



## **MORTGAGE REGISTRATION**

The treatment of ship mortgages and the registration of same under the Maltese Ship Register is one of the various safeguards offered by Maltese laws to banks and other interested parties. The regular amendments to the Maltese Merchant Shipping Act, particularly those of 1986, 1988, 1990 and 2000 ensure that the law is regularly reviewed and upgraded to reflect legal decisions through case laws as well as aligning the law to developments within the industry.

Under Maltese law the mortgage on a vessel is considered as an executive title and the mortgagee can enforce the withdrawal of the mortgage and at the same time take possession of the ship. All this can be done without delays and lengthy legal proceedings.

A mortgage over a Maltese ship shall have effect vis a vis third parties once it is duly recorded in the register.

Mortgages under Maltese law give protection to ship financiers by way of:

- Enjoy high priority in ranking of claims.
- Attack to any proceeds from any indemnity.
- Mortgagee can prohibit the registration of subsequent mortgages.
- Obligation of the Ship Registrar to inform the mortgagee in case of change of owners.
- Rights given by the applicable Maltese laws, for the mortgagee to assign all or part of his rights over the ship to a third party.