

DECREE No. 99/1998/ND-CP OF NOVEMBER 28, 1998 ON THE MANAGEMENT OF SEA-GOING VESSEL PURCHASE AND SALE

THE GOVERNMENT

Pursuant to the Law on Organization of the Government of September 30, 1992;

Pursuant to Vietnam Maritime Code of June 30, 1990;

In order to efficiently manage projects for sea-going vessel purchase and/or sale in line with the planning on development and gradual modernization of the country's sea-going fleet; to meet the requirements on technical safety and protection of the sea environment; and further improve the procedures for ratification, decision and licensing sea-going vessel purchase and/or sale projects;

At the proposal of the Minister of Communications and Transport,

DECREES:

Chapter I

GENERAL PROVISIONS

Article 1.- In this Decree, the following terms are construed as follows:

1. "Sea-going vessel purchase and/or sale" means the process of probing markets, preparing dossiers of application for the ratification of the purchases/sales

of sea-going vessels, the issuance of decisions thereon and the granting of permits for the purchase/sale as well as the conclusion and performance of contracts for the purchase or sale of sea-going vessels.

2. "Sea-going vessel purchase and/or sale project" means a project on the purchase and/or sale of one or many sea-going vessels.

3. "Sea-going vessel purchaser or seller" means organization or individual that purchases or sells sea-going vessel(s).

4. "State budget capital or capital of State budget-origin" includes money or properties directly invested in or lent by the State to organizations and/or enterprises, or other resources assigned by the State to them for management and use.

5. "Person competent to decide sea-going vessel purchase or sale" means the representative of a State organization or agency who is authorized to decide on the sea-going vessel purchase or sale as prescribed in Article 10 of this Decree.

6. "Sea-going vessel purchase- or sale- permit" means a permit granted by the Ministry of Communications and Transport to a sea-going vessel purchaser or seller in strict compliance with the conditions, order and procedures provided for in this Decree.

7. "Sea-going vessel purchase or sale contracts" include contracts on the purchase, sale, leasing-buying, borrowing-buying and building of sea-going vessels.

8. "Contract on sea-going vessel borrowing-buying" is a particular contract where the vessel purchaser and seller agree to use a sum of credit capital, which may be provided by the seller him/herself to the buyer for vessel purchase but under the conditions to ensure the purchaser's payment responsibility as specified in the contract.

Article 2.- This Decree prescribes conditions, competence and order for considering, ratifying and permitting the purchases or sales of sea-going vessels.

The purchase or sale of sea-going vessels stipulated in Clause 1, Article 3 of this Decree shall have to comply with the provisions of this Decree as well as other relevant provisions of law.

Article 3.- Scope of application of the Decree

1. This Decree shall apply to the purchase and sale of the used or newly-built sea-going vessels on domestic and international markets, except for cases stipulated in Clause 2 of this Article.

2. This Decree shall not apply to the purchase and sale of sea-going vessels of the following types:

a/ Vessels with the total main engine capacity of less than 75 CV; vessels without motor but with a total carrying capacity of less than 50 GRT; vessels with tonnage of less than 100 DWT or with the designed length of water line of less than 20 m;

b/ Vessels of different types which are purchased or sold with capital outside the budget sources or not originating from the budget, on the domestic market;

c/ Vessels manufactured by Vietnamese shipbuilding enterprises on the basis of contracts on building ships for foreign countries;

d/ Foreign vessels auctioned in Vietnam under coercive decisions issued by competent State agencies.

3. The purchase and sale of sea-going vessels for the purposes of military use as well as of the maintenance of security and order shall be managed by the Ministry of Defense and the Ministry of Public Security; sea-going vessels that use nuclear energy and those used exclusively for the transport of radioactive substances shall be subject to separate regulations.

Article 4.- The Government shall exercise the uniform management over sea-going vessel purchase, sale, investment, import and export activities of Vietnamese organizations and individuals as well as foreign organizations and individuals in Vietnam, with a view to:

a/ Ensuring the achievement of the strategic objectives on developing the national sea-going fleet along the line of industrialization and modernization, thereby contributing to the national economic development and reasonable protection of the development of Vietnam's shipbuilding industry;

b/ Ensuring that the technical safety conditions set for the sea-going fleet conform with the Vietnamese standards and those set in the international maritime agreements which Vietnam has signed or acceded to;

c/ Mobilizing and efficiently and lawfully using all investment capital sources for the fleet development.

Article 5.- Conditions for the import of sea-going vessels

1. Sea-going vessels imported for use must fully meet conditions for registration in Vietnam in accordance with the provisions of Vietnamese law.

2. Sea-going vessels imported for dismantlement must not be repaired, changed or restored for use for other purposes.

3. Annually, the Ministry of Communications and Transport shall, after consulting the concerned ministries and branches, base itself on the market demands and the real capability of Vietnam's shipbuilding industry to announce a list of different types of sea-going vessels for import, which must specify the vessel types, quantities, technical specifications, total tonnage or total carrying capacity.

Article 6.- Sea-going vessel purchase or sale contracts

1. For sea-going vessel purchase or sale contracts, which are made between Vietnamese organizations or individuals and effected on the domestic market, their forms and contents must comply with the provisions of Vietnamese law.

2. For sea-going vessel purchase or sale contracts, which are made between Vietnamese organizations or individuals and foreign organizations or individuals, their forms and contents shall be agreed upon and selected from among relevant common types of contract on the market (see the list of a number of international model contracts on sea-going vessel purchase and/or sale in Appendix I), by contracting parties. Depending on the specific conditions and purposes, a sea-going vessel purchase and/or sale contract may be modified appropriately but must ensure a number of basic contents as provided for in Appendix II (a, b).

Article 7.- For sea-going vessels allowed to be purchased by mode of borrowing-buying or leasing-buying, after a period of overseas registration as agreed upon in the contract and when being transferred into Vietnam, they shall be automatically registered in "the Vietnam National Registry Book of Ships" without having to apply for a new permit.

Chapter II

CLASSIFICATION OF SEA-GOING VESSEL PURCHASE OR SALE PROJECTS, COMPETENCE FOR THE CONSIDERATION, RATIFICATION AND LICENSING THEREOF

Article 8.- Sea-going vessel purchase or sale projects shall be classified according to their capital sources as follows:

1. Projects using budget capital or capital of budget origin.

2. Projects using capital sources other than those prescribed in Clause 1 of this Article and projects where sea-going vessels are transferred in such forms as gift, donation or inheritance...

Article 9.- Order of considering, ratifying and permitting sea-going vessel purchases or sales.

1. The order of considering, ratifying and permitting sea-going vessel purchases and/or sales shall include the following major steps:

a/ The 1st step: Ratifying the sea-going vessel purchase or sale plan.

b/ The 2nd step: Evaluating the dossier and issuing decision on sea-going vessel purchase or sale.

c/ The 3rd step: Issuing the permit for sea-going vessel purchase or sale.

2. The order of considering, ratifying and permitting sea-going vessel purchases or sales stipulated in Clause 1 of this Article shall apply on a case-by-case basis, concretely as follows:

a/ For sea-going vessels, which are purchased or sold with capital sources stipulated in Clause 1, Article 8 of this Decree, on the domestic market, only steps defined in Points a and b, Clause 1 of this Article, shall be followed.

b/ For sea-going vessels, which are purchased or sold with capital sources stipulated in Clause 2, Article 8 of this Decree, steps defined in Points a and b, Clause 1 of this Article shall not be followed.

c/ The granting of permits for sea-going vessel purchases or sales stipulated in Point c, Clause 1 of this Article shall apply to all sea-going vessel purchase or sale projects, irrespective of their capital sources and of whether they are imported from overseas into Vietnam or exported from Vietnam to foreign countries.

Article 10.- Competence to ratify the plans for, and to decide sea-going vessel purchases and/or sales

1. The person(s) competent to ratify sea-going vessel purchase or sale plans shall also be the person(s) competent to decide the sea-going vessel purchases or sales.

2. The competence to ratify the plans for and to decide the sea-going vessel purchases or sales for projects stipulated in Clause 1, Article 8 of this Decree are delegated as follows:

a/ The Prime Minister shall ratify and decide the sea-going vessel purchase or sale for projects valued at VND 200 billion or more, after receiving evaluation reports and presentations thereon from the Ministry of Communications and Transport.

b/ The ministers, the heads of the ministerial-level agencies and agencies attached to the Government, the People's Committees of the provinces and centrally-run cities, the Managing Boards of the State Corporations set up under Decision No.91/TTg of

March 7, 1994 of the Prime Minister, shall be entitled to ratify and decide the sea-going vessel purchase or sale plans for projects valued at less than VND 200 billion.

c/ The heads of the General Departments, Departments attached to the ministries and Managing Boards of the State Corporations set up under Decision No.90/TTg of March 7, 1994 of the Prime Minister shall be entitled to ratify and decide the sea-going vessel purchase and/or sale plans for projects valued at less than VND 20 billion as authorized by their respective ministers.

3. Depending on the actual situation in each period, the Prime Minister may readjust the authorization stipulated in Clause 2 of this Article.

Article 11.- Competence to permit the sea-going vessel purchases or sales

1. The Prime Minister shall authorize the Minister of Communications and Transport to grant permits for the purchases and/or sales of sea-going vessels in accordance with the stipulations in Point c, Clause 2, Article 9 of this Decree.

2. The granting of permits for sea-going vessel purchases or sales aims to:

a/ Ensure that sea-going vessel purchase or sale projects conform with the overall development planning set for the national sea-going fleet as well as the State's policies on the reasonable protection of the national shipbuilding industry;

b/ Consider the rationality of the sea-going vessel purchase or sale projects on the basis of the market demands and infrastructure conditions of Vietnam's maritime service as well as the assurance of technical safety criteria, environmental protection and compliance with the relevant current provisions of law and international maritime agreements which Vietnam has signed or acceded to;

c/ Evaluate the terms of draft contracts on sea-going vessel purchases or sales.

3. The Vietnam Maritime Department shall be the standing agency in charge of receiving and evaluating dossiers then submitting them to the Minister of Communications and Transport for consideration and permitting the sea-going vessel purchases or sales.

Chapter III

PROCEDURES FOR RATIFYING PLANS FOR, DECIDING AND PERMITTING SEA-GOING VESSEL PURCHASES OR SALES

**Section A. PROCEDURES FOR
RATIFICATION OF PLANS FOR SEA-GOING
VESSEL PURCHASES OR SALES**

Article 12.- For sea-going vessels purchased or sold with capital sources stipulated in Clause 1, Article 8 of this Decree, the purchasers and sellers shall, on the basis of their demands, conduct market survey and prepare dossiers to be submitted to the competent levels defined in Clause 2, Article 10 of this Decree, applying for the ratification of sea-going vessel purchase or sale plans.

Article 13.- A dossier of application for the ratification of a sea-going vessel purchase or sale plan shall include:

1. For projects on sea-going vessel purchase for use:

a/ An application for the purchase of sea-going vessel(s).

b/ A copy of the business registration certificate or the decision on the establishment of the organization or enterprise applying for the purchase of sea-going vessel(s).

c/ A report proposing the ratification of the sea-going vessel purchase plan, with the following contents:

- Grounds proving the need to purchase the vessel(s);

- The investment scope: the type, quantity and estimated value of vessel(s);

- The financial sources for the purchase of vessel(s);

- The basic technical specifications of the to be-purchased vessel(s);

- The preliminary report on the market and forms of sea-going vessel purchase such as definitive purchase, borrowing-buying, leasing-buying or building a new. And, a proposal on the form of sea-going vessel purchase, such as auction or bidding, competitive offer or bidder appointment.

2. For projects on sea-going vessel purchase for dismantlement:

a/ An application for the purchase of sea-going vessel(s) for dismantlement, clearly stating the dismantlement capability, conditions and measures to ensure technical safety; prevention and combat against fires and explosions and environmental pollution;

b/ A copy of the enterprise's establishment decision or business registration certificate in the field of sea-going vessel dismantlement.

3. For projects on sea-going vessel sale:

a/ An application for the sale of sea-going vessel(s), clearly stating: the reasons of the sale; the vessel's origin and state of ownership; the remaining value of the vessel(s); its(their) projected selling price(s); mode of payment; conditions and place for the delivery of the vessel(s);

b/ Copies of the vessel registration certificates and technical safety certificates;

c/ A copy of the business registration certificate or the decision on the establishment of the organization or enterprise which applies for the sale of the vessel(s).

Article 14.-

1. Basing him/herself on the dossier of application for ratification of a sea-going vessel purchase or sale plan as stipulated in Article 13 of this Decree, within 20 (twenty) days, the person competent to ratify the sea-going vessel purchase or sale plan shall have to issue a ratifying document or give the reasons for non-ratification.

2. A document ratifying the sea-going vessel purchase and/or sale plan shall include the following main contents:

a/ The investment scope, the mode of capital mobilization, the projected buying/selling prices, the mode of purchase or sale, the main technical parameters of the sea-going vessel(s) and the market where such vessel(s) is(are) purchased or sold: in Vietnam or in foreign country(ies).

b/ The permission for the sea-going vessel purchaser and/or seller to apply such form of purchase and/or sale as auction, bidding, competitive offer or bidder appointment.

3. The person competent to decide the sea-going vessel purchase and/or sale shall take responsibility for his/her decisions.

**Section B. PROCEDURES FOR DECIDING
SEA-GOING VESSEL PURCHASES
OR SALES**

Article 15.- After a sea-going vessel purchase or sale plan has been ratified, the sea-going vessel purchaser or seller shall compile a dossier and submit it to the competent person for deciding the purchase or sale of one or many sea-going vessels which has(have) already been selected.

Article 16.- A dossier of application for a decision

on a sea-going vessel purchase or sale shall include:

1. For projects on sea-going vessel purchase for use:

a/ Purchasing used sea-going vessels:

- A certificate of the vessel ownership and a copy of its registration certificate;

- A report on technical evaluation of the sea-going vessel(s) by Vietnam Register of Shipping or by a foreign Register of Shipping or an international expert nominated by the purchaser and/or seller, and recognized by Vietnam Register of Shipping;

- A copy of the vessel's registration dossier;

- A report on the results of selection of sea-going vessel(s);

- The draft contract or agreements of equivalent value;

- An agreement on loan guaranty, if so requested by the vessel seller or the loan provider.

b/ Purchasing newly-built sea-going vessels:

- A technical designing dossier of the newly-built sea-going vessel(s) which has been ratified by Vietnam Register of Shipping or by a foreign Register of Shipping, which is recognized by Vietnam Register of Shipping;

- A report on the bidding results;

- The draft contract or agreements of equivalent value;

- An agreement on loan guaranty, if so requested by the vessel-builder or the loan provider.

2. For projects on the purchase of sea-going vessels for dismantlement:

- Copies of the vessel registration certificate and ownership certificate;

- The plans for dismantlement, prevention and combat against fires and explosions and ecological pollution;

- The draft contract or agreements of equivalent value;

3. For projects on the sale of sea-going vessels:

- Copies of the vessel registration certificate, ownership certificate and technical safety certificates granted by the competent Registers of Shipping;

- A report on the results of survey of the market selling price(s) of vessel(s) of the same type at relevant time, regarding sea-going vessel(s) sold to foreign country(ies), and the projected initial price(s) of such vessel(s) in cases where it (they) is(are) auctioned in Vietnam;

- The draft contract or agreements of equivalent

value;

Article 17.- Basing him/herself on the dossier of application for decision on the purchase or sale of sea-going vessels as stipulated in Article 16 of this Decree, the competent person shall issue a decision on sea-going vessel purchase or sale, with the following main contents:

a/ Determining the validity and legality of the project dossier already submitted.

b/ Determining the project's financial, technical and technological feasibility as well as the business results of the exploitation of sea-going vessel(s).

c/ Ratifying the results of selection of sea-going vessel(s).

d/ Ratifying the contents of the draft contract on sea-going vessel purchase or sale.

Article 18.- Responsibilities and rights of sea-going vessel purchasers and sellers:

1. Sea-going vessel purchasers and sellers shall be responsible for:

a/ The accuracy and legality of documents attached to the dossiers of sea-going vessel purchase or sale projects which have been submitted to the competent organizations and agencies for ratifying, deciding and permitting the purchase or sale of sea-going vessels.

b/ The authenticity of the technical quality of sea-going vessels, their buying/selling prices and financial conditions of projects; ensuring that the vessels' quality stated in the submitted technical dossiers correspond to the actual state of the vessels upon their delivery and receipt.

c/ The efficiency of the projects' investment capital; the rationality of the buying/selling modes and the modes of capital mobilization which have been selected on the basis of projects' financial and technological capabilities as well as the sea-going vessel exploitation plans.

d/ The contents of the draft contracts on sea-going vessel purchase or sale. And, they shall be entitled to officially sign the sea-going vessel purchase or sale contracts only after obtaining sea-going vessel purchase or sale decisions and permits as prescribed in this Decree.

e/ Strictly complying with regulations stated in the sea-going vessel purchase or sale permits; and reporting the results of sea-going vessel purchase and/or sale, within 7 days after the completion thereof, to the persons competent to decide and permit the sea-going vessel purchases or sales.

2. Sea-going vessel purchasers and sellers shall have the following rights:

a/ To directly negotiate and conclude sea-going vessel purchase or sale contracts and fill procedures for the delivery and receipt, import or export of sea-going vessels, based on the sea-going vessel purchase or sale permits granted by the Minister of Communications and Transport.

b/ If deeming it necessary, sea-going vessel purchasers or sellers may hire consultants to elaborate the projects or entrust other persons to fill the procedures for the delivery or receipt, import or export of sea-going vessels in compliance with the permits.

Section C. PROCEDURES FOR GRANTING SEA-GOING VESSEL PURCHASE AND/OR SALE PERMITS

Article 19.- A dossier of application for a permit to purchase sea-going vessel shall include:

1. For projects on sea-going vessel purchase for use:

- An application for a sea-going vessel-purchase permit;

- The decision allowing the purchase of sea-going vessel(s) issued by the competent person as prescribed in Article 10 of this Decree, and accompanying documents as stipulated in Clause 1, Article 16 of this Decree.

2. For projects on purchase of sea-going vessels for dismantlement:

- An application for a sea-going vessel-purchase permit;

- The decision allowing the purchase of sea-going vessel(s) issued by the competent person as prescribed in Article 10 of this Decree, and accompanying documents as stipulated in Clause 2, Article 16 of this Decree.

3. Dossiers of application for sea-going vessel-sale permits:

- An application for a sea-going vessel-sale permit;

- The written approval from the agency managing the State's capital and property at the concerned enterprise, in cases where the to be-sold vessel is the State's property or property of an enterprise where the State holds dominant shares;

- The decision allowing the sale of sea-going vessel(s), issued by the competent person as prescribed in Article 10 of this Decree, and accompanying documents as stipulated in Clause 3, Article 16 of this Decree.

For each sea-going vessel purchase or sale, the purchaser or seller shall have to submit to Vietnam Maritime Department 03 (three) sets of dossier of application for the permit to purchase or sell the sea-going vessel.

Article 20.-

1. A sea-going vessel purchase- or sale- permit shall be issued within 15 (fifteen) days after Vietnam Maritime Department receives the complete valid dossier as stipulated in Article 19 of this Decree. In cases where the dossier is not complete, Vietnam Maritime Department shall have to notify the sea-going purchaser or seller thereof within 03 (three) days after receiving the dossier.

2. The Minister of Communications and Transport shall have to consider, ratify and permit the purchase or sale of sea-going vessels on the basis of the provisions in Article 11 of this Decree and the report from the Director of Vietnam Maritime Department.

3. A sea-going vessel purchase or sale permit under the set form in Appendix III attached to this Decree shall be of the value as the substitute of the sea-going vessel import/export permit.

4. A sea-going vessel purchase or sale permit shall be valid for 180 (one hundred and eighty) days at most from the date of its issue and may be extended only once for not more than 90 (ninety) days. As for newly-built vessels, the permit's validity duration shall be determined depending on the scope of investment and process of implementation of each specific project.

Article 21.-

1. When applying for the transfer of ownership over a sea-going vessel in such forms as gift, donation or inheritance... as stipulated in Clause 2, Article 8 of this Decree, the organization or individual that receives such sea-going vessel shall have to submit to Vietnam Maritime Department 01 (one) set of dossier, including:

a/ An application for a permit.

b/ Copies of the vessel registration certificate and technical safety certificates.

c/ Documents proving the legality of the organization or individual that presents, donates or bequeaths... the sea-going vessel.

2. Basing him/herself on the provisions in Clause 2, Article 11 of this Decree and the report from the Director of Vietnam Maritime Department, the Minister of Communications and Transport shall have to consider the issuance of a permit.

The validity duration of a permit for such forms of ownership transfer shall comply with the provisions in Clause 3 and Clause 4 of Article 20 of this Decree.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 22.- The Ministry of Finance shall specify the incorporation of the sea-going vessel declaration and registration fees and assign the Registers of Shipping as well as the crew members to directly collect the fees and remit them into the State Treasuries of localities where the sea-going vessels are registered.

Article 23.- The General Director of Customs shall guide and direct the border-gate customs offices to base themselves on sea-going vessel purchase or sale permits issued by the Ministry of Communications and Transport, sea-going vessel purchase and/or sale contracts and records on sea-going vessel delivery and receipt in order to clear sea-going vessel import/export procedures.

Article 24.- The ministers of Communications and Transport; Aquatic Resources; Planning and Investment; Trade; Science, Technology and Environment, and Finance; and the General Director of Customs shall base themselves on this Decree to amend and/or supplement the inappropriate contents of legal documents issued earlier by ministries and general departments according to their respective competence.

Article 25.-

1. Organizations' and/or individuals' complaints and lawsuits related to the granting of permits for purchase or sale of sea-going vessels under this Decree shall be settled according to the order and procedures prescribed by law.

2. All acts of violation of this Decree shall, depending on their seriousness, be handled in accordance with the current provisions of law.

Article 26.-

1. This Decree takes effect 15 days after its signing and shall be independent from the Government's Decrees promulgating the Regulation on Investment and Construction Management and the Regulation on Bidding.

2. This Decree shall not apply to sea-going vessel purchase and/or sale projects which have been licensed before its effective date.

Article 27.- The Minister of Communications and Transport shall have to organize and guide the implementation of this Decree.

Article 28.- The ministers, the heads of the ministerial-level agencies, the heads of the agencies attached to the Government, the presidents of the People's Committees of the provinces and centrally-run cities shall have to implement this Decree.

On behalf of the Government
Prime Minister
PHAN VAN KHAI

APPENDIX I

LIST OF A NUMBER OF COMMON INTERNATIONAL MODEL CONTRACTS ON SEA-GOING VESSEL PURCHASE AND/OR SALE

1. STANDARD FORM OF 7 OCTOBER 1981.

This model contract "for building new sea-going vessels" was distributed by the Norwegian Ship-Owners' Association and Association of Shipyards.

2. MEMORANDUM OF AGREEMENT/BIMCO- SALEFORM 1956/1987/1993.

This model contract for sea-going vessel purchase/sale was distributed by Baltic/BIMCO international maritime organization.

3. BARECON "A".

This model contract (may be applicable to both borrowing-buying and leasing-buying activities) was distributed by Baltic/BIMCO international maritime organization.

4. MEMORANDUM OF AGREEMENT/NIPPONSALES 1965.

This model contract for sea-going vessel purchase/sale was distributed by the Documentary Sub-Committee of the Japanese Ship-Trading Transaction Office.

5. SALESCRAP 87.

This model contract for sale of ship for dismantlement was distributed Baltic/BIMCO international maritime organization.

*APPENDIX II (a)***MAJOR CONTENTS OF CONTRACTS
ON THE PURCHASE AND/OR SALE OF
NEW OR USED SEA-GOING VESSELS**

* Brief descriptions on the names, transaction addresses and legal status of the involved parties.

* Names, specifications and main technical parameters of the purchased or sold vessel.

* The buying/selling mode.

* Specific terms on the conditions for placing the vessel on the dry dock, special inspection and responsibility for vessel technical evaluation.

* The vessel's price, mode of payment and accompanied financial conditions, including principles for the vessel ownership transfer; deposits; taxes and fees; insurance; guaranty; pledge or mortgage of the property; names and addresses of the banks involved in the transaction.

* Time-limit, place, mode and conditions for the delivery and receipt of the vessel or annulment of the contract.

* Rights and obligations of the involved parties.

* The term on the restrictions to the contract shall be fully applicable only with permission from the agency competent to issue a permit for the purchase or sale of the concerned vessel, if such a permit is required.

* Liabilities due to the breach of the contract, scope of liability immunity.

* Principles for settling disputes arising in the course of implementation of the contract.

* Time-limit, place, mode and conditions for the delivery and receipt of the vessel or annulment of the contract.

* Rights and obligations of the involved parties.

* The term on the restrictions to the contract shall be fully applicable only with permission from the agency competent to issue a permit for the purchase and/or sale of the concerned vessel, if such a permit is required.

* Liabilities due to the breach of the contract, scope of the liability immunity.

* Principles for settling disputes arising in the course of implementation of the contract.-

*APPENDIX II (b)***MAJOR CONTENTS OF CONTRACTS
ON SEA-GOING VESSEL PURCHASE
AND/OR SALE FOR DISMANTLEMENT**

* Brief descriptions on the names, transaction addresses and legal status of the involved parties.

* The vessel's name and tonnage.

* The responsibility to provide certificates of the ownership right, pledge and mortgage of the vessel.

* The vessel's price, mode of payment and addresses of the banks involved in the transaction.