COMPREHENSIVELY YACHTS
HFW YACHTING INDUSTRY BRIEFING

HFW's yacht team is, as ever, busy dealing with a range of transactions, commercial disputes, regulatory matters and marine insurance claims, with our work reflecting the spread of issues and opportunities faced by the yachting industry at this time. In the same way, in this packed edition of Comprehensively Yachts, HFW's yacht team brings you commentary on a range of important and topical issues currently impacting the yachting industry.

We begin with news from Monaco of emboldened anti-money laundering legislation, which may or may not pave the way in due course for the sale of any Russian owned assets seized in Monaco. From there our Paris office consider the recent challenge mounted to the seizure by French Customs of the M/Y Petite Ourse.

With the UK and EU's Russian sanctions regimes continuing to have a significant impact on many of the businesses serving the yachting industry, next we remind ourselves of the rules in those jurisdictions related to the provision of brokerage and yacht management services to yachts owned by unsanctioned Russian nationals.

Moving away from sanctions, we discuss how the yachting industry has always been and remains a source of technological innovation and look at the growing body of support available to yacht owners looking to innovate and reduce their yacht's impact on the environment.

Next, in a piece from our Houston office we consider the recent United States of America case of Great Lakes Insurance SE v. Raiders Retreat Realty Co., LLC, 2022 WL 3724098, 47 F.4th --- (3rd Cir 2022) and the lessons both insurers and their assured can learn from it. Finally, in another risk and liability related piece, our admiralty and crisis management experts explore a yacht owner's right to limit its liability for certain things including death, personal injury and property damage and how the rules related to the same can vary significantly between jurisdictions, even among EU member states.

As ever, should you wish to discuss anything you read in this briefing or indeed any other matter, please do not hesitate to make contact with a member of the HFW yacht team.

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Breaking News

In breaking news from Monaco, on 30 November 2022 legislative bill number 1067[1] concerning the freezing and confiscation of instrumentalities and the proceeds of crime was passed. Before entering into law, it must receive Royal assent and be published in the Journal de Monaco. The timeline for the completion of these steps is unclear but, given the importance of the matter, they are expected to be concluded reasonably quickly.

This new legislation aims to bring Monégasque law into line with the Principality’s international commitments, most notably by adopting legal measures equivalent to those put in place by the EU in the field of anti-money laundering. It has two core objectives. The first being to transcribe into Monégasque law Directive 2014/42/EU of the European Parliament and of the Council of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union[2]. The second being to align Monaco’s anti-money laundering and financing of terrorism laws with the recommendations of the Financial Action Task Force, whilst also taking into account the recent observations of the Council of Europe’s Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (known as the Moneyval Committee).

Four principles guide the new legislation:

1. Reinforcing the effectiveness of the penalty of confiscation, through extending the rights granted to Monegasque authorities to seize goods, facilitate asset tracing and engage the specialist technical support needed in investigating such matters and bringing judicial proceedings related thereto.
2. Guaranteeing due process and protecting the rights of those subject to seizure and/or confiscation orders, through the provision of an effective means of challenge and appeal.
3. Improving the management of seized and confiscated assets, through the creation of a new department placed under the authority of the Director of Judicial Services, with powers to transfer, donate and destroy detained assets.
4. Enabling victims of crime, with a judgment in their favour, to recover damages from the sale of seized and confiscated assets.

Whether such a legal development marks Monaco’s first step towards the sale of any Russian owned assets currently under detention in Monaco remains to be seen, but certainly this is a development of significance, and it evidences Monaco’s clear intention to avoid any risk that it might become a haven for money laundering and the financing of terrorism and to remain in-step with the EU on such matters.

Disclaimer: Our Monaco office provides English law advice only. The above summary does not constitute Monegasque legal advice.

A challenge to French Customs

On 15 March 2022, the European Union included the prominent Russian businessman and majority shareholder of the Alfa Group, Alexey Kuzmichev, on its list of Russian oligarchs whose assets are frozen. The following day French Customs seized the “Petite Ourse”, a 27-metre motor yacht owned indirectly by Mr Kuzmichev, while she was in a ship repair yard on the Côte d’Azur.

1 See: n°1067 - Projet de loi relative à la saisie et à la confiscation des instruments et des produits du crime - Conseil National (conseil-national.mc)

2 See: Directive 2014/42/EU of the European Parliament and of the Council of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union - Publications Office of the EU (europa.eu)

French Customs seized the yacht by invoking Article 63 of the French Customs Code, which provides that, for the purposes of investigating customs fraud, customs officers may visit any vessel located in port, harbour or at quay.

Mr Kuzmichev set about challenging the seizure on the basis that French customs authorities had misused their powers and ultimately succeeded in having the seizure annulled by the Paris Court of Appeal on 5 October 2022[3]. It was claimed that customs fraud was not the real reason for the customs officers' visit to the yacht, but that rather this was motivated solely by the sanctions imposed by the European Union on its beneficial owner. The Paris Court of Appeal noted in its ruling that none of the reports drawn up by the French customs authorities during their visit made reference to customs fraud. The ruling highlighted other procedural irregularities, including that there was no mention in the report that the Captain had been informed of his right to object to the visit, nor was there any reference to the presence of an interpreter nor of the competent court for the exercise of appeals.

Faced with these numerous procedural irregularities the Paris Court of Appeal could only annul the contested customs report and therefore the seizure of the yacht. The court did not, however, rule on the substantive issue: the effects of an asset freeze imposed on a private yacht.

The EU Regulation under which Mr Kuzmichev's assets were frozen aims to prevent any action by the sanctioned person that would enable them to use the frozen resources to obtain funds, goods or services in any way including, but not limited to, selling, hiring or mortgaging them.

Mr Kuzmichev's lawyers argued that the freezing of assets does not prevent the private use of movable property, such as a car or a private yacht, and the freezing of his assets could not be permitted to infringe his right of free movement.

While it is clear that a commercially operated yacht should be considered an "economic resource", as defined by the EU Regulation, the question is more difficult to decide in the case of a yacht which is exclusively used privately. Customs authorities argued that the private use status of the yacht would not prevent its owner from deriving an economic benefit from her. The Paris Court of Appeal did not rule on this point.

Perhaps it will be decided by the Court of Appeal in Rouen, which will soon rule on the legality of the seizure of another yacht, the "Petite Ourse II", also indirectly belonging to Mr Kuzmichev.

In the meantime, whilst the seizure of the "Petite Ourse" has been annulled, like the rest of his assets, the yacht remains subject to the asset freeze and Mr Kuzmichev can therefore only operate it on a private basis and only within French territorial waters. If the yacht tried to leave French territorial waters, Customs would have indisputable grounds to detain her, as they did with the yacht "Amore Vero" linked to another designated individual, Igor Sechin.

The Continued Impact of Sanctions

The evolution and expansion of EU and UK sanctions against Russia continues to cause real difficulties for many businesses within the European yachting industry and beyond. Yacht broking and yacht management are by their nature international businesses, with many brokerages and managers employing multi-national workforces. Like many in yachting, most brokerages and managers have worked hard to ensure compliance with all

3 Paris Court of Appeal, Pôle 5, Chamber 15, 5 October 2022, n°22/05931

“Careful due diligence will need to be undertaken when onboarding any Russian clients or clients with material interests in Russia.”

applicable rules and are well aware of the issues arising when a client is sanctioned. Much has been written on the implications of an individual being designated, including on the effect of the asset freeze on their assets (such as yachts), the provision of services to them and the dealing in and handling of their funds and we do not propose to revisit this here. However, as reports of Russian owned yachts being sold grow and some face renewed requests to provide management support to yachts remaining in Russian ownership, it is worth reminding ourselves of the rules related to the provision of services to those yachts owned by Russians who have not been sanctioned.

Yacht Management Services – EU position

Under Article 2a of Council Regulation (EU) No 833/2014 (as amended) (the **EU Regulation**)[4] it is prohibited to:

provide technical assistance, brokering services or other services related to [vessels, including yachts] and to the provision, manufacture, maintenance and use of those goods and technology, directly or indirectly to any natural or legal person, entity or body in Russia or for use in Russia.

The expression *“to any natural or legal person, entity or body in Russia or for use in Russia”* merits consideration. A yacht located in Russia would clearly fall within the prohibited category, as would a yacht directly owned by a Russian individual or entity. This latter instance is relatively rare, but what if a yacht, whilst not obviously connected with Russia, is ultimately (and indirectly) owned by a Russian national? Whilst further EU guidance on the matter would be useful, the commonly held view is that it is illegal to provide such services to a yacht whose ultimate beneficial owner is resident in Russia or where the yacht is to be used in Russia.

It is worth noting that the EU Regulation defines *“technical assistance”* to include technical support related to repairs, development, manufacture, assembly, maintenance, or any other technical service, taking forms such as instruction, advice, training, transmission of working knowledge or skills or consulting services. The EU Regulation further provides an equally widely drafted definition of *“brokering services”*.

In addition, Article 5n of the EU Regulation, prohibits the provision, directly or indirectly, of accounting, auditing, including statutory audit, bookkeeping or tax consulting services, business and management consulting, public relations services, architectural and engineering services, legal advisory services, and IT consultancy services to legal persons, entities or bodies established in Russia. There is no formal guidance as to whether this prohibition specifically extends to individuals or natural persons established in Russia but given Article 2a of the EU Regulation, the provision of any of these services to a yacht owned by a Russian resident is likely to constitute a breach of the EU Regulation.

Careful due diligence will need to be undertaken when onboarding any Russian clients or clients with material interests in Russia.

Yacht Management Services – UK position

Under Regulation 27 of UK’s The Russia (Sanctions) (EU Exit) Regulations 2019 (the **UK Regulations**)[5], which refer not to vessels per se but to *“restricted goods”*, it is prohibited to provide technical assistance relating to restricted goods to a person connected with Russia or for use in Russia.

4 EUR-Lex - 02014R0833-20221007 - EN - EUR-Lex (europa.eu)

5 The Russia (Sanctions) (EU Exit) Regulations 2019 (legislation.gov.uk) As amended by The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 (legislation.gov.uk)

As under the EU sanctions the definition of *"restricted goods"* includes vessels of all kinds, including yachts. Accordingly, even if the yacht is not owned by a designated individual, it will nevertheless be prohibited to provide yacht management services to persons connected with Russia or for use in Russia

When considering whether or not to engage in the provision of services, always remember that the test under the UK Regulations is whether you knew or had reasonable cause to suspect that the yacht owner was connected with Russia. A person is to be regarded as "connected with Russia" if that person is:

"(a) an individual who is, or an association or combination of individuals who are, ordinarily resident in Russia,

(b) an individual who is, or an association or combination of individuals who are, located in Russia,

(c) a person, other than an individual, which is incorporated or constituted under the law of Russia, or

(d) a person, other than an individual, which is domiciled in Russia."

Regulation 54C of the UK Regulations, like regulation 5n of the EU Regulation, bans the provision of accounting services, business and management consulting services and public relations services to a person "connected with Russia". Specific definitions of "accounting services" and "business and management consulting services" are provided in the UK Regulations, which, just as they are under the EU Regulation, are broadly drafted and need not be repeated here.

Anyone with a UK nexus must carefully consider the potential client's connection with Russia and look beyond the facts as they are presented. For example, if the owner of the yacht has family and/or business interests in Russia, they might still be considered connected with Russia even if they are not technically resident there themselves. Further, in the context of yachts, regard must always be had to the end user as well as the individual identified as the beneficial owner.

Yacht Sale and Purchase – EU Position

Article 2a of the EU Regulation also prohibits the sale, supply transfer or export directly or indirectly of yachts to any natural or legal person, entity or body in Russia or for use in Russia. Such activities are also prohibited under Article 3h which imposes equivalent restrictions in relation to luxury goods, which include yachts.

These restrictions extend both to the sale itself, but also technical assistance and brokering services, which certainly encompass a broker's role in the sale and purchase of a yacht.

It should be noted that the prohibitions on the provision of technical assistance and brokering apply in relation to the goods and are not restricted to the direct provision of these services to the buyer. As such, it is possible that these prohibitions could be engaged through services provided to either the seller or buyer if the services benefit an individual or entity in Russia or are for use in Russia.

As these prohibitions apply both directly and indirectly, it is vital that full due diligence is conducted into the ultimate beneficiaries of any parties as well as the intended employment of the yacht.

In respect of purchases, Article 3i of the EU Regulation prohibits the (i) purchase, import, or transfer, directly or indirectly, of yachts into the Union *"if they originate in Russia or are exported from Russia"*; (ii) provision, whether directly or indirectly, of technical assistance, brokering services and/or other services related to such yachts; and (iii) support,

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manufacture, maintenance and use of such yachts.

This prohibition only applies in respect of yachts that originate in Russia (essentially meaning that they have been manufactured there) or are being exported from Russia. Such situations are relatively unlikely to arise but should be borne in mind by those involved in the sale and purchase of yachts that might have been in Russia in recent times, as we are aware some yachts have been.

Yacht Sale and Purchase – UK Position

The UK similarly prohibits the export, supply and delivery or making available of vessels (Part 5 Chapter 2 of the UK Regulation) and luxury goods (Part 5 Chapter 4B of the UK Regulation) - both of which include yachts - to Russia, for use in Russia or to a person connected with Russia. As under the EU Regulation, these prohibitions apply both directly and indirectly, and it is therefore imperative to fully understand the ultimate beneficial owner of any entity buying a yacht, as well as the intended user of that yacht (if different). UK restrictions on the provision of associated brokering and technical assistance also apply.

By contrast to the EU, the UK has not imposed restrictions on the import of yachts from Russia.

Application

It goes without saying that companies must comply with the sanctions laws applicable in their place of incorporation and any other place in which they are carrying out business. What must also be remembered is that EU and UK sanctions rules apply equally to EU and UK entities and nationals, wherever they are physically located.

A company might itself have no EU or UK nexus and thus be outside of the scope of their rules, but if it is engaged in activity which would be prohibited in the EU or UK and its individual shareholders, directors, or employees hold EU or UK nationality or are otherwise resident in either of these jurisdictions, those individuals may be committing an offence for which serious criminal liability may arise.

Great Lakes Insurance SE v. Raiders Retreat Realty Co., LLC, 2022 WL 3724098, 47 F.4th --- (3rd Cir 2022)

Since the United States Supreme Court's 1953 decision in Wilburn Boat v. Fireman Fund Ins. Co., 348 U.S. 310 (1955), state law has governed the construction and interpretation of marine insurance policies in the United States. The recent decision by the United States Court of Appeals for the Third Circuit (the **Third Circuit**) in Great Lakes Insurance SE v. Raiders Retreat Realty Co., LLC, 2022 WL 3724098, 47 F.4th --- (3rd Cir 2022), illustrates how U.S. federal courts apply substantive state law to marine insurance policies and how the application of state law potentially interfaces with the strong federal policy in favour of enforcing contractual choice-of-law provisions under The Bremen v. Zapata Off-Shore Co., 407 U.S. 1, 15 (1972). In the Great Lakes Insurance matter, the Third Circuit Court reversed the trial court and held that the lower court should consider whether Pennsylvania's public policy concerns outweighed the enforcement of the New York law clause in the marine insurance policy.

Background

This case arose out of the grounding of the aptly named yacht "Luckily", which was owned by the Raiders Retreat Realty Co. LLC (the **Insured**) and insured by Great Lakes Insurance SE (the **Insurer**). The Insurer denied coverage after it determined that the yacht's fire extinguishing equipment had not been timely recertified or inspected even though the damage to the vessel was not caused by fire.

The Insurer filed a declaratory judgment in the U.S. District Court for the Eastern District of Pennsylvania (the **District Court**) alleging that

failure to recertify or inspect the fire extinguisher rendered the Marine Insurance Policy (the **Policy**) void. The Insured responded with five counterclaims including extra-contractual counterclaims arising under Pennsylvania law, which included bad faith and breaches of Pennsylvania's Unfair Trade Practices and Consumer Protection Law (the **Unfair Trade Practices Law**).

The Policy was said to be governed by New York law. The District Court rejected the Insured's arguments that applying New York law would contravene Pennsylvania public policy as set forth in the Unfair Trade Practices Law, thereby making the New York choice of law provision in the Policy unenforceable. The District Court dismissed the Insured's counterclaims on the basis that New York law precluded the Insured's Pennsylvania law counterclaims.

The Third Circuit's Decision

The Third Circuit held that the District Court should have considered whether applying New York law would contravene with Pennsylvania's public policy. In doing so, the Third Circuit had to weigh the application of two Supreme Court decisions, Wilburn Boat and The Bremen.

Under Wilburn Boat and the line of cases thereafter, a choice of law provision in a marine insurance contract will be upheld in the absence of evidence that its enforcement would be unreasonable or unjust. The Third Circuit noted that the Supreme Court, in The Bremen, held that a forum selection provision under federal admiralty law is unenforceable if enforcement would contravene a strong public policy of the forum in which the suit is brought. The Third Circuit found that The Bremen's framework was applicable in the marine insurance context and, as such, determined that the District Court should have addressed "whether Pennsylvania has a strong public policy that would be thwarted by applying New York law." The Third Circuit vacated the District Court's decision and remanded the case for further proceedings on this issue.

Conclusion

To ensure consistency, marine insurance policies commonly contain choice of law and forum provisions. In the United States, insurance and consumer protection laws may vary greatly from state to state. Depending on the state, public policy may vitiate an otherwise enforceable choice of law provision. Underwriters should therefore consider carefully the legal risks in a particular jurisdiction before issuing a policy.

Know your limits! A short comparative analysis of a yacht owners' limitation of liability

Having an ability to limit your liability for, amongst other things, death, personal injury and property damage is not just important to the owners of large commercial ships, it is equally important to yacht owners. Owners of yachts, including small private yachts, to a varying degree also often access this important protection.

The right of a ship owner to limit its liability in certain circumstances is a long-held cornerstone of maritime law and is enshrined in many jurisdictions through the creation of statutory ceilings on financial exposure for specified maritime claims. Commonly this is done by a jurisdiction's ratification of one or more of the various international conventions on the limitation of liability and their subsequent amendments.

However, the specific limits on liability vary between jurisdictions and there are irregularities in the way that their domestic laws apply the international conventions. In some jurisdictions the extent of a yacht owner's potential liability can be significantly more than others. It is therefore important

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that the owners and technical managers of all yachts, particularly large commercial yachts which might potentially have a greater liability exposure given the nature of their passengers, understand their limitation rights and appreciate the variations between the jurisdictions in which they operate.

By way of example, in 2017 the Spanish Supreme Court passed a judgment confirming the conclusions of an earlier judgment, that the owners of privately registered yachts are not entitled to limit their liability for damage caused to other vessels by fire[6]. In 2021, the British Virgin Islands' (the **BVI**) courts were asked to look at whether the landing facilities for a helicopter were an integral part of the operation of the yacht, such that the yacht owner would be able to limit its liability. The BVI courts held that the landing of a helicopter was in direct connection with the operation of the yacht, and so the relevant limits of liability would apply[7].

The most commonly ratified international conventions on the limitation of liability are:

- The Athens Convention in relation to the Carriage of Passengers and their Luggage by Sea 1974 (known as the **Athens Convention**).
- The London Convention on Limitation of Liability for Maritime Claims of 1976 (as amended by its 1996 Protocol and subsequent amendment thereof) (known as the **LLMC**).
- The International Convention on Civil Liability for Oil Pollution Damage 1992 (known as the **CLC**).

The table on the last page of this briefing summarises how these are implemented in some of the more popular yachting destinations.

As might be expected, there are some notable differences between the EU and USA but interestingly also amongst the EU member states listed. The way the LLMC has been construed indicates that the courts will be at liberty to decide at a domestic level whether or not a yacht owner can limit their liability and for what particular claims. Returning to Spain's interpretation, whilst the LLMC does cover private yachts used for recreational purposes, the Spanish Supreme Court has interpreted the expression "operation of a vessel" in a very restrictive manner. Conversely, the BVI court had no difficulty in accepting that a helicopter landing on a yacht was part of the "operation of a vessel".

In summary, while the effect of limitation can, in some instances, be surprising, it is not entirely unpredictable and is formulaic if you have the right information to hand. Some jurisdictions have legislative frameworks that are not entirely clear and so yacht owners should consider carefully where and how they intend to operate the vessel when deciding matters such as the choice of flag state, the ring fencing of liability through appropriate ownership structures and their insurance cover. Being aware of the variations in approach between jurisdictions can help yacht owners make more mindful decisions and avoid nasty surprises and yacht owners (or at least their captains and technical managers) are strongly encouraged to familiarise themselves with the rules applicable in each jurisdiction in which they intend to operate.

6 https://www.superyachtnews.com/business/spain-confirms-the-denial-of-limitation-of-liability-to-private-yachts

7 https://www.eccourts.org/hq-aviation-ltd-et-al-v-sun-vessel-global-ltd-et-al/ - The "BACERELLA"

JURISDICTION	France	Spain	Greece	Italy	Croatia	USA
Basis of limitation regime	• LLMC unless the vessel in question flies the French flag, in which case Art. L5121-3 of the French Transport Code applies – Contracting State to the Athens Convention and the CLC	• LLMC • Spanish Maritime Navigation Act 2014 (**MNA**) – Contracting State to the Athens Convention and the CLC	• LLMC – Contracting State to the Athens Convention and the CLC	• For ships of 300 Gross Registered Tonnage (**GRT**) and higher Decreto Legislativo 28.06.2012 No. 111 (D. Lgs. 111/2012) applies • For ships of less than 300 GRT the traditional limitation regime of the Italian Code of Navigation applies – Contracting State to the CLC	• LLMC • Croatian Maritime Code – Contracting State to the Athens Convention and the CLC	Limitation Act 1980 (involves case law and the Supplemental Admiralty Rules)
Comments	Recent case law suggests that the French Courts are inclined towards the application of the LLMC.	The legislative framework only applies to **commercial vessels** as opposed to pleasure yachts. Owners of pleasure yachts are therefore unlikely to be able to limit their liability for the claims set out below.	The LLMC is applied universally and takes precedence over the Athens Convention where both apply, irrespective of the vessel's flag or the nationality of the litigant parties.	Italy has not ratified the LLMC and the limit of liability under the current system is subject to criticism. It does not contain provisions barring limitation in the case of wilful misconduct, recklessness or gross fault by the owner.	The provisions of the LLMC, together with increased limits of liability in force from 8 June 2015, are adopted and fully incorporated in the Croatian Maritime Code.	In some cases the limitation fund could be minimal as it is equal to the value of the vessel at the conclusion of the voyage.

LIMITABLE CLAIMS	France	Spain	Greece	Italy	Croatia	USA
Loss of life	✓	✓	✓	✓	✓	✓
Personal injury	✓	✓	✓	✓	✓	✓
Damage to property	✓	✓	✓	✓	✓	✓
Delay in the carriage of passengers or their luggage	✓	✓	✓	✗	✓	✗
Salvage	✗	✗	✗	✗	✗	✓
Wreck removal	✗	✗	✓	✓	✓	✗
Third party claims by others to mitigate losses	✓	✓	✓	✓	✓	✓
Oil pollution damage	✗	✗	✗	✗	✗	✗
Pollution emanating from the other vessel (collision cases)	✓	✓	✓	✓	✓	✗

CALCULATION OF LIMITATION FUND	France	Spain	Greece	Italy	Croatia	USA
Personal injury claims	By reference to the vessel's GRT and current Special Drawing Rights (**SDR**) • Does not apply to crew members. Limits of liability with respect to crew members will depend on the relevant employment contract.	By reference to the vessel's GRT and current SDR • Does not apply to crew members. Limits of liability with respect to crew members will depend on the relevant employment contract.	By reference to the vessel's GRT and current SDR • Does not apply to crew members. Limits of liability with respect to crew members will depend on the relevant employment contract.	By reference to the vessel's GRT and current SDR • Does not apply to passengers.	By reference to the vessel's GRT and current SDR • Does not apply to crew members.	Liability will be determined and limited to the value of the owner's vessel at the time the voyage was concluded or the incident occurred. The only caveat to this is if a crew member is a Jones Act seaman in a claim against a Jones Act employer. In these circumstances, crew members would be entitled to maintenance and cure until they reach maximum medical improvement
Property claims	By reference to the vessel's GRT and current SDR.	By reference to the vessel's GRT and current SDR.	By reference to the vessel's GRT and current SDR.	By reference to the vessel's GRT and current SDR.	By reference to the vessel's GRT and current SDR.	Liability will be determined and limited to the value of the owner's vessel at the time the voyage was concluded or the incident occurred.
Passenger claims	By reference to the number of passengers the vessel is authorised to carry and the current SDR.	The carrier may opt in any case for the specific limitation regime stated in the Athens Convention & EU Regulation No 392/2009, or for the global limitation amount established in the LLMC. Art. 399.1 of the MNA establishes certain special limits for loss of life or personal injury for passengers.	By reference to the number of passengers the vessel is authorised to carry and the current SDR.	By reference to the number of passengers the vessel is authorised to carry and the current SDR.	Pursuant to Art. 3 of the Athens Convention the carrier shall be liable to the extent that such loss in respect of that passenger on each distinct occasion does not exceed 250,000 SDR. The liability of the carrier for the death of or personal injury to a passenger under Art. 3 shall in no case exceed 400,000 units of account (SDR) per passenger on each distinct occasion.	Liability will be determined and limited to the value of the owner's vessel at the time the voyage was concluded or the incident occurred.

If you would like to discuss any of the matters raised in this edition of Comprehensively Yachts, please contact your usual partner at HFW or any of the team below.

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COMPREHENSIVELY YACHTS

The HFW yacht team has been an integral part of the yacht industry for over 30 years and has a physical presence in many of the major yachting jurisdictions. The enduring relationships developed with the owners, builders, designers, financiers, insurers, brokers and managers of yachts, our in-depth knowledge of the yacht industry and our international reach ensure we are pre-eminent in the field. For more information on HFW's yacht team and the services we offer, please see **www.hfwyachts.com**