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LEGAL OPINION

Status of off-shore companies, managing and shipowning

A supplier of bunkers had provided bunkers and lubes to a vessel owned by a Liberian company and managed by another Liberian company. Administration of both manager and ship-owner was conducted in Piraeus. The manager had sought to be established in Greece under Law 89, however such establishment never materialised because a letter of guarantee had never been submitted.

The bunker supplier sued the owner and the charterer for unpaid invoices; it also sued the administrator. The court found that, since the location of administration was in Piraeus, this prevailed over the registered seat of the companies and they would be considered as de facto Greek partnerships. The administrator in such companies can only be the partner. Consequently, the administrator was, for the purposes of this case, also a partner, and in Greek partnerships, the partner is personally liable for a company's debts. So the administrator was also jointly and severally liable to pay the supplier.

Piraeus Court of Appeal Judgment no. 151/2016, President: A. Plakidas, Rapporteur Judge: I. Apostolopoulos, Attorneys at law: N. Tsafoulia, V. Vernicos, Maritime Law Review vol. 44, p. 25.

NOTE: This is an interesting case, as the defendants could avoided it, if the manager had been established in Greece under Law 89 provisions. In such a case, they would fall under applicable exceptions and not be considered as a de facto Greek partnerships. Another interesting feature is that the Court did not request evidence of the capacity of the individual defendant as partner. It reached its conclusion stepping from the capacity of Administrator to that of partner, through Greek law applicable provisions.

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