

## Maritime Law Updates

### March 2026 // Newsletter

#### Introduction

The maritime and shipping sector remains the backbone of global trade, with more than 80% of international trade by volume being transported by sea. This centrality underscores the importance of a robust legal and regulatory framework governing maritime operations, which continues to evolve in response to economic, geopolitical, environmental, and technological developments. In India, the sector assumes even greater significance, facilitating the vast majority of the country's trade and supporting economic growth and global integration.

Recent developments highlight the increasing exposure of maritime trade to geopolitical disruptions, particularly in conflict-affected regions such as West Asia. Heightened security risks along key maritime chokepoints, including the Strait of Hormuz, have led to rising war-risk premiums, vessel rerouting, and increased freight costs, impacting exporters, shipowners, and global supply chains. These challenges have prompted policy interventions and coordinated international responses to ensure safe navigation and continuity of trade.

At the domestic and international levels, regulatory responses have focused on enhancing resilience and sustainability in the maritime sector. Governments have introduced targeted support measures for exporters and policy initiatives to strengthen shipbuilding capacity, while international bodies such as the International Maritime Organization (“**IMO**”) continue to address issues relating to maritime safety, freedom of navigation, and environmental compliance.

Judicial developments have further shaped the legal landscape, with Indian courts reaffirming key principles under the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017, including vessel arrest as an effective interim remedy, while also reinforcing a pro-arbitration approach in cross-border disputes. These trends highlight the importance of contractual certainty and efficient dispute resolution in maritime transactions.

At the same time, the sector is undergoing rapid technological transformation, with increasing adoption of digital systems and artificial intelligence (“AI”). While these developments enhance efficiency, they also introduce new risks, particularly in the form of cybersecurity threats. Alongside the global push towards decarbonisation under the IMO framework, these trends are reshaping the regulatory and operational landscape of the maritime industry.

## **MARCH**

### **INDIAN DEVELOPMENTS:**

#### **Government of India introduces RELIEF scheme to support exporters amid rising maritime insurance and freight costs**

The Government of India has introduced the RELIEF (Resilience & Logistics Intervention for Export Facilitation) scheme, as part of the Export Promotion Mission, to assist exporters facing significant cash-flow strain due to escalating freight rates and marine insurance premiums on shipping routes passing through conflict-affected regions in West Asia.

The development follows a sharp increase in war-risk premiums and emergency surcharges, which have substantially raised shipping and insurance costs for exporters operating in these corridors. Small and medium exporters, in particular, have been unable to absorb or pass on these increased costs, resulting in payment delays and liquidity constraints.

The scheme, with an outlay of approximately Rs. 497 crore, provides insurance support for shipments transiting high-risk routes and is implemented through the Export Credit Guarantee Corporation of India (ECGC). It also includes measures such as extension of export obligations, logistical support, and facilitation of insurance coverage for ongoing and future consignments.

Additionally, the intervention seeks to address disruptions in maritime logistics by ensuring continuity of maritime trade flows and reducing the financial burden arising from rerouting, delays, and increased transit risks. The initiative is targeted at exports to

multiple West Asian destinations, including the UAE, Saudi Arabia, Qatar, Oman, and other affected regions.

### **Madras High Court orders arrest of Panama-flagged vessel in maritime claim arising from charterparty dispute**

The Madras High Court has ordered the arrest of a Panama-flagged vessel, MV Zhong Peng You Yi (IMO No. 1016161), at Chennai Port in an admiralty action concerning a maritime claim arising out of an alleged breach of a time charterparty agreement.

The dispute originates from a 2023 time charterparty entered into by Eurotrans Ltd., a Russian entity, in respect of the vessel (previously named M.V. HT Ingot). The charterer's rights were subsequently assigned to Ship Fuels & Trade DMCC, a Dubai-based entity, which joined the proceedings as a co-plaintiff.

The plaintiffs contended that the vessel was made unavailable after being moved to China under the pretext of repairs and was thereafter wrongfully withdrawn. They claimed a refund of a security deposit of USD 100,000, bunker costs, and damages for wrongful withdrawal, including loss of bargain, calculated on prevailing market hire rates. The total claim was quantified at approximately USD 2.6 million.

Granting interim relief, the Court held that the claim constituted a "maritime claim" within the meaning of the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017. Taking note of the likelihood of the vessel sailing out of Indian territorial jurisdiction, the Court directed the issuance of a warrant of arrest in accordance with the Admiralty Rules to secure the plaintiffs' claim pending adjudication and issued notice returnable on 1 April 2026.

**Case Title:** *Ship Fuels & Trade DMCC & Anr. v. Owners and Parties Interested in the Vessel M/v Zhong Peng You Yi, C.S(Comm. Div.) No. 92/2026* (Madras High Court, Order dated 18.03.2026)

## **Tamil Nadu unveils Shipbuilding Policy 2026 with focus on green vessels, recycling clusters, and mega shipyards**

The Government of Tamil Nadu has unveiled the Tamil Nadu Shipbuilding Policy 2026 with the objective of positioning the state as a global hub for sustainable and technologically advanced shipbuilding. The policy seeks to attract domestic and international investment across shipbuilding, repair, recycling, and marine manufacturing ecosystems.

A key feature of the policy is its emphasis on environmentally sustainable maritime practices, including incentives for the construction of “green vessels” powered by alternative fuels such as green hydrogen, ammonia, and electric propulsion. The framework also promotes the development of green ship recycling clusters, supported by capital subsidies and aligned with international environmental standards.

The policy further proposes the establishment of world-class shipbuilding clusters capable of supporting large ocean-going vessels, including very large crude carriers (VLCCs), alongside ship repair and marine engineering facilities. Structured incentives such as equity participation, asset leasing, and production-linked subsidies have been introduced to attract global shipyards and encourage long-term investment in the sector.

In addition, the policy envisages the creation of a comprehensive maritime ecosystem through support for marine component manufacturing, research and development, and skill development initiatives in collaboration with institutions such as the Indian Maritime University.

## **Delhi High Court refuses anti-arbitration injunction against LMAA proceedings in vessel charter dispute**

The Delhi High Court has declined to grant an anti-arbitration injunction restraining proceedings before the London Maritime Arbitrators Association (LMAA) in a dispute arising out of a voyage charterparty concerning the shipment of cargo for a United Nations mission in Sudan.

The dispute originated from a booking note dated 4 April 2023, under which Indian logistics companies engaged a foreign vessel owner for the carriage of military cargo. Following the outbreak of conflict in Sudan and the subsequent termination of the underlying contract on force majeure grounds, the vessel owner initiated arbitration proceedings in London, alleging wrongful termination.

The plaintiffs approached the High Court seeking to restrain the continuation of the foreign-seated arbitration, contending that no valid arbitration agreement existed and that the proceedings were vexatious and oppressive. However, the Court found that a prima facie valid arbitration agreement existed between the parties and that the threshold for granting an anti-arbitration injunction had not been satisfied.

Reiterating settled principles, the Court emphasised that anti-arbitration injunctions constitute an exceptional remedy and may be granted only where the arbitration agreement is null, void, inoperative, or where the proceedings are demonstrably vexatious or oppressive. The mere existence of parallel proceedings or jurisdictional objections was held insufficient to justify judicial interference.

The Court further underscored the pro-arbitration stance of Indian jurisprudence, noting that parties should ordinarily be held to their chosen dispute resolution mechanism, with jurisdictional challenges to be determined by the arbitral tribunal or the supervisory court at the seat of arbitration.

**Case Title:** *SARR Freights Corporation & Anr. v. Argo Coral Maritime Ltd., CS(OS) 868/2025 & I.A. 30141/2025* (Delhi High Court, Judgment dated 13.03.2026)

## **INTERNATIONAL DEVELOPMENTS:**

### **U.S. temporarily waives Jones Act to ease energy supply disruptions and maritime transport costs**

The United States Government has issued a 60-day waiver of the Jones Act (central provision of the Merchant Marine Act, 1920), a long-standing maritime law requiring that goods transported between U.S. ports be carried on vessels that are U.S.-built, owned, and crewed.

The waiver has been introduced in response to significant disruptions in global energy markets arising from the ongoing conflict in West Asia, which has impacted tanker traffic and led to a sharp increase in fuel prices. By suspending the cabotage requirement, the measure permits foreign-flagged vessels to transport oil, gas, and other essential commodities between domestic ports, thereby expanding shipping capacity and improving logistical flexibility.

The decision is aimed at mitigating short-term supply constraints and stabilising domestic fuel prices by facilitating faster and more cost-effective movement of energy resources, particularly from refining hubs to high-demand regions.

While industry stakeholders, including oil refiners and agricultural groups, have welcomed the move as necessary to address immediate supply pressures, maritime industry representatives have raised concerns regarding its potential impact on domestic shipping operators and workforce protections.

### **IMO condemns attacks on commercial shipping and calls for safe-passage framework in the Strait of Hormuz**

The Council of the IMO, during its Extraordinary Session held on 18–19 March 2026, strongly condemned the threats and attacks against commercial vessels and the purported closure of the Strait of Hormuz, noting that such actions pose serious risks to maritime safety and the welfare of seafarers.

The IMO emphasised that the ongoing hostilities in the region have adversely impacted merchant shipping and disrupted one of the world’s most critical maritime trade routes. The situation has resulted in stranded vessels, heightened operational risks, and significant threats to crew safety amid continued geopolitical tensions.

In response, the IMO Council called for the establishment of a coordinated “safe-passage framework” to facilitate secure navigation and, where necessary, evacuation of vessels and seafarers from high-risk zones. The proposed framework aims to ensure continuity of global shipping operations while minimising exposure to military threats and navigational hazards.

The Council further reiterated the importance of upholding the principles of freedom of navigation under international law and urged all stakeholders to refrain from actions that interfere with international shipping routes. The development reflects growing international concern over the disruption of maritime trade through the Strait of Hormuz, a critical chokepoint for global energy supplies.

### **Marine insurers continue to offer war-risk cover for Gulf voyages despite escalating shipping crisis**

Marine insurers have indicated that war-risk insurance coverage for vessels transiting the Persian Gulf and Red Sea remains available, notwithstanding the escalating security situation and disruptions to shipping in the region. Industry bodies, including the International Union of Marine Insurance (IUMI), have clarified that such coverage is being offered on a case-by-case, single-voyage basis, subject to specific underwriting agreements and regulatory authorisation.

The development comes amid heightened geopolitical tensions in West Asia, which have significantly increased operational risks for commercial shipping. While several insurers have issued cancellation notices or withdrawn blanket coverage for high-risk zones, underwriting capacity has not entirely disappeared, with insurers continuing to reassess exposure and selectively provide cover under stricter conditions.

War-risk premiums have risen sharply due to increased threats to vessels, including missile and drone attacks, as well as the expansion of designated high-risk maritime zones by global insurance bodies. These developments have resulted in substantially higher insurance costs and greater contractual uncertainty for shipowners and charterers operating in the region.

Notably, industry stakeholders have emphasised that the availability of insurance is no longer the primary constraint on maritime operations; rather, it is the underlying security risks and safety concerns for crew members that continue to deter vessel movement through affected routes.

## **UCL research highlights uneven preparedness of maritime nations under evolving IMO decarbonisation framework**

A recent study by the UCL Shipping and Oceans Research Group in March 2026 has highlighted that no major maritime nation is fully prepared for the tightening decarbonisation measures currently being negotiated under the IMO's Net Zero Framework. The research underscores significant gaps in alignment between national policies and the IMO's 2023 greenhouse gas (GHG) strategy.

The study identifies differing levels of readiness across major shipping nations, categorising them based on policy alignment, fuel transition strategies, and industrial capacity. While countries such as the United States, China, and the United Kingdom are relatively better positioned due to progress in green fuel adoption, several advanced maritime economies, including Japan, South Korea, and members of the European Union, face heightened risk due to significant reliance on liquefied natural gas (LNG), which may become disadvantageous under stricter emissions standards.

Notably, the report highlights India as a potential beneficiary of the transition, citing its relatively lower exposure to LNG lock-in and strong latent industrial capacity. The findings suggest that, under a coherent and ambitious global regulatory framework, such economies may be able to "leapfrog" into cleaner shipping technologies, provided sufficient financial and policy support is available.

The research further cautions that fragmented or weakened IMO outcomes could prolong dependence on transitional fuels, increase long-term compliance costs, and create regulatory uncertainty across jurisdictions. It emphasises the need for greater alignment between national policies and global climate objectives, alongside targeted investment and financing mechanisms to support an equitable transition in the maritime sector.

## **AI adoption in shipping raises cyber-attack risks as response window for vulnerabilities sharply declines**

Recent industry research indicates that the rapid adoption of AI across the maritime sector is significantly increasing exposure to cyber-attacks, with security preparedness

failing to keep pace with technological integration. The findings, based on the Cydome Maritime Cyber Trends Report 2026, highlight that digital transformation in shipping operations is creating new and complex vulnerabilities across onboard and shore-based systems.

The report notes a drastic reduction in the time between the discovery of software vulnerabilities and their exploitation. While this window averaged approximately 63 days in 2018 and five days in 2024, AI-driven tools have now reduced it to less than 48 hours, with some systems being targeted within minutes of a flaw being identified.

Further, up to 60% of newly disclosed vulnerabilities across maritime systems are reportedly weaponised within this shortened timeframe, underscoring the increasing sophistication and speed of cyber threats. At the same time, 87% of organisations surveyed identified AI-related vulnerabilities as the fastest-growing cyber risk, reflecting heightened concern across the industry.

The research also highlights the growing use of AI-enabled cyber tactics, including highly targeted phishing attacks and deepfake-based fraud. Notably, AI-driven phishing campaigns now account for a substantial portion of cyber incidents, with a significant rise in voice-based fraud (vishing) enabled through cloned executive speech patterns.