

**ARRESTING SHIP TO OBTAIN SECURITY FOR ARBITRAL
AWARD OR COURT JUDGMENT**

A ship may be arrested for the purpose of obtaining security notwithstanding that, by virtue of a jurisdiction clause or arbitration clause in any relevant contract, or otherwise, the maritime claim in respect of which the arrest is effected is to be adjudicated in a State other than the State where the arrest is effected, or is to be arbitrated, or is to be adjudicated subject to the law of another State.

Notwithstanding the pendency of the arbitration proceedings and award that may be passed, claimant is entitled to file admiralty suit seeking arrest of a ship as security for claimants' claim in the suit. Claimant is also entitled to seek decree against defendant vessel and obtain security for its claim in the suit. The ship can be retained as security for the arbitration proceedings that is commenced.

Under the new Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017, the Act does not provide for security in foreign arbitrations which provision was there under Article VII of the International Convention on Arrest of Ships, 1999 and as the Admiralty Act (2017) has excluded that provision similar to Article VII, the suit for security pending arbitration is not maintainable.

Applying the provisions of Section 5(2) read with Section 5(1)(b) of the Admiralty Act, 2017, a ship is liable to be arrested for the purpose of providing security in respect of the maritime claim.