

## MADEIRA SHIPPING: STILL MORE ATTRACTIVE

Decree-Law n.º 8/2009, published on January 7, has amended article n.º 578 of the Portuguese Commercial Code concerning the graduation scale of privileged credits for claims over vessels.

In accordance with the former provisions of the Commercial Code, and the applicable rules of the International Convention for the Unification of Certain Rules relating to Maritime Liens and Mortgages of April 10 1926, financing entities such as banks and leasing companies, have seen, in the past, a number of privileged credits preferred over their credits.

Since January, credits arising from loans guaranteed by mortgages and pledges over vessels are now in third place on the referred scale, following credits arising from judicial costs and expenses incurred on behalf of creditors and of wages due for salvage and assistance.

This amendment has not only updated the legal and regulatory framework of vessels registry in Portugal, but also represents an effort to reinvigorate the Portuguese maritime registry, namely the International Shipping Register of Madeira - MAR.

MAR was established in 1989 as a high quality register for vessels, which follows the provisions of all the international maritime treaties and conventions ratified by Portugal and, at the same time, offers an attractive set of fiscal advantages, attracting new vessels of all nationalities.

As of December 31 2008 there were 238 vessels registered with MAR, mostly from Italy, Germany, Spain and Norway. Moreover, many of these vessels are owned and managed by the shipping companies established within the scope of the Madeira International Business Centre (MIBC), which benefit from a special tax regime.

Numbers provide evidence that MAR, as part of the MIBC, offers the quality and safety of an EU registry linked to competitive costs and modern procedures.

With this amendment, MAR has overcome an obstacle as it moves towards a more efficient and reliable registry and has reinforced its competitiveness at this specific level. ■

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