, issued by the Executive Director of the Maritime Administration Executive Agency according to Article 363a herein.

(2) Navigation without a pilot shall be prohibited in compulsory pilotage areas.

(3) (Amended, SG No. 113/2002, SG No. 93/2017) The Maritime Administration Executive Agency shall determine the cases and conditions whereunder vessels shall be exempted from compulsory pilotage.

(4) Shipmasters shall have discretion to resort to pilot assistance in places where, according to existing regulations, such services are optional.

### Pilot Station

Article 238a. (New, SG No. 41/2001) (1) The Maritime Administration Executive Agency shall designate the place (pilot station) wherefrom the controller of pilot services shall perform pilotage activities.

(2) (Amended, SG No. 92/2011) During performance of pilotage activities at the pilot station, the controller of the pilot organization shall perform his duties under the control of the operator on duty of the traffic management system and navigation information service.

(3) (Amended, SG No. 28/2018) In each pilotage area there shall be a single pilot station, to be served by a single pilot organization. The terms and procedure for holding a competition and for selection of a pilot organization shall be established by the ordinance referred to in Article 116, paragraph 4 of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act.

### Contract of Pilotage

Article 238b. (New, SG No. 113/2002) (1) Piloting activities shall be performed by virtue of a contract concluded between the shipowner or a representative thereof and the pilot organization.

(2) Under a contract of pilotage, the pilot organization shall undertake to render pilot assistance to the ship in consideration of payment of pilot dues.

(3) Where terms were announced in advance, the request of the shipmaster or the agent to the pilot organization shall be treated as confirmation of conclusion of a contract under Paragraph (1).

### Pilot's Duties

Article 239. (Amended, SG No. 113/2002, SG No. 92/2011) The pilot shall be obliged to draw the attention of the shipmaster to any violation which the pilot has noticed of the regime of international borders, the navigation rules, the mandatory directions and other rules, and to request rectification of the violations noticed. Should the master fail to comply with these or other legitimate requirements, the pilot shall forthwith notify the traffic management system and navigation information service duty operator.

### Liability of Pilot Service

Article 240. Liability for any damage caused to the ship through the fault of a pilot in the course of fulfilment of the official duties thereof shall be incurred by the Pilot Service. Any such liability shall be limited to the decuple amount of the pilot dues for the pilot assistance in the course of which the damage has occurred.

### Pilot Leaving Ship

Article 241. A pilot shall have no right to leave the ship without the consent of the master, before the ship has been safely anchored and secured or taken out to sea, or before being relieved by another pilot.

### Pilot's Refusal to Render Pilot Assistance

Article 242. (Supplemented, SG No. 92/2011) When a master, who has taken a pilot on board, does not comply with the instructions or requirements of the said pilot in navigating the ship, the said pilot shall have the right to declare in the presence of a third party that he disclaims responsibility for the further navigation of the ship and shall notify thereof the operator on duty of the traffic management system and navigation information service and the controller on duty at the pilot station.

### Liability for Navigation of Ship

Article 243. The presence of a pilot on board the ship shall not excuse the master from the responsibility for the navigation of the ship.

### Pilot Dues

Article 244. (1) Pilot dues, fixed according to the established procedure, shall be paid for the use of pilot assistance.

(2) A master, who has called a pilot and, after the arrival of a pilot refuses the assistance thereof, shall be obliged to pay the full pilot dues for the pilotage.

## **Section V**

### **(New, SG No. 113/2002)**

## **Traffic Management and Information Support of Shipping**

### System of Traffic Management and Information Support of Shipping

Article 244a. (New, SG No. 113/2002, amended, SG No. 71/2008) (1) The Port Infrastructure State Enterprise shall build and maintain a system of traffic management and information support of shipping according to a procedure established by the Council of Ministers,

shall provide services for traffic management and information support of shipping and shall exchange information with other systems provided for in a law or in an international treaty whereto the Republic of Bulgaria is a party.

(2) The Maritime Administration Executive Agency shall control the activities covered under Paragraph (1).

Article 244b. (New, SG No. 113/2002, repealed, SG No. 94/2005).

## **Chapter Ten**

# **CONTRACT OF MARINE INSURANCE**

### Basic Characteristics

Article 245. (1) By a contract of marine insurance, the insurer shall undertake to cover stipulated maritime perils whereto the insurable interest is exposed, and to pay, within the limit of the sum insured, indemnity for the detriment, should such interest be affected by the occurrence of any such perils, while the insurance taker shall undertake to pay the insurance premium.

(2) The rules of this Code regarding marine insurance shall apply save insofar as otherwise agreed between the parties. Any stipulations of the parties conflicting the said rules shall be void only in cases expressly specified in this Code.

### Subject of Marine Insurance

Article 246. The subject of marine insurance may be any property interest incident to shipping and quantifiable in terms of money, such as: a ship in operation, under repair, or under construction; cargo; freight; the amount of charter hire; the passage money; the profit anticipated upon arrival of the cargo at the port of destination; general average costs; obligations and security related to the ship, cargo or freight; obligations for labour remunerations of the master and the crew members, etc.

### Insurance of Ship

Article 247. (1) The insurance of a ship against maritime perils shall covers the hull, the engines, appurtenances, fitting, fuel, victuals for the crew, etc.

(2) The contract may provide for the insurance to cover also the liability of the shipowner for detriment caused by the ship to third parties.

### Subscription insurance

Article 248. (1) Marine insurance of cargo may provide for cover of all or certain classes of cargo which the insurance taker will be shipping or receiving over a specified period of time (floating policy).

(2) The insurer shall be obliged to issue to the insurance taker separate policies or insurance certificates for each consignment of cargo covered by the contract of insurance.

(3) In case of a discrepancy between the contents of the floating policy and the insurance policy or certificate for a particular consignment, the stipulations of the latter policy or certificate shall prevail.

(4) Either party to a contract of floating insurance may rescind the contract by sending the other party a written notice. The contract shall terminate upon the lapse of one month after receipt of the notice.

### Perils Covered

- Article 249. (1) Marine insurance shall cover the perils provided for by the contract.
- (2) The parties may agree that the insurance will cover all maritime perils. In such case, the insurance shall not cover thermonuclear and war risks under Articles 252 and 253 herein.
- (3) If the parties provide that the insurer will cover only such maritime perils as result in a total loss of the subject, the insurer shall furthermore be liable for damage, but only in case of shipwreck.

#### Extension of Perils in Combined Transport

Article 250. When so provided by the parties, a contract of marine insurance may be extended to cover perils whereto the subject of insurance will be exposed, in connection with carriage by sea, during carriage in internal waters, overland, or by air.

#### Peril Occurred or Peril Lapsed

- Article 251. (1) A contract of marine insurance shall have no effect if, upon conclusion thereof, the detriment of the peril covered has already occurred, or the possibility of occurrence of the said detriment has lapsed, unless the insurance taker was not aware and was not obliged to be aware of these circumstances upon conclusion of the contract.
- (2) The insurer shall have the right to retain or to receive the full insurance premium unless the insurer was aware or was obliged to be aware of the circumstances referred to in Paragraph (1) upon conclusion of the contract.

#### Thermonuclear Risks

- Article 252. (1) Marine insurance shall not cover risks arising from the effects of atomic and nuclear explosions, radiation and radioactive contamination.
- (2) The parties to the contract may provide, by an express stipulation, coverage of all or some of the risks referred to in Paragraph (1), in consideration of payment of an extra premium.

#### War Risks

- Article 253. (1) A contract of marine insurance shall not cover any risks incident to military operations or military actions and the consequences thereof, to the use of rockets, mines, torpedoes, bombs and other such weapons, to capture, piracy, as well as to civil war, riot, strike, confiscation, requisition, seizure or destruction of the ship or cargo at the request of military or civilian authorities, etc.
- (2) The parties to the contract may provide by an express clause cover of all or any of the risks referred to in Paragraph (1) in consideration of payment of an extra premium as applicable.
- (3) Under insurance of a ship with a war risk clause, the insurer shall be liable when that risk increases, the ship does not commence the voyage or prolongs the voyage, or enters another port, only if the insurance taker, having learned of the increase of the war risk, immediately notifies the insurer of the consent of the insurance taker to pay an extra premium for the said increase.
- (4) Under insurance of cargo with a war risk clause, the insurer shall be liable, when that risk increases and the cargo has been unloaded from the ship, only if the insurance taker, having learned of the forthcoming or performed discharge by reason of the increase of the said risk, immediately notifies the insurer of the consent of the said insurance taker to pay an extra premium for the said increase.

#### Period of Insurance

Article 254. (1) Marine insurance shall cover the specified perils, provided they occur during an agreed period of time.

(2) If the contract of insurance has been concluded for a particular voyage, the insurance shall become effective upon commencement of loading. If the voyage ends before the agreed time without occurrence of any of the perils covered, the effect of the insurance shall lapse upon discharge of the cargo from the ship at the port of destination.

(3) Under the terms agreed in the contract, perils to cargo may be covered by a "warehouse-to-warehouse" clause.

#### Site of Perils

Article 255. (1) In contracts of marine insurance concluded for a specified period of time, perils shall be covered regardless of where they occur. However, the parties may agree on zones or areas where the cover of the perils shall have no effect, or to limit the effect of the insurance only to perils occurring in zones agreed thereby.

(2) In contract of marine insurance for a specified voyage, the perils contemplated shall be covered in so far as they occur in the course of the said voyage or in the course of the deviations permissible under this Code.

(3) The rule under the foregoing paragraph shall not affect the operation of floating insurance.

#### Conclusion of Contract and Duty to Disclose

Article 256. (1) Upon conclusion of a contract of marine insurance, the insurance taker shall be obliged to disclose to the insurer all circumstances of which the said insurance taken is aware of could have been aware upon exercise of due care and which are of material relevant to the assessment by the insurer of the perils, the terms of the contract, and the decision to accept the proposal.

(2) The foregoing provision shall not apply in the cases of circumstances that are common knowledge or circumstances of which the insurer could have been aware if acting as a prudent administrator.

#### Consequences of Non-disclosure

Article 257. (1) If the insurance breaches the duty referred to in Article 256 herein, the insurer shall have the right to rescind the contract as concluded, reserving the right to the full insurance premium.

(2) If the insurer fails to exercise the right thereof to rescind the contract within seven days after the day when the insurer learned about any undisclosed or misdisclosed material circumstances, the insurer may refuse to pay the insurance indemnity upon occurrence of the peril covered only if the said peril was related to some of the said circumstances.

(3) If the insurance taker fails to disclose or misdiscloses any of the material circumstances without fault, the insurer shall be entitled to claim only a proportionate increase of the insurance premium.

#### Insurance Policy

Article 258. The existence and the contents of the contract of marine insurance may be proven solely by written evidence and by an insurance policy, an insurance certificate, or an interim document.

#### Contents of Policy

Article 259. (1) The insurance policy (the insurance certificate) shall contain clauses regarding:

1. the subject of insurance (the insurable interest) and, in the case of carriage of goods, the name of the ship as well;
  2. the sum insured;
  3. the perils covered;
  4. the period of the insurance;
  5. the voyage and the intermediate ports at which the ship will call before the port of destination;
  6. place and date of issue of the policy;
  7. the insurance taker;
  8. designation of the insurer and signature of the representative thereof.
- (2) The policy may contain clauses on other matters as well, including stipulations on settlement of disputes by arbitration, choice of the law applicable, etc.
- (3) A written annex to the insurance policy shall be issued by the insurer on any subsequent revisions of stipulations in the policy.

#### Standard Clauses

- Article 260. (1) When a marine insurance contract is concluded according to established general conditions or a standard policy, this fact must be expressly stated before the signature of the insurer, and the texts of the said conditions or policy must be attached to the policy.
- (2) The general conditions or the standard policy, where to the policy makes reference, shall be effective insofar as they do not conflict with the express clauses in the said policy.

#### Types of Policies

- Article 261. (1) A marine insurance policy shall be issued, as wished by the insurance taker, to a named person, to order, or to bearer.
- (2) The insurer may raise any objections thereof against the insurance taker under a policy to order and against the subsequent policyholders by endorsement.

#### Insurance with Third-Party Beneficiary

- Article 262. (1) When a contract of marine insurance has been concluded in favour of a third-party beneficiary, the policy shall be issued to the insurance taker. Until delivery of the policy to the third-party beneficiary or until the third-party beneficiary has stated consent to the clause of insurance to the benefit thereof, the insurance taker may expunge the said third party or substitute another party therefor.
- (2) When a policy (insurance certificate) has been issued, the insurance taker can exercise the insurance rights without authorization by the third party, upon presentation of the policy (the insurance certificate).
- (3) The insurance taker shall be obliged to pay the insurance premium, even if having delivered the policy to the third party.
- (4) The third party shall accede to the obligations in connection with the increase of the risk, as well as to the obligations in connection with the occurrence of the insured event.

#### Insurance for Whom It May Concern

- Article 263. (1) When a contract of marine insurance has been concluded for whom it may concern, without naming the third-party beneficiary, the policy shall invariably be issued to bearer, regardless of whether it is designated as issued to a named person or to order.

(2) Upon occurrence of the insured event, the insurer shall be obliged to pay the indemnity only if, in addition to the other requirements, the insurance policy should be submitted thereto by the person claiming indemnity.

#### Transfer of Insured Ship

Article 264. (1) If an insured ship is transferred, any contract of marine insurance shall be terminated at the point of such transfer, unless the insurer expressly consents to the said insurance continuing in effect thereafter.

(2) However, if the insured ship is transferred during a voyage, the marine insurance shall continue in effect until the end of the said voyage.

#### Insured Value

Article 265. (1) The insured value shall be the value of the subject of insurance as at the date of conclusion of the contract of marine insurance.

(2) The value of the ship shall include the value of the machinery, appurtenances, items of fitting thereof, as well as the insurance costs, unless expressly provided otherwise by the contract.

(3) The value of the cargo shall be determined according to the value of the said time at the place and time of loading, including insurance costs, freight and anticipated profit at the agreed rate.

(4) The aggregate amount of the freight and the insurance costs shall be relevant to insurance.

(5) With regard to other insurable interests, the value shall be determined according to the sum that the insurance taker would have lost or would have been obliged to pay to another person if the peril occurred at the commencement of the insurance, including the costs of the said insurance.

#### Sum Insured

Article 266. (1) Upon conclusion of a contract of marine insurance, the insurance taker must declare the sum for the amount of which the subject (interest) is to be insured.

(2) The sum insured may not exceed the insured value.

(3) If the sum insured is less than the insured value, the insurer shall be liable for the damage in proportion to the ratio between the sum insured and the insured value.

(4) If the sum insured is greater than the insured value, the contract of marine insurance shall have no effect in respect of the excess.

(5) The insurer shall reserve the right thereof to the premium according to the sum insured as declared.

#### Insurance Premium

Article 267. (1) The insurance taker shall be obliged to pay the insurance premium immediately after conclusion of the contract or, if a policy is issued, concurrently with the receipt of the policy, unless a time limit for payment of the said premium has been provided for.

(2) Marine insurance shall have no effect until payment of the premium or, if the contract provides for payment by instalments, until payment of the first instalment.

(3) If the insurance taker delays payment of the premium or the succeeding instalments thereof, the insurer shall not be liable for indemnity if the perils occur after the due date. However, if the insurance taker pays a delayed premium or the delayed part thereof and the peril occurs after any such payment has been effected, marine insurance shall subsist.

#### Increase of Peril

Article 268. (1) The insurance taker shall be obliged to advise the insurer of each circumstance which may lead to a substantial increase of the peril, to a substantial delay in the dispatch of the cargo, to a deviation from the specified or customary route, to changes in the manner of carriage, in the place of transshipment, in the destination of the cargo, and in its discharge, or to leaving the ship for wintering which has not been stipulated in the contract, and of other circumstances, as soon as the insurance taker learns of any such circumstances.

(2) Deviation from the route due to causes beyond the control of the carrier or made for the purpose of saving life or property, or which has proved necessary for the safety of a ship, shall not be treated as an increase of the peril.

#### Termination of Contract on Account of Increased Risk

Article 269. (1) When the peril has increased through no fault of the insurance taker, the marine insurance shall continue in effect but the insurer shall have the right to claim an extra premium in proportion to such increase.

(2) If the insurance taker does not consent to the modification of the contract under the foregoing paragraph within the specified or customary period for reply, the contract shall be terminated at the point of occurrence of any circumstances increasing the peril.

(3) In the cases referred to in Paragraph (2), the insurer shall be obliged to refund part of the premium.

(4) If the increase of the peril is due to the conduct of the insurance taker, the insurer may terminate the contract and retain the premium if the insurance taker does not elect to claim payment of the applicable extra premium.

(5) The insurer may also terminate the contract in cases where the insurance taker fails to advise the insurer promptly of the occurrence of any circumstances leading to an increase of the peril. The insurer may exercise this right thereof within seven days after the date on which the insurer learnt that the insurance taker has delayed advising the insurer of the increase of the peril. Past this time limit, the insurer may claim a relevant increase in the premium. However, if the insurance taker refuses to pay the extra premium, the insurer may terminate the contract.

(6) If the insurance taker sends promptly the advice of the circumstances increasing the peril, the insurer, provided the conditions for termination of the contract exist, must communicate the decision thereof on termination within seven days. Past this time limit, the insurer may only claim payment of the applicable extra premium.

(7) If the insurer exercises the right thereof to terminate the contract on account of increased risk, the insurer shall be liable for any detriment that has occurred prior to such termination.

(8) In the cases under the foregoing paragraph, the insurer shall reserve the right thereof to the relevant portion of the premium.

#### Refusal to Pay Indemnity in Case of Increased Peril

Article 270. If the insurance taker fails to send promptly the advice of the circumstances increasing the peril and any damage occurs on account of such circumstances, the insurer shall not be liable for an indemnity unless the insurer had become aware of the increase of the peril before the time limit for advice by the insurance taker and if the insurer has not exercised the right thereof to terminate the contract according to the procedure established by Article 269 (5) herein.

#### Obligations of the insurer

Article 271. (1) The insurer shall cover the perils provided for by the contract.



(2) The insurer shall be obliged to pay for any damage resulting directly from the occurrence of any such perils up to the amount of the sum insured.

(3) The insurer may not be exonerated from the obligation thereof to make good the detriment, even if the said detriment may have been caused by third parties wherefrom the insurance taker or the insured have no right to claim indemnity.

#### Successive Damage and Partial Damage

Article 272. If the subject of insurance is affected by successive occurrence of any perils covered by the marine insurance, the insurer shall be liable for indemnity for the detriment caused by each one of the said perils, even if the aggregate amount thereof exceeds the sum insured.

#### Excepted Damage

Article 273. (1) The insurer shall not be liable for any damage, be it caused by any perils covered by the insurance, if the occurrence of the said damage was due to wilful misconduct or gross negligence of the insurance-taker of insured consignee or consignor, or of any representatives thereof. The master and the crew shall not be treated as representatives of the shipowner.

(2) The above rule shall not apply in respect of an insured ship or cargo if the damage is due to navigational negligence.

(3) The insurer shall not be liable for any damage resulting from forfeit related to sale and to other contracts, demurrage, delays, omissions, changes in prices and dues, exchange rate fluctuations, interest rates and other such, as well as for any indirect damage.

(4) Insurance shall not cover the customary expense attendant to the navigation, wintering and quarantine proper.

#### Excepted Damage to Ship

Article 274. (1) In insurance of a ship, the insurer shall not be liable for any damage resulting from the fact that the ship has sailed off in an unseaworthy state, unless that was due to latent defects of the ship.

(2) The insurer shall not be liable, either, for any damage arising due to the loading onto the ship of any explosive, flammable and other dangerous goods or substances without the knowledge of the insurer or without the knowledge of the representative thereof.

#### Advice of Occurrence of Peril

Article 275. If any peril covered by the insurance affects the subject of insurance, the insurance taker shall be obliged to advise the insurer immediately, as well as to take the measures provided for under Article 282 herein.

#### Missing Ship

Article 276. (1) If the ship is lost (Article 42 herein), the insurer shall owe indemnity up to the amount of the sum insured.

(2) In case of marine insurance for a specified period, the insurer shall be obliged to pay indemnity on account of the loss of the ship if the last news from the ship was received before expiry of the period of the insurance and if the insurer fails to prove that the ship was totally lost after expiry of the said period.

#### Ascertainment of Actual Value

Article 277. The insurer may request ascertainment of the actual value of the insurable interest, unless this value has been determined by an express stipulation based in common consent with the insurance taker upon conclusion of the contract.

#### Amount of Indemnity

Article 278. (1) The insurance indemnity may not exceed the sum insured within the limits of the insured value. The insurer shall also be obliged to cover the expenses on prevention or minimization of the damage caused by the peril covered (Article 282 herein), as well as the general average contributions, even when the said expenses and contributions, in aggregate with the indemnity, exceed the sum insured.

(2) (Repealed, SG No. 113/2002).

#### Liability Limited to Sum Insured

Article 279. (1) After occurrence of an insured peril, the insurer may, by paying the sum insured, exonerate himself from other obligations under the contract, including such under Article 282 herein.

(2) The insurer may exercise the right thereof under the foregoing paragraph if the insurer advises the insured (the insurance taker) of this within seven days after the day of receipt by the insurer of the last advice of the occurrence of the peril and the consequences thereof.

(3) Payment of the entire sum insured shall not excuse the insurer from the obligation to refund to the other party the expenses on ascertainment of the damage, as well as the expenses incurred by the other party under Article 282 herein, before having received the advice from the insurer under the foregoing paragraphs.

(4) The insurer, which limits the liability thereof to the amount of the full sum insured as paid, shall not accede to any rights to the insured property.

#### Indemnity through Payment for Repair

Article 280. (1) In insurance of a ship, unless otherwise provided by the contract, instead of paying indemnity in cash, the insurer may commission elimination of the damage caused by the peril occurred and assume the expenses on such elimination.

(2) Where the repair continues longer than the time during which the damage could have been eliminated, the insurer shall be liable for detriment and loss through delay.

#### Security for General Average Contributions

Article 281. At the request of the insurance taker or of the insured, the insurer may furnish security for the general average contributions up to the amount of the sum insured.

#### Expenses on Prevention and Ascertainment of Damage

Article 282. (1) Upon occurrence of any peril covered by the insurance, the insurance taker shall be obliged to take all reasonable measures within the power there as are necessary to save the subject of insurance and to prevent or minimize the damage, as well as to secure the claims for indemnity against the persons that have caused the said damage.

(2) Upon receipt of any instructions from the insurer in reply to an advice of occurrence of the peril, the insurance taker shall be obliged to take the measures stated in the said instructions.

(3) The insurer himself may take action for saving and preservation of the subject of insurance or for prevention or reduction of the damage.

(4) (Amended, SG No. 113/2002) The acts of the insurer under Paragraphs (2) and (3) shall not prejudice the issue of the right of the insured to indemnity, but the expenses attendant to the said act shall be borne by the insurer.

(5) The insurer shall be obliged to reimburse the necessary expenses incurred by the insurance taker (the insured) on prevention or minimization of the damage for which the insurer owes indemnity, including expenses incurred in compliance with the instructions thereof.

(6) The provision of the foregoing paragraph shall furthermore apply to any expenses on ascertainment of the damage resulting from occurrence of any peril covered by the insurance, including an average adjustment.

(7) The insurer shall not be liable for indemnity for any damage arising from the failure of the insured (insurance taker), whether wilfully or in gross negligence, to take the measures under Paragraphs (1) and (2).

(8) If the sum insured is lower than the insured value, the expenses referred to in Paragraphs (1) and (2), incurred by the insurance taker, shall be refunded according to the proportion between the sum insured and the insured value.

#### Indemnity and Possession of Subject of Insurance

Article 283. Beyond the cases under Article 279 herein, the insurer, having paid the full sum insured, shall accede to all rights to the subject of insurance, but where the sum insured is less than the insured value, the insurer shall have the right to claim the part due thereto in proportion.

#### Abandonment of Subject of Insurance

Article 284. (1) By relinquishing the rights thereof to the subject of insurance in favour of the insurer, the insurance taker may claim payment of the full sum insured.

(2) Where the subject of insurance is cargoes, the provision of the foregoing paragraph shall apply solely if the parties have so provided for in the contract.

(3) The insurance taker may resort to abandonment in the following cases:

1. missing of the ship;
2. actual total loss of the ship;
3. constructive total loss of a ship, i.e. where the total loss is unavoidable or where salvage of the ship or a repair thereof would entail costs disproportionately greater than the sum insured;
4. seizure or confiscation of the ship, when the insurance covers war risks and capture by pirates, provided such situations continue for more than two months.

#### Notice of Abandonment

Article 285. (1) A notice of abandonment shall be given in writing within six months after the day of expiry of the time limits referred to in Articles 276 and 284 herein.

(2) In the notice of abandonment thereof, the insurance taker shall be obliged to advise the insurer whether the subject of insurance is encumbered by any real rights and garnishments in favour of third parties and whether any other the said subject is subject of any other insurance as well.

(3) If the insurance taker fails to resort to abandonment within the time limit established by Paragraph (1), the insurance taker may claim insurance indemnity according to the general rules.

#### Rejection and Revocation of Abandonment

Article 286. (1) The insurer may reject the notice of abandonment of the subject of insurance if there are no grounds for such abandonment, as well as in cases where the insurance taker breaches the obligations referred to in Article 288 (2) and (3) herein.

(2) If, having received a notice of abandonment, the insurer ascertains that the ship had not been totally lost, the insurer may claim from the insurance taker refund of the insurance indemnity, if paid. In such case, the insurance taker may only retain the indemnity for partial damage, if sustained by the ship due to a peril covered by the insurance.

#### Effect of Abandonment

Article 287. (1) The rights to the subject of insurance shall pass to the insurer as from the day on which the insurer accepts the notice of abandonment, or upon the lapse of 30 days after the insurer has received the said notice and has not expressly rejected it.

(2) The insurer may dispose of the subject of insurance after paying the insurance indemnity.

#### Insurer's Subrogation to Rights against Third Parties

Article 288. (1) Having paid the indemnity, the insurer shall be subrogated to the rights of the insurance taker or of the insured against third parties in respect of payment for detriment and loss.

(2) If the insurance taker has relinquished the rights thereof to claim [indemnity for] detriment and losses from the third parties that have caused the damage covered by the insurance, or has culpably rendered impossible the exercise of these rights, the insurer may refuse to pay the insurance indemnity in full or for the applicable part.

(3) The insurance taker or the insured shall be obliged to deliver to the insurer all documents and other evidence and to communicate thereto all data as shall be necessary for exercise by the insurer of the rights against third parties whereto the insurer is subrogated.

#### Indemnity Paid by Third Parties Deducted from Amount Due

Article 289. (Amended, SG No. 113/2002) If the insurance taker or the insured receives an indemnity for detriment from third parties, the insurer shall be obliged to pay the insurance taker or the insurance only the difference between the sum outstanding under the contract and the sum received from the third parties.

## **Chapter Eleven AVERAGES**

#### Concept of General Average

Article 290. (1) (Amended, SG No. 113/2002) Any damage, extraordinary expenditure or sacrifice, deliberately or reasonably made for the purpose of saving the ship, freight and cargo from common peril to the parties to a common maritime adventure, shall be considered general average.

(2) An extraordinary expenditure, incurred in place of an expenditure which should be subsumed under the general average expenditure, shall be allowed in general average, but only up to the amount of the expenditure avoided.

(3) (Amended, SG No. 113/2002) The provisions hereinbelow shall apply in all cases where no other stipulations are made between the parties by virtue of a contract.

(4) (New, SG No. 113/2002) Only such loss, detriment or expense as are a direct consequence of the average shall be made good as general average.

(5) (New, SG No. 113/2002) The following shall not be considered general average:

1. any loss, detriment or expense incurred in connection with remedying any damage caused to the environment or which result from spillage or discharge of any polluting substances from the property involved in the common maritime adventure;
2. any demurrage, loss of market or detriment or expense incurred, or any expense borne due to delay, during the voyage or later;
3. each indirect loss.

#### Constituent Elements of General Average

Article 291. More specifically, the following shall be subsumed under general average under the terms established by Article 290 herein:

1. (amended, SG No. 113/2002) any damage arising from jettisoning cargo or ship appurtenances, as well as any loss or detriment caused to the property involved in the common maritime adventure upon taking common measures for saving any such property, particularly due to ingress of water into the holds down the hatches opened or down other openings made for the purpose of making a jettison;
2. (supplemented, SG No. 113/2002) any damage caused to the ship or cargo upon extinguishing a fire on board the ship, including any damage incurred by scuttling a burning ship or jettisoning property from the burning ship on shore;
3. any damage caused to the ship or cargo by voluntary stranding of the ship;
4. any damage resulting from breakdown of the engines and other machinery or boilers of the ship, caused in an effort to re-float the ship;
5. any extraordinary expenses incurred on transshipment of the cargo, fuel or stores from the stranded ship to some other craft, on chartering such craft, and on re-loading onto the ship;
6. any damage resulting from damage or total loss of cargo, fuel or stores caused by the removal, discharge and re-loading and re-stowage on board, as well as upon storage of any such property in the cases where the expenses attendant to performance of these activities are allowed as general average;
7. the value of the ship stocks or stores burnt out of necessity instead of fuel, deducting the value of the estimated quantity of fuel that would have been consumed. The value of the said fuel shall be determined at the market price applicable on the day of leaving the port of departure or the last port of call;
8. any expenses incurred for the purpose of obtaining assistance, as well as any damage caused to the ship or cargo by any ships rendering such assistance;
9. the loss of freight arising from the loss of cargo shall be indemnified as general average, deducting from the freight the expenses which the carrier would have incurred to earn such freight but did not incur as a result of the sacrifice.

#### Expenses Subsumed under General Average

Article 292. The following expenses shall also be subsumed under, or shall be treated as equivalent to, general average:

1. any expenses resulting from a forced call of a ship at a place of refuge or her return to the point of loading due to an incident or any other extraordinary circumstances necessitating the call or return in order to avoid common peril;
2. any expenses attendant to the departure of the ship laden with the cargo or part thereof from the place of refuge or from the point of loading, in the cases of forced return;
3. any expenses on removal or discharge of cargo, fuel or stores at the point of loading, deviation or refuge, where any such removal or discharge has been necessary to avoid common peril or to

provide for eliminate the damage caused to the ship by incident or by any other extraordinary circumstances, when such elimination was necessary for the safe progress of the voyage;

4. any expenses on re-loading and re-stowage of cargo, fuel and stores, discharged under the circumstances specified in the foregoing item of this Article, as well as all expenses on preservation of any such property, including the expenses on the insurance of any such property, if contracted;
5. any expenses on the wages and subsistence of the ship's crew, on stores and fuel, incurred in connection with the prolongation of the voyage resulting from the deviation of the ship to the place of refuge or her return to the point of loading under the circumstances specified in Items 1 and 3 of this Article;
6. any expenses on wages and subsistence of the ship's crew, incurred during the deviation or delay of the ship at any place in consequence of an incident or any other extraordinary circumstances necessitating this for avoiding common peril or for elimination of the damage caused under the above circumstances, if the repair was required for the safe progress of the voyage. The expenses on fuel, stores and port charges incurred during the period of delay shall likewise be treated as equivalent to general average, unless these expenses were incurred on any repairs not classified as general average;
7. any expenses provided for in Items 1 to 6, if occasioned by the passage of the ship from the place of refuge to another place, owing to impossibility to execute the repair at the place of refuge;
8. the cost of the temporary repair of the ship carried out for the general safety at the point of loading, deviation or refuge, and the cost of the temporary repair of the damages allowed as general average. The cost of temporary repair of fortuitous damages, necessary solely for the performance of the voyage, shall be indemnified only up to the extent of these preliminary expenses which would have been subsumed under general average if the said repair had not been made, regardless of the savings resulting from this to any of the parties to the general average;
9. (new, SG No. 113/2002) 7 per cent interest per annum on any expenses, sacrifices and indemnities allowed as general average; the said interest shall be accrued up to three months after the date of issue of the general average adjustment, taking into account each partial payment by the interests participating by general average contributions or by the general average deposit fund.

#### Condemnation of Ship and Abandonment of Voyage

Article 293. In cases where the ship is condemned or abandons the voyage, only the expenses incurred for the preservation, for payment of the wages to the crew and the subsistence thereof (Items 1 to 6 of Article 291 herein) until the point of condemnation of the ship or the abandonment of the voyage shall be subsumed under the general average expenses. When a ship is condemned or abandons the voyage before completion of the discharge of the cargo, all expenses incurred until completion of the discharge shall be subsumed under the general average.

#### Damage Excepted from General Average

Article 294. The following shall not be allowed as general average, even where the conditions provided for in Article 290 of this Code are fulfilled:

1. the cost of any self-igniting cargo jettisoned from the ship, and any cargo carried on the ship in non-compliance with the recognized custom of the trade;
2. (amended, SG No. 113/2002) any damage caused by smoke from fire in any way whatsoever, as well as any losses from overheating by fire in those parts of the ship and cargo as have been affected by the fire;
3. any damage caused by cutting off smashed parts of the ship or other equipment, which have been carried away by a stormy sea;

4. any damage caused by forcing or other operation mode of the engines, the other machinery or the boilers of the ship, which is afloat but stranded;
5. any damage caused by voluntary stranding of the ship in shallow water under circumstances which would have occasioned the stranding regardless of the measures taken; however, any damage caused by the re-floating of such a ship under the conditions specified in Article 290 of this Code shall be allowed as general average;
6. all kinds of damage or loss sustained by the ship or the cargo through prolongation of the voyage, such as delays or commercial loss.

#### Distribution

Article 295. (1) The general average shall be apportioned among the ship, the cargo and the freight in proportion to their actual value at the place and time of completion of the voyage.

(2) The general average shall be apportioned according to Paragraph (1) even when the peril that has caused the extraordinary sacrifices or expenses has occurred through the fault of any party to the general average or of any third party. The apportionment of the damage shall not prejudice the right of any party to the general average of recourse against the person through the fault thereof the damage has been caused.

(3) The damage considered general average shall be apportioned even when the acts performed in connection with general average have not achieved the desired results.

(4) (New, SG No. 113/2002) When the ship is at port or at a place under circumstances which could give rise to a claim for indemnity as general average, and the cargo or a part thereof is consigned to the destination thereof by another means of transport, general average rights and obligations shall subsist. Such rights and obligations must be as close as possible to those which would exist without such consigning.

(5) (New, SG No. 113/2002) The share of general average indemnity, apportioned to the cargo according to Paragraph (4), must not exceed the expenses, which the cargo owners would incur in case the cargo would be consigned at their expense.

#### Amount of Indemnity for Ship

Article 296. (1) The amount of general average indemnity for damage to the ship, to her machinery or appurtenances, must correspond to the actual cost of the repair of damage or of the parts replaced but may not exceed the customary cost of repairs or replacement of the parts. In case where old material or parts have been replaced by new material or parts, the "new for old" cost shall be deducted from the said value.

(2) No deductions of "new for old" shall be made from the cost of temporary repairs of a ship allowable as general average.

(3) If no repair was executed, the applicable depreciation of the ship shall be taken into account, but it may not exceed the normal cost of repair.

(4) In cases of actual or constructive total loss of the ship, the sum due as indemnity in general average for damage to the ship shall be assessed on the basis of the valuation of the ship in sound condition, debited with the customary cost of any repairs which are not allowed as general average and the proceeds of the sale of the ship if sold.

#### Amount of Indemnity for Cargo

Article 297. (1) The amount of general average indemnity for damage to or total loss of cargo sacrificed shall be determined according to the price of the cargo on the day of arrival of the ship at the port of destination of the cargo.

(2) If the ship has not arrived at the port of destination of the cargo, the indemnifiable loss shall be determined according to the price of the cargo at the port of destination on the day of discharge or jettisoning of the cargo.

(3) In case of sale of cargo so damaged, the indemnity shall be determined according to the difference between the net sound value and the net proceeds of the sale of the said cargo, unless the amount of this damage has been otherwise agreed.

#### Salvage Charges

Article 297a. (New, SG No. 113/2002) (1) The salvage charges, incurred by the parties to a maritime initiative, regardless of whether the said costs have been agreed there between, shall be indemnified according to the general average procedure if the salvage operations were carried out with the purpose of protecting property involved in the common maritime adventure against peril.

(2) The expenses made good according to the general average procedure shall include any salvage reward for which the skill and efforts of the salvage teams to prevent or reduce damage to the environment have been taken into account.

(3) The special indemnity paid to the salvor by the shipowner shall not be made good as general average.

#### Costs of Damage Caused to Ship Machinery and Boilers

Article 297b. (New, SG No. 113/2002) Any damage caused to the machinery and boilers of a ship in shallow waters and in a dangerous situation, in the course of efforts to re-float the ship, shall be made good as general average only if proven to have been caused by a genuine intention to re-float the ship, for the sake of common safety at the risk of such damage. Any loss or damage caused by operation of the propulsion engines and boilers shall not be made good according to the general average procedure if the ship was afloat.

#### Costs of Discharging Stranded Ship and Subsequent Detriment

Article 297c. (New, SG No. 113/2002) In cases where the cargo, fuel and sea stores of a ship stranded in shallow waters are discharged as an act of general average, the extra costs of the discharge, chartering of lighters and re-loading (if any such costs have been incurred), as well as any loss or detriment to property involved in the common maritime adventure as a result of the above actions, shall be subsumed under the general average.

#### Calculation of Indemnity

Article 298. (1) A commission of 2 per cent on the sum of expenses indemnifiable as general average (besides the wages and subsistence of the crew, the cost of fuel and supplies which have not been replaced during the voyage) shall be allowed in favour of the party which has incurred such expenses. Any expenses necessary for borrowing funds or obtaining funds in another manner, as well as the loss sustained by the owner of the cargo sold in order to obtain funds, shall also be considered general average.

(2) The sums insured used for advances against general average expenses shall also be considered general average.

#### Excepted Cargo

Article 299. Any damage arising from loss of or damage to any cargo loaded onto the ship without the knowledge of the shipowner or to any cargo misdeclared upon receipt for carriage,



shall not be subsumed under the general average. Any such cargo, if saved, shall contribute to the general average according to the standard rules.

#### Damage for Goods of Stated Value

Article 300. Any damage arising from loss of or damage to any cargo whereof the value was understated in comparison with the actual value thereof upon receipt for carriage, shall be calculated in general average at the stated value. Any obligations encumbering such goods as a result of a general average contribution shall be apportioned according to the actual value of the cargo.

#### Assessment of Aggregate Value of Property

Article 301. (1) (Amended, SG No. 113/2002) The aggregate value of the property contributing to general average cover (contribution value) shall be assessed at the actual net value of the property upon completion of the voyage, credited with the general average indemnities for the property sacrificed, unless already included. The freight and the passage money for carriage at risk of the shipowner shall be debited with any expenses and crew's wages for the particular voyage as the carrier has been unable to pay when the ship or cargo were totally lost under circumstances allowed as general average and which, as a result of this, have not been allowed as indemnifiable according to the general average procedure.

(2) The value of the property shall be debited with all expenses allowed as particular average, which have been incurred in conformity with the said property after declaration of general average.

(3) (Amended, SG No. 113/2002) The value of the luggage and personal effects of passengers shall not be included in the contribution value.

#### Average Adjusters. Voluntary Arbitration

Article 302. (Amended, SG No. 113/2002) (1) A general average and the expenses and sacrifices related thereto shall be ascertained, and the contributions among ship, cargo and freight shall be apportioned by an average adjustment at the request of the parties concerned.

(2) Average Adjuster competency shall be attained under terms and according to a procedure established by the ordinance referred to in Article 310 herein.

(3) The type of the average shall be ascertained by a ruling of the average adjuster, which shall be challengeable through voluntary arbitration, where such has been agreed between the parties to the bill of lading. If the parties have agreed on voluntary arbitration, they may challenge the ruling of the average adjuster within 30 days after the publication of a notice of the said ruling in the State Gazette. The bringing of action shall suspend the average adjustment proceedings. The arbitral award shall be final and shall resolve the dispute. Any such award shall be reversible according to the procedure established by the International Commercial Arbitration Act.

#### Application of Usage

Article 303. (Amended, SG No. 113/2002) In the absence of any stipulations or should the law be deficient, the average adjuster shall be guided by the international usage of merchant shipping in determining the type of the average, in assessing the amount of the general average, and in drawing up the average adjustment.

#### Onus of Proof

Article 304. (1) The onus of proof shall be upon the parties involved in the apportionment of general average to show that the damage or expense claimed is actually allowable in general average.

(2) All materials on the basis of which the average adjustment is drawn up should be held at the disposal of the average adjuster, who shall be obliged to issue copies of these materials certified thereby at the request of the parties concerned.

(3) (New, SG No. 113/2002) All parties claiming indemnity according to the general average procedure shall advise the average adjuster in writing of any loss sustained or expenses incurred within 12 months after the date of completion of the common maritime adventure.

(4) (New, SG No. 113/2002) In cases where the parties claiming indemnity fail to advise the average adjuster or fail to produce evidence in support of the claim thereof within 12 months after such evidence has been solicited, the average adjuster shall be entitled to assess the amount of the contribution or the value of the participating interest on the basis of available information. Such assessment may only be changed on grounds of being manifestly incorrect.

#### Charges for Average Adjustment

Article 305. A charge shall be collected for drawing up the average adjustment, and the said charge shall be included in the account of the general average and shall be apportioned among all parties concerned, in proportion to the participating interest thereof in the general average.

#### Challenge of Average Adjustment

Article 306. (Amended, SG No. 113/2002) (1) The parties concerned may bring an action challenging an average adjustment within one month after a notice of finalization of the average adjustment is published in the State Gazette, applicable to general average in coastal sailing, or within six months thereafter, applicable to international sailing.

(2) Where the parties have agreed on arbitration in the bill of lading, the average adjustment shall be appealable before an arbitration tribunal within the time limits under Paragraph (1). The arbitral award shall be final and shall resolve the dispute. Any such award shall be reversible according to the procedure established by the International Commercial Arbitration Act.

#### Conclusion of Average Adjustment

Article 307. Writs of execution on any effective average adjustments shall be issued to the parties concerned by the Sofia City Court according to the procedure established by the Code of Civil Procedure.

#### Retention

Article 308. (Amended, SG No. 113/2002) The carrier may refuse to deliver the goods or may deliver the goods for safe custody in a warehouse pending payment of a cash deposit or furnishing of security for the general average contribution apportionable to the said goods.

#### Particular Average

Article 309. (1) All damage affecting ship, cargo, or freight other than such as is considered general average, shall be particular average.

(2) Any damage allowed as particular average shall be borne by the party which has sustained the said damage or by the party responsible for the occurrence of any such damage.

#### Procedure for Ascertainment of Damage

Article 310. (Amended, SG No. 106/2023) The procedure for ascertainment of any damage constituting general or particular average, the apportionment thereof etc. shall be established by an ordinance of the Minister of Transport and Communications and the Minister of Justice.

## **Chapter Twelve**

### **COLLISION BETWEEN SHIPS**

#### Scope of applicability

Article 311. (1) (Amended, SG No. 113/2002) The provisions of this Chapter shall apply to collisions between ships, as well as between ships and seaplanes, other floating or anchored structures.

(2) The same provisions shall furthermore apply where damage has been caused by one ship to another or to persons, goods or other property present on board thereof through the carrying out of, or failure to carry out a manoeuvre, or in consequence of non-observance of the rules of navigation, even if no collision has taken place as a result of this.

#### Consequences of Collision without Fault

Article 312. (1) Upon any collision caused by a fortuitous event, force majeure, or if the cause of the collision cannot be ascertained, the losses shall be borne by the ship, which has suffered the said losses.

(2) The provision of Paragraph (1) shall furthermore apply where the ships or any one of them were at anchor or otherwise made fast at the time of the collision.

#### Collision by Fault

Article 313. (1) If the collision was caused by incorrect acts or omissions of one of the ships, the losses shall be borne by the ship in fault for the collision.

(2) (Amended, SG No. 113/2002) Collision shall be by fault where the ship causing the collision:

1. did not satisfy the requirements for seaworthiness;
2. was not duly equipped with radio- and navigation means, technical installations and crew;
3. (amended, SG No. 108/2020) did not observe the provisions of the International Regulations for Preventing Collisions at Sea or the provisions of the Basic Rules of navigation on the Danube;
4. did not take into account the specific navigation conditions in the navigation area;
5. has not complied with any instructions issued thereto by a competent authority or by the crew of the other ship (other ships) or floating structure;
6. did not act in conformity with prudent seamanship.

#### Collision by Fault of Several Ships

Article 314. (1) If two or more ships are in fault for a collision, the liability of each ship shall be in proportion to the degree of her fault for the damage caused to the rest of the ships or to the property on board thereof. If the degree of the fault is equal or cannot be ascertained, the ships shall be liable to an equal extent.

(2) In respect of any damage caused by death, bodily injury or deterioration of health, the ships in fault shall be solidarily liable. The ship which, on the basis of solidary liability, has paid a larger part than due, shall have the right of recourse against the other ships for the excess payment.

#### Collision by Fault of Pilot

Article 315. The rules of Articles 312, 313 and 314 herein shall furthermore apply to cases where the collision occurred through the fault of a pilot, even where pilotage was compulsory.

#### Duties of Masters

Article 316. (1) After a collision, the master of each of the colliding ships shall be obliged, so far as he can do so without serious danger to his ship, crew and passengers, to render assistance to the other ship, to her crew and her passengers.

(2) (Supplemented, SG No. 113/2002) The masters of the colliding ships shall be obliged to inform each other of the name of the ship thereof, the home port, the point of departure and the point of destination, and shall immediately notify the Maritime Administration Executive Agency of the incident.

(3) The master shall incur the liability established by the laws for breach of the above obligations.

(4) The shipowner shall not incur liability for non-fulfilment of the above obligations on the part of the master.

#### Application of Provisions to Warships

Article 317. (1) The provisions of this Chapter shall apply, mutatis mutandis, to any ships flying a naval flag.

(2) Any ships referred to in the foregoing paragraph shall not be liable for any detriment caused to other ships upon collision or other acts in the course of performance of official assignments within the training grounds and the areas declared as dangerous for navigation. This shall not excuse the masters of any such ships from the obligations, provided for in this Chapter, to render the requisite assistance or to report the particulars referred to in Article 316 herein to an extent determined by the established procedure.

## **Chapter Thirteen** **SALVAGE** **(Heading amended, SG No. 113/2002)**

#### Scope of Application

(Heading amended, SG No. 113/2002)

Article 318. (1) (Amended, SG No. 113/2002) The provisions of this Chapter shall apply to salvage and rendering assistance at sea, on rivers or in other waters to ships and to other floating or anchored structures in danger.

(2) The rules of this Chapter shall furthermore apply to any ships flying a naval flag.

#### Salvage Reward

Article 319. (1) (Amended, SG No. 113/2002) Each act with beneficial results of rendering assistance or salvage of a ship in danger, of cargo on board such ship, or of cargo or other things originating from her, as well as to save the freight and passage money, shall entitle the salvor to a fair reward.

(2) Reward shall furthermore be due where the salving and salvaged ship belong to one and the same shipowner.

(3) No reward shall be paid if the assistance or salvage have not produced beneficial results.

(4) The crew of the ship in danger shall not be entitled to remuneration either.

#### Salvage under Contract of Towage

Article 320. Any salvors, which have rendered services despite an express and reasonable prohibition on the part of the master of the ship in distress, shall have no right to any reward; nor shall any reward be due for acts of salvage arising out of a contract of towage.

#### Saving of Life

Article 321. Any persons saved shall pay no reward for the saving of the life thereof. Savers of life shall be entitled to a fair share of the aggregate reward for the property salvaged on an equal footing with the salvors of the said property where the persons were saved in connection with an incident which necessitated the salvage of the said property.

#### Commission rate

Article 322. (1) The amount of the reward shall be fixed by agreement between the parties or, failing agreement, by the court or arbitration tribunal.

(2) Any salvage agreement, entered into on the spur of the moment and under the influence of danger, may be declared null or may be modified by the court or by the arbitration tribunal if the conditions of the said agreement are found to be unfair.

#### Fixing the Reward

Article 323. (1) The court or the arbitration tribunal shall fix the reward according to the circumstances of each case, taking into consideration:

1. the results of the salvage;
2. the efforts and merits of the salvors;
3. the hazards whereto the salvaged ship and the passengers, crew and cargo thereof were exposed;
4. the hazards whereto the salvaging ship, the equipment thereof and the salvors were exposed;
5. the time spent by salvors on salvage operations;
6. the expense and damage incurred by the salvors;
7. the liabilities incurable by the salvor to third parties and other risks;
8. the value of the equipment and materials of the salvor used in the salvage;
9. the special assigned purpose of the salvaging ship.

(2) The value of the property salvaged shall also be taken into consideration.

#### Maximum Amount of Reward

Article 324. The reward may in no case exceed the value of the property salvaged.

#### Grounds for Reduction of Reward

Article 325. The reward may be reduced or rejected altogether in case the salvors have rendered the salvage necessary by their fault or have committed theft, misappropriation or other fraudulent acts in connection with the salvage.

#### Value of Salvaged Property

Article 326. The value of the salvaged property shall be determined on the basis of its valuation at the place where the said property is located after the salvage or, if sold, on the basis of the proceeds of the sale, in either case debited with the established charges and customs duties, as well as with the costs of discharge, safe custody and valuation, or sale of the property.

#### Apportionment among Several Salvors

Article 327. The reward shall be apportioned among the salvors by their agreement or, failing agreement, by a judgment of the court or an arbitral award.

#### Apportionment of Reward among Shipowner, Crew and Other Entitleds

Article 328. (1) The reward shall be apportioned among the shipowner, the members of the crew and the other persons entitled to it after debiting the expense and damage incidental to the salvage.

(2) (Amended, SG No. 106/2023) One half of the balance shall be allotted to the shipowner, and the other half shall allotted to the master, the rest of the crew members and the other persons entitled to it according to an ordinance of the Minister of Transport and Communications.

(3) The provisions regarding labour remunerations, additional remunerations, bonuses and other such, as well as regarding taxes, shall be inapplicable to the amount of such rewards.

## **Chapter Fourteen**

### **REMOVAL OF WRECKS**

#### Scope of applicability

Article 329. (Amended, SG No. 113/2002, supplemented, SG No. 52/2015, amended, SG No. 106/2023) Any wrecks (ship, parts of a ship, items of ship fitting, cargoes etc.) in the territorial sea, the internal sea waters, the exclusive economic zone and the inland waterways of the Republic of Bulgaria (including property washed in shallow waters or ashore), shall be subject to removal or towing under terms and according to a procedure established in an ordinance of the Minister of Transport and Communications.

#### Removal of Own Wreck

Article 330. (1) (Amended, SG No. 113/2002) An owner of a wreck, which intends to recover the said wreck, must notify the Maritime Administration Executive Agency of such an intention within one year after the wrecking.

(2) (Amended, SG No. 113/2002) The Maritime Administration Executive Agency shall allow sufficient time for the removal according to the circumstances and shall establish a procedure for performance of the removal operations, notifying the owner thereof.

#### Compulsory Removal of Wreck

Article 331. (1) (Supplemented, SG No. 113/2002) In cases where a wreck poses a risk or a constraint to navigation or a threat to the environment, to marine industry, to hydraulic-engineering and other works, the owner of the wreck shall obliged to remove the said wreck by order of the Maritime Administration Executive Agency within a time limit established by the said Agency.

(2) (Amended, SG No. 113/2002) If the owner of a wreck is unknown, the Maritime Administration Executive Agency shall publish a single notice in the State Gazette regarding the time limit established for removal of the wreck. If the nationality of the owner of the wreck is known to the Maritime Administration Executive Agency, the Agency shall also notify the competent administration of the flag State.

#### Removal by Maritime Administration Executive Agency

(Heading amended, SG No. 113/2002)

Article 332. (1) (Amended, SG No. 113/2002) The Maritime Administration Executive Agency may refuse the owner of wreck permission to remove the said wreck by means of its own or by means of natural or legal persons of its choice. In such cases, the wreck shall be removed by the authorities of the Agency for the account of the owner of the property.

(2) (Amended, SG No. 113/2002) In the cases under Article 331 (1) herein, the Maritime Administration Executive Agency shall have the right to take the measures necessary for immediate removal of the wreck, for its towing in any other manner or, where necessary, for its destruction.

#### Delivery of Removed Wreck

Article 333. (1) Any wreck removed or towed by the Maritime Administration Executive Agency in accordance with the provisions of Article 332 (1) herein and in cases of immediate danger to navigation shall be delivered to the owner of the said wreck after payment of the value of the costs of removal (or towing) and any other damage incurred in connection with the removal (or towing), subject to the condition that not more than one year has lapsed since the removal of the wreck.

(2) (Repealed, SG No. 113/2002).

#### Sale of Removed Wreck

Article 333a. (New, SG No. 113/2002) (1) The Maritime Administration Executive Agency shall invite the owner or the insurer of a wreck to pay the expenses on the removal and to collect the wreck thereof within 14 days.

(2) Where the owner is unknown, does not appear or refuses to pay the expenses, upon the lapse of the 14-day time limit the Maritime Administration Executive Agency shall proceed with a sale of the wreck by an open-bidding auction.

(3) (Amended, SG No. 106/2023) Where storage of the wreck is impossible or unadvisable, the Maritime Administration Executive Agency shall have the right to sell the said wreck under terms and according to a procedure established by an order of the Minister of Transport and Communications and the Minister of Justice.

(4) The proceeds of the auction shall be credited in revenue to the budget of the Maritime Administration Executive Agency.

#### Consequences of Non-Removal

Article 334. The owner of a wreck, which has not provided a notification or which fails to remove the wreck within the time limit provided for in Articles 330 and 331 herein, shall forfeit the rights thereof to the said wreck.

#### Reward for Accidentally Removed Wreck

Article 335. (Amended, SG No. 113/2002) In cases where a wreck has been removed accidentally, the person that has removed the said wreck shall be obliged to deliver it to the nearest territorial unit of the Maritime Administration Executive Agency. Any such person shall be entitled to a reward amounting to one-third of the value of the wreck.

#### Military Property

Article 336. (Amended, SG No. 113/2002, SG No. 106/2023) Any objects, which constitute military property, shall be removed by the competent services of the Ministry of

Defence. Where such wreck is in the territorial sea or internal waters of the Republic of Bulgaria, removal shall be performed in consultation with the Minister of Transport and Communications.

#### Removal of Wrecks in Prohibited Areas

Article 337. Any wreck in areas where sailing of ships is prohibited in accordance with the legislation on the protection of international borders of the Republic of Bulgaria, shall be removed in compliance with the provisions of this Chapter, subject to the condition that the Ministry of Defence has granted permission for the removal.

#### Shipowner's Liability

Article 337a. (New, SG No. 52/2015) (1) The shipowner shall be liable for the costs of locating, marking and removing the wreck.

(2) The shipowner shall not be liable for the costs of locating, marking and removing the wreck if the said shipowner proves that the maritime casualty that caused the wreck:

1. resulted from an act of war, hostilities, civil war, insurrection, or a natural phenomenon of an exception, inevitable and irresistible character;
2. was wholly caused by an act or omission done with intent to cause damage by a third party, or
3. was wholly caused by the negligence or other wrongful acts of the competent authorities responsible for the maintenance of lights or other navigational aids in the exercise of that function.

#### Extent of Compensation

Article 337b. (New, SG No. 52/2015) The compensation shall cover the losses incurred up to the amount of the costs of locating, marking and removing the wreck. The compensation may not exceed the amount of the insurance or other financial security covering the shipowner's liability for the costs of locating, marking and removing the wreck.

#### Shipowner's Limited Liability

Article 337c. (New, SG No. 52/2015) The shipowner and the person who has provided an insurance or another financial security shall limit the liability thereof for the costs of locating, marking and removing the wreck to the limit determined in the Protocol of 1996 to amend the Convention on Limitation of Liability for Maritime Claims of 1976, done at London on 2 May 1996 ([Convention and Protocol] ratified by a law, State Gazette No. 43 of 2005) ([Convention promulgated in] State Gazette No. 77 of 2005).

#### Financial Security and Issuing of Certificate

Article 337d. (New, SG No. 52/2015) (1) The shipowner of any ship of 300 gross tonnage or more shall be obliged to hold insurance or other financial security covering the respective value under Article 337b herein.

(2) Each ship of 300 gross tonnage or more, flying the Bulgarian flag, must carry on board a certificate issued by the Maritime Administration Executive Agency under terms and according to a procedure established by the ordinance referred to in Article 86 herein and attesting to the existence of the circumstances referred to in Paragraph (1).

(3) The Maritime Administration Executive Agency may issue a certificate attesting to the existence of the circumstances referred to in Paragraph (1) to a vessel flying the flag of a State which is not a Party to the Nairobi International Convention on the Removal of Wrecks, 2007 (ratified by a law, State Gazette No. 92 of 2011) under terms and according to a procedure established by the ordinance referred to in Article 86 herein.



(4) Any ship calling at Bulgarian sea ports or sea facilities of 300 gross tonnage or more must carry on board a certificate attesting to the existence of insurance, bank guarantee or other financial security covering the liability for the costs of locating, marking and removing a wreck, or a registry certificate issued by the competent authorities of the State whose flag the ship is flying, attesting to the right of ownership and the liability for the costs of locating, marking and removing a wreck, covered up to the amount under Article 337b herein.

(5) The Maritime Administration Executive Agency shall keep a register of the certificates as issued.

## **Chapter Fifteen**

### **LIMITED LIABILITY OF SHIPOWNER**

#### Cases of Limited Liability

Article 338. The shipowner shall incur limited liability for:

1. any damage caused to third parties by the shipmaster, by other crew members, by the pilot and by any other person engaged in the service of the ship, in execution of their duties;
2. any damage caused to the cargo received for carriage, or to any other property present on board the ship;
3. any damage arising from non-performance or improper performance of the contract of carriage of goods by sea;
4. any salvage reward;
5. any obligations apportioned for general average contribution in respect of the portion owed by the shipowner;
6. (amended, SG No. 113/2002) any obligations related to the recovery, transfer, storage, disposal or destruction of a wreck, as well as the obligation to pay for any damage caused to harbour installations, harbour basins, and navigable waterways;
7. any obligations based on acts performed by the master without express authorization by the shipowner but only by virtue of the general lawful powers of the master, for the purpose of for preservation of the cargo or for continuation of the voyage, even if these acts were prompted by insufficient or inadequate fitting or supply before commencement of the voyage.

#### Claims Excepted from Limitation

Article 339. The rules for limitation of the liability of the shipowner, established in the foregoing Article, shall not apply to:

1. any obligations to crew members or other persons engaged in the service of the ship;
2. any obligations resulting from the personal fault of the shipowner;
3. (new, SG No. 113/2002) any indemnities for detriment caused to marine living resources in violation of the conditions for issuance of a permit to engage in commercial fishing.

#### Extent of Limited Liability

Article 340. In cases of limited liability of the shipowner, the shipowner shall be liable only up to the amount of a sum constituted of:

1. the value of the ship;
2. (amended, SG No. 113/2002) the freight at the time of emergence of the grounds for the claim;

3. not yet recovered general average contributions due from the ship for indemnity and rewards for any damage caused to the ship after commencement of the voyage, with the exception of insurance indemnities.

#### Amount of Liability

Article 341. (1) In the cases referred to in Items 1, 2, 3 and 4 of Article 338 herein, the liability of the shipowner may not exceed three-tenths of the value of the ship, applicable to indemnity for the property damage, and a further four-tenths of the same value, applicable to indemnity for the bodily injury.

(2) If the amount assigned for indemnification of bodily injury proves insufficient, any outstanding balance shall be payable proportionately from the amount assigned for indemnification of property damage.

(3) In respect of foreign creditors of States, which have established a lower liability compared to liability under this Code, the shipowner shall be liable only up to that lower limit.

(4) If the law of another State contains more stringent rules of liability against a ship operated by a Bulgarian shipowner than the rules contained in this Chapter, the rules of that more stringent liability of the foreign law shall apply in respect of ships registered in that State.

#### Valuation of Ship

Article 342. The value of a ship shall be determined as follows:

1. in respect of any claims related to collision, average and other incident which have occurred prior to the arrival of the ship at the nearest port, the valuation shall be conducted according to the condition of the ship at the time of arrival at the said port. If some further incident unrelated of the first incident has reduced the value of the ship until that time, the decrease of the values so caused shall be ignored. If the incident has occurred during the stay of the ship in the port, the valuation shall be conducted according to the condition of the ship in the port after the incident;
2. in respect of any claims arising from the contract of carriage, as well as in respect of all claims in connection with the cargo, although not resulting from the contract of carriage, except in the cases provided for in Item 1 of this Article, the valuation shall be conducted according to the condition of the ship in the port of cargo destination or in the place where the voyage was interrupted. If the cargo is destined for several ports and if the damage caused has occurred by reason of whatever general cause, the valuation shall be conducted considering the condition of the ship at the first of these ports;
3. in all other cases provided for in Article 338 herein, the ship shall be valued according to the condition thereof at the time of arrival at the last port of destination.

#### Abandonment of Ship

Article 343. The shipowner may discharge his liability for the obligations in the cases referred to in Items 4, 5 and 7 of Article 338 herein by abandoning the ship (abandonment), freight and the rest of the sums under Article 340 of this Code.

#### Effect of Abandonment

Article 344. (1) Abandonment can be effected in favour of all creditors or in favour of only some of them.

(2) The notice of abandonment shall be entered on the register where the ship was entered, and this recording shall be communicated to the creditors in whose favour the abandonment has been

effected. The notice shall state the reasons for the abandonment, the amount of freight, as well as the names, places of residence and claims of the creditors, as known at the time of the notice.

(3) The district court under the geographical jurisdiction whereof the ship was registered shall be competent to decide any disputes in respect of liquidation of the abandoned property.

#### Effect of Security

Article 345. Any guarantees or security furnished by the shipowner within the amount of the limited liability incurred thereby shall be intended for all persons whereto the shipowner is liable.

#### Other Persons Incurring Liability Equivalent to Shipowner's Liability

Article 346. The provisions on the limited liability of the shipowner for any obligations under Article 338 of this Code shall furthermore apply, mutatis mutandis, to any other persons which operate the ship in their own name and for their own account, even though they may not be owners, included as charterers of a ship.

## **Chapter Fifteen A** **(New, SG No. 55/2004)** **OIL TANKER OWNER'S LIABILITY FOR OIL OR** **PETROLEUM-PRODUCT POLLUTION DAMAGE** **(Heading amended, SG No. 92/2011)**

#### Oil Tanker Owner's Liability (Heading amended, SG No. 92/2011)

Article 346a. (New, SG No. 55/2004) (1) (Amended, SG No. 92/2011) Any owner of an oil tanker shall incur liability for any damage caused by pollution with crude oil or petroleum products upon an incident affecting the tanker.

(2) (Amended, SG No. 92/2011) The owner shall not be liable for any damage which has occurred as a result of:

1. force majeure;
2. wilful acts or omissions by third parties;
3. culpable conduct of the authorities responsible for the maintenance of the on-shore navigational aids.

(3) (Amended, SG No. 92/2011) If the damage has occurred as a result of culpable conduct of the aggrieved party, the shipowner may be exonerated from liability or the compensation may be reduced.

(4) (Amended, SG No. 92/2011) Upon occurrence of an incident affecting two or more tankers resulting in oil or petroleum-products pollution damage, the owners of all tankers involved in the incident, unless exonerated from liability under Paragraph (2), shall incur joint liability.

#### Extent of Compensation

Article 346b. (New, SG No. 55/2004) The compensation shall cover the losses sustained up to the amount of the costs necessary for reinstatement of the environment, as well as the costs of

preventive measures taken for the purpose of limiting the damage and further loss caused by such preventive measures.

Shipowner's Limited Liability  
(Heading amended, SG No. 92/2011)

Article 346c. (New, SG No. 55/2004) (1) (Amended, SG No. 92/2011) The shipowner shall be entitled to limit the liability thereof in respect of any one incident:

1. (amended, SG No. 70/2024, effective from the date stipulated in the Council Decision of the European Union on the adoption by the Republic of Bulgaria of the euro, adopted in accordance with Article 140(2) of the Treaty on the Functioning of the European Union, and in the Council Regulation adopted in accordance with Article 140(3) of the Treaty on the Functioning of the European Union) to the Euro equivalent of 3 million Special Drawing Rights as defined by the International Monetary Fund: for a tanker of 5,000 gross tonnage or less;

2. (amended, SG No. 70/2024, effective from the date stipulated in the Council Decision of the European Union on the adoption by the Republic of Bulgaria of the euro, adopted in accordance with Article 140(2) of the Treaty on the Functioning of the European Union, and in the Council Regulation adopted in accordance with Article 140(3) of the Treaty on the Functioning of the European Union) to the Euro equivalent of a sum total of the amount referred to in Item 1 and 420 Special Drawing Rights for each additional gross ton in excess of 5,000 gross tonnage provided, however, that this aggregate amount shall not in any event exceed 59.7 million Special Drawing Rights: for a tanker of 5,000 gross tonnage or more.

(2) (Amended, SG No. 92/2011) The shipowner shall be entitled to limit the liability thereof to the amount under Paragraph (1) if he provides security before the court according to the procedure established by Articles 180 and 181 of the Obligations and Contracts Act for the amount of the liability thereof under Paragraph (1), and the court finds this security sufficient.

(3) (Amended, SG No. 92/2011) The shipowner shall not be entitled to limit the liability thereof if the damage resulted from a culpable conduct thereof.

Financial Security and Issuance of Certificate  
(Heading amended, SG No. 92/2011)

Article 346d. (New, SG No. 55/2004) (1) (Amended, SG No. 92/2011)

The owner of a tanker carrying more than 2,000 tons of oil in bulk as cargo shall be obliged to hold insurance, a bank guarantee or other financial security covering the relevant sums referred to in Article 346c (1) herein.

(2) Any tanker flying the Bulgarian flag and carrying more than 2,000 tons of oil in bulk as cargo must carry on board a certificate issued by the Maritime Administration Executive Agency under terms and according to a procedure established by the ordinance referred to in Article 86 herein and attesting to the existence of the circumstances referred to in Paragraph (1).

(3) The Maritime Administration Executive Agency may issue a certificate attesting to the existence of the circumstances referred to in Paragraph (1) to a tanker flying the flag of a State which is not a Contracting State to the 1992 International Convention on Civil Liability for Oil Pollution Damage under terms and according to a procedure established by the ordinance referred to in Article 86 herein.

(4) Any tanker flying the flag of a State which is a Contracting State to the 1992 International Convention on Civil Liability for Oil Pollution Damage and carrying more than 2,000 tons of oil in bulk as cargo must carry on board a certificate attesting that insurance, bank guarantee or other financial security is in force to cover the liability for oil or petroleum-products pollution damage, or

a certificate declaring that the ship is owned by the said State and the liability for oil or petroleum-products pollution damage is covered up to the amount referred to in Article 346c (1) herein, issued by the competent authorities of the State whose flag the ship is flying.

(5) The Maritime Administration Executive Agency shall keep a register of the certificates as issued.

## **Chapter Fifteen B** **(New, SG No. 92/2011)** **LIABILITY OF THE SHIPOWNER FOR BUNKER OIL** **POLLUTION DAMAGE**

### Shipowner's Liability

Article 346e. (New, SG No. 92/2011) (1) The shipowner at the time of an incident shall be liable for pollution damages caused by any bunker oil on board or originating from the ship.

(2) If an incident consists of a series of occurrences having the same origin, the liability shall attach to the shipowner at the time of the first of such occurrences.

(3) No liability for pollution damage shall attach to the shipowner if the shipowner proves that:

1. the damage resulted from an act of war, hostilities, civil war, insurrection or a natural phenomenon of an exceptional, inevitable and irresistible character;
2. the damage was wholly caused by an act or omission done with the intent to cause damage by a third party;
3. the damage was caused by the negligence or other wrongful act of any government or other authorities responsible for the maintenance of lights or other navigation aids in the exercise of that function.

(4) The liability of the shipowner shall be joint and several in case:

1. more than one person is liable under Paragraphs (1) and (2);
2. an incident involving two or more ships has occurred and pollution damage results therefrom which is not reasonably separable.

(5) If the shipowner proves that the pollution damages resulted wholly or partially either from an act or omission done with intent to cause damage by the person who suffered the damage or from the negligence of that person, the shipowner may be exonerated wholly or partially from liability to such person.

### Extent of Compensation

Article 346f. (New, SG No. 92/2011) The compensation shall cover the losses sustained up to the amount of the costs necessary for reinstatement of the environment, as well as the costs of preventive measures taken for the purpose of limiting the damage and further loss caused by such preventive measures. The compensation may not exceed the amount of the insurance or the other financial guarantee covering the shipowner's liability for pollution damage.

### Shipowner's Limited Liability

Article 346g. (New, SG No. 92/2011) (New, SG No. 92/2011) The shipowner and the person or persons providing insurance or other financial security shall limit the liability thereof for bunker oil pollution damage to the limit set out in the Protocol of 1996 to the Convention on Limitation of Liability for Maritime Claims of 1976, done at London on 2 May 1996 (ratified by a

law, State Gazette No. 77 of 2005) ([Convention promulgated in the] State Gazette No. 43 of 2005) (SG No. 77/2005).

#### Financial Security and Issuing of Certificate

Article 346h. (New, SG No. 92/2011) (1) The owner of any ship of 1,000 gross tonnage or more shall be obliged to hold insurance, a bank guarantee or other financial security covering the respective value under Article 346f herein.

(2) Any ship of 1,000 gross tonnage or more, flying the Bulgarian flag, must carry on board a certificate issued by the Maritime Administration Executive Agency under terms and according to a procedure established by the ordinance referred to in Article 86 herein and attesting to the circumstances under Paragraph (1).

(3) The Maritime Administration Executive Agency may issue a certificate attesting to the existence of the circumstances under Paragraph (1) to a ship flying the flag of a State which is not a party to the 2001 International Convention on Civil Liability for Bunker Oil Pollution Damage under terms and according to a procedure established by the ordinance referred to in Article 86 herein.

(4) Any ship of 1,000 gross tonnage or more calling at Bulgarian sea ports or sea facilities must carry on board a certificate attesting to the existence of insurance, a bank guarantee or another financial security to cover the liability for bunker oil pollution damage or a certificate stating that the ship is owned by that State and the liability for bunker oil pollution damage is covered up to the amount under Article 346g herein, issued by the competent authorities of the State whose flag the ship is flying.

(5) The Maritime Administration Executive Agency shall keep a register of the certificates as issued.

## **Chapter Fifteen C** **(New, SG No. 92/2011, effective 1.01.2012)** **INSURANCE OF THE SHIPOWNER FOR MARITIME CLAIMS**

#### Insurance for Maritime Claims

Article 346i. (New, SG No. 92/2011, effective 1.01.2011) (1) The owner of a ship flying the Bulgarian flag of 300 gross tonnage or more and carrying out economic activity must have insurance for maritime claims for the ship.

(2) The owner of a ship flying a foreign flag which carries out economic activity must have insurance for maritime claims when the ship enters a Bulgarian sea port.

(3) The insurance referred to in Paragraphs (1) and (2) shall cover maritime claims subject to limitation of liability under the 1996 Protocol to the 1976 Convention on Limitation of Liability for Maritime Claims.

(4) The amount of the insurance for each and every ship shall be equal to the relevant maximum amount for the limitation of liability under the 1996 Protocol to the 1976 Convention on Limitation of Liability for Maritime Claims.

#### Proof of Existence of Insurance

Article 346j. (New, SG No. 92/2011, effective 1.01.2011) The existence of the insurance referred to in Article 346i herein shall be proved by one or more certificates issued by the insurer and carried on board the ship.

#### Minimum Requirements to Content of Insurance Certificates

Article 346k. (New, SG No. 92/2011, effective 1.01.2011) (1) The certificates issued by the insurer under Article 346j herein shall include at least the following information:

1. name of ship, IMO number and port of registry;
2. shipowner's name and principal place of business;
3. type and duration of the insurance;
4. name and principal place of business of the insurer and, where appropriate, the place of business where the insurance is established.

(2) If the language used in the certificates is neither English nor French nor Spanish, the text shall include a translation into one of these languages.

#### Consequences of Absence of Maritime Claims Insurance

Article 346l. (New, SG No. 92/2011, effective 1.01.2011) (1) Upon conduct of an inspection under port State control provisions, the Maritime Administration Executive Agency shall mandatorily verify whether the certificate referred to in Article 346j herein is carried on board the ship.

(2) In case the certificate referred to in Article 346j herein is not carried on board the ship, the Executive Director of the Maritime Administration Executive Agency or a person empowered thereby shall order the ship to leave the port forthwith until the provision of such insurance. The Maritime Administration Executive Agency shall notify the European Commission, the Member States of the European Union and the flag State of the order as issued.

(3) Any ship about which notification has been received from another Member State of the European Union or from the European Commission that she does not have compulsory insurance and which has been ordered to leave a port of another Member State of the European Union shall be barred from entering Bulgarian ports.

## **Chapter Sixteen**

### **SEA PROTESTS, CLAIMS AND TIME BAR**

#### **Section I**

#### **Sea Protests**

##### Application

Article 347. (1) When an incident has occurred to a ship on voyage or in a port, which may furnish grounds for laying claims against the shipowner, the master shall be obliged, following the established procedure, to make a statement for drawing up a sea protest.

(2) The statement for drawing up a sea protest must contain a description of the facts of the incident and the measures taken by the master to safeguard the property entrusted thereto.

##### Authorities Noting Statement

Article 348. A statement of sea protest shall be made:

in Bulgarian ports: before a notary;  
in foreign ports: before the Consul of the Republic of Bulgaria or before the competent official of the foreign State, according to the procedure established in the legislation of that State.

#### Time Limit for Making Statement

Article 349. (1) A statement of sea protest shall be made at the first port of call within 24 hours after arrival of the ship thereat.

(2) When the incident calling for noting of a sea protest has occurred in a port, the statement of sea protest must be made within 24 hours after the incident.

#### Delay of Statement

Article 350. (1) Where it is impossible to apply for the noting of a sea protest within the established time limit, the reasons for this must be indicated in the statement.

(2) Where there are grounds to assume that the incident as occurred may have caused damage to the cargo on board the ship, a sea protest must be noted before opening the hatches. Cargo discharge may commence before the noting of sea protest only in case of extreme necessity.

#### Evidence of Facts

Article 351. (1) In order to prove the facts set forth in the statement of sea protest, the shipmaster shall be obliged, upon making the statement or within seven days after arrival at the port or after the incident, if occurred in the port, to present to the notary or to the competent official for examination the official log-book and abstracts thereof certified by the shipmaster's signature and affixed with the seal of the vessel.

(2) In the event of a total loss of the official log-book, all circumstances of the incident and the circumstances and reasons for the total loss of the official log-book must be set forth in detail in the statement of sea protest.

#### Drafting of Sea Protect Act

Article 352. On the basis of the statement of the master, the data of the official log-book and the questioning of the master, and where possible, of not fewer than two witnesses from amongst the officers, the notary or the competent official shall draft an Act of Sea Protest and shall certify the said act.

#### Act Drafted by Foreign Authorities

Article 353. Statements of sea protest, made by masters of foreign ships, may furthermore be noted and acts of sea protest may be drafted by the competent consular officers of foreign States in the Republic of Bulgaria, on a basis of reciprocity.

## **Section II**

### **Claims and Actions**

#### Raising Claims

(Heading corrected, SG No. 58/1970)

Article 354. (1) (Corrected, SG No. 58/1970, amended, SG No. 113/2002) Bulgarian natural and legal persons shall have the right to bring any arbitration or judicial action arising out of a contract of carriage of goods, passengers and luggage solely after raising a claim against the carrier.



- (2) The request shall state the subject of the claim, the amount claimed under each document submitted, a list of the documents relevant to the claim, and the address of the intended beneficiary.
- (3) (Repealed, SG No. 113/2002).

#### Documents Required for Claim

Article 355. The documents supporting the claim shall mandatorily be attached to the written request raising a claim for loss of or damage to cargo or luggage:

1. bills of lading and consignment notes;
2. statements or memoranda ascertaining loss of or damage to cargo or luggage;
3. other requisite documents, substantiating the claim in terms of grounds and amount.

#### Time Limits for Consideration

Article 356. The carrier shall be obliged to consider the claim raised thereagainst and to pronounce within the following time limits:

1. in respect of any claims for the return of proceeds of sale of cargo unclaimed by the consignees, for indemnity for late delivery, and for payment of retained cash on delivery: not later than 30 days after the day of raising the claim;
2. in respect of all other claims: not later than 45 days after the day of raising the claim.

## **Section III**

### **Extinctive Prescription**

#### Types of Extinctive Periods

Article 357. (Amended, SG No. 113/2002) Actionability shall be extinguished:

1. upon the lapse of two years, in respect of:
  - (a) any claims arising out of a contract of insurance, as from the day when the right of action accrued;
  - (b) any claims arising from collision between ships, with the exception of any claims provided for in Article 314 (2) herein, as from the date when the damage was caused;
  - (c) any claims arising from rendering assistance, as from the day of completion of the act of rendering assistance;
  - (d) any claims arising from general average, as from the day when the right of action accrued;
  - (e) any claims arising from a contract of agency and a contract of shipping brokerage;
  - (f) any claims arising from a contract of carriage of passengers, as from the day of arrival of the ship or from the day when the said arrival was due;
2. upon the lapse of one year:
  - (a) any claims arising from a contract of carriage of goods and luggage, as from the day of delivery of the goods or luggage to the consignee, and in case the goods or luggage was not delivered, as from the due delivery date;
  - (b) any claims arising from a time charter or from a bareboat charter, as from the day of expiry of the period of the charter;
  - (c) any claims arising from a contract of towage, as from the day when the right of action accrued;
  - (d) any claims arising from a contract of pilotage;
  - (e) any claims arising out of transactions concluded by the shipmaster by virtue of the lawful powers thereof, as from the day when the right of action accrued;

- (f) any claims of a shipowner which has paid more than the sums due therefrom in the apportionment of a reward for the saving of human life;
3. upon the lapse of six months: any claims arising from a contract of carriage of passengers and carry-on luggage in cabotage, as from the day of arrival at the port of destination or, if the voyage was not completed, as from the day when arrival of the passenger was due.

#### Suspension of the period of prescription

Article 358. (1) The provisions of the civil laws on the interruption, suspension and resumption of prescription shall apply to the extinctive periods specified in Article 357 of this Chapter.

(2) Notwithstanding the provisions of the foregoing paragraph, an extinctive period shall cease to run if calculation of the amount in dispute depends on the calculation of the general average for a period from the day when the average adjuster declares commencement of drawing up of the average adjustment to the day when the average adjuster announces that the average adjustment has been drawn up.

(3) The prescription shall also be suspended for the period from the raising of a claim until the partial or total rejection of the said claim, but any such period may not exceed the periods specified in Article 356 of this Code.

#### Effect of Suspension

Article 359. In cases where, after suspension of prescription, less than three months are left of the period of actionability, this period shall be extended to three months, and in respect of claims arising from general average, to six months.

## **Chapter Seventeen**

### **MARITIME ADMINISTRATION**

#### Status of Maritime Agency Executive Agency

Article 360. (Amended, SG No. 41/2001) (1) (Amended, SG No. 15/2013, effective 1.01.2014, SG No. 106/2023) The Maritime Administration Executive Agency with the Minister of Transport and Communications shall be a public-financed legal person with a head office in Sofia and with territorial units in Bourgas, Varna, Rousse and Lom.

(2) (Amended, SG No. 113/2002) The operation, structure, organization and complement of the Maritime Administration Executive Agency shall be determined by Rules of Organization, adopted by the Council of Ministers.

(3) (Amended, SG No. 87/2005, SG No. 71/2008) The Maritime Administration Executive Agency shall administer revenues accruing from:

1. (amended, SG No. 104/2020) the dues referred to in Article 109c of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act;
2. activities comprehended in the provision for use of roadstead boats;
3. rewards for salvage of property at sea and on river;
4. tugging or pushing of ships and other floating structures;
5. provision of data from the public registers kept by the Agency;
6. rental of property;
7. (new, SG No. 104/2020) the portion of the port dues referred to in Item 1 of Article 103c of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act whereof the size shall

be determined and which shall be charged under the terms and according to the procedure established by Article 106c (2) of the same Act;

8. (renumbered from Item 7, SG No. 104/2020) other activities and services performed by the Agency.

(4) The employees of the Maritime Administration Executive Agency shall be obliged to respect the confidentiality of any data which have come to the knowledge thereof in the course of discharge of the official duties thereof.

(5) (New, SG No. 113/2002) The safety of navigation shall be controlled and ensured by the Maritime Administration Executive Agency.

(6) (New, SG No. 98/2008, repealed, SG No. 38/2012, effective 1.07.2012).

(7) (New, SG No. 92/2011) The Maritime Administration Executive Agency shall maintain a quality management system.

(8) (New, SG No. 92/2011) The Maritime Administration Executive Agency shall be a national authority responsible for the implementation of Regulation (EC) No. 392/2009 of the European Parliament and the Council of 23 April 2009 on the liability of carriers of passengers by sea in the event of accidents (OJ L 131/24 of 2009).

(9) (New, SG No. 92/2011) The Maritime Administration Executive Agency shall control the compliance with the obligations of carriers under Regulation (EC) No. 392/2009 of the European Parliament and the Council of 23 April 2009 on the liability of carriers of passengers by sea in the event of accidents in its capacity as a national authority responsible for the implementation of this Regulation.

(10) (New, SG No. 109/2013, amended, SG No. 52/2015) The Maritime Administration Executive Agency shall be a national authority responsible for the implementation of Regulation (EU) No. 1177/2010 and shall exercise control over the compliance with the obligations arising therefrom for the carriers under a passenger transport contract within the meaning given by Article 3 (m) of the Regulation and the port operators providing port services under Item 3 of Article 116 (2) of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act.

(11) (New, SG No. 109/2013) The Maritime Administration Executive Agency shall examine the complaints submitted by passengers in accordance with Article 25 (3) of Regulation (EC) No. 1177/2010 according to the procedure regulated in Section I "Consumer Complaints and Alerts" of Chapter Nine "Methods for Settlement of Consumer Disputes" of the Consumer Protection Act.

(12) (New, SG No. 93/2017) The Maritime Administration Executive Agency shall implement the functions of an "administration" within the meaning given by European Union secondary law on ship recycling.

(13) (New, SG No. 93/2017) The Maritime Administration Executive Agency shall be a notifying authority within the meaning given by Directive 90/2014/EU.

#### Interaction with Other Administrations

Article 360a. (New, SG No. 113/2002, amended, SG No. 106/2023) In order to fulfil the obligations thereof under this Code and under other laws, the Maritime Administration Executive Agency may conclude agreements on interaction with other administrations. Agreements on interaction and mutual recognition with foreign administrations shall be concluded by permission of the Minister of Transport and Communications.

#### Territorial Competence

(Heading amended, SG No. 113/2002)

Article 361. The territorial competence of the Maritime Administration Executive Agency shall extend to:

1. (amended, SG No. 113/2002) the internal sea waters;
2. the territorial sea;
3. (new, SG No. 113/2002) the Bulgarian sector of the Danube River;
4. (renumbered from Item 3, SG No. 113/2002) a coastal land strip of a breadth of 100 metres, measured from the highest tide line. At nucleated settlements or elevations separated from the highest tide line by less than 100 metres, the limits of the coastal strip shall follow the limits of the nucleated settlement from the seaward side or shall be coextensive with the summit of the elevation;
5. (new, SG No. 113/2002) a coastal land strip of a breadth of 100 metres, measured from the line where the water surface of the Danube River intersects with the land of the Bulgarian sector at the lowest water mark;
6. (new, SG No. 71/2008) the territory of the ports, including the zones referred to in Article 103 (6) of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act, with the exception of military ports;
7. (new, SG No. 92/2011) the exclusive economic zone of the Republic of Bulgaria;
8. (new, SG No. 92/2011) the Bulgarian area of responsibility for search and rescue;
9. (new, SG No. 92/2011) rivers which are used for navigation and which flow into the Black Sea.

#### Requirements for Competency

Article 361a. (New, SG No. 113/2002) (1) To be eligible for exercise of the powers vested therein under this Code, the Executive Director of the Maritime Administration Executive Agency as well the directors of the regional directorates - harbour masters, must be competent seafarers possessing competency as Sea Captain.

(2) The heads of units controlling navigation and safety of navigation must also be seafarers possessing the appropriate competency.

#### Directions of Executive Director of Maritime Administration Executive Agency

Article 362. (Amended, SG No. 113/2002) (1) (Amended, SG No. 93/2017) The Executive Director of the Maritime Administration Executive Agency or officials empowered thereby shall issue directions within the competence thereof, which shall be mandatory for:

1. all ships flying the flag of the Republic of Bulgaria, regardless of the ownership and assigned purpose thereof;
2. all ships flying a foreign flag, when in the territorial sea, the internal sea waters and the Bulgarian sector of the Danube River, unless otherwise provided in the laws or the international treaties whereto the Republic of Bulgaria is a party;
3. all shipowners, crew members, factory and office workers at ports, on ships, in state and municipal administrations, where the activities thereof are related to merchant shipping, as well as any person who is in the maritime space of the Republic of Bulgaria, on the inland waterways of the Republic of Bulgaria and other water areas having no contact with the sea, regardless of the official status and citizenship thereof;
4. (new, SG No. 71/2008) all port owners, port operators, persons who perform ancillary activities, as well as persons who provide maritime technical services according to the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act.

(2) Any appeal against the acts under Paragraph (1) shall not stay the execution thereof.

Control of Safety of Navigation. Regulatory and Control Functions in Respect of Ports  
(Heading supplemented, SG No. 71/2008)

Article 362a. (New, SG No. 113/2002) (1) (Previous text of Article 362a, SG No. 55/2004) The Maritime Administration Executive Agency shall exercise:

1. State control over the ships flying the Bulgarian flag, with respect to compliance with the statutorily established administrative, technical and social requirements;
2. (Amended, SG No. 93/2017) State port control over foreign ships as from the time of entry until the time of departure thereof from the ports of the Republic of Bulgaria, as to compliance with international safety standards, prevention of pollution and living and working conditions on board ships calling at Bulgarian ports;
3. State control over safe navigation in the maritime space and the Bulgarian sector of the Danube River.

(2) (New, SG No. 55/2004, amended, SG No. 106/2023) The terms and procedure for exercise of the control referred to in Item 2 of Paragraph (1) shall be established by an ordinance of the Minister of Transport and Communications.

(3) (New, SG No. 71/2008) The Maritime Administration Executive Agency shall furthermore perform the regulatory and control functions of the State in respect of ports under the Maritime Space, Inland Waterways or Ports of the Republic of Bulgaria Act and, to this end shall:

1. see to compliance with the provisions on ensuring safety at ports;
2. keep the registers of the ports and of the port operators in the Republic of Bulgaria;
3. (amended, SG No. 106/2023) collect and make available to the Minister of Transport and Communications information on fulfilment of the requirements for serviceability of the ports;
4. (amended, SG No. 92/2011, SG No. 106/2023) make a proposal to the Minister of Transport and Communications for suspension of operation or for temporary or permanent restriction of the operation of ports or port terminals which do not meet the requirements of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act or which perform port services in violation of Article 116 (5) of the same Act;
5. control compliance with the requirements for technical safety of port facilities, for occupational safety and for safe implementation of loading and discharging operations;
6. determine the levels of safety of ports;
7. control compliance with the requirements for free access to the public transport ports;
8. (repealed, SG No. 28/2013);
9. (amended, SG No. 106/2023) assist the Minister of Transport and Communications in implementing control over performance of the concession contracts concluded according to the procedure established by the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act;
10. (repealed, SG No. 104/2020);
11. perform other functions entrusted thereto by a law or by an act of the Council of Ministers.

Bar on Calling at Bulgarian Ports

Article 362b. (New, SG No. 87/2005, supplemented, SG No. 92/2011) (1) (New, SG No. 93/2017) Any ship flying a foreign flag which, according to information entered in the database for checks conducted according to the procedure for State control in the ports of the European Union and of the States Parties to the Paris Memorandum [of Understanding] on Port State Control, signed in Paris on 26 January 1982, has been denied access or has been barred from calling at a port or an anchorage of another Member State of the European Union, shall be barred from entering Bulgarian

ports and roadsteads. The bar on calling at Bulgarian ports and roadsteads shall be in force until the denial of access or bar on calling at the port or roadstead of the other Member State of the European Union is in force.

(2) (Previous text of Article 362b, supplemented, SG No. 93/2017) The Executive Director of the Maritime Administration Executive Agency or an official empowered thereby shall bar, under terms and according to a procedure established by the ordinance referred to in Article 362a (2) herein, the call at Bulgarian ports by ships flying a foreign flag, where the said ships do not comply with the requirements for safety of navigation and protection of the environment against pollution from ships. The order whereby the call at Bulgarian ports is barred shall be appealable according to the procedure established by the Administrative Procedure Code. An appeal shall not stay the enforcement of the coercive administrative measure.

#### Control Over Prevention of Pollution from Ships

Article 362c. (New, SG No. 92/2011) (1) The Maritime Administration Executive Agency shall exercise State environmental control over navigation for the prevention of pollution from ships.

(2) The State environmental control over navigation shall be exercised in respect of any ships for compliance with the statutorily established requirements for prevention of environmental pollution.

(3) (Amended, SG No. 93/2017, SG No. 106/2023) The terms and procedure for the exercise of control under Paragraph (1) shall be established by an ordinance of the Minister of Transport and Communications.

#### Departure Clearance and Ship's Detention

(Heading amended, SG No. 109/2013)

Article 363. (Amended, SG No. 113/2002) (1) (Supplemented, SG No. 92/2011) Departure of each ship shall be cleared by the Harbour Master or an official empowered thereby.

(2) (Supplemented, SG No. 87/2005, amended, SG No. 109/2013, SG No. 93/2017) The Harbour Master or a person empowered thereby may detain any ship in any of the following cases:

1. upon lack or irregularity of the document attesting the right to fly the flag of the respective State;
2. upon lack or irregularity of the documents required according to bilateral and multilateral international treaties whereto the Republic of Bulgaria is a party;
3. if water leaks into the hull of the ship;
4. any fault in the steering or anchor gear;
5. loading of the ship contrary to the rules for the carriage of goods or to prudent seamanship, heel in excess of 8 degrees, and if cargo obstructs the visibility for steering;
6. taking more passengers than the permissible number stated in the certificate of safety of a passenger ship;
7. loading of the ship above the extreme draught stated in the ship's documents;
8. undermanning of the ship with competent crew;
9. undersupply of the ship with life-saving, fire-fighting, draining, signalling and other means and devices required for the safety of navigation;
10. lack or undersupply of medicinal drugs and life-saving agents, as well as absence of a qualified medical professional on board, where such is required;
11. non-compliance with the provision of Article 175a (2) herein regarding the terms and procedure for carriage of dangerous goods;
12. violation of the provisions of a law or an international treaty whereto the Republic of Bulgaria is a party;

13. breach of the requirements for living and working conditions, periods of work and rest, and victualling the ship's crew.

(3) (New, SG No. 93/2017) The order whereby the ship is detained shall be appealable according to the procedure established by the Administrative Procedure Code. An appeal shall not stay the enforcement of the coercive administrative measure.

(4) (New, SG No. 55/2004, amended, SG No. 109/2013, renumbered from Paragraph (3), SG No. 93/2017) The Harbour Master shall detain or shall deny clearance of the entry into the port of any tanker carrying more than 2,000 tons of oil in bulk as cargo, if a certificate referred to in Article 346d herein is not carried on board.

(5) (Renumbered from Paragraph (3), SG No. 55/2004, amended, SG No. 109/2013, renumbered from Paragraph (4), SG No. 93/2017) The detention shall continue until the elimination of the reasons that prompted it.

#### Mandatory Rules

Article 363a. (New, SG No. 113/2002) The Executive Director of the Maritime Administration Executive Agency shall issue mandatory rules regarding:

1. ensuring free pratique;
2. compliance with the rules for radio traffic;
3. use of pilot assistance and compliance with the instructions of traffic control regarding movement within the harbour areas;
4. (amended, SG No. 92/2011) use of tugboats within harbour areas;
5. (amended, SG No. 92/2011) use of anchorages;
6. (amended, SG No. 92/2011) loading, discharge, declaration and marking of dangerous and special-purpose goods;
7. (amended, SG No. 92/2011) ensuring prevention of environment pollution from ships;
8. (amended, SG No. 92/2011) fire-protection;
9. (new, SG No. 92/2011) supply of ships with fuel and lubricants.

#### Denial of Departure Clearance

Article 364. (Amended, SG No. 113/2002, supplemented, SG No. 104/2005, amended, SG No. 109/2013) (1) (Amended, SG No. 58/2016) The Harbour Master may deny clearance of the departure of any ship, irrespective of her flag, or to impound any cargo which is in the port at the request of an executive or judicial authority in order to secure the collection of any taxes, excise duties, customs duties, fees, fines or pecuniary penalties due.

(2) The denial of clearance of the departure or the impoundment of the cargo, as the case may be, shall continue until the elimination of the reasons that prompted it or until security is provided according to Articles 180 and 181 of the Obligations and Contracts Act.

(3) The Harbour Master shall pronounce on the request to deny clearance of the departure of a ship on the day of receipt of the said request.

(4) The order whereby clearance of the departure is denied shall be subject to anticipatory enforcement.

(5) The order whereby clearance of the departure is denied shall be appealable according to the procedure established by the Administrative Procedure Code.

#### Arrest of Merchant Ship while in Bulgarian Sea Port

Article 364a. (New, SG No. 109/2013) (1) Any merchant ship, while in a Bulgarian sea port, irrespective of her flag, may be arrested solely in order to secure a maritime claim within the

meaning given by Article 1, paragraph 1 of the International Convention on the Arrest of Ships, done at Geneva on 12 March 1999 (ratified by a law, State Gazette No. 7 of 2001) ([Convention promulgated in the] State Gazette No. 10 of 2012).

(2) It shall be inadmissible to arrest any warship or any ship used on government non-commercial service while in a Bulgarian sea port.

(3) A ship shall be arrested and released from arrest by the Harbour Master of the port in which the ship is, in furtherance of a judicial instrument.

(4) Arrest shall be decreed in conformity with the conditions provided for in the International Convention on the Arrest of Ships by:

1. the first-instance or the intermediate-appellate-review Bulgarian court wherebefore the maritime claim case is pending;

2. the district court exercising jurisdiction over the location of the ship: where a future maritime claim is secured.

(5) The release from arrest shall be decreed under the terms and according to the procedure established by Article 4 of the International Convention on the Arrest of Ships.

(6) Any merchant ship, which has already been arrested and released from arrest or in respect of which security has already been provided to secure a maritime claim, regardless of the State where this has been done, may not thereafter be rearrested in respect of the same claim except in the cases covered under Article 5, paragraph 1 of the International Convention on the Arrest of Ships. In respect of any other ship which would be subject to arrest of the same claim, the provision of Article 5, paragraph 2 of the International Convention on the Arrest of Ships shall apply.

#### Arrest of Ship while in Bulgarian River Port

Article 365. (Amended, SG No. 113/2002, SG No. 109/2013) (1) Any merchant ship, while in a Bulgarian river port, irrespective of her flag, may be arrested solely in order to secure an asserted or future claim having as a subject:

1. a pecuniary receivable for:

(a) compensation for damage caused by the operation of the ship, including loss of life or personal injury occurring on land or on water;

(b) compensation for damage caused as a result of pollution or threatened pollution of the riparian environment (including the river banks) by a ship, as well as the costs incurred to prevent, limit or eliminate the effects of such pollution;

(c) costs incurred for salvage operations, including in respect of a ship which by itself or its cargo threatened damage to the riparian environment;

(d) costs incurred for the raising, removal, recovery, destruction or rendering harmless of a wreck;

(e) costs incurred for the preservation of an abandoned ship and maintenance of her crew;

(f) pilotage, towage (tugging or pushing), goods, materials, provisions, bunkers supplied or other services rendered to the ship for her operation, management, preservation or maintenance;

(g) port dues;

(h) wages and other sums due to the ship's crew members in respect of the employment thereof on the ship, including costs of repatriation and social insurance contributions payable on their behalf;

(i) disbursements incurred on behalf of the shipowner;

(j) insurance premiums in respect of the ship;

2. a pecuniary receivable for:

(a) general average);

(b) the contract of carriage;



(c) a contract for construction, reconstruction, repair, change of the assigned purpose or equipping of the ship;

3. any dispute as to ownership or possession of the ship, as well as relating to the use or hire of the ship, including any dispute arising from the contract for purchase and sale, and any dispute between co-owners as to the employment of a ship's crew or sharing the earnings of the ship;

4. a mortgage or another encumbrance on the ship.

(2) It shall be inadmissible to arrest any warship or any ship used on government non-commercial service while in a Bulgarian river port.

(3) A ship shall be arrested and released from arrest by the Harbour Master of the port in which the ship is, in furtherance of a judicial instrument.

(4) Arrest shall be decreed conforming to the general requirements of the precautionary proceedings according to the procedure established by the Code of Civil Procedure by:

1. the first-instance or the intermediate-appellate-review Bulgarian court wherebefore the cause under the claim referred to in Paragraph (1) is pending;

2. the district court exercising jurisdiction over the location of the ship: where a future claim is secured.

(5) Release from arrest shall be decreed upon:

1. lapse of the grounds for arrest of the ship;

2. provision of security according to Articles 180 and 181 of the Obligations and Contracts Act.

#### Removal of Ship in Respect of Which Detention, Denial of Departure Clearance or Arrest Has Been Decreed

Article 365a. (New, SG No. 109/2013) (1) In the cases under Article 363 herein, in order to ensure the safety or navigation and the normal operation in the port and subject to the condition that the ship detained is seaworthy, the Harbour Master may order the removal of the said ship to a safe place in the port or on the roadstead, where she is to remain afloat until elimination of the reasons that prompted the detention. The removal order shall be subject to anticipatory enforcement.

(2) In the cases under Articles 364, 364a and 365 herein, by the order denying clearance of departure or decreeing arrest, as the case may be, the Harbour Master shall furthermore designate a safe place in the port or on the roadstead, where the ship is to remain afloat until the revocation of the precautionary measure, so as not to obstruct navigation and the normal operation in the port.

(3) The Maritime Administration Executive Agency shall not be liable for the costs incurred in connection with the removal of a ship according to the procedure established by Paragraphs (1) and (2).

#### Removal of Unseaworthy Ship

Article 366. (1) (Amended, SG No. 113/2002) The Maritime Administration Executive Agency may order natural or legal persons to remove an unseaworthy ship to a suitable place where the said ship could remain, afloat or aground, so as not to obstruct navigation.

(2) The Agency shall incur no liability for any consequences occurring in connection with the removal of the ship.

#### Order to Join Salvage Effort

Article 367. The Maritime Administration Executive Agency may oblige ships and persons in a port to make the floating structures and other technical means thereof available for the salvage of ships and persons in distress.

## Designation and Use of Places of Refuge for Ships

Article 367a. (New, SG No. 92/2011) (1) The Maritime Administration Executive Agency shall publish the places of refuge for ships.

(2) The terms and procedure for designation of the places of refuge for ships and for the use of the said places shall be regulated by the ordinance referred to in Article 244a herein.

Article 368. (Repealed, SG No. 113/2002).

Article 369. (Repealed, SG No. 113/2002).

## Inspectorate

Article 370. (New, SG No. 113/2002) (1) The Inspectorate of the Maritime Administration Executive Agency shall exercise the under Article 362a herein.

(2) The persons referred to in Item 3 of Article 362 (1) herein shall be obliged to comply with the orders of and to extend full cooperation to the inspectors of the Maritime Administration Executive Agency in the course of discharge of the official duties thereof. The orders of inspectors shall be mandatory even for ships referred to in Items 1 and 2 of Article 362 (1) herein.

(3) Inspectors shall identify themselves by an inspector identity card, the standard form of which shall conform to the requirements applicable in the European Union, and each of them shall hold a personal seal.

(4) Inspector identity cards shall be issued by the Executive Director of the Maritime Administration Executive Agency and shall state particulars in the Bulgarian and the English language regarding:

1. designation of the administration issuing the card;
2. forename, patronymic and surname of the holder;
3. photograph and signature of the holder;
4. legal grounds for conduct of the inspection.

(5) (Repealed, SG No. 71/2008).

(6) To be eligible for the exercise of the powers under this Code, the inspectors of the Maritime Administration Executive Agency, who exercise the control, must be seafarers possessing the appropriate competency.

## Uniform

Article 370a. (New, SG No. 92/2011) (1) In the discharge of the official duties thereof, the officials of the Maritime Administration Executive Agency specified with an order of the Executive Director of the Maritime Administration Executive Agency shall wear uniforms.

(2) The type of uniform, as well as the procedure for wearing, it shall be determined by the order referred to in Paragraph (1).

## Terms and Procedure for Acceptance of Waste

Article 371. (New, SG No. 113/2002, amended, SG No. 106/2023) The terms and procedure for delivery or reception of waste from ships shall be established by an ordinance of the Minister of Transport and Communications.

## Bulletin and Statistics

Article 372. (New, SG No. 113/2002) (1) The Maritime Administration Executive Agency shall publish a bulletin, inserting therein mandatory orders, circular letters, national and international instruments in the field of shipping.

(2) The Maritime Administration Executive Agency shall consolidate the information on the activities thereof, as well as information contained in the registers kept by the administration, into a single data base which shall be accessible according to the obligations arising from international treaties whereto the Republic of Bulgaria is a party.

#### Information Concerning the Safety of Seagoing Ships

Article 372a. (New, SG No. 92/2011) (1) The Maritime Administration Executive Agency shall maintain a database of the ships flying the Bulgarian flag which shall contain:

1. particulars of the ship (name, IMO number);
2. dates of surveys carried out, including additional and supplementary surveys, if any, and audits;
3. the recognized organisations that have participated in the issuing of the certificate and the classification of the ship;
4. the competent authority which has inspected the ship under port State control provisions and the dates of the inspections;
5. outcome of the port State control inspections (deficiencies: yes or no, detentions: yes or no);
6. information on marine casualties;
7. identification of ships which have been stricken from the registers of ships of the Republic of Bulgaria during the previous 12 months.

(2) The information covered under Paragraph (1) shall be collected, maintained, updated and used for the purpose of compliance with the flag State obligations of the Republic of Bulgaria, enhancing safety and preventing pollution from ships flying the Bulgarian flag.

(3) (Amended, SG No. 108/2020) Summary information under Paragraph (1) shall be published annually on the Internet site of the Maritime Administration Executive Agency.

(4) The information covered under Items 4 and 5 of Paragraph (1) shall be submitted to the Maritime Administration Executive Agency by the owners of ships flying the Bulgarian flag within seven days after conduct of the inspection.

## **Chapter Eighteen** **(New, SG No. 113/2004)** **ADMINISTRATIVE SANCTIONS PROVISIONS**

Article 373. (New, SG No. 113/2002) Any person, that violates the provisions of Article 39 herein, or that fails to request entry of any change of the circumstances under Article 38 (1) herein within the time limits prescribed, shall be liable to a fine or a pecuniary penalty of BGN 50 or exceeding this amount but not exceeding BGN 500.

Article 374. (New, SG No. 113/2002) (1) (Previous text of Article 374, amended, SG No. 92/2011) Any shipowner, who or which admits the ship thereof to sail in violation of the requirements of safety and/or protection of the environment against pollution, shall be liable to a fine or a pecuniary penalty of BGN 2,000 or exceeding this amount but not exceeding BGN 50,000.

(2) (New, SG No. 92/2011) Any shipowner, who or which fails to provide the information referred to Article 372a (4) herein within the prescribed time limit, shall be liable to a fine or a pecuniary penalty of BGN 500 and, upon a repeated violation, BGN 1,000.

Article 374a. (New, SG No. 108/2020) (1) Any person, who or which fails to afford access to the persons referred to in Article 80a (3) herein for the exercise of the powers thereof in accordance with the provisions of Section IIa of Chapter Four herein, shall be liable to a fine of BGN 200 or exceeding this amount but not exceeding BGN 500 or to a pecuniary penalty of BGN 500 or exceeding this amount but not exceeding BGN 2,000.

(2) In case of a repeated violation under Paragraph (1), a fine of BGN 400 or exceeding this amount but not exceeding BGN 1,000 or a pecuniary penalty of BGN 1,000 or exceeding this amount but not exceeding BGN 4,000 shall be imposed.

Article 374b. (New, SG No. 108/2020) (1) Any person, who or which fails to comply with any restrictive measures and/or corrective actions imposed thereof by an order under Article 80d (3) herein, shall be liable to a fine of BGN 1,000 or exceeding this amount but not exceeding BGN 2,000 or to a pecuniary penalty of BGN 2,000 or exceeding this amount but not exceeding BGN 5,000.

(2) In case of a repeated violation under Paragraph (1), the fine shall be BGN 2,000 or exceeding this amount but not exceeding BGN 4,000, and the pecuniary penalty shall be BGN 4,000 or exceeding this amount but not exceeding BGN 10,000.

Article 375. (New, SG No. 113/2002, amended, SG No. 92/2011) (1) (Amended, SG No. 109/2013, SG No. 108/2020) Any ship's crew member, who performs the official duties thereof with more than 0.25 mg/l alcohol in the breath or with a blood alcohol level exceeding 0.5 per mille or under the influence of narcotic substances or the analogues thereof, shall be liable to disqualification from holding the position in connection with which the violation has been committed for a period of six months and a fine of BGN 200.

(2) (Amended, SG No. 109/2013, SG No. 108/2020) The sanction under Paragraph (1) shall also be imposed on any pilot who pilots a ship with more than 0.25 mg/l alcohol in the breath or with a blood alcohol level exceeding 0.5 per mille or under the influence of narcotic substances or the analogues thereof.

(3) In case of a repeated violation under Paragraphs (1) or (2), the sanction shall be disqualification from holding the position in connection with which the violation has been committed for a period of one year and a fine of BGN 500.

(4) (Amended, SG No. 108/2020, SG No. 106/2023) The consumption of alcohol or the use of narcotic substances or the analogues thereof shall be ascertained under terms and according to a procedure established by an ordinance of the Minister of Transport and Communications.

Article 376. (New, SG No. 113/2002) Any shipmaster, pilot or crew member, who in the course of discharge of the official duties thereof culpably causes a shipwreck or an average on board the ship, shall be liable, unless the act constitutes a criminal offence, to suspension from practice of the activity in connection with which the violation has been committed, for a period of six months or exceeding this duration but not exceeding two years, and to a fine of BGN 200 or exceeding this amount but not exceeding BGN 1,000.

Article 377. (New, SG No. 113/2002) (1) (Previous text of Article 377, SG No. 85/2010) Any shipmaster, who fails to declare the fact of carriage of dangerous goods or of other goods whereof the declaring is mandatory or who fails to comply with the rules for carriage of such goods, shall be liable to a fine of BGN 1,000 or exceeding this amount but not exceeding BGN 5,000, unless subject to a severer sanction.

(2) (New, SG No. 85/2010) Any shipmaster, who fails to send a notification that the ship is eligible for a mandatory expanded inspection, shall be liable to a fine of BGN 2,500 or exceeding this amount but not exceeding to BGN 5,000.

(3) (Amended, SG No. 85/2010, supplemented, SG No. 92/2011, repealed, SG No. 106/2023).

Article 378. (New, SG No. 113/2002) (1) Any shipmaster or ship's crew member, who fails to comply with the mandatory orders of the Harbour Master regarding ships, shall be liable to a fine of BGN 50 or exceeding this amount but not exceeding BGN 1,000, and in case of a repeated violation, to a fine of BGN 200 or exceeding this amount but not exceeding BGN 5,000.

(2) (Amended, SG No. 71/2008, SG No. 92/2010) Any shipmaster or crew member, who by a culpable act or omission has suffered the ship to sail in violation of the requirements for safety and protection of the environment from pollution or to be detained according to the procedure for control of ships in ports, shall be liable to a fine of BGN 500 or exceeding this amount but not exceeding BGN 5,000 and to suspension from occupation of the position in connection with which the violation has been committed for a period of two months or exceeding this duration but not exceeding one year.

(3) (Amended, SG No. 71/2008) A repeated violation under Paragraph (2) shall be punishable by a fine of BGN 5,000 or exceeding this amount but not exceeding BGN 10,000 and suspension from occupation of the position in connection with which the violation has been committed for a period from one to two years.

(4) (Supplemented, SG No. 71/2008) If the violation referred to in Paragraph (2) has been committed by an employee of the shipowner, an official of the Maritime Administration Executive Agency or of an organization recognized under this Code to conduct surveys, the sanction shall be a fine of BGN 500 or exceeding this amount but not exceeding BGN 5,000, and in case of a repeated violation, a fine of BGN 5,000 or exceeding this amount but not exceeding BGN 10,000.

(5) (New, SG No. 92/2011) Any shipmaster or ship's crew member, who admits incorrect keeping of the ship's Oil Record Book or the Ship's Waste Record Book, shall be liable to a fine of BGN 100 or exceeding this amount but not exceeding BGN 1,000.

Article 379. (New, SG No. 113/2002) Any shipmaster, who fails to observe the compulsory and voluntary pilotage areas in the cases where ships are exempted from compulsory pilotage, the grounds for barring calls by ships, the designation of berths and places for loading and discharge operations in violation of safety requirements or at places which do not conform to such, shall be liable to a fine of BGN 2,000 or exceeding this amount but not exceeding BGN 10,000.

Article 380. (New, SG No. 113/2002) (1) Any shipowner, which hires for employment on board a ship any person who does not possess the appropriate competency required for the specific position, as well as any person, who navigates a ship or occupies another position on board a ship without possessing the appropriate competency required for this, shall be liable to a fine of BGN 500 or exceeding this amount but not exceeding BGN 5,000.

(2) Any person, who draws up or uses a false official document or who forges the contents of an official document related to attainment of competency under this Code, unless the act constitutes a criminal offence, shall be liable to a fine of BGN 2,000 or exceeding this amount but not exceeding BGN 10,000 and to disqualification from holding a position on a ship for a period of five years.

(3) Any shipmaster, who violates the rules for prevention of collisions, the rules for coastal shipping, the rules for navigation on the Danube River or for navigation within harbour areas, shall be liable to a fine of BGN 50 or exceeding this amount but not exceeding BGN 250.

(4) (New, SG No. 108/2020) Any shipmaster, who has suffered any person to occupy a position on board a ship without possessing the competency required for the said position, shall be liable to disqualification from holding a position on board a ship for a period of two years, unless the act constitutes a criminal offence.

Article 381. (New, SG No. 113/2002) (1) Any person, that violates any other provisions of this Code, shall be liable to a fine or a pecuniary penalty of BGN 20 or exceeding this amount but not exceeding BGN 500.

(2) Any person, that disobeys or breaches a lawful order of the Maritime Administration Executive Agency, shall be liable to a fine or a pecuniary penalty of BGN 10 or exceeding this amount but not exceeding BGN 250.

(3) (New, SG No. 87/2005) Any person, who violates any statutory instruments of secondary legislation on the application of this Code and for the violation whereof no other sanction is provided for, shall be liable to a fine or a pecuniary penalty of BGN 400 or exceeding this amount but not exceeding BGN 2000.

Article 382. (New, SG No. 113/2002) (1) Any person, who fails to fulfil or breaches the requirements established by Items 1, 3, 4 and 5 of Article 363a herein, shall be liable to a fine of BGN 1,000 or exceeding this amount but not exceeding BGN 2,500.

(2) Any person, who fails to fulfil or breaches the requirements established by Items 2 and 8 of Article 363a herein, shall be liable to a fine of BGN 500 or exceeding this amount but not exceeding BGN 5,000.

(3) Any person, who fails to fulfil or breaches the requirements established by Items 6 and 7 of Article 363a herein, shall be liable to a fine of BGN 10,000 or exceeding this amount but not exceeding BGN 50,000. 363a herein, shall be liable to a fine of BGN 10,000 or exceeding this amount but not exceeding BGN 50,000.

Article 382a. (New, SG No. 55/2004) Any person, that breaches the requirement established by Article 27 (1) herein, shall be liable to a fine or a pecuniary penalty of BGN 50,000 or exceeding this amount but not exceeding BGN 250,000.

Article 383. (New, SG No. 113/2002) (1) (Amended, SG No. 12/2009, effective 1.01.2010 - amended, SG No. 32/2009, SG No. 92/2011) In minor cases of violations of the provisions of this Code, a fine of BGN 10 or exceeding this amount but not exceeding BGN 50 may be imposed, evidenced by a ticket. The ticket evidencing the fine imposed must state particulars identifying the official who imposed the fine and the offender, the place and time of the violation, the provisions violated, and the amount of the fine. The ticket shall be signed by the official who imposed the fine and by the offender, certifying his consent to pay the fine, and shall be transmitted for execution to the National Revenue Agency according to the Tax and Social-Insurance Procedure Code. A copy of the ticket shall be delivered to the offender, and the fine under the said ticket shall be paid before the departure of the ship by the blameworthy person or, on behalf of the said person, by the ship's agent.

(2) A written statement shall be drawn up against any person who contests the violation committed thereby or the amount of the fine imposed, or who refuses to sign the ticket.

(3) (New, SG No. 85/2010) The Executive Director of the Maritime Administration Executive Agency shall empower the officials who may impose a fine evidenced by a ticket.

Article 383a. (New, SG No. 92/2011) (1) Any person, who or which fails to comply with or breaches the requirements of Article 6a herein, shall be liable to a fine or a pecuniary penalty of BGN 5,000 or exceeding this amount but not exceeding BGN 15,000.

(2) In case of a repeated violation under Paragraph (1), the sanction shall be a fine or a pecuniary penalty of BGN 30,000 or exceeding this amount but not exceeding BGN 50,000.

Article 383b. (New, SG No. 92/2011) (1) Any owner of a ship of 300 gross tonnage or more flying the Bulgarian flag, who or which has no insurance for maritime claims for the ship, shall be liable to a fine or a pecuniary penalty of BGN 5,000 or exceeding this amount but not exceeding BGN 20,000.

(2) In case of a repeated violation under Paragraph (1), the sanction shall be a fine or a pecuniary penalty of BGN 25,000 or exceeding this amount but not exceeding BGN 40,000.

Article 383c. (New, SG No. 109/2013) (1) A pecuniary penalty of BGN 2,000 or exceeding this amount but not exceeding BGN 10,000 shall be imposed on any carrier under a passenger transport contract within the meaning given by Article 3 (m) of the Regulation (EU) No. 1177/2010 which:

1. fails to fulfil the obligation thereof under Article 4 (1) of Regulation (EU) No. 1177/2010 to issue a ticket to the passenger, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation to fail to fulfil it;
2. fails to fulfil the obligation thereof under Article 4 (2) Regulation (EU) No. 1177/2010 regarding the non-discriminatory application of the published tariffs, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation to fail to fulfil it;
3. fails to fulfil any of the obligations thereof under Article 7 of Regulation (EU) No. 1177/2010, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation to fail to fulfil it;
4. fails to fulfil the obligation thereof under Article 8 (2) of Regulation (EU) No. 1177/2010, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation to fail to fulfil it;
5. fails to ensure a disabled person or person with reduced mobility the opportunity to exercise the right thereof to a choice under Article 8 (3) of Regulation (EU) No. 1177/2010, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation to do so;
6. demands payment for the carriage of the person accompanying a disabled person or person with reduced mobility and thereby violates the provision of Article 8 (4), second sentence, of Regulation (EU) No. 1177/2010, or suffers the person whereto the carrier has entrusted the fulfilment of obligations thereof under the Regulation to do so;
7. fails to fulfil or to fulfil within the time limit set any of the obligations thereof under Article 8 (5) Regulation (EU) No. 1177/2010, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation not to fulfil it or not to fulfil it within the time limit set;
8. fails to fulfil any of the obligations thereof under Article 9 (1) or (2) of Regulation (EU) No. 1177/2010 regarding the establishing, having in place, making publicly available and communicating to the Maritime Administration Executive Agency of access conditions for the transport of disabled persons and persons with reduced mobility, as well as of accompanying persons, or maintains discriminatory access conditions for the transport of such persons;
9. fails to fulfil any of the obligations thereof under Article 9 (4) of Regulation (EU) No. 1177/2010, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation to fail to fulfil it;

10. fails to fulfil the obligation thereof under Article 10 of Regulation (EU) No. 1177/2010 regarding the provision of assistance free of charge to disabled persons and persons with reduced mobility in the port, including embarkation and disembarkation, and on board the ship, or demands payment for the assistance rendered, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation to fail to fulfil it or to demand payment for the assistance;
11. fails to fulfil any of the obligations thereof under Article 11 (4) and (5) of Regulation (EU) No. 1177/2010 or provides assistance to a disabled person or person with reduced mobility in the port, including embarkation and disembarkation, and on board the ship, in such a way that such person is unable to embark, disembark and travel on board the ship, or suffers the person whereto the carrier has entrusted the fulfilment of any of these obligations to fail to fulfil it or to fulfil it in an inappropriate manner;
12. fails to fulfil any of the obligations thereof under Article 12 (1) and (3) of Regulation (EU) No. 1177/2010;
13. fails to fulfil any of the obligations thereof under Article 14 of Regulation (EU) No. 1177/2010 regarding the establishment of training and instructions procedures, delivery of training or instruction of the personnel in accordance with Annex IV to the Regulation and regarding maintenance of the competences of the personnel, or suffers the person whereto the carrier has entrusted the fulfilment of any of these obligations to fail to fulfil it;
14. fails to fulfil the obligation thereof under Article 15 (4) of Regulation (EU) No. 1177/2010, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation to fail to fulfil it;
15. (new, SG No. 52/2015) fails to fulfil or to fulfil within the time limit set the obligation thereof under Article 16 (1) of Regulation (EU) No. 1177/2010 regarding the provision of information in the event of cancelled or delayed departure, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation not to fulfil it or not to fulfil it within the time limit set;
16. (new, SG No. 52/2015) fails to fulfil or to exercise due care upon the fulfilment of the obligation thereof under Article 16 (2) of Regulation (EU) No. 1177/2010 regarding the provision of information in the event of cancelled or delayed departure, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation not to fulfil it or not to exercise due care upon its fulfilment;
17. (new, SG No. 52/2015) fails to fulfil or to fulfil the obligation thereof under Article 16 (3) of Regulation (EU) No. 1177/2010 regarding the provision of information in the event of cancelled or delayed departure in accessible formats to disabled persons or persons with reduced mobility, or suffers the person whereto the carrier has entrusted the fulfilment of this obligation not to fulfil it;
18. (new, SG No. 52/2015) fails to fulfil any of the obligations thereof under Article 17 of Regulation (EU) No. 1177/2010, or suffers the person whereto the carrier has entrusted the fulfilment of any of these obligations to fail to fulfil it;
19. (new, SG No. 52/2015) fails to fulfil or to fulfil within the time limit set or in the established manner any of the obligations thereof under Article 18 or under Article 19 (5) and (6) of Regulation (EU) No. 1177/2010, or suffers the person whereto the carrier has entrusted the fulfilment of any of these obligations not to fulfil it or not to fulfil it within the time limit set or in the established manner;
20. (renumbered from Item 15, SG No. 52/2015) fails to fulfil any of the obligations thereof under Article 23 (1) and (3) of Regulation (EU) No. 1177/2010 to provide information on the rights of passengers arising from the Regulation and of the contact details of the Maritime Administration Executive Agency or provides such information in an inappropriate form;



21. (renumbered from Item 16, SG No. 52/2015) fails to fulfil the obligation thereof under Article 24 of Regulation (EU) No. 1177/2010 regarding the setting up or having in place an accessible complaint-handling mechanism.

(2) (Amended, SG No. 52/2015) A fine or a pecuniary penalty, as the case may be, in the amount referred to in Paragraph (1), shall furthermore be imposed on the person whereto the carrier has entrusted the fulfilment of any of the obligations thereof under Article 4 (1), Article 7, Article 8 (2), (3), (4), second sentence, and Paragraph (5) Article 9 (4), Article 10, Article 11, Paragraph (4) and (5), Article 14, Article 15 (4), Articles 16 to 18 and Article 19 (5) and (6) of Regulation (EU) No. 1177/2010.

Article 384. (New, SG No. 113/2002) (1) The ascertainment of violations and the imposition of sanctions under this Code shall follow the procedure established by the Administrative Violations and Sanctions Act.

(2) (Amended, SG No. 92/2011) The violations of this Code shall be ascertained by written statements drawn up by officials of the Maritime Administration Executive Agency designated by an order of the Agency's Executive Director. A written statement shall furthermore be drawn up upon each written notification of the Maritime Administration Executive Agency by a shipmaster regarding violations committed by crew members during a voyage. Objections to the statement may be lodged upon the service thereof or later before the administrative sanctioning authority within 48 hours after the service.

(3) (Amended, SG No. 92/2011) The penalty decrees shall be issued by the Executive Director of the Maritime Administration Executive Agency or by an official empowered thereby within 24 hours after the expiry of the deadline for objections except in case of factual or legal complexity.

(4) (New, SG No. 55/2004) A penalty decree may also fix a pecuniary compensation up to the full amount of the detriment caused.

(5) (New, SG No. 55/2004, amended, SG No. 92/2011) A penalty decree shall be presumed served upon service of the decree on the shipmaster or on the ship's agent.

(6) (Renumbered from Paragraph (4), SG No. 55/2004) The time limit referred to in Article 34 (1) of the Administrative Violations and Sanctions Act shall begin to run as from the return of the offender to the Republic of Bulgaria.

(7) (New, SG No. 92/2011, repealed, SG No. 77/2012, effective 9.10.2012).

Article 385. (New, SG No. 92/2011, amended, SG No. 52/2015) (1) For the purpose of securing the collection of the fine or the pecuniary penalty imposed under this Chapter, the ship, regardless of her ownership, shall be denied clearance of departure simultaneously with the drawing up of the written statement establishing the violation.

(2) For the purpose of securing the collection of an indemnity imposed according to the procedure established by this Chapter, the ship, regardless of her ownership, shall be arrested according to the procedure established by Article 364a or 365 herein.

(3) (New, SG No. 108/2020) Any person, whereon a sanction has been imposed under Article 375 (1), (2) and (3), Article 376, Article 378 (2) and (3) and Article 380 (2) and (4) herein, shall be obliged to surrender the certificate of competency thereof or the certificate of proficiency thereof to the Maritime Administration Executive Agency after the penalty decree whereby the relevant sanction is imposed becomes enforceable.

## **SUPPLEMENTARY PROVISIONS**

**(Heading amended, SG No. 85/1998, SG No. 113/2002)**

§ 1. (New, SG No. 85/1998, supplemented, SG No. 12/2000, repealed, SG No. 108/2006).

§ 1a. (New, SG No. 113/2002) Within the meaning given by this Code:

1. "Fishing vessel" shall be a craft equipped and used with a commercial purpose for the catching or for the catching and processing of fish or other fishing resources.
2. (Amended, SG No. 93/2017) "Passenger ship" shall be each ship, including high-speed craft within the meaning given by the 1974 International Convention for the Safety of Life at Sea (SOLAS), as modified by the Protocol of 1988, which carries more than 12 passengers.
3. "Suspension from practice of activity in accordance with the position occupied" by a seafarer shall be a restriction of the rights within the meaning given by Article 16 of the Administrative Violations and Sanctions Act.
4. "Repeated violation" shall be any violation which is committed within one year after the entry into effect of a penalty decree whereby the offender was fined for a violation of the same kind, and in the cases where the offender has been suspended from the practice of a specific occupation, two years after the date of expiry of the said suspension.
5. "One nautical mile" shall be equal to 1,852 metres.
6. "Coastal shipping" shall be shipping within the territorial sea of the Republic of Bulgaria.
7. "Fitting" shall be equipping the ship with the requisite technical means, fuel and materials, as well as her proper manning with a view to ensuring safe navigation, protection of human life at sea and due carriage of goods and passengers.
8. "Demurrage" shall be a pecuniary compensation for delaying a ship beyond the time for loading and discharging stipulated in the contract of carriage by sea.
9. (Amended, SG No. 55/2004, SG No. 93/2017) "Seafarer" shall be a natural person occupying a position on board a ship as a crew member or serving on shore and holding a certificate of competency, a certificate of proficiency, a certificate of supplementary or specialist training acquired according to the procedure established by the ordinance referred to in Article 87 (1) herein.
10. "Draught" shall be the distance from the water surface to the lowest point of the ship.
11. "Surveyor" shall be a qualified person, authorized to carry out surveys and certification of ships and cargo.
12. "Military transport" shall be carriage with a non-commercial purpose of military cargo, hardware or troops for the needs of defence.
13. "Good reputation" shall be the business reputation proven by references from regular partners or branch organizations of which the carrier is a member, and the managers of transport operations have not been convicted of a premeditated publicly indictable offence or have not been disqualified, by an effective sentence, from the right to practise the relevant activity.
14. "Financial stability" shall be the availability of sufficient resources to the carrier to guarantee a normal start and functioning of the transport enterprise.
15. A carrier shall possess "proficiency" if the persons who regularly manage the transport operation of the said carrier possess the requisite knowledge and qualifications required under the effective legislation and the international treaties whereto the Republic of Bulgaria is a party.
16. "Seaworthiness" shall be an integral characteristic of the ship with regard to hull, fitting and manning, enabling her to sail in areas and weather conditions in accordance with her class, if any, as well as to perform the activity for which she is intended, without endangering the cargo carried or the life of the crew and passengers.

17. "Bareboat charter" shall be a contract of affreightment of a ship for a stipulated period of time, whereunder the charterer is granted full rights of possession and control over the ship, including the right to appoint a shipmaster and a ship's crew for the entire period of the chartering.
18. "Incidents" shall be emergencies or other events involving a ship, a crew member or her passengers, which have led to shipwreck, loss of human life, grievous or medium bodily injury, collision, fire, explosion, stranding, hitting bottom, damage to the hull, superstructures and mechanisms, environmental pollution and other such.
19. "Established in Bulgaria" shall be:
  - (a) (Amended, SG No. 55/2004) any natural persons who are citizens of a Member State of the European Union, who have been permitted permanent residence in the Republic of Bulgaria;
  - (b) (Amended, SG No. 55/2004) until the date of accession of the Republic of Bulgaria to the European Union, any natural persons who are citizens of a Member State of the European Union, staying on a short-term basis or residing durably within the territory of the Republic of Bulgaria, and holding a permit to perform activity under an employment relationship, issued by the Ministry of Labour and Social Policy;
  - (c) any legal persons registered according to the procedure established by the Commerce Act.
20. "Public service contract" shall be a contract concluded between the competent authorities and a carrier for provision of transport services in accordance with market demand.
21. "Serious market disruption" shall be in evidence when the financial position of a considerable number of carriers performing carriage by river and sea comes under threat in connection with a sustained excess of the supply of transport services compared to customer demand, and forecasts do not suggest significant or lasting improvements.
22. "Cabotage" shall be domestic carriage of passengers and goods between ports located within the territory of the Republic of Bulgaria, by a registered carrier.
23. "Public service obligation" shall be the obligation of a carrier to apply prices and terms, which run counter to its commercial interest but have been decreed by the competent authorities under the relevant procedure, according to the effective legislation.
24. "Shipowner" shall be an owner of a craft, stated as such in the register of ships.
25. "Bareboat charterer" shall be a person who has chartered a ship for a specified period of time under a bareboat charter.
26. "Leadsman" shall be a seafarer possessing knowledge of navigation conditions on the Danube River and qualifications required to navigate the ship through specific sections of the river.
27. "Serious danger" shall be a threat to the health and life of the people present on board a ship rendering assistance, as well as to the integrity of the ship herself, which could lead to large-scale, lasting or irreparable damage.
28. "Water mark" shall be the level of the water service of a river, lake or sea, measured at specific times of the day by the height of the water column at a water metering post, reckoned from the zero level of the water reading (water metering post).
29. "Common maritime adventure" shall be in evidence when one or more craft are tugging or pushing another craft, subject to the condition that they engage in commercial activity and not in a salvage operation.
30. "Property involved in a common maritime adventure" shall be the ship, the goods, and the freight.
31. "Special duty ship" shall denote a ship used for research, training, cultural, sporting, fire-fighting, communication, customs and sanitary purposes, for pilotage, for supervision, for ice-breaking, for search and rescue, for mitigation of effects and damage resulting from totally lost property.

32. "Wreck" shall denote any property that is sunken or stranded in whole or in part (a ship, part of a ship, an item of ship fitting), goods and/or other property, permanently located on the sea bed or river bed, or washed ashore.
33. "Laterally connected group of ships" shall denote ships connected board-to-board, whereby none of the said ships is in front of or behind the ships ensuring propulsion of the group.
34. (New, SG No. 55/2004) "Preventive measures" shall be all action taken after an incident has occurred to prevent or minimize oil or petroleum-products pollution damage.
35. (New, SG No. 85/2010, amended, SG No. 92/2011) "Minor case" shall be in evidence where, in respect of ships which do not fall within the scope of international conventions:
- (a) the ship's documents, issued by the Maritime Administration Executive Agency, are not present on board the ship;
  - (b) a valid document certifying competency of a crew member, where such is required, is not present on board the ship during a voyage;
  - (c) the emergency rescue equipment of the ship is not marked;
  - (d) the marking and inscriptions on the hull of the ship are illegible or missing;
  - (e) there is no Crew List, where such is required;
  - (f) the official log-books are kept incompletely or improperly;
  - (g) (new, SG No. 92/2011) the national flag is damaged, worn out or missing;
  - (h) (new, SG No. 92/2011) engage in fishing along the fairway or in places posing an obstacle to manoeuvring ships.
36. (New, SG No. 92/2011) "Bunker oil" shall be any hydrocarbon mineral oil, including lubricating oil, used or intended to be used for the operation or propulsion of the ship, and any residues of such oil.
37. (New, SG No. 92/2011) "Insurance", within the meaning given by Chapter Fifteen C herein, shall be insurance with or without deductibles, including indemnity insurance of the type currently provided by members of the International Group of P & I Clubs.
38. (New, SG No. 92/2011) "Recognised organization" shall be an organization which has been recognized in accordance with (OJ, L 131/11 of 28 May 2009) of the European Parliament and of the Council of 23 April 2009 on common rules and standards for ship inspection and survey organisations (OJ, L 131/11 of 28 May 2009).
39. (New, SG No. 92/2011) "Certificates" shall be obligatory certificates issued pursuant to the respective conventions of the International Maritime Organization.
40. (New, SG No. 92/2011, amended, SG No. 108/2020) "International Maritime Organisation audit" shall be an audit conducted in accordance with the provisions of Resolution A.1067(28) adopted by the Assembly of the International Maritime Organisation on 4 December 2013.
41. (New, SG No. 109/2013) "Denial of clearance of departure of a ship" shall be a precautionary measure consisting in detention of a ship in the port in order to secure a public receivable under Article 364 herein.
42. (New, SG No. 109/2013) "Arrest of a ship" shall be a precautionary measure consisting in detention or restriction on removal of a merchant ship in order to secure an asserted or future maritime claim within the meaning given by Article 1 (1) of the International Convention on the Arrest of Ships or, respectively, a claim referred to in Article 365 (1) herein.
43. (New, SG No. 93/2017) "Very serious marine casualty" shall be an event which has occurred in connection with the operations of a ship that has resulted in the total structural loss of the ship, the death of a person, or significant environmental pollution.
44. (New, SG No. 93/2017) "Serious marine casualty" shall be an event shall be an event which has occurred in connection with the operations of a ship, which does not qualify as a very serious

casualty and which involves: hull cracking or suspected hull defect as a result of fire or explosion on board, grounding, contact with the bottom, with an underwater or shore object or facility or with any other vessel, or heavy weather damage or ice damage, structural damage rendering the ship unfit to proceed (such as penetration of the hull under water), immobilization of main engines, extensive accommodation damage, pollution due to incidental spillage (regardless of quantity), and/or a breakdown necessitating towage or shore assistance.

45. (New, SG No. 93/2017) "Significant environmental pollution" shall be environmental pollution within the meaning given by Item 5 of § 1 of the Supplementary Provisions of the Environmental Protection Act which poses a risk of damage to the environment.

46. (New, SG No. 93/2017) "Seasonal work" shall be work for a period of time of no more than nine consecutive months out of 12 months in which the performance of certain activities is tied to the availability of natural and weather conditions or tourist demand.

47. (New, SG No. 108/2020) "Marine equipment" shall be equipment of a seagoing ship or an item of such equipment.

48. (New, SG No. 108/2020) "Making available on the market" shall be any supply of marine equipment on the European Union market in the course of a commercial activity, whether in return for payment or free of charge.

49. (New, SG No. 108/2020) "Placing on the market" shall be the first making available of marine equipment on the European Union market.

50. (New, SG No. 108/2020) "Recall" shall be any measure aimed at achieving the return of marine equipment that has already been placed on board ships flying the Bulgarian flag or purchased with the intention of being placed on board such ships.

51. (New, SG No. 108/2020) "Withdrawal" shall be any measure aimed at preventing marine equipment in the supply chain from being made available on the market.

52. (New, SG No. 108/2020) "Manufacturer" shall be a natural or legal person who manufactures marine equipment or has marine equipment designed or manufactured, and markets that equipment under its name or trademark.

53. (New, SG No. 108/2020) "Authorized representative" shall be a natural or legal person established within the European Union who has received a written mandate from a manufacturer to act on its behalf in relation to specified tasks.

54. (New, SG No. 108/2020) "Importer" shall be a natural or legal person established within the European Union who places marine equipment from a third country on the European Union market.

55. (New, SG No. 108/2020) "Distributor" shall be a natural or legal person in the supply chain, other than the manufacturer or the importer, who makes marine equipment available on the market.

56. (New, SG No. 108/2020) "Economic operators" shall be the manufacturer, the authorised representative, the importer and the distributor.

57. (New, SG No. 108/2020) "EU declaration of conformity" shall be a written declaration of conformity with an approved type in Bulgarian having the model structure set out in Annex III of Decision No 768/2008/EC of the European Parliament and of the Council of 9 July 2008 on a common framework for the marketing of products, and repealing Council Decision 93/465/EEC (OJ L 218/82 of 13 August 2008).

§ 1b. (New, SG No. 52/2015) The provisions of Articles 6b to 6i herein shall apply under the terms established by Article 3 of Council Regulation (EC) No. 718/1999 of 29 March 1999 on a Community-fleet capacity policy to promote inland waterway transport for the ships flying the Bulgarian flag carrying goods on the inland waterways of Member States of the European Union, outside the River Danube and its tributaries up to Kelheim.

§ 1c. (New, SG No. 93/2017) This Code transposes the requirements of Council directive 2014/112/EC of 19 December 2014 implementing the European Agreement concerning certain aspects of the organisation of working time in inland waterway transport, concluded by the European Barge Union (EBU), the European Skippers Organisation (ESO) and the European Transport Workers' Federation (ETF) (OJ L 367/86 of 23 December 2014).

§ 1d. (New, SG No. 106/2023) This Code implements the requirements of Directive (EU) 2019/883 of the European Parliament and of the Council of 17 April 2019 on port reception facilities for the delivery of waste from ships, amending Directive 2010/65/EU and repealing Directive 2000/59/EC ( OJ L 151/116, 7.6.2019).

## **TRANSITIONAL AND FINAL PROVISIONS** **(Heading supplemented, SG No. 113/2002)**

§ 2. (New, SG No. 113/2002, amended, SG No. 109/2013) Any ships flying the Bulgarian flag operating in inland waterways must obtain a certificate of nationality not later than the 31st day of December 2004.

§ 3. (New, SG No. 113/2002, amended, SG No. 55/2004) The provisions of Article 6 (3) and (5), Article 7a, and Article 88 (2) herein shall enter into force on the 1st day of January 2007.

§ 4. (Renumbered from Article 370, SG No. 85/1998, renumbered from § 2, SG No. 113/2002) (1) This Code shall enter into force on the 1st day of January 1971 and shall supersede:  
1. the Decree on Merchant Shipping of the People's Republic of Bulgaria of 1953, in respect of maritime transport;  
2. the Decree on Port and Coastal Areas Authorities of 1952.  
(2) Any Bulgarian citizens, who have acquired any ships of 40 gross tonnage or less prior to the entry of this Code into force, shall retain the right of ownership thereof.

The implementation of this Act sic shall be entrusted to the Minister of Transport.

Issued in Sofia on the 27th day of June 1970 and stamped with the State Seal.

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### TRANSITIONAL AND FINAL PROVISIONS

to the Lev Re-denomination Act  
(SG No. 20/1999, supplemented,  
SG No. 65/1999, effective 5.07.1999)

§ 4. (1) (Supplemented, SG No. 65/1999) Upon the entry of this Act into force, all figures expressed in old lev terms as indicated in the laws which will have entered into force prior to the 5th day of July 1999 shall be replaced by figures expressed in new lev terms, reduced by a factor of 1,000. The replacement of all figures expressed in old lev terms, reduced by a factor of 1,000, shall furthermore apply to all laws passed prior to the 5th day of July 1999 which have entered or will enter into force after the 5th day of July 1999.

(2) The authorities who have adopted or issued by-laws which have entered into force prior to 5 July 1999 and in which there are numbers in leva, shall make the amendments resulting from this

Act in such a way as to make the amendments applicable from the date of the entry into force of this Act.

.....  
§ 7. This Act shall enter into force on the 5th day of July 1999.

FINAL PROVISION  
to the Act to Amend and Supplement  
the Maritime Merchant Shipping Code  
(SG No. 41/2001)

§ 4. In the Code, the words "People's Republic of Bulgaria" shall be replaced passim by "Republic of Bulgaria", the words "Ministry of National Defence" shall be replaced passim by "Ministry of Defence", the words "the Minister of Transport" shall be replaced passim by "the Minister of Transport and Communications", and the words "the State Shipping Inspectorate" shall be replaced passim by "the Maritime Administration Executive Agency".

ACT to Amend and Supplement  
the Maritime Merchant Shipping Code  
(SG No. 113/2002)

.....  
§ 192. In the Code:  
1. the words "maritime shipping" and "the maritime shipping" shall be replaced passim, respectively, by "shipping" and "the shipping";  
2. the words "storage" and "the storage" shall be replaced passim, respectively, by "safe custody" and "the safe custody";  
3. the word "avoid" shall be replaced passim by "rescind";  
4. the words "territorial waters", "the territorial waters", "internal and territorial waters", "internal or territorial waters", "internal or in territorial waters", "the internal or territorial waters" shall be replaced passim, respectively, by "territorial sea", "the territorial sea", "internal waters and territorial sea", "internal waters or territorial sea", "internal waters or in territorial sea", "the internal waters or the territorial sea".

§ 193. All texts of the Code shall be numbered according to the Statutory Instruments Act.

.....  
FINAL PROVISIONS  
to the Act to Amend and Supplement  
the Merchant Shipping Code  
(SG No. 87/2005)

§ 14. In the Code, the words "the Minister of Transport and Communications" and the "Minister of Transport and Communications" shall be replaced passim, respectively, by "the Minister of Transport" and the "Minister of Transport", the words "the Ministry of Transport and Communications" shall be replaced passim by "the Ministry of Transport", and the word "licence" shall be replaced passim by "licence".

§ 15. The provision of § 9 herein shall enter into force as from the 1st day of January 2006.

§ 16. The provisions of § 3 to 5 herein shall enter into force as from the 1st day of January 2007.

.....

TRANSITIONAL AND FINAL PROVISIONS  
to the Administrative Procedure Code  
(SG No. 30/2006, effective 12.07.2006)

.....

§ 13. In the Merchant Shipping Code (promulgated in the State Gazette Nos. 55 and 56 of 1970; corrected in No. 58 of 1970; amended in No. 55 of 1975, No. 10 of 1987, No. 30 of 1990, No. 85 of 1998, No. 12 of 2000, No. 41 of 2001, No. 113 of 2002, No. 55 of 2004, Nos. 42, 77, 87, 94 and 104 of 2005), the words "the Administrative Procedure Act" shall be replaced passim by "the Administrative Procedure Code".

.....

TRANSITIONAL AND FINAL PROVISIONS  
to the Act to Amend and Supplement the Merchant Shipping Code  
(SG No. 71/2008)

.....

§ 11. (1) The Maritime Administration Executive Agency shall assume the assets and liabilities, the rights and obligations of the Port Administration Executive Agency.

(2) The employment relationships with the factory and office workers of the Port Administration Executive Agency shall be settled under the terms and according to the procedure established by Article 123 of the Labour Code.

(3) The civil service relationships with the civil servants of the Port Administration Executive Agency shall be settled under the terms and according to the procedure established by Article 87a of the Civil Servants Act.

§ 12. (1) The Port Infrastructure State Enterprise shall assume the assets and liabilities, the rights and obligations of the Maritime Administration Executive Agency related to performance of the functions referred to in Items 12 and 13 of Article 1151 [of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act].

(2) The employment relationships with the factory and office workers of the Maritime Administration Executive Agency, related to the performance of the functions referred to in Items 12 and 13 of Article 1151 [of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act], shall be settled under the terms and according to the procedure established by Article 123 of the Labour Code.

(3) The civil service relationships with the civil servants of the Maritime Administration Executive Agency, related to the performance of the functions referred to in Items 12 and 13 of Article 1151 [of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act], shall be settled under the terms and according to the procedure established by Article 87a of the Civil Servants Act.

§ 13. The provision of Item 6 of § 9 herein regarding Item 14 of Article 1151 of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act shall enter into force as from the 1st day of January 2009.

FINAL PROVISIONS



to the Act to Amend and Supplement  
the Merchant Shipping Code  
(SG No. 85/2010)

§ 32. In the Code, the words "the Minister of Transport" shall be replaced passim by "the Minister of Transport, Information Technology and Communications", and the words "the Ministry of Transport" shall be replaced passim by "the Ministry of Transport, Information Technology and Communications".

.....  
ACT to Amending and Supplementing the Merchant Shipping Code  
(SG No. 92/2011)

.....  
Supplementary Provision

§ 38. This Act transposes the requirements of Directive 2009/15/EC of the European Parliament and of the Council of 23 April 2009 on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations (OJ L 131/47 of 2009), Directive 2009/18/EC of the European Parliament and of the Council of 23 April 2009 establishing the fundamental principles governing the investigation of accidents in the maritime transport sector and amending Council Directive 1999/35/EC and Directive 2002/59/EC of the European Parliament and of the Council of 23 April 2009 (OJ L 131/114 of 2009), Directive 2009/20/EC on the insurance of shipowners for maritime claims (OJ L 131/128 of 2009), and Directive 2009/21/EC of the European Parliament and of the Council of 23 April 2009 on compliance with flag State requirements (OJ L 131/132 of 2009).

Transitional and Final Provisions

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§ 41. The provisions of § 1 herein in respect of Article 6a [of the Merchant Shipping Code] and of § 18 herein in respect of Article 346i to Article 346l [of the Merchant Shipping Code] shall enter into force as from the 1st day of January 2012.

TRANSITIONAL AND FINAL PROVISIONS  
to the Act to Amend and Supplement the Civil Servants Act  
(Promulgated, SG No. 38/2012, effective 1.07.2012)

.....  
§ 84. (Effective 18.05.2012 - SG No. 38/2012) Within one month after the promulgation of this Act in the State Gazette:

1. the Council of Ministers shall bring the Classifier of Positions in the Administration into conformity with this Act;
2. the competent authorities shall bring the organic acts of the respective administration into conformity with this Act.

§ 85. (1) The legal relationships with the persons of the administrations under the Radio and Television Act, the Independent Financial Audit Act, the Electronic Communications Act, the Financial Supervision Commission Act, the Access to and Disclosure of the Documents and Announcing the Affiliation of Bulgarian Citizens with the State Security Service and the Intelligence Services of the Bulgarian Popular Army Act, the Criminal Assets Forfeiture Act, the Conflict of Interest Prevention and Ascertainment Act, the Social Insurance Code, the Health

Insurance Act, the Agricultural Producers Support Act and the Roads Act shall be settled under the terms established by § 36 of the Transitional and Final Provisions of the Act to Amend and Supplement the Civil Servants Act (State Gazette No. 24 of 2006).

(2) The act on appointment of the civil servant shall:

1. award the lowest rank designated in the Classifier of Positions in the Administration for occupation of the position, unless the servant holds a higher rank;
2. fix an individual monthly basic salary.

(3) The additional resources required for social and health insurance contributions of the persons referred to in Paragraph (2) shall be provided within the limits of the expenditures on salaries, remunerations and compulsory social and health insurance contributions under the budgets of the spending units concerned.

(4) The Council of Ministers shall effect the requisite modifications under the off-budget account of State Fund Agriculture arising from this Act.

(5) The governing bodies of the National Social Security Institute and of the National Health Insurance Fund shall effect the requisite modifications under the respective budgets arising from this Act.

(6) Any unused leaves under the employment relationships shall be retained and shall not be compensated by cash compensations.

§ 86. (1) Within one month after the entry into force of this Act, the individual monthly basic salary of the servant shall be fixed in such a way that the said salary, net of the tax due and the compulsory social and health insurance contributions for the account of the insured person, if they were due, would not be lower than the gross monthly salary received theretofore, net of the compulsory social and health insurance contributions for the account of the insured person, if they were due, and the tax due.

(2) The gross salary referred to in Paragraph (1) shall include:

1. the monthly basic salary or the monthly basic remuneration;
2. additional remunerations which are paid constantly together with the monthly basic salary or monthly basic remuneration due and which are contingent solely on the time worked.

§ 87. This Act shall enter into force as from the 1st day of July 2012 with the exception of § 84 herein, which shall enter into force as from the day of promulgation of the Act in the State Gazette.

ACT to Amend and Supplement the Merchant Shipping Code  
(Promulgated, SG No. 109/2013)

.....

#### Supplementary Provision

§ 17. In the Code, the words "Bulgarian ship" shall be replaced passim by "ship flying the Bulgarian flag".

#### Transitional and Final Provisions

§ 18. Any proceedings on requests for detention of a ship according to the procedure established by Article 364 or 365 [of the Merchant Shipping Code], which are pending upon the entry into force of this Act, shall be completed according to the hitherto effective procedure.

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#### TRANSITIONAL AND FINAL PROVISIONS

to the Act on Amending and Supplementing the Rail Transport Act  
(SG No. 62/2019, effective 6.08.2019)

.....  
§ 8. (1) The Council of Ministers shall establish by a decree a National Aircraft, Maritime and Railway Accident Investigation Board which shall be a legal entity pursuant to Article 60, Paragraph (1) of the Administration Act, and shall adopt rules of procedure, structure and organisation of the board within 6 months of the entry into force of this Act.

(2) Until the rules of procedure, structure and organisation of the National Aircraft, Maritime and Railway Accident Investigation Board enter into force, the functions and activities relating to investigations of aircraft, maritime and rail accidents shall be carried out by the "Aircraft, Maritime and Railway Accident Investigation" Directorate of the Ministry of Transport, Information Technology and Communications according to the hetherto effective procedure.

(3) Any investigations of aircraft, maritime and railway accidents that have been opened and have not been completed before the entry into force of the rules of procedure, structure and organisation of the National Aircraft, Maritime and Railway Accident Investigation Board shall be completed according to the hetherto effective procedure.

(4) The employment and service relationships with the employees who are inspectors at the "Aircraft, Maritime and Railway Accident Investigation" Directorate of the Ministry of Transport, Information Technology and Communications shall be transferred to the National Aircraft, Maritime and Railway Accident Investigation Board under the conditions and according to the procedure laid down in Article 123 of the Labour Code and Article 87a of the Civil Servants Act and in accordance with the structure and staff complement laid down in the rules of procedure, structure and organisation of the National Aircraft, Maritime and Railway Accident Investigation Board.

.....  
**FINAL PROVISION**

to the Act amending and supplementing  
the Maritime Space, Inland Waterways  
and Ports of the Republic of Bulgaria Act  
(SG No. 106/2023)

.....  
§ 8. In Merchant Shipping Code (promulgated, SG Nos 55 and 56 of 1970; corrected, No. 58 of 1970; amended, No. 55 of 1975, No. 10 of 1987, No. 30 of 1990, No. 85 of 1998, No. 12 of 2000, No. 41 of 2001, No. 113 of 2002, No. 55 of 2004, Nos 42, 77, 87, 94 and 104 of 2005, Nos 30, 62 and 108 of 2006, Nos 36, 71 and 98 of 2008, Nos 12 and 32 of 2009, No. 85 of 2010, No. 92 of 2011, Nos 38 and 77 of 2012, Nos 15, 28 and 109 of 2013, Nos 14 and 52 of 2015, No. 58 of 2016, No. 93 of 2017, No. 28 of 2018, No. 62 of 2019 and Nos 104 and 108 of 2020) the following amendments and supplements are made:

.....  
5. Everywhere the texts "Minister of Transport, Information Technology and Communications" and "Ministry of Transport, Information Technology and Communications" are replaced with "Minister for Transport and Communications" and "Ministry of Transport and Communications", respectively.

6. In the remaining texts of the Act the phrase "the Minister of Transport, Information Technology and Communications" shall be replaced by "the Minister of Transport and Communications".

