

Regional Shipping Update 1H 2025



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Overview

Shipping and international trade have been at the forefront of global attention in the first half of 2025, particularly amidst the uncertainty arising from the announcement of tariffs to be imposed by the United States of America ("**US**") against a wide swath of nations (including those located in the Southeast Asian region), a dramatic hike in US fees to be imposed against Chinese-owned or operated vessels, and reciprocal actions proposed to be taken by a number of governments. Against the backdrop of such upheaval, governments have been seeking to strengthen their respective maritime law frameworks, undertaking amendments to their respective shipping laws and introducing new regulations. There have also been a number of noteworthy cases deciding key issues of shipping law.

In this update, we highlight some of the key developments in the region.

In the area of legislation and policy, regulators have been busy making enhancements to their respective shipping law frameworks. In **Indonesia**, a new draft of the Government Regulation on Organisation of Shipping Sector has been circulated, setting out stricter requirements for foreign joint ventures, clarifying the licensing framework, and expanding vessel registration procedures. In **Singapore**, the country's first Free Trade Agreement to include a chapter on international maritime transport services, i.e. the Pacific Alliance-Singapore Free Trade Agreement, has entered into force, and the Transport Sector (Critical Firms) Act 2024 has come into operation, imposing extended control over designated entities, including port authorities. **Vietnam** has seen a sweeping administrative reorganisation, which has effected changes to the jurisdiction of its courts to issue arrest orders for vessels and aircraft, as well as mergers of certain provinces with neighbouring coastal provinces. **Malaysia** has introduced a new regulation aimed at tightening enforcement against illegal ship-to-ship oil transfers, while **Thailand** has introduced a slew of measures targeting port congestion.

There have also been a number of amendments made to the licensing requirements across various jurisdictions. These include the introduction of more stringent licensing requirements for motor vessels operating on fixed routes and more streamlined licensing requirements for fishing vessels in **Thailand**, and the finalisation of the methanol bunkering standards in **Singapore**. The areas of ship safety and seafarers' welfare have also seen some movement, with the **Philippines** having issued a circular on mandatory insurance coverage for seafarers, and **Thailand** having amended its maritime labour law to meet global standards for seafarer rights and protections and having issued a notification on cargo ship safety equipment.

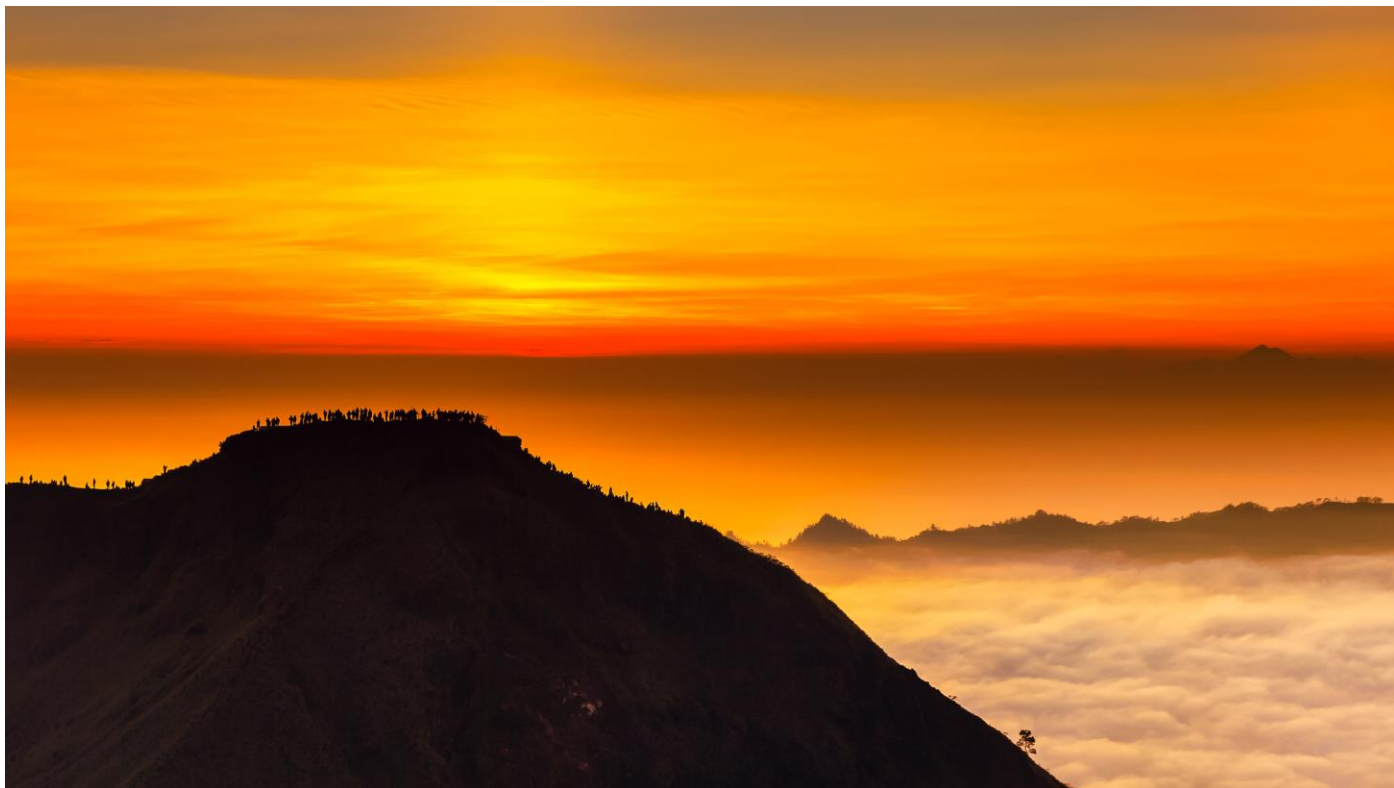
Finally, the courts have determined a number of maritime cases which came up for decision. In **Singapore**, the courts have had to deal with cases involving multiplicity of proceedings, a common issue in shipping disputes, including proceedings that spanned the Singapore courts, the Indonesian courts, and an arbitral tribunal. In **Malaysia**, the courts have examined how the change in ownership of a vessel would affect the right to intervene in ship arrest proceedings. The **Thailand** courts have considered the carrier's obligation to notify a consignee upon the arrival of goods at the destination port, and liability for failure to do so.

As abundantly demonstrated above, the shipping industry in the region is in a state of rapid development. Industry players should seek to keep informed of the latest changes in legislation, regulations, and policies, and to determine how these changes might apply to

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them or affect their operations. Rajah & Tann hopes to keep you updated on these latest developments. Please feel free to reach out to us if you wish to discuss these issues.

Indonesia



1. Draft Amended Regulation on Organisation of Shipping Sector

*Legislation –
Amendment to
shipping
regulation*

The Indonesian Government has circulated a new draft Government Regulation on Organisation of Shipping Sector ("**Draft Amended Regulation**"), which is intended to replace Government Regulation No. 31 of 2021 on Organisation of Shipping Sector ("**Existing Regulation**") as the implementing regulation of Law No. 17 of 2008 on Shipping as amended by Law No. 66 of 2024 ("**ISL**").

The highlights of the Draft Amended Regulation include:

1. **Stricter requirements for foreign joint ventures:** In line with the recent amendments to the ISL, the Draft Amended Regulation introduces more restrictive conditions for foreign joint venture shipping companies operating in Indonesian waters. These changes reinforce Indonesia's cabotage principle, prioritising national shipping interests;
2. **Expanded vessel registration procedures:** The Draft Amended Regulation expands the scope of vessel registration to include: (i) ownership transfer; (ii) continuous synopsis record; (iii) ownership deletion; and (iv) recordation and documentation. This is a significant improvement from the Existing Regulation, which only covered ownership and mortgage registration; and

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3. **Clarified licensing framework:** The Draft Amended Regulation provides clearer distinctions between licensing requirements for joint ventures with foreign entities / parties based on the type of shipping activity, as summarised in the table below:

Licence Type	Applicable Activities	Entity Type	Ownership Requirements	Minimum Vessel Size
SIUPAL (<i>Surat Izin Usaha Perusahaan Angkutan Laut</i>)	Commercial sea transportation	Indonesian legal entity	Majority shares held by an Indonesian legal entity that is fully owned by Indonesian citizens and has a SIUPAL	≥ 50,000 gross tonnage ("GT")
SIOPSUS (<i>Surat Izin Operasi Perusahaan Angkutan Laut Khusus</i>)	Industrial / mining-related shipping	Indonesian legal entity	Majority shares held by an Indonesian legal entity that is fully owned by Indonesian citizens	≥ 50,000 GT

The Draft Amended Regulation is expected to enhance legal certainty for shipping businesses operating in Indonesia. Once enacted, it will take immediate effect. In this regard, the Indonesian National Shipowners' Association is expected to closely review the Draft Amended Regulation and submit feedback on the same to ensure a balanced approach that protects both domestic interests and foreign investment in the shipping industry. Stakeholders, especially foreign investors and joint ventures, should closely monitor these developments and consider engaging in the public consultation process as well.

Malaysia



1. New Regulation to Control Ship-to-Ship Oil Transfers

A new regulation ("**Oil Transfers Regulation**") aimed at tightening enforcement against illegal ship-to-ship oil transfers in Malaysian waters is expected to come into force by the end of July 2025. Under the Oil Transfers Regulation, any vessel found conducting unauthorised oil transfers will be fined and detained.

Malaysia has often been accused of practising illegal oil transfers, or allowing them to take place, in Malaysian waters. The Oil Transfers Regulation is intended to safeguard Malaysia's maritime sovereignty and prevent Malaysia's image from being tarnished in this regard.

**Legislation –
New regulation
against oil
transfers**

2. Ownership Change and Intervention Rights in Maritime Arrests in the Malaysian Court

In *ASL Bulk Marine Ltd v Stingray* [2025] MLJU 593, the Plaintiff initiated an *in rem* action to arrest a vessel in order to secure maritime claims arising from arbitration against the vessel's previous owner. Sometime after the arrest, the new owner offered alternative security for the vessel's

**Dispute
resolution –
Ship arrest**

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release, but the Plaintiff declined the offer. Eventually, a tripartite escrow agreement was reached between the Plaintiff, the former owner, and the new owner, resulting in the vessel's release.

Key legal issue: Whether the new owner could claim damages against the Plaintiff for allegedly prolonging the arrest by refusing the alternative security.

Holding: The Court held that the new owner had no legal standing to assert such a claim because:

1. The new owner was not the proper defendant in the *in rem* action. Only the previous owner was liable for the Plaintiff's claims; and
2. The new owner had not been granted leave to intervene and thus lacked the legal status to participate or make claims in the proceedings.

The Court also took note of the fact that the new owner was aware of the ongoing negotiations between the Plaintiff and the previous owner regarding security. Accordingly, the Plaintiff's refusal to deal with the new owner on alternative security was reasonable and justified and, therefore, there was no unjustified prolongation of the vessel's arrest.

Significance: This judgment sets out the principle that a change in vessel ownership after a writ is issued does not entitle a new owner to intervene or participate in the proceedings automatically. A party not named as the defendant, and who has not obtained leave to intervene, cannot purport to assert substantive rights or claims within such proceedings.

Philippines



1. Circular on Mandatory Insurance Coverage for Seafarers

*Circular –
Seafarers’
insurance*

On 17 February 2025, the Maritime Industry Authority ("MARINA") issued [Circular No. DS-2025-01 on Rules and Regulations on the Mandatory Insurance Coverage for Seafarers Employed in Philippine Domestic Registered Ships](#) (available on the MARINA website at www.marina.gov.ph) ("Insurance Circular"). The Insurance Circular aims to:

1. Prescribe rules and regulations on mandatory insurance for Filipino seafarers affected by maritime accidents / incidents involving a Philippine-registered ship in the domestic trade;
2. Ensure that seafarers working onboard a Philippine-registered ship in the domestic trade are able to obtain indemnification following a maritime accident / incident; and
3. Ensure that emergency assistance is made available for the benefit of seafarers.

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The Insurance Circular applies to all owners / operators of Philippine-registered vessels in the domestic trade, except for: (i) fishing vessels; (ii) warships and naval auxiliaries; (iii) rescue boats; (iv) ships owned or operated by government entities not engaged in commercial activities; and (v) ships operated for private use.

The Insurance Circular provides that shipowners / operators shall obtain and maintain insurance coverage for all seafarers for: (i) accidental death, including for burial assistance; (ii) accidental, permanent and partial / total dismemberment or disablement; and (iii) the seafarer's entitlement to receive emergency assistance following a maritime accident / incident.

The Insurance Circular also sets out the minimum insurance coverage for each seafarer, as summarised in the table below:

Incident	Minimum Coverage (PHP)
Death	200,000
Burial Assistance	10,000
Permanent and total disablement	150,000
Permanent and partial disablement	100,000
Emergency assistance	50,000

Finally, the Insurance Circular includes, among others, the following specific provisions:

1. The insurance coverage shall be obtained from an entity duly licensed by the Insurance Commission;
2. Such insurance coverage shall be at no cost to the seafarer;
3. A copy of the Master Policy evidencing the insurance coverage shall be included as part of the requirements in the application for the issuance / renewal / amendment of the Certificate of Public Convenience, including Special Permits and Provisional Authority;
4. A copy of the Master Policy shall at all times be made available for inspection on board the ship;
5. Shipowners / operators shall provide full assistance to the seafarer to ensure that the seafarer is able to obtain insurance indemnification without unnecessary delay;
6. The availability of insurance benefits and the seafarer's entitlement to the benefits shall not be conditioned upon compliance by the shipowner with any and all terms and conditions of the insurance policy. No seafarer shall be denied crew insurance benefits for the reason that the shipowner breached any term or condition of the insurance policy. Any insurance coverage with a term, condition, or provision inconsistent with this last point "shall not be deemed valid"; and
7. The requirement for shipowners to provide a new / amended insurance coverage in accordance with the Insurance Circular shall be required by MARINA upon the approval of the Master Policy template by the Insurance Commission, which is anticipated to be available within six months from the publication of the Insurance Circular.

Singapore



1. Singapore's First FTA to Include International Maritime Transport Services Chapter

*International
trade – Free
trade
agreements*

On 3 May 2025, the Pacific Alliance-Singapore Free Trade Agreement ("**PASFTA**") entered into force for Singapore, Chile and Peru. The PASFTA is an agreement between Singapore and the Pacific Alliance member states, which comprise Chile, Colombia, Mexico, and Peru. The PASFTA is a comprehensive free trade agreement ("**FTA**") and is Singapore's first FTA to include a chapter on international maritime transport services.

The maritime chapter of the PASFTA aims to enhance physical connectivity between Singapore and the Pacific Alliance and facilitate the exchange of best practices and training opportunities. It features, among others, the following key benefits:

1. Strengthened cooperation in maritime transport services between Singapore and the Pacific Alliance through the exchange of best practices and knowledge, and education and training opportunities; and

2. Removal of barriers to the supply of maritime transport services.

It is of particular significance that the PASFTA presents alternative maritime and shipping trade routes and options, which businesses could leverage on amidst the trade disruptions brought about by the reciprocal tariffs announced by the US and the escalating tariff war between the US and the People's Republic of China. Notably, each Pacific Alliance country borders the Pacific Ocean, which is the world's largest shipping zone.

For further information, please refer to our May 2025 Legal Update titled ["PASFTA's Entry into Force on 3 May 2025 Enhances Trade between Singapore and Pacific Alliance \(Chile, Colombia, Mexico, Peru\)"](#).

2. Transport Sector (Critical Firms) Act 2024 in Force with Key Transport Entities Subject to Increased Regulatory Controls

**Legislation –
Essential
transport
services**

On 1 April 2025, the Transport Sector (Critical Firms) Act 2024 ("TSA") came into operation. The TSA implements measures to enhance the resilience of essential transport services in Singapore and lays the foundations to protect Singapore against possible future disruptions to its essential transport firms.

The TSA introduces a designated entities regime by amending, among others, the Maritime and Port Authority of Singapore Act 1996 to:

1. Introduce controls, or augment or extend existing controls, in respect of ownership, management appointment, operations and resourcing to designated providers of essential transport services and their equity interest holders who are designated; and
2. Extend the existing power of the Minister for Transport to make special administration orders in relation to licensees, to designated providers of essential transport services.

Initially, 19 key transport entities across the air, land and sea transport sectors have been designated. Among them, 17 key transport entities that provide essential transport services into Singapore have been designated as "designated operating entities" and two key transport entities have been designated as "designated equity interest holders". The designations took effect on 15 April 2025. In the maritime sector, the relevant entities are as follows:

1. **Designated operating entities:** PSA Marine, Jurong Port and PSA Corporation (being a former designated public licensee); and
2. **Designated equity interest holders:** PSA International (holding an equity interest in PSA Corporation).

Investors into the maritime sector need to be aware of these regulatory requirements and ensure that the necessary notification or approval requirements have been satisfied before completing their transaction.

For more information, please refer to our April 2025 Legal Update titled ["Transport Sector \(Critical Firms\) Act 2024 in Force with Key Transport Entities Subject to Increased Regulatory Controls"](#).

3. Anti-Suit Injunctions for Parallel Proceedings – Court Considers Principles for Appeals and Setting Aside

*Dispute
resolution –
Anti-suit
injunctions*

Can a party that no longer wishes to contest Singapore court proceedings turn around and subsequently allege that it should have been served with appeal papers in those same proceedings? Is an anti-suit injunction ("**ASI**") restraining the continuation of foreign proceedings otherwise rendered impossible by the delivery of a decision in those foreign proceedings, and will that, in turn, lead to the discharge or variation of the ASI? When will a court impose the condition in an ASI that one party is required to waive its time-bar defence against the other party, bearing in mind the implications of such waiver on the justice of the case as between parties? These were the questions considered by the Singapore High Court in *COSCO Shipping Specialized Carriers Co, Ltd v PT OKI Pulp & Paper Mills* [2025] SGHC 87.

In this matter, a maritime dispute arose between COSCO Shipping Specialized Carrier Co, Ltd ("**COSCO**") and PT OKI Pulp & Paper Mills ("**OKI**") following an allision between a vessel owned by COSCO and a jetty owned by OKI. The dispute triggered, among others: (i) a limitation action brought by COSCO in the Singapore courts; (ii) proceedings brought by OKI in the Indonesian courts; and (iii) arbitral proceedings brought by COSCO at the Singapore International Arbitration Centre ("**SIAC**").

In all, OKI asserted losses of around US\$269 million. On the other hand, COSCO estimated its liability under Singapore law to be limited to around US\$16.5 million. Significantly, OKI's claims were partially granted by the Indonesian courts in the Indonesian proceedings, in the amount of around US\$147 million.

Prior to the Indonesian decision, in the Singapore limitation action, COSCO had obtained an ASI to restrain OKI from, among others, commencing or continuing the Indonesian proceedings. OKI then applied to: (i) discharge, revoke, set aside, or alternatively, vary the ASI ("**Setting Aside Application**"); and (ii) stay the ASI pending the determination of the Setting Aside Application.

The High Court held as follows:

1. **Setting aside:** The High Court declined to discharge, revoke or set aside the ASI. The High Court rejected OKI's submission that COSCO failed to serve the appeal papers for the ASI application on OKI, finding that COSCO was not required to serve the appeal papers as OKI had lost its requisite interest in the appeal after it withdrew its Notice of Intention to Contest in the Singapore limitation action. Even if service were required, the High Court held that any failure to serve the appeal papers was an irregularity that could be cured, and it exercised its discretion to do so in this case;
2. **Variation:** The High Court accepted that it was no longer possible to comply with the ASI and thus ordered a variation of the ASI to further restrain OKI from **enforcing or relying upon the Indonesian decision**. The High Court also imposed a condition in the varied ASI requiring COSCO to waive any time-bar objections or defences in the SIAC arbitration commenced by COSCO or any other arbitration proceedings commenced in Singapore by OKI in respect of the same claim; and
3. **Stay:** The High Court granted a stay of the ASI pending the final determination of the Setting Aside Application (including any appeals therefrom), reasoning that a continuation of the

interim stay that was previously granted would retain the *status quo* and would not prejudice either party.

A key takeaway from this case is that parties will generally be held to be bound by their respective litigation decisions. For example, if one party has indicated an intention not to contest Singapore court proceedings, it might not be permitted to turn around and subsequently allege that it should have been served with appeal papers in those same proceedings

COSCO was represented by [Toh Kian Sing, SC](#) (Senior Partner) and [Dedi Affandi](#) (Partner), together with Associate Hazel Cheah, of Rajah & Tann Singapore's [Shipping & International Trade Practice](#).

For more information, please refer to our Legal Update titled ["Anti-Suit Injunctions for Parallel Proceedings – Court Considers Principles for Appeals and Setting Aside"](#).

4. Singapore High Court Refuses Back Door Appeal Against Arbitral Institution's Administrative Decision

**Dispute
resolution –
Arbitration**

In *DMZ v DNA* [2025] SGHC 31, the Singapore High Court held that proceedings commenced by the Claimant ("**OA 1050**") seeking review of an administrative decision made by SIAC were bound to fail. The decision is worthy of note as a rare instance of judicial authority considering the relationship between arbitral institutions and the parties to the arbitrations they administer, as well as the supervisory court's role in overseeing institutional arbitrations.

The Claimant and the Defendant had entered into contracts for the sale of oil products containing arbitration clauses which provided for disputes to be referred to SIAC for arbitration in accordance with the sixth edition of the Arbitration Rules of the SIAC ("**SIAC Rules**"). After a dispute arose between the parties, the Defendant filed a Notice of Arbitration ("**NOA**") with SIAC on 24 June 2024, seeking to consolidate all arbitrations commenced pursuant to the NOA ("**Arbitrations**"). SIAC issued a letter stating that the Registrar of SIAC ("**Registrar**") deemed the Arbitrations to have commenced on 3 July 2024.

In its response to the NOA, the Claimant asserted that the Defendant's claims were time-barred based on the 3 July 2024 commencement date. The Defendant then requested the Registrar to correct the commencement date of the Arbitrations to 24 June 2024 on the basis that the NOA had at least substantially complied with the SIAC Rules. The Registrar ultimately revised the commencement date to 24 June 2024 ("**Second Decision**"). The Claimant filed OA 1050 to challenge the Second Decision, arguing that it was in breach of the SIAC Rules.

The High Court refused leave to the Claimant to continue OA 1050 against the Defendant. To begin with, the High Court held that it had no jurisdiction to review the Registrar's decision.

1. Clause 40.2 of the SIAC Rules states that "the parties waive any right of appeal or review in respect of any decisions of the President, the Court and the Registrar to any State court or other judicial authority". OA 1050 was effectively a backdoor appeal against the Registrar's decision, which was not permitted; and
2. The Court did not, in any event, have the power to intervene in the Arbitrations by granting declarations even if the Registrar had acted in breach of the SIAC Rules.

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The High Court further held that, in any event, there was no merit to OA 1050. The High Court rejected the Claimant's argument that the Registrar could not review its own decisions, finding that the determination of the commencement date was an administrative decision, and that a tribunal would be entitled to reconsider administrative or procedural decisions.

The decision demonstrates the following key points:

1. Institutional arbitration rules give rise to contractual obligations between the arbitral institution and the parties which both the arbitral institution and the parties must observe;
2. To the extent that the institutional rules give arbitral institutions wide discretionary powers in administering the arbitration and/or provide that the parties waive their rights to appeal or to seek review of determinations made by the arbitral institutions, the courts will give effect to such provisions; and
3. Even in the exceptional case where an arbitral institution fails to comply with the agreed procedure, the Singapore courts have no power to interfere in the arbitral process. To the extent that a party suffers prejudice as a result of wrongful conduct by an arbitral institution, its redress lies in applying to set aside the award within the statutory framework set out in the International Arbitration Act 1994.

The Defendant was successfully represented by a cross-disciplinary team from Rajah & Tann Singapore, namely our [Shipping & International Trade Practice](#) Partners, [Ting Yong Hong](#), [Wu Junneng](#) and [Nathanael Lin](#), with support from our Restructuring & Insolvency Practice Partner [Chua Beng Chye](#).

For more information, please refer to our March 2025 Legal Update titled ["Singapore High Court Refuses Back Door Appeal Against Arbitral Institution's Administrative Decision"](#).

5. Singapore Introduces New Methanol Bunkering Standard

***Ships –
Bunkering***

On 10 March 2025, the Maritime and Port Authority of Singapore ("MPA") and the Enterprise Singapore Board announced the publication of a new Technical Reference ("TR") 129 on Methanol Bunkering. TR 129, developed through the Singapore Standards Council, provides a comprehensive framework that outlines the requirements for the safe handling, transfer, and measurement of methanol in bunkering operations, thus facilitating the safe and efficient use of methanol as an alternative fuel for bunkering operations. These requirements include:

1. Custody transfer requirements, covering quantity and quality measurements for ship-to-ship methanol bunkering operations;
2. Operational and safety requirements and procedures for delivering methanol from a bunker tanker to receiving vessels, including a framework for crew training and competencies; and
3. Guidance on using mass flow meters ("MFM") for accurate quantity management and digital documentation for bunkering.

TR 129 was developed by the Working Group on Methanol Bunkering, supported by the Standards Development Organisation at the Singapore Chemical Industry Council. The Working Group on Methanol Bunkering comprised representatives from various government agencies, research

institutes and industry stakeholders, as well as a senior member of Rajah & Tann Singapore's [Shipping & International Trade Practice](#), [Winston Kwek](#) (Partner).

Among others, TR 129 will guide local operators in acquiring the necessary capabilities and confidence to conduct methanol bunkering operations.

For more information, please refer to our March 2025 Legal Update titled ["Singapore Introduces New Methanol Bunkering Standard and Opens Applications for Methanol Bunkering Licences"](#).

6. Singapore Opens Applications for Methanol Bunkering Licences

***Ships –
Bunkering***

MPA opened applications for licences to supply methanol as a marine fuel in Singapore from 26 March 2025 to 28 May 2025, following the finalisation of Singapore's methanol bunkering licensing framework and standards, including TR 129.

Licensees must supply methanol as a marine bunker fuel to vessels in Singapore during the licensing period from 1 January 2026 to 31 December 2030. Licensees will be required to implement an end-to-end methanol bunkering supply solution as bunker suppliers and bunker craft operators. This includes securing a methanol supply to Singapore, implementing quality assurance plans, ensuring proper storage and safe handling of methanol, and establishing emergency response measures. Further, licensees must have the necessary manpower and expertise to carry out methanol bunkering operations in Singapore and are required to own and operate at least one International Maritime Organization ("IMO") Type 2 chemical tanker.

To support international shipping's decarbonisation efforts, licensees will be required to meet the prevailing standards and measures at the national and IMO levels on aspects of their methanol supply itself (i.e. meeting the specified carbon intensity on a well-to-wake basis and supported by a transparent and accurate chain of custody methodology to track emissions from source to delivery), as well as of their operational competence and emergency response preparedness. Bunker players are also required to adopt MFM, digital bunkering, and the new standards for methanol bunkering in Singapore ahead of operations.

For more information, please refer to our March 2025 Legal Update titled ["Singapore Introduces New Methanol Bunkering Standard and Opens Applications for Methanol Bunkering Licences"](#).

Thailand



1. Amendment to the Maritime Labour Act B.E. 2558

On 27 May 2025, the Thai cabinet approved a draft amendment to the current Maritime Labour Act B.E. 2558. The amendment is designed to bring Thai maritime labour law in line with the International Labour Organization's Maritime Labour Convention, 2006, ensuring that Thailand meets global standards for seafarer rights and protections.

*Legislation –
Amendment to
maritime labour
legislation*

Key Amendments and Legal Implications

1. Employment relationships between shipowners and crew members are now expressly subject to the Social Security Act and the Workmen's Compensation Act, ensuring seven categories of benefits including: (i) health promotion and disease prevention; (ii) maternity benefits; (iii) childcare benefits; (iv) old-age benefits; and (v) unemployment benefits. Previously, only three types of benefits were provided to seafarers under the Ministry of Labour's announcements;
2. Shipowners are prohibited from employing crew members who are under 18 years of age for night work, except in specific, certified training scenarios or for essential duties that do not harm their health or well-being; and

3. "Night work" is now explicitly defined as work performed from 2100 hours to 0600 hours, replacing the previous, less precise definition.

Next Steps

Upon the cabinet's approval, the draft amendment will proceed to the legislative process, which may include a public hearing conducted by the Council of State. Vessel owners and seafarers should closely monitor the proposed amendments to ensure timely compliance and provide input where necessary.

2. Marine Department Notification on Cargo Ship Safety Equipment Certificate and Record of Equipment to Come into Force on 1 Jan 2026

Ships – Safety equipment

On 27 September 2023, the Thai Marine Department issued the *"Marine Department Notification No. 243/2566 Re: Cargo Ship Safety Equipment Certificate and Record of Equipment in Accordance to the International Convention for the Safety of Life at Sea 1974: SOLAS 1974, as amended by SOLAS 1978"* ("**Notification**"). The Notification will come into force on **1 January 2026**. This Notification mandates that vessels subject to the International Convention for the Safety of Life at Sea ("**SOLAS**") must comply with the updated Cargo Ship Safety Equipment Certificate and Record of Equipment: Form E ("**Form E**"), as outlined in the Annex to the Notification. Vessels falling under the scope of SOLAS must obtain the updated Form E to remain compliant. In this regard:

1. Vessels subject to SOLAS would include: (i) passenger vessels of all GT sizes; and (ii) cargo vessels of 500 GT or more, except for the inspection of radio communication systems under Clause 8(3), which applies to cargo vessels of 300 GT or more; and
2. Warships, auxiliary naval vessels, non-motorised vessels, traditional wooden vessels, pleasure and sports vessels, and fishing vessels are excluded.

Recognized Organizations must ensure that all certifications issued under this Notification adhere to the standards set out in IMO Resolution MSC.522(106).

These updates are intended to align Thai regulations with international standards under SOLAS 1974 and its 1978 amendments.

3. Rules of the Marine Department on the Consideration and Issuance of Licences for Motor Vessels Operating on Fixed Routes: New Application Requirements

Licences – Motor vessels

On 12 March 2025, the Thai Marine Department issued *"Rules on the Consideration and Issuance of Licences for Motor Vessels Operating on Fixed Routes B.E. 2568"* ("**New Rules**"), introducing more stringent licencing requirements for operators providing regular domestic passenger or cargo transport services for periods of three months or longer.

Key takeaways: The key takeaways are as follows:

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1. Operators holding valid licences under the previous regulations may continue operations until their current licence expires. However, all renewal applications must comply with the New Rules;
2. Businesses should promptly review their licencing status, ensure timely renewal, and update internal compliance protocols to reflect the stricter documentation, notification, and operational requirements; and
3. Licensees should proactively plan for succession, restructuring, or operational changes to avoid regulatory disruption and potential penalties.

Applicability: The New Rules apply to individuals, companies, and government agencies seeking to operate scheduled transport services in Thai waters.

Requirements: Under the New Rules, applicants must submit comprehensive operational documents, including route details, cost structures, and certified vessel documentation. The licencing process follows a three-phase review, completed within a maximum of 60 days. Authorities assess route suitability, vessel condition, and overall service adequacy. Once issued, licences are non-transferable (except in cases of the licence holder's death) and remain tied to the original applicant. Renewal applications must be submitted no later than 30 days before the licence expires.

Ongoing compliance obligations: Licenced operators are subject to ongoing compliance obligations. These include maintaining vessels in certified condition, carrying mandatory passenger insurance, and notifying the Thai Marine Department at least 30 days in advance of any planned service changes (or three days in emergency situations).

Penalties for non-compliance: Non-compliance may lead to progressive penalties, ranging from warnings and fines to temporary vessel detention and licence suspension of up to six months.

4. Ministerial Regulation on Vessel Licencing and Insurance for Passenger Vessels: Implications for Fishing Vessels

**Licences –
Fishing vessels**

On 20 March 2025, the Ministry of Transport issued "*Ministerial Regulation No. 3 (B.E. 2568)*" under the Navigation in Thai Waters Act B.E. 2456, introducing key amendments to the procedures for applying for a vessel use licence and related insurance requirements. These changes have specific implications for fishing vessels.

The key amendments are as follows:

1. **Removal of supporting document requirements for fishing vessels:** Applicants seeking a licence to use a fishing vessel are no longer required to submit certain supporting documents previously mandated under the licencing process. This change streamlines the application procedure for fishing vessel operators; and
2. **Licence issuance aligned with fisheries law:** For fishing vessels requiring a licence under the applicable fisheries law, and where such a licence has already been granted, the Thai Marine Department will issue the vessel use licence according to the type of vessel usage specified in the application or as indicated in the inspection certificate.

5. Failure to Give Arrival Notice Results in Carrier's Liability for Damage to Perishable Goods

*Dispute
resolution –
Liability of
carrier*

Under the Thailand Carriage of Goods by Sea Act B.E. 2534 ("**COGSA**"), a carrier is required to notify the consignee without delay upon the arrival of goods at the destination port. Failure to do so may result in liability for damages, particularly if the consignee subsequently refuses to take delivery. Although electronic means of giving arrival notice are recognised under Thai law, the carrier must prove that the notice was actually transmitted and received. To avoid liability, carriers should take steps to ensure that consignees are properly and effectively notified of cargo arrival, and that a record of the consignee's receipt is properly kept.

Facts

In the Judgment of the Court of Appeal for Specialized Cases No. 1210/2567, the Plaintiff in Thailand sold 2,200 baskets of fresh longans (total weight 26.84 tonnes) to a buyer in the Philippines under Cost and Freight terms. The Defendant, a Hong Kong-based sea carrier, was engaged to transport the goods to Manila in the Philippines.

The goods were shipped from Laem Chabang Port on 12 October 2021 and arrived at the Port of Manila on 16 November 2021. On 1 December 2021, the Plaintiff discovered that the consignee had refused to take delivery and had abandoned the goods, resulting in non-payment.

The Plaintiff sued the Defendant for US\$33,117.61, alleging that the Defendant had failed to provide an arrival notice to the consignee, thereby breaching its duty under the COGSA and causing the loss. The First Court dismissed the claim, leading to the Plaintiff's appeal.

Judgment

The Appellate Court found that the Defendant had provided copies of an arrival notice via an email allegedly sent to the consignee. However, there was no proof of successful transmission, such as a delivery receipt or system log confirming that the email had reached the consignee's system. While electronic notification is generally admissible under the Electronic Transactions Act B.E. 2562, the evidence in this case did not establish that the consignee did actually receive the notice.

Accordingly, the Appellate Court held that the Defendant had failed to notify the consignee in accordance with section 16 of the COGSA. The prolonged storage of the perishable goods in the reefer led to spoilage. The Appellate Court thus overturned the First Court's decision and ruled in favour of the Plaintiff. The Defendant was held liable for damages.

6. Urgent Measures to Ease Severe Traffic Congestion in Laem Chabang Port

*Ports –
Congestion
measures*

Following the announcement of the new US import tariff policy, there has been a significant acceleration in cargo shipments, resulting in a more than 10% increase in container throughput at Laem Chabang Port during the first five months of 2025. This sudden and abnormal rise has caused severe traffic congestion in and around the port area. The congestion has been compounded by delays in vessel berthing and a sharp increase in backlogged containers within

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port premises. The Port Authority of Thailand ("**PAT**") has introduced both immediate and long-term measures to address this critical situation.

Immediate Measures

1. Temporary customs clearance coordination to allow off-terminal container storage for imports;
2. Mandatory enforcement of the Truck Queue system by August 2025 to manage and stagger truck entry;
3. Expansion and adjustment of entry / exit lanes to better accommodate real-time traffic flows (pending legal amendments); and
4. Allocation of new land plots outside the customs fence to serve as truck waiting areas before port entry.

Long-Term Strategic Measures

1. Development of a comprehensive Master Plan to expand port infrastructure in line with rising container traffic;
2. Acceleration of the Laem Chabang Phase 3 terminal project, with operations targeted to begin by late-2027; and
3. Restructuring of container storage fee policies to improve efficiency in clearing overdue / backlogged containers.

7. Southern Land Bridge Infrastructure Development: Alternative to Strait of Malacca and Singapore Strait

**Logistics –
Infrastructure
development**

Project Overview

The Land Bridge Project, officially titled "Infrastructure Development for the Southern Economic Corridor Connecting the Gulf of Thailand and the Andaman Sea", is a strategic national initiative aimed at enhancing maritime connectivity and strengthening Thailand's logistics competitiveness. It is designed to provide an alternative to the Strait of Malacca and the Singapore Strait, positioning Thailand as a key logistics hub in Southeast Asia.

Key Features and Innovations

1. **Deep-sea ports on both coasts:** Each port below will handle up to 20 million twenty-foot equivalent units ("**TEUs**") annually:
 - Laem Ao Ang, Ranong Province (Andaman Sea side); and
 - Laem Ri, Chumphon Province (Gulf of Thailand side).
2. **Multi-modal transport corridor (approximately 89.35 km):** A high-capacity logistics corridor connecting the two ports, comprising:
 - Motorway (expressway-standard); and
 - Dual-track railway (1.435m and 1.0m gauge) with: (i) oil and natural gas pipelines; and (ii) expropriation for port-supporting industries and logistics hubs.

3. **Public-private partnership model (50-year concession):**

- The private sector will finance, construct, and operate key infrastructure, including the deep-sea ports, the 1.435m railway, and the motorway, along with hinterland development; and
- The government will manage land expropriation, fund the 1.0m gauge railway, and offer investment incentives.

4. **Phased development (four phases):**

- Total estimated investment: THB1.001 trillion (approximately US\$29 billion); and
- Operational targets: (i) initial operations by October 2030; (ii) full capacity (both ports at 20 million TEUs) by 2039.

Current Status

As of July 2025, the draft bill for the Southern Economic Corridor Act has been submitted to the State Enterprise Policy Office. This legislation will establish a commission led by the Prime Minister to oversee the development of logistics, infrastructure, and technology within the corridor. Public consultations have been held in Surat Thani, Ranong, Chumphon, and Nakhon Si Thammarat provinces.

Political Uncertainty and Potential Policy Impact

As of 1 July 2025, the suspension of the Prime Minister has introduced political uncertainty, raising concerns about the stability and authority of the current government. This has created policy ambiguity that may affect the timeline and scope of major national projects, including the Land Bridge Project. Potential outcomes include delays, revisions, or cancellations, depending on future leadership and strategic priorities. These risks could impact investor confidence and long-term infrastructure planning.

8. Expansion of Laem Chabang Port

Ports – Expansion

As of the second quarter of 2025, the Laem Chabang Port Phase 3 expansion project has reached approximately 70% completion. The deep-sea Terminal F1, which is designed to accommodate mega container ships with capacities of up to 20,000 TEUs, is expected to begin operations by November 2025, ahead of full project completion in 2026.

The remaining construction components are progressing through procurement stages. The two stages currently being drafted in the Terms of Reference are:

1. Stage 3 railway system construction; and
2. Stage 4 cargo handling equipment installation.

These components are expected to open for competitive bidding soon.

In parallel, Laem Chabang Port is positioned to help alleviate berth congestion at Bangkok Port (Khlong Toei), which faces limitations due to shallow channel depth and restrictions on vessel size. However, PAT has clarified that there are no plans to relocate Bangkok Port. Instead, the focus is

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on transforming it into a smart port, enhancing operational efficiency through digitalisation and infrastructure upgrades.

The dual strategy of expanding Laem Chabang Port while modernising Bangkok Port reflects Thailand's broader goal of optimising its national port system to support trade, logistics, and economic growth under the Eastern Economic Corridor development plan.

Vietnam



1. Temporary Reduction of VAT: Reduced Rate of 8% Extended until 31 Dec 2026

On 17 June 2025, the National Assembly of Vietnam adopted [Resolution No. 204/2025/QH15](#), extending the temporary reduction of the value added tax ("VAT") rate from **10% to 8%** on most goods and services (see Article 9.3 of the Law on VAT). The reduced rate will be effective **from 1 July 2025 through 31 December 2026**.

*Tax –
Reduction for
domestic
shipping-
related
services*

Thus, for most domestic shipping-related services (including cargo handling, port operations and vessel chartering) which are generally subject to the standard 10% VAT rate, the temporary reduction of the VAT rate to 8% will continue to apply until 31 December 2026.

Businesses should review their service classifications and VAT declarations in light of this development and consider adopting appropriate tax-planning strategies.

2. Administrative Streamlining and Territorial Integration: A Major Shift in Vietnam's Governance Framework

*Policy –
Administrative,
judicial and
geographic
reorganisation*

On 18 February 2025, the National Assembly of Vietnam adopted Resolution No. 176/NQ-QH15, launching a sweeping administrative reorganisation aimed at achieving efficiencies within the state apparatus. The reform includes the merger of several ministries, the reduction in the number of governmental bodies, and the consolidation of certain provincial and municipal administrative units. These structural changes are expected to address overlapping functions among state agencies and improve regulatory efficiency in numerous sectors (including in the maritime sector).

Court reorganisation: A key judicial reform arising from this initiative is the replacement of district-level People's Courts with newly established regional People's Courts, **with effect from 1 July 2025**. These regional courts have been formed by merging multiple district-level courts. As a result, the jurisdiction to issue arrest orders for vessels and aircraft, which previously fell under the authority of provincial-level courts, has now been transferred to these regional courts.

Geographic reorganisation: On 12 April 2025, Resolution No. 60-NQ/TW was passed to formally approve the plan to reorganise provincial boundaries to promote economic integration. Under this resolution, five Central Highlands provinces (i.e. Kon Tum, Gia Lai, Dak Lak, Dak Nong, and Lam Dong) will be merged with neighbouring coastal provinces, forming four enlarged administrative units, each with direct maritime access. This territorial realignment is intended to facilitate regional connectivity, improve logistics efficiency, and support the seamless movement of goods between inland and coastal regions. The provincial merger details are as follows:

1. Kon Tum merges with Quang Ngai, retaining the name Quang Ngai;
2. Gia Lai merges with Binh Dinh, retaining the name Gia Lai;
3. Dak Nong and Lam Dong merge with Binh Thuan, taking the name Lam Dong; and
4. Dak Lak merges with Phu Yen, retaining the name Dak Lak.

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