

# NEWSFRONT

## GREEK SHIPPING INTELLIGENCE

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### LEGAL OPINION

#### Transfer of vessel - Precontract

An agreement between two parties provided for the fees of one of them to be paid in cash. The payee party alleged that, through an oral agreement, it was agreed the fees would not be paid cash, but through transfer to a pleasure boat company controlled by the payee, of vessel A.

This allegation was considered by the court. It was found that in fact the oral agreement was a pre-contract to transfer a vessel to a yet non-existing company.

However, contracts for vessel sale and purchase should be in writing, and this should also apply to pre-contracts related to such transaction.

Accordingly, it was held the plaintiff-payee was attempting to exercise rights from an invalid contract, and the claim was rejected.

Piraeus Court of Appeal Judgment no 249/2018, President: A. Plakilas, Rapporteur Judge: A. Theofanis, Attorney at Law: N. Anagnostopoulos, Commercial Law Review vol 69, p.692.

NOTE: Pre-contracts should be vested the form of the main agreement to be valid. A contract for the sale and purchase of a vessel is formal, ie should be in writing. Accordingly, a pre-contract where parties agree to enter into an agreement for the transfer of a vessel should also be in writing. Further, an agreement in favour of a third party, providing for the transfer of a vessel to it (here the company to be incorporated), is a pre-contract related to the sale and purchase of a vessel, and should, accordingly, be in writing.

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