

**ADMIRALTY JURISDICTION AND MARITIME LITIGATION**

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*AT THE*

**WORKSHOP ON FINANCING OF SHIPS, AIRCRAFT &**

**OTHER SPECIALISED ASSETS DOCUMENTATION,**

**PERFECTION & ENFORCEMENT OF SECURITY**

**INTERESTS**

*ORGANISED BY*

**CENTRE FOR LAW AND DEVELOPMENT STUDIES, LAGOS**

**1 – 3, DECEMBER, 1998**

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This paper will be divided into two parts. The first part will deal with Admiralty Jurisdiction in Nigeria specifically. The second part will consider Maritime Litigation generally.

## **PART A**

### **ADMIRALTY JURISDICTION DEVELOPMENT OF ADMIRALTY JURISDICTION**

The history and development of Admiralty Jurisdiction in Nigeria can be put into two broad periods - pre-1991 and post- 1991. Prior to 1991, the various legislations regulating admiralty practice had peculiar problems. These included the difficulty in defining the meaning and extent of "Admiralty Jurisdiction"; the absence of a single body of legislation covering every area of admiralty practice; the persistent wrangling over jurisdiction between the Federal and the State High Courts.

Admiralty Jurisdiction in Nigeria was initially regulated by the Administration of Justice Act, 1956<sup>[21]</sup>. One of the features of the AJA, 1956 worthy of note was the problem of duality of jurisdiction over Admiralty matters between the Federal and the State High Courts. The AJA was replaced by the 1962 Admiralty Jurisdiction Act. The AJA, 1962 was largely faulted because of it left so many grounds in Admiralty practice uncovered. As a result references were made to scattered rules covered by British Procedural Rules, and the Lagos High Court (Civil Procedure) Rules. AMERICAN INTERNATIONAL INSURANCE CO. VS. CEEKAY TRADERS LTD (1981) ALL NLR VOL. PT. 1. 581; (1981) SSC 81.

The Federal Revenue Court Decree No. 13 of 1973 attempted to solve all of the problems highlighted previously. The FRC Decree stipulated that the Federal Revenue Court shall have and exercise jurisdiction in civil causes and matters of Admiralty Jurisdiction. The Decree however failed to define the expression "Admiralty Jurisdiction". This was the prevailing scenario until the promulgation of the Admiralty Jurisdiction Decree 1991.

The AJD substantially, increased the scope and extent of Admiralty Jurisdiction as well as settled conclusively, the question of which Court has jurisdiction in such matters. The Decree distinguishes between Admiralty matters as they relate to maritime as against aviation claims. Further maritime claims are classified into proprietary maritime claims and general maritime claims. The Decree also draws a distinction between maritime claims enforceable in rem and those enforceable in personam. Maritime liens and statutory liens are distinguished as well.

In 1993, the Admiralty Jurisdiction Procedure Rules were enacted to give procedural guidelines for Admiralty Proceedings in Court.

## **SCOPE OF ADMIRALTY JURISDICTION**

### **AVIATION CLAIMS**

Aviation claims prior to the 1991 Decree fell within the Admiralty Jurisdiction of the Federal High Courts to the extent that they related to the towage or salvage of aircraft while waterborne. This was the position under the Administration of Justice Act, 1956.

But in 1991, this jurisdiction was extended by the Decree to claims involving:

- a. Proprietary interest in an aircraft;
- b. Any jurisdiction in any way connected with an aircraft prior to the commencement of the Decree;
- c. Any action by any aircraft operator in connection with the operation of an aircraft;
- d. Any matter arising within a national airport or its precincts including claims for loss of or damage to goods carried by an aircraft;
- e. Any documentary credit transaction involving the importation or exportation of goods to and from Nigeria in an aircraft;
- f. Any matter arising from the constitution and authority of the Nigerian Airports Authority; and
- g. Criminal causes arising from any of the above matters.

### **TYPES OF LIABILITY IN AVIATION CLAIMS**

While the AJD makes clear and very detailed provisions as to when proceedings may be commenced in **rem** or in **personam** in cases involving maritime claims, nothing is said on the mode of commencement of proceedings to enforce aviation claims falling within the jurisdiction of the court.

In fact, the only mention of an aircraft in the distinction between general maritime claims and proprietary maritime claims for the purpose of enforcement procedures is in respect of towage of an aircraft when waterborne. So, it remains trite whether proceedings can be commenced in "**rem**" against an aircraft for say, collision claims, or claims for services

rendered on an aircraft in the same manner as they can against a ship. Two cases relating to loss of goods in aviation claims decided before the AJD are:

**i. Oshevire v British Caledonian Airlines Limited (1990) 7 NWLR part 163, page 507**

**ii. Ibidapo v Lufthansa German Airlines Limited - Suit No: LD/607/89**

These were commenced by simple Writs of Summons in proceedings in **personam** against the carriers. It could be argued that these cases turned on the application and effect of the Carriage by Air (Colonies, Protectorates and Trust Territories) Order 1953 which make no provisions for proceedings in "**rem**" against aircraft or freight while the in "**rem**" and ship arrest proceedings in maritime claims contained in the AJD are an evolution of international maritime practice and conventions which have become implemented subsequently as national legislation. One such convention is the 1952 International Convention on the Arrest of Sea-Going Ships.

### **MARITIME CLAIMS**

The Admiralty Jurisdiction of the Federal High Court as it relates to maritime claims includes:

- a. claims relating to proprietary interest in a ship;
- b. any jurisdiction on any matter relating to a ship prior to 1991;
- c. any action in any law relating to a ship involving limitation of liability;
- d. claims involving liability for oil pollution damage;
- e. matters arising from shipping and navigation of any inland waters declared as national waterway;
- f. matters arising within a federal port including claims for loss of or damage to goods.
- g. any documentary credit arrangement involving importation or exportation of goods from Nigeria in a ship;

- h. matters arising from the constitution and powers of the Nigerian Ports Authority or the National Maritime Authority;
- i. criminal causes arising from any matter referred to above; and
- j. any monetary or non-monetary agreement relating to carriage of goods by sea.

Maritime claims such as outlined above may either be proprietary or general in nature. The 1991 Decree specifies that a claim is a proprietary maritime claim if it involves:

- a. a claim for possession of a ship;
- b. title or ownership of a ship or of any share therein;
- c. mortgage of a ship or of any share therein;
- d. mortgage of a ships freight;
- e. claims relating to possession, ownership, operation or earning of a ship;
- f. claims for enforcement of judgments against a ship or other property in an Admiralty proceeding in rem; and
- g. claims for interest in matters against or in respect of a ship.

On the other hand a, claim is a general maritime claim if it involves:

- a. collision claims;
- b. damage to a ship;
- c. loss of life or personal injury caused by a ship;
- d. loss of or damage to goods carried by a ship;
- e. claims arising from agreements for carriage of goods or persons by a ship or for the use or hire of a ship;
- f. salvage claims;
- g. general average claims;

- h. pilotage;
- i. towage of a ship or water-borne aircraft;
- j. goods supplied or to be supplied to a ship;
- k. claims in respect of the construction of a ship;
- l. claims for alteration, repair or equipping of a ship;
- m. claims for port charges or dues;
- n. barratry claims;
- o. a claim for disbursement on account of a ship;
- p. claims for insurance premiums due on a ship or its cargo
- q. claims for wages of crewmen;
- r. claims for forfeiture or condemnation of a ship or goods carried thereon;
- s. claims for enforcement of arbitral awards in proprietary maritime claims; and
- t. claims for interest in any proprietary maritime claim.

As can be seen from the above, proprietary maritime claims are those which affect the subject matter or "*res*" while general maritime claims are those which do not directly affect the "*res*" but result from its operation or any agreement relating to or connected with it. This distinction is important because it may be a determining factor in the procedure by which the claim may be enforced.

Because of the peculiar nature of the shipping industry, ships are considered to be real property rather than personal property and they are accorded a legal personality of their own beyond that of their owners or operators. This is why certain rights or claims are considered to attach to the ship and to travel with it irrespective of ownership. These classes of claims are what is recognized in Admiralty proceedings as liens. The AJD 1991 recognizes two types of liens. Maritime liens and Statutory liens.

## 1. **MARITIME LIENS**

These include:

- a. claims relating to salvage including life, cargo or wreck found on land;

- b. claims for damages caused by a ship;
- c. claims by the master or crew member of a ship for wages; and
- d. claims by the master in respect of disbursement on account of a ship.

## 2. STATUTORY LIENS

These include:

- a. claims arising from the supply of necessities;
- b. claims for repairs to a ship;
- c. mortgage claims, etc, the list is not exhaustive.

The difference between Maritime and Statutory Liens is significant in many respects. First, claims arising from the enforcement of maritime liens always and automatically give rise to actions in **rem** against the ship. No such automatic right is conferred for the enforcement of action arising from statutory liens. Here, the claim is enforceable in **rem** against the ship only if beneficial ownership remains in the relevant party.

## TYPES OF LIABILITY IN MARITIME CLAIMS

As I have said earlier a peculiar quality of admiralty proceedings is that it confers the possibility, in certain instances, of proceeding directly against a ship, cargo or freight. This is the class of actions referred to as actions in **rem**. The Decree distinguishes the circumstances in which an admiralty action can be brought in **rem** against the "**res**" and those in which proceedings ought to be in **personam**.

### Actions in Rem

These include:

- a. claims for possession, ownership, mortgage of a ship or of any share in a ship;
- b. claims for damage done by a ship either by collision or otherwise;

- c. claims between co-owners relating to the possession, ownership, operation or earning of a ship;
- d. claims for the enforcement of a maritime lien or other charge on a ship relating to:
  - i. salvage
  - ii. damage done by a ship
  - iii. crew members wages
  - iv. masters disbursements
- e. claims brought under Section 2 of the Decree in which the relevant person was the owner, charterer or in possession or control of the ship or a related ship when the cause of action arose;
- f. claims for port, harbour, canal or light toll charges or dues; and
- g. claims resulting from loss or damage to goods.

In all other circumstances proceedings ought to be commenced in **personam**.

## **ADMIRALTY JURISDICTION AND MARITIME LITIGATION**

### **PART B**

#### **MARITIME LITIGATION**

This part of the paper will consider those areas of maritime litigation which will underscore the high points and low points of the AJD.

#### **PROCEDURES FOR ENFORCING MARITIME CLAIMS**

For purposes of enforcing maritime claims, two classes of proceedings are identified. Proceedings in "**rem**" against the Ship or property and proceedings in "**personam**" against individuals who may be Owners or Carriers. I have already discussed the classes of claims for which proceedings may be commenced in "**rem**" and in "**personam**". I will now examine the procedure by which these claims may be enforced.

#### **Proceedings in Rem**

The Admiralty Jurisdiction Procedure Rules promulgated in 1993 provides that an action in "**rem**" against a Ship, cargo or freight shall be commenced by endorsing a Writ of Summons in "**rem**" against that Ship, cargo or freight. The plaintiff or claimant submits written particulars of the claim together with an application to the registrar who issues the Writ. By Order II Rule 2, every Writ of Summons in an action in "**rem**" must be accompanied by a Statement of Claim. The Writ of Summons, Particulars of Claim and Statement of Claim must be headed "Admiralty Action in Rem". Once issued, the Writ of Summons, Particulars of Claim and Statement of Claim in an admiralty action in "**rem**" must be served on the relevant "**res**". It follows therefore that the Ship or other property must be within the jurisdiction of the Court. That is, Nigerian Territorial Waters for the action to be maintainable.

The applicant may then apply ex-parte for the arrest of the "**res**". The application should be supported by an "affidavit of the facts" which would show a "strong **prima facie**" cause why the order for arrest should be made. Finally, the applicant for an Order of arrest must undertake to indemnify the Admiralty Marshal as well as the Ship for any damage which may result from a wrongful Order of arrest.

## **PRE-JUDGEMENT SECURITY**

The whole basis for commencement of proceedings in "**rem**" against property is that it enables the Plaintiff or Claimant obtain security for his claim. It is therefore predicated on the Premise that no other assets exist within jurisdiction to satisfy a successful claim by the Claimant. Ideally, therefor an Order of arrest need not be made where it is shown that there are assets within jurisdiction sufficient to meet a successful claim by the claimant. See *Maritime Newsletter Vol. XIV (April - July 1996)*. Consequently, once the owner of the Ship appears in person to the Writ and provides security for the claim, the Order of Arrest ought to be discharged and the claim proceed as one in "**personam**" against the owner. See:

**i. Pavlos Chiladakis v The Owners of the M.V. Rinio Vol. 2 NSC 638**

**ii. Comet Merchant Bank Limited v Columbia International Limited & Ors - FHC/L/CS/1345/94**

## **SECURITY FOR COSTS**

I must not fail to mention the provisions of Order 10 of the Admiralty Jurisdiction Procedure Rules (AJPR) which allow the owner in every case where a ship is arrested for a claim exceeding N1 million or where the Plaintiff has no assets in Nigeria, to apply to the Court to Order the Plaintiff to provide security for costs. These include the anticipated cost of the proceedings as well as the costs incurred by the ship in procuring release. See **LPG Shipping S.A Limited v M.V. "S Araz" (1996) 6 NWLR part 457; Jim Oduba Vs. Houtmangracht (1997) 6 NWLR (Pt. 508) 185**. The AJPR anticipates a situation where "ship or other property" is arrested. The expression "other property" used here could include an aircraft. However, no security is required to be provided by the master or crew members of a Ship in a claim in respect of their wages or for loss of goods or clothes in a collision.

## **CAVEATS**

It is important to note that by filing a caveat against arrest, a Ship can avoid the possibility of an arrest order being made against it in an admiralty action in rem. A caveat is an undertaken by which the caveator undertakes to post bond or provide security immediately upon being notified of a pending admiralty action in **rem** against a ship. The caveator undertakes to pay a stated sum into court or to provide an acceptable bank guarantee or insurance bond for the claim within 3 days of the service on him of processes in which an Order of arrest is sought. The Registrar of the Court keeps a Register of Caveats filed and upon an application for an arrest being made, notifies the Judge by whom it is to be heard. The Judge will not grant an Order of arrest against a

Ship covered by a Caveat unless there are compelling reasons to do so or the bond agreed to be provided is less than the value of the claim. See **Nycil Limited -vs- The M.V St. Roch FHC/L/CS/1327/98.**

### **Actions in Personam**

This form of proceedings in maritime claims is akin to a regular action brought against a person to compel him to do or to restrain him from doing a particular act e.g. payment of a debt due or damages for breach of contract or for tort or for injunctive reliefs. An action in personam as distinct from an action in rem is one directed at the person, usually the owners, charterers or operators of a ship. Like an admiralty action in rem, an action in personam is commenced by the submission by the claimant of written Particulars of his Claim. But unlike the action in personam the Writ need not be accompanied by a Statement of Claim. The Particulars of Claim ought to be headed "in admiralty". Upon issuance, service is effected on the Defendants named in the Writ of Summons rather than on the res as in an admiralty action in rem. So then, while it is impossible in an admiralty action in rem to effect service of the Writ of Summons and Statement of Claim by substituted means, it is quite possible to do so where the action is brought in personam against the owners, charterers or operators of a Ship.

It is pertinent to note that a Judgment of the Court in Admiralty proceedings **in personam** are enforceable in person against the assets of the Defendant sued irrespective of the nature of the claim. But a judgment in proceedings commenced **in rem** furnishes no basis for imposing personal liability on the Ship-owner who has not appeared to defend the action nor does it attach to any of his other ships. See **M.V Zack Metal Co. vs International Navigation Corporation (1975) A.M.C. 720.**

In addition, a judgment in an action in **rem** does not preclude the claimant from bringing a subsequent claim in **personam** against the owner of the vessel in the same claim where the proceeds of sale of the **res** are insufficient to cover the damages awarded in the **rem** action. The converse is also the case for a judgment in an action in **personam**. See:

- i. **Nelson v Crouch (1863) L.J.C.P 46 at 48**
- ii. **The John and Mary (1859) S.W.A 471**

### **Suit Time**

A peculiar feature of admiralty practice worthy of mention is the suit-time provisions of the AJD. Section 18(1) of that law prescribes that admiralty actions become barred unless commenced within 3 years of the occurrence of the action complained of. Provided,

however, that that limitation period would be subject to other limitation periods which would be applicable but for the Decree. One such law which prescribes a limitation period is the Hague Rules applicable in Nigeria by the Carriage of Goods by Sea Act. Under it, suit-time is limited to 1 year for certain classes of suits specified therein. Similarly, the Merchant Shipping Act specifies a 2-year suit time for claims involving salvage.

However, I must point out the obvious contradiction between Section 18 of the Decree and the Limitation Act of 1966. The Limitation Act of 1966 prescribes a suit time of 6 years in all suits for which no specific provisions as to limitation have been made. So too does section 18 of the AJD. So that it becomes unclear whether in Admiralty proceedings for which no specific provisions have been made on limitation, recourse should be had to the Limitation Decree of 1966 or the Admiralty Jurisdiction Decree of 1991. The general rule on statutory interpretation though is that the provisions of a specific enactment are to be preferred to these of a general enactment on the subject. This would seem to suggest that the AJD ought to take precedence.

### **Liability of Agents**

The position at common law and before the AJD 1991 was underscored by the Latin Maxim *Qui facit per alium facit per se*. Which means that whoever acts through the agency of another is deemed to act by himself. Especially so when the fact of that Agency is disclosed. But because of the nature of shipping business which requires that a Ship-Agent, disclosed or undisclosed, acts for a principal (the shipowner) who is overseas and often unavailable, Section 16 of the Admiralty Jurisdiction Decree introduces a provision which would seem to make a Ship-Agent incur personal liability for the acts or omissions of his principal even when the fact and, perhaps, circumstances of his Agency are disclosed irrespective of the liability of the Ship-owner (principal). The controversy still rages as to whether or not that Section of the Decree extends the liability of the agent beyond that traditionally established at Common Law. See

- (1). Prestige Assurance Plc -vs- Wasa Delmas Nigeria Limited FHC/L/CS/669/96
- (2). Panalpina World Transport (Nig) Ltd -vs- African Ocean Lines Limited Vol.II N.S.C Page 626.
- (3). West African Umbrella Factory Ltd -vs- Royal Interocean Lines & Anor Vol. 1 N.S.C Page 243

### **Ouster of Jurisdiction (Venue Clauses)**

Prior to the AJD 1991, parties to a contract of carriage in Admiralty proceeding could oust the jurisdiction of the Nigerian Courts from adjudicating over disputes arising from the Bill of Lading. In such cases, it was immaterial that the contract of affreightment was to be performed substantially in Nigeria. The Court was obliged to stay proceedings except in rare cases. See The Fehmaru (1957) 1 W.L.R 815. The Eleftheria (1969) 1 W.L.R.

But by Section 20 of the AJD a foreign jurisdiction clause in a Bill of Lading is void in just about every conceivable circumstance. It says that:

*"Any agreement by any person or party to any cause matter or action which seeks to oust the jurisdiction of the court shall be null and void, if it relates to any admiralty matter falling under this Decree and ..."*

- (a) if the place of performance, execution, delivery, act or default is or takes place in Nigeria
- (b) any of the parties resides or has resided in Nigeria
- (c) payment under the agreement is made or to be made in Nigeria
- (d) where the Plaintiff (parties) submit to jurisdiction and makes a declaration to that effect or in admiralty actions in which the rem is within jurisdiction.
- (e) cases involving the government of the Federation or of a State and in which that government submits to jurisdiction.
- (f) there is a financial consideration under the Admiralty Jurisdiction of the Court accruing in, derived from or received in Nigeria
- (g) under any applicable Convention to which Nigeria is a party in which the national Court of a contracting State is entitled to or has the discretion to assume jurisdiction.
- (h) if in the Court's opinion the matter should be adjudicated in Nigeria.

## **Right of Suit**

Under the Bill of Lading Act, liabilities resulting from the contract contained in a Bill of Lading as they relate to the goods carried therein are enforceable only by;

- (a) the consignee of the goods.
- (b) the endorsee to whom the property in the goods shall pass, upon or by reason of such endorsement

A strict interpretation of this rule would mean that only the consignee or endorsee of a Bill of Lading could sue on the Bill to enforce rights relating to the carriage of the goods therein. A Notify-party could not sue even if he is the ultimate receiver and the named consignee is a Bank who by reason of the credit arrangement between him and the ultimate receiver, is named as consignee for purposes of security only. And a re-endorsement to a third-party divests the original consignee or endorsee of the right of suit. See

- (1) Adesanya -vs- Leigh hoegh & Co. (1968) N.S.C Vol 1. P. 128
- (2) Oriental Trading & Technical Agencies Ltd -vs- Boothia Maritime S. A. Inc. FHC/L/Cs/138/91

However, recent decisions have taken notice of the provisions of Section 375 (1) of the Merchant Shipping Act by which the Courts will look beyond the formal endorsements to determine the legal and factual aspect as to whether the property in the goods stated in the Bill of Lading really passed upon or by reason of such consignment or endorsement. See.

- (1) Nigerbrass Shipping Lines Ltd -vs- Aluminum Extrusion Industries Ltd 1994 4 NWLR Part 341 P.733
- (2) Micheal Chacharos -vs- Ekimpex Ltd & Ors (1988) Vol 3 N.S.C P.218
- (3) Onwudike & 4 Ors. Vs. Brawal Shipping (Nigeria) Limited (1996) 1 NWLR (Pt.422) 65

## **Limitation of Liability**

By virtue of Section 363 of the Merchant Shipping Act, a Shipowner or other person is entitled to limit his liability and to establish a fund in Court for the payment of claims against him in respect of which he is entitled to limit his liability. The rationale for this would seem to be that because of the capital intensive and risk laden nature of maritime activity, Ship owners ought to be entitled to limit the extent of their liability to third parties in the general interest of international trade. In order to be entitled to limit his

liability however, a Shipowner must prove that the loss or damage occurred without his actual fault or privity.

Under the MSA, the limitation amount is based on a ships tonnage as follows:

- (a) Personal injury or loss of life - 3,100 Gold Francs for each ton of the Ships tonnage.
- (b) Loss or damage to property - 1,000 Gold Francs for each ton of the Ships tonnage.

Gold Franc is defined as "Sixty-five and a half milligrams of gold of millesimal fineness nine hundred:.. Under Legal Notice No 94 of 1964, made by the Minister of Transport, the equivalent of 3,100 Gold Francs is Seventy-three pounds Ten shillings and the equivalent of 1,000 Gold Francs is Twenty-three Pounds thirteen Shillings and nine-pence. By applying the Decimal Currency Order of 1971 these amounts now convert to about N147 per ton of the Ships tonnage for loss of life and personal injury claims and N47 per ton of the Ships tonnage for loss or damage to property. See **Nigerian National Shipping Lines v Emenike (1987) 3 NSC 163.**

The right to limit liability also exists under the Carriage of Goods by Sea Act (COGSA). Under Article IV of that law a carriers liability for loss of or damage to goods carried from a Port of departure within Nigeria to a Port of destination within or outside Nigeria is limited to N200 per unit of cargo.

## **DOCUMENTARY CREDITS TRANSACTIONS**

Historically, once the notion of commercial credits was accepted as a patent factor in international trade, attempts were made for the standardization of the conditions on which Bankers would be prepared to issue and act on commercial credits. 1933 saw the commencement of such standardization. The International Chamber of Commerce formulated a uniform customs and Practice for commercial documentary credits (The Uniform Customs) The customs were revised in 1962, 1974 and 1983.

The attitude of Nigerian Courts prior to the AJD was that since commercial transactions by documentary credits are done only in reliance on documents and are not concerned with issues like sea worthiness of ship or whether or not goods were infact supplied. Matters relating to such transactions have nothing to do with maritime law and thus should be tried in the State High Court and not the Federal High Court. See A.M.O. Akinsanya Vs. U.B.A. Limited (1986) 4 NWLR (Pt. 35) 273 rr. 31,32. In the latter case of Nasaralai Enterprises Limited Vs. Arab Bank Limited (1986) 4 NWLR (Pt.36) 409 the Supreme Court, per Bello, JSC., held that

*"in the business world of documentary credits, parties are not factually concerned with the sea worthiness of a ship or loading it or.....concerned with actual delivery or non-delivery of goods..... the whole transaction may in reality be a fraud... there may be no ship and there may be no goods at all. Parties are only concerned with the relevant terms of their respective contracts. It is all essentially a matter of documentary contract between a banker and his (sic) customer, which has nothing to do with maritime law.*

This problem would appear to have been laid to rest under the AJD. The Decree extends the admiralty jurisdiction of the Federal High Court to include any banking or letter of credit transaction involving the importation or exportation of goods to and from Nigeria in a ship or aircraft, whether the importation is carried out or not and notwithstanding that the transaction is between a bank and its customer.

### **THE ROLE OF P & I CLUBS**

P & I clubs are in connection with the operation of the entered ship. P and I clubs are governed by rules and regulations and when a member joins the club, he enters into a contract with the club to abide by the rules and regulations. A member's interest in an entered ship for events which occur during the period of his charter or management, charterer or vessel with the club in much the same way as a vehicle owner insures his car against accidents or fire. The scope of cover provided usually extends to expenses incurred in respect of the owner's vessel. They provide some form of insurance cover for club members. P and I club members comprise mainly of shipowners, charterers and vessel operators. What they do is pool their resources together into a common fund. A professional manager is appointed to manage the fund. From this fund, the managers settle any claim against any member vessel wherever it may occur. A member's insurance club translates literally to Protection and Indemnity. But perhaps it would be simpler if imprecise to describe them as

P and I clubs provide cover for member ships on an extensive range of issues. Some examples are

- a] Loss of life, personal injury and illness of crew members for which the shipowner is liable to pay.
- b] Fines by a court, tribunal or authority for smuggling or infringement of any customs regulations.
- c] Breach of immigration regulations
- d] Salvage Claims
- e] Cargo claims etc. The list is not exhaustive.

services are provided to members whenever an entered ship runs into regulatory or legal problems. P≅DefenceA2 Billion globally. Out of this, ,Today, the subject which provides perhaps the most pressing concern for P and I clubs is cargo claims. It is in this area that P and I clubs play a most active role in the international Sea-borne trade. Cargo claims represent at least 70% of all admiralty litigation in Nigeria. And because the set of rules which govern the shipment of goods have traditionally been influenced by the Western ship owning nations, shipowners have always been much better protected. In addition to this, there are the P and I clubs which today are estimated to control funds in excess of & I clubs are able to pay and retain the services of the best maritime lawyers within the local jurisdictions in which member flags operate and so provide specialist legal and related services to entered ships.

Where a defence service put up by a P & I Club fails cover is extended to any liability that may arise from such litigation.

Before I end this paper, I should like to say that it is now finally settled under the AJPR that the Court is empowered to enter judgment in admiralty proceedings in foreign currency and to enforce in Nigeria the award of a foreign tribunal. Again, I should like to say that this paper cannot be fully exhaustive of the various issues arising from Admiralty Jurisdiction in Nigeria today. I can only hope that those aspects discussed here would be sufficient to provide some insight and understanding of these issues.

Thank you very much for your attention.

**ADDENDUM** - Stay of proceedings pending arbitration.

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<sup>[2]</sup> *The AJA, 1956 is an English Statute which had given jurisdiction to the Judges of the English Court of Admiralty to determine all claims with the Admiralty Jurisdiction of the Court. -à AKISANYA vs. UBA Ltd. (1986) 4 NWLR (Pt.35) 273, 299 D.*