

PANORAMIC

SHIP FINANCE 2026

Contributing Editors

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Holland & Knight LLP



LEXOLOGY

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Panoramic guide (formerly Getting the Deal Through) enabling side-by-side comparison of local insights into ship finance issues, including in each jurisdiction due diligence; repayment; registration of vessels; ship mortgages and other liens over vessels; collateral; tax considerations for vessel owners; insolvency and restructuring considerations; and recent trends.

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Panama

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DUE DILIGENCE

Demonstrating title or legal ownership

- 1 | How does one demonstrate title to or legal ownership of a vessel registered under the laws of your jurisdiction?

Ownership documents must be registered at the Directorate General of the Public Registry of Property of Vessels (PRV) of the Panama Maritime Authority (PMA) in order to become effective in relation to third parties. A certificate of ownership and encumbrances from the PRV is the usual document used to show ownership at a given point of time, although the information at the PRV prevails.

Law stated - 14 May 2026

Liens

- 2 | How can one determine whether there are any liens recorded over a vessel?

As with ownership documents, recordable liens – mostly naval mortgages – must also be registered at the PRV, and thus a search of the PRV would be the means of determining whether there are any liens recorded over a vessel.

Law stated - 14 May 2026

- 3 | How does one determine whether there are any security agreements, liens, charges or other encumbrances granted by a vessel owner or affiliated party who might be a borrower, guarantor or other credit party in connection with a vessel finance transaction?

Apart from mortgages, leases, bareboat charters, including and/or separately purchased options, recordable as a limitation to the right to transfer ownership, and to court orders from the Panamanian courts, there would be no direct means of ascertaining the existence of such other obligations.

We must note that a naval mortgage can be granted as security for the obligations of third parties directly; namely, without the vessel having to secure a guarantee of the owner.

Law stated - 14 May 2026

Public registry searches

- 4 | Can one determine whether an obligor registered in your jurisdiction is duly organised and in good standing from a search of a public registry?

The Panama Public Registry Office (PPR) is the office where corporate entities must be recorded to acquire their legal status with regard to third parties and where searches can be made for such purposes. This would include foreign entities with commercial activities in Panama.

However, owning a vessel or Panamanian registry alone, would not require the registration of a foreign shipowner at the PRV.

Law stated - 14 May 2026

- 5** | Can the shareholders or other equity interest holders, directors and officers or other authorised signatories of an obligor organised in your jurisdiction be determined from a search of a public registry? If not, how are these parties customarily identified?

Generally, the identity of and powers that may be granted to the directors and officers under a company's articles of incorporation or amendments could be ascertained by searching the PPR. General powers of attorney that are recordable could also evidence the authorised signatories, including third parties so appointed. The shareholders or similar interest holders and other authorised, but non-recorded authorisations, would have to be verified by inspecting the share register or minute books, respectively, which are private in nature and would require a judicial order to be disclosed in the case of corporations. In relation to limited liability companies, the partners would be evidenced on records at the PPR.

Law stated - 14 May 2026

Debt obligation

- 6** | What corporate or other entity action is necessary for an obligor to enter into or guarantee a debt obligation? When is action by the board of directors or other governing body required? Must shareholders approve a guarantee?

Generally, subject to what the articles of incorporation may provide (and which must be recorded at the PPR), the board of directors or similar body of the entity would have to provide for such authorisation. This is without prejudice to any broad or general powers of attorney granted in favour of a third party or members of the board or officers, or similar parties within the governing bodies of the company or entity; and that, in the case of obligations of third parties, the shareholders' consent may be required.

Law stated - 14 May 2026

Obligations of foreign lenders

- 7** | Must foreign lenders qualify to do business in your jurisdiction to extend credit to a borrower organised in your jurisdiction? Will foreign creditors be deemed resident as a consequence of making a loan or other extension of credit to an obligor within your jurisdiction?

Not necessarily; in particular, if the funds are to be used outside Panama for companies or other entities or persons not residing or carrying out business in Panama.

Law stated - 14 May 2026

REPAYMENT

Central bank and regulatory approval

- 8** | Is central bank or other regulatory approval required for repayment of a loan in foreign currency?

There is no central bank, no currency exchange controls per se in Panama and the US dollar is legal tender. Most international commercial transactions are made in US dollars.

Law stated - 14 May 2026

Usury laws

- 9** | Do usury laws limit the interest payable to a lender in respect of a vessel financing?

Law 5 of 1933 (Law 5) and Law 4 of 1935 (Law 4) set out certain limits on the maximum level of interest chargeable. However, pursuant to article 223A of the Code of Commerce of Panama, interest on transactions perfected, consummated or with effects outside Panama is expressly excluded from the application of such limits. Further, Law 4 has also been abrogated in relation to onshore transactions and the same may be argued with respect to Law 5.

In any case, however, a maximum of 2 per cent per month exists pursuant to a decree of the National Banking Commission, and interest above that could be deemed usury as a matter of public policy. Therefore, it is arguable that a local court enforcing a foreign judgment obtained against a Panamanian corporation in Panama may limit the scope of the judgment if it involves interest payable at a higher monthly rate than 2 per cent.

Law stated - 14 May 2026

Withholding taxes

- 10** | Are withholding taxes payable on principal or interest payments to non-resident lenders?

Generally not, but it is also a matter of determining whether the proceeds have been used to generate taxable income in Panama.

Law stated - 14 May 2026

REGISTRATION OF VESSELS

Eligibility for registration

- 11** | What vessels are eligible for registration under the flag of your country? Are offshore drilling rigs or mobile offshore drilling units considered vessels under the laws of your jurisdiction? What is the effect of registration?

The definition of 'vessel' is broad, and offshore drilling rigs, mobile offshore drilling units and other offshore structures, such as floating production, storage and offloading units and mobile offshore drilling units, may be registered. Law 57 of 2008 provides the following definition of a vessel:

Any vessel engaged in the transportation of cargo or persons; pontoons, dredgers, floating docks, oil drilling platforms or any other hulls engaged in or which may engage in maritime trade, as well as any other structure recognised as a vessel by the Panama Maritime Authority.

The effect of the registration is to allow the vessel to fly the Panamanian flag and to grant it the protection of rights under the laws of Panama, as provided in Law 57 of 2008.

Law stated - 14 May 2026

- 12** | Who may register a vessel in your jurisdiction?

Pursuant to article 3 of Law 57 of 2008, regardless of nationality and provided the prescribed formalities and requirements are complied with, any individual, corporate entity or a combination of these may register a vessel.

Law stated - 14 May 2026

Registry for international shipping operations

- 13** | Is there an alternate registry for international shipping operations?

The Directorate General of Merchant Marine (DGMM) within the PMA maintains a single register regardless of the place of operation or nationality of the owners of a vessel. Vessels are classified as engaged in either coastal or internal service (ie, only between Panamanian ports) or international service, which includes vessels that do not operate in Panamanian ports or territorial waters or internationally, or stop in Panama but on coming from or to foreign ports.

There are also special categories within the register, such as temporary registration, dual registration for vessels under bareboat charter and pleasure boats.

Law stated - 14 May 2026

SHIP MORTGAGES AND OTHER LIENS OVER VESSELS

Types of ship mortgage

- 14** | What types of ship mortgages exist and what obligations may a ship mortgage secure? Can contingent obligations, including swap obligations, be secured? Are there standardised forms?

Under Panamanian law the naval mortgage may secure any type of obligation, be it an existing, simple, conditional, contingent or even future obligation. For example, unadvanced tranches, rotating credit facilities, obligations subject to alternative currency or multi-currency clauses and other types of complex financing may generally be secured without the need to execute or register supplementary deeds when the conditions occur or the future obligation is perfected.

In addition, from a Panamanian law perspective the naval mortgage can secure obligations of third parties (ie, other than those of the owner).

The law templates mortgage agreements this implies the execution of an agreement by both parties, mortgagor and mortgagee.

When drafting a mortgage agreement, lawyers will incorporate provisions relating to the operation of the vessel as regards the intent contained in the financing documentation, as well as other matters relating to the legality and proper operation of the vessel and any special remedies availing to the mortgagee under Panamanian law.

No official pro-forma mortgage has been adopted by the Panama Maritime Authority (PMA) for such purposes.

Law stated - 14 May 2026

Required form

- 15** | Give details of any required form for ship mortgages in your jurisdiction.

The law provides for the following essential requirements (article 260 of Law 55 of 2008), which include:

- the names and domiciles of the mortgagor and mortgagee;
- the fixed or maximum amount of the principal or of the obligation secured;
- the dates of payment of principal or of compliance with the obligations secured, and of interest, or the method to determine such dates, except when the obligation secured is payable on demand or is a conditional or future obligation, by stating such fact in the mortgage;
- if subject to interest, the agreed rate or the method for computing the same must be stated. The rate may be stated with reference to a specific market, costs of funding, fluctuating elements or floating formulas; and
-

a description of the mortgaged vessel, in the terms of its registry certificate or licence number, radio call signs (if assigned), register tonnages (gross and net) and measurements (length, width and depth).

Law stated - 14 May 2026

Registration of mortgages

- 16** | Who maintains the register of mortgages? What information does it contain and where are such filings to be made? What is the effect of registration?

The PRV) is the section of the PMA in which ownership documents and naval mortgages, as well as their cancellation, amendments or assignments and other recordable encumbrances, can be registered.

Registration has the effect of making the document effective in relation to third parties (ie, rights or obligations are owed toward all).

All the documents are kept on an electronic filing system, and each one is given a 'document' number, which is shown under the vessel's unique filing card and, as such, reflects the filings on a historically verifiable basis.

Law stated - 14 May 2026

- 17** | Must the total amount of the mortgage be stated therein? Must the mortgage contain a maturity date? Must the underlying debt instrument be filed with or attached to the recorded mortgage?

The law requires that the mortgage states the fixed or maximum amount of the principal or of the obligation secured.

It is not necessary to attach the debt instrument but the mortgage must provide for the terms required under article 260 of Law 55.

When an obligation is payable in instalments, such as a loan, it is not only the last date but all of the intermediate payments which must be described or a schedule of payments as per the underlying loan document be included in the mortgage as to comply with article 260.

Law stated - 14 May 2026

- 18** | Can a mortgage be registered in the name of an agent or trustee for the benefit of multiple lenders?

Correct. However, the party named as the mortgagee in the mortgage would be deemed to have the rights to enforce the mortgage in respect of the obligations secured.

The concept of obligations in favour of a group in solidum secured by a naval mortgage could also be deemed subject to the agreement or legal relationship between the

creditors or lenders under such an obligation. Therefore, when an agent, security agent or security trustee is so appointed and then enters the mortgage agreement, the underlying relationship, even if subject to foreign law, should be accepted in respect of the actions that would be carried out by the mortgagee, but maintaining the rights of the mortgagee as exclusive in respect to other creditors or lenders who are not. While the rights of the mortgagee would be deemed in rem against the vessel, those of the other creditors or lenders would be deemed in personam against the mortgagee. In other words, while the rights of the mortgagee would be in accordance with Panamanian law with regard to the mortgage, the relationship of agency or security trust between the mortgagee and the other creditors or lenders would be deemed as ruled under the laws that are chosen to govern such relationships among them and to determine the rights and obligations that arise between them in respect to, for instance, the proceeds from the enforcement of the mortgage.

Law stated - 14 May 2026

Filings on transfer

- 19** | If the mortgagee is an agent or trustee for a lending syndicate, must any filings be made upon transfer of a portion of the underlying debt among existing lenders or to a new lender?

Generally, and depending on the drafting of the mortgage as to such changes, a change in lender who is not the mortgagee could be made without further filings, so long as the obligation secured subsists notwithstanding the change.

Law stated - 14 May 2026

- 20** | If the mortgagee transfers its interest to a new lender, agent or trustee what filings are required? Is the mortgagor's consent required?

An assignment of mortgage must be in writing, and to be effective against third parties must also be registered at the PRV.

The consent of the mortgagor would be required if the mortgage agreement so provides.

Law stated - 14 May 2026

Maritime liens

- 21** | What other maritime liens over vessels are recognised in your jurisdiction? Do these claims give rise to a right to arrest a vessel? In what circumstances may associated ships be arrested?

Under Panamanian law, a vessel is subject to arrest as an asset of the owner, for debts or for the enforcement of maritime liens. Under article 244 of Law 55, the following are listed as maritime liens against vessels:

- Judicial costs incurred in the common interest of maritime creditors.
- Expenses, indemnities and wages for aid and salvage.
- Wages, compensations and indemnities of the master and crew members.
- The naval mortgage.
- Amounts due to the Panamanian government for the annual tax and rates of the vessel.
- Wages and stipends due to stevedores and other wharfers engaged directly by the owner, operator or master of the vessel for the loading and unloading of the vessel.
- Compensation for damages caused by fault or negligence.
- Contributions to general average.
- Amounts due on obligations incurred for the necessities and supplies of the vessel.
- Amounts taken in bottomry over the hull of the vessel and its apparel for supplies, equipment and tackle if the contract were entered into and executed prior to departure of the vessel from the port where such obligations were contracted; and the insurance premiums.
- Wages of pilots and watchmen and expenses of conservation and custody of the vessel, its apparel and supplies.
- Indemnities due to shippers and passengers for failure to deliver the cargo or effects loaded or for damage thereto, attributable to the master or crew.
- The price of the last acquisition of the vessel and interest due.

Law stated - 14 May 2026

22 | What maritime liens rank higher than a mortgage lien?

Law 55 provides that the following liens rank higher than a mortgage lien:

- judicial costs incurred in the common interest of maritime creditors;
- expenses, indemnities and wages for aid and salvage; and
- wages, compensations and indemnities of the master and crew members.

Law stated - 14 May 2026

Non-mortgage liens

23 | May non-mortgage liens be recorded over a vessel?

Executive Decree No. 159 of 3 March 2021 (Decree 159), whereby the PRV is organised and its operations are regulated, provides for the following recordable documents:

- financial leasing or leasing;

- trust agreement;
- bareboat charter agreement; and
- promise of sale.

Law stated - 14 May 2026

'Foreign' flag vessels

- 24** | Will mortgages on 'foreign' flag vessels be recognised in your jurisdiction? If so, do they share the same priority as those on vessels registered under the laws of your jurisdiction?

Generally, a foreign mortgage would be registered against a vessel of foreign registry. The Code of Maritime Procedure (Law 8 of 1982) provides for special proceedings for the enforcement of mortgages, and the procedure is similar for vessels of Panamanian and foreign registry.

Law stated - 14 May 2026

Enforcement of mortgages

- 25** | What is the procedure for enforcing a mortgage in your jurisdiction by way of foreclosure? Are interlocutory sales permitted? How long does a judicial sale take? What are the associated court costs and how are they calculated?

The procedure under Law 8 of 1982 includes arrest of the vessel, filing a complaint together with the petition for arrest and evidence regarding the registration of the mortgage and the amount overdue for the purposes of enforcement.

An interlocutory sale would be available if the complaint is not answered in a timely fashion (ie, within 30 days of the arrest, which would have the effect of notification of the complaint) and where the vessel is deemed abandoned or that it may be lost if not promptly sold. On average, the process of judicial sale takes between three and six months.

Costs for the arrest are calculated depending on the area in which the vessel is kept while being arrested. The plaintiff would bear such costs of maintenance, which would be requested from time to time by the court's marshal. Upon requesting the arrest, a liability bond of US\$1,000 and initial marshal's costs to keep the vessel under arrest would have to be posted with the court.

Law stated - 14 May 2026

Sale by mortgagee

- 26** | May a vessel be sold privately by a mortgagee? Will the sale discharge liens over the vessel?

It is possible to agree in a naval mortgage that the mortgagee may sell the vessel out of court in the case of default. Such a sale would only extinguish the mortgage lien under which it was made.

Law stated - 14 May 2026

Default under mortgage

- 27** | Will the courts of your jurisdiction enforce mortgage provisions stipulating the appointment of a receiver on default under the mortgage?

Panamanian courts may have to assess whether the appointment of a receiver would be compatible with an enforcement per se of the mortgage, since by law the marshal would be deemed as depository of the vessel, which, for purposes of enforcement of the mortgage, would have to be, in principle, arrested by the court before which enforcement is being sought, to begin with. The law provides that a third party, at the request of the marshal, may be appointed as depository of the asset subject to arrest.

Law stated - 14 May 2026

Limitations on rights of self-help

- 28** | What are the limitations on rights of self-help by a mortgagee?

Panamanian law provides for ample powers that could be granted in the mortgage. Limitations would be mostly for liability caused by wilful misconduct or reckless disregard, which would not be deemed waived by contract if tried by a Panamanian Court.

Law stated - 14 May 2026

Duties to owner or third-party creditors

- 29** | What duties does a mortgagee owe to an owner or third-party creditors?

If the mortgagee were to take possession of the vessel or exercise rights to sell the vessel out of court proceedings, the mortgagee would be deemed liable to the owner to the extent that the same has not been waived in the mortgage (except for wilful misconduct or reckless disregard) and under general rules of liability for damages caused to third parties, including creditors, if the vessel is deemed affected in its value in relation to such creditors and in detriment of their potential claims.

In the event of a non-judicial sale, if such powers are allowed in the mortgage, the law provides that the mortgagee would have to notify the owner and any other registered mortgagees of its intention to so sell the vessel.

Law stated - 14 May 2026

COLLATERAL

Finance leases

- 30** | May finance leases or other charters be recorded over vessels flagged under the laws of your jurisdiction?

Financial leases may be recorded at the Public Registry of Vessels (PRV) in respect to a vessel of Panamanian registry as provided for in Decree 159 and there is a special law in Panama for this type of contracts. However, the lease agreement may be governed by foreign law so long as requirements deemed essential under Panamanian law be complied with.

This would be relevant if the vessel is operating outside Panamanian waters.

Law stated - 14 May 2026

- 31** | May finance leases be recharacterised by a court as a financing contract? If so, is there any procedure for protecting the lessor's interest against third-party creditors?

Commercial law principles provide that, in determining the nature of a commercial contract the intent of the parties shall prevail.

It is, therefore, advisable to draft relevant contracts on a case-by-case basis with proper assurances to prevent possible challenges, depending on the type of operation of the vessel in question.

Law stated - 14 May 2026

Security interests

- 32** | How is a security interest created over earnings of a vessel, charter contracts, insurances, etc? How are these security interests perfected?

Such security interests would be created and perfected pursuant to an assignment agreement. Panamanian law requires that the third-party debtor be notified.

Generally, assignments of earnings and/or insurance are entered into in conjunction with the granting of a naval mortgage, but also generally these tend to be governed by foreign law, usually the same laws that are agreed to govern the underlying debt document, a loan or facility agreement, for instance.

Law stated - 14 May 2026

- 33** | Must security interests against non-vessel collateral be registered to be enforceable? If so, where are such filings made?

The enforcement of security interests arising against a vessel under the law or contract, other than those arising from per se security instruments and that are not eligible for registration, would have to be claimed before a court of law in connection with a debt of the owner or otherwise arising from applicable laws.

In the case of Panamanian corporations, the law does not provide for a register of charges, be it privately or publicly available, as we understand occurs in other jurisdictions.

Law stated - 14 May 2026

34 | How is a security interest over a deposit account established? How is a security interest perfected?

This would have to be effected through a pledge agreement and, in principle, a depository, which could be the pledgee, appointed to keep control of the pledged account.

General rules for pledges are contained in the Code of Commerce and the Civil Code.

On the other hand, pursuant to Law 129 of 2013, the requirements for mortgages over movable or chattel property, including cash, are more flexible, which would, in principle, allow the mortgagor the use of the asset subject to the mortgage. Thus, it may also be a matter of practicality to ensure an efficient security instrument in relation to cash deposits.

Law stated - 14 May 2026

35 | How are security interests in non-vessel collateral enforced?

By suing the owner or grantor and attaching assets of its property, including those which have been the object of the security, such as pledged bank accounts or assigned earnings or insurance proceeds, as the case may be.

Law stated - 14 May 2026

Share pledges

36 | How are share pledges for vessel financings established? Are share pledges or share charges common in your jurisdiction?

This would have to be created through a pledge agreement to be entered between the pledgor and the pledgee and, in principle, a depository, which could be the pledgee, appointed to keep control of the pledged shares.

This kind of security is commonly seen in financings, and how the pledgor may exercise certain rights over the shares may be regulated in the pledge agreement. To that end, it is recommended practice that the officers and directors of the corresponding corporation keep a copy of the pledge agreement and make relevant notations in the share register of the corporation as appropriate.

Law stated - 14 May 2026

- 37** | Is there a risk that a pledgee, before or after exercise of the share pledge, may be exposed to debts or other liabilities of the pledged company?

In principle, no such risk would exist other than if the pledged shares have been issued partially unpaid (when possible) or have been subject to another type of security affecting the shares. Generally, a pledge asset would be excluded from a concursus in favour of the pledgee.

Law stated - 14 May 2026

TAX CONSIDERATIONS FOR VESSEL OWNERS

Domestic taxation

- 38** | Is the income earned by the owners of vessels registered in your jurisdiction subject to domestic taxation? At what rate?

The Panamanian tax system is territorial. Accordingly, the income from owners of vessels engaged in international trade is not subject to income tax. Likewise, for income derived from coastal trade, income tax shall apply. The flat rate (subject to alternative calculation depending on the income) would be 25 per cent.

Law stated - 14 May 2026

Tonnage tax

- 39** | Is there an optional tonnage tax exempting vessel owners from tax on income?

In the case of vessels registered as being engaged in international trade, the registration charge and annual tax and other similar rates are calculated on the basis of the gross and net tonnages and the type of vessel. However, we would not consider this as an alternative to income tax, but related to payments for the registration itself and related services provided by the Panama Maritime Authority (PMA).

Law stated - 14 May 2026

Tax incentives

- 40** | What special tax incentives are available to shipowners registering vessels in your jurisdiction?

There are no tax incentives per se. The income tax applicable depends on the place of operation. There are special reductions in the registration charge and annual tonnage tax and rates for vessels that are:

- new builds;
- less than five years old;
- registered as part of a group or an already registered group; and
- have no record of port state control detentions.

Law stated - 14 May 2026

Other tax provisions

- 41 | Are there any other noteworthy tax provisions specifically applicable to shipping, shipping income or ship finance?

Panama has special petroleum free trade zones created by law, which will apply to vessels engaged in such operations.

Law stated - 14 May 2026

INSOLVENCY AND RESTRUCTURING

General scheme of reorganisation or insolvency administration

- 42 | Is there a general scheme of reorganisation or insolvency administration in your jurisdiction?

Yes. Pursuant to Law 12 of 2016 (Law 12), effective as of 2 January 2017, a new regime of reorganisation and insolvency rules replaced the former bankruptcy provisions of the Code of Commerce.

Law stated - 14 May 2026

Foreign court rulings

- 43 | Will the courts of your jurisdiction respect the rulings of a foreign court presiding over reorganisation or liquidation proceedings?

Generally, there are provisions in Law 12 to cooperate with and assist in foreign insolvency proceedings.

Law stated - 14 May 2026

Model Law on Cross-Border Insolvency

- 44 | Has your jurisdiction adopted the Model Law on Cross-Border Insolvency promulgated by the United Nations Commission on International Trade Law?

Law 12 takes into consideration cross-border insolvency and provides for certain rules to unify the process. Likewise, Law 61 of 2015 (Law 51), the Code of Private International Law of Panama, provides for certain conflict of law rules to determine the relevant forum, although this still refers to bankruptcy.

Law stated - 14 May 2026

Order of priority

- 45** | What is the order of priority among creditors? In what circumstances will creditors be required to disgorge payments from an insolvent company?

Secured obligations would be preferred, and other obligations that can be classified by date, under a public deed, final court or arbitral judgment or a private instrument certified by a notary, would be paid in a creditors' reorganisation or liquidation concursus in preference to all other unsecured obligations, ranking among themselves in the order of their dates, with the oldest in preference to the more recent.

Law stated - 14 May 2026

Security provision by vessel owner

- 46** | May a vessel owner provide security on behalf of other related or unrelated companies? What are the requirements for it to be enforceable?

Panamanian law expressly provides that a mortgage may be granted to secure the obligations of third parties.

As part of the enforceability of the mortgage, the mortgagee would have to provide evidence of the secured obligation being defaulted.

Law stated - 14 May 2026

Law of fraudulent transfer

- 47** | Is there a law of fraudulent transfer that permits a third-party creditor to challenge, for example, the grant of a mortgage because of insolvency of the mortgagor or insufficient consideration received by the mortgagor in exchange for the grant of the mortgage?

The law provides certain circumstances in which a mortgage or similar security granted to cover existing debts, so as to give the secured creditor preference over other existing or subsequent obligations, may be disregarded.

Law stated - 14 May 2026

Petitions by creditors

- 48** | How may a creditor petition the courts of your jurisdiction to declare a debtor bankrupt or compel liquidation of an insolvent obligor?

Law 12 and the Code of Civil Procedure provide for the rights of a creditor to request insolvency and further liquidation, without prejudice to a possible reorganisation process. For such purposes, the creditor would have to prove that the credit is overdue on the corresponding debt agreement or, otherwise, prove the failure of the debtor to fulfil its obligations under the debt agreement.

Law stated - 14 May 2026

Model Netting Act

- 49** | Has your jurisdiction adopted the Model Netting Act of the International Swaps and Derivatives Association (ISDA)? If not, may a swap provider exercise its close-out netting rights under an ISDA master agreement despite an obligor's insolvency?

The Model Netting Act has not been adopted. Any netting rights or similar claims corresponding to unsecured creditors in respect to debtors in reorganisation, insolvency or liquidation proceedings would have to be approved before the competent court trying the same.

Otherwise, claims under an ISDA master agreement could be included as part of the obligations secured under a naval mortgage and be claimed in rem against the vessel.

Law stated - 14 May 2026

UPDATE AND TRENDS

Current developments

- 50** | Are there any emerging trends or hot topics that may affect shipping finance law and regulation in your jurisdiction in the foreseeable future?

There are no updates at this time.

Law stated - 14 May 2026



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