

Vedder Price Shareholder Francis Nolan III Spearheads Change to Liberian Maritime Law

This Republic of Liberia's Law Will Improve Conditions for Maritime Lessors Across the Globe

New York (July 26, 2018)— [Vedder Price](#) is pleased to recognize Global Transportation Finance Shareholder [Francis X. Nolan, III](#) for his work to modernize the Republic of Liberia's (Liberia) maritime laws.

The Republic of Liberia recently amended its maritime laws to accommodate the increasing popularity of lease structures for ship financing. The changes will now permit those holding title to vessels in lease structures to record their bareboat or demise charter as preferred mortgages.

The amendments drafted by Mr. Nolan at the request of the Liberia Ship Registry are significant because equipment lessors will enjoy legal protections consistent with the laws used to secure lessors of rolling stock and aircraft. This is especially relevant given the growing tendency of international shipping companies to resort to the U.S. Bankruptcy courts where recharacterization of leases is often an issue.

Liberia and Marshall Islands are two of the world's largest ship registers and the only ones to adopt such financing provisions so far. Mr. Nolan, a leader in maritime finance and the President of The Maritime Law Association of the United States ([MLA](#)), was the principal draftsman of both the Marshall Islands and Liberian provisions.

"It's an honor to have contributed to a crucial initiative for the maritime industry, and one that will allow greater flexibility for investments in maritime businesses for years to come," said Mr. Nolan. "Despite the success, there's always work ahead. I look forward to working with my colleagues at Vedder, the MLA's Marine Finance Committee and government entities across the globe to act as a resource for the newest developments and practices in international and domestic ship finance."

With Liberia and the Marshall Islands leading the way, there is an opportunity to expand a broad array of leasing products in the marine space. Under the updated open-registry jurisdiction, the global maritime industry can better manage risk and further enable innovation.

"We are grateful to Frank for his counsel, inspiration and persistence in helping change Liberia's law to this point," said Scott Bergeron, CEO of the Liberian Registry. "We believed in this innovative legislative initiative pioneered by Frank and we are happy to see it come to fruition."

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