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CHINA MARITIME LAW 2025 A Landmark Reform Reshaping Shipping, Cargo and Insurance Risk

Introduction

On 28 October 2025, China enacted its first comprehensive overhaul of the Maritime Law since 1992. The revised law, comprising 310 articles across 16 chapters, enters into force on 1 May 2026. It is the most significant reform of Chinese maritime commerce in over thirty years, pursuing four objectives: aligning Chinese law with international conventions; harmonizing domestic and international carriage; strengthening marine environmental protection; and enhancing the rights of passengers, cargo interests, and third parties. Carriers, cargo owners, marine insurers, P&I clubs, trade finance banks, and logistics operators all face compliance obligations that must be addressed before 1 May 2026.

Part 1 — What Has Changed

The most structurally significant change is the inclusion of domestic carriage within Chapter IV. Under the 1992 law, cargo between Chinese ports operated under a separate, weaker framework. That distinction is now eliminated. For domestic routes, the nautical fault and fire defences are abolished, the seaworthiness obligation extends throughout the voyage, and delay liability is broadened, materially increasing carrier exposure on Chinese coastal routes.

Article 295 is the provision with the broadest international impact. It operates as a mandatory override: where either the port of loading or discharge is in China, Chapter IV governs the carriage contract regardless of any foreign governing law clause. Parties cannot contract out of Chinese maritime liability rules by nominating English or Singapore law. Standard form contracts and bills of lading on China routes must be audited for conflicts with this provision.

Articles 82 to 86 introduce a comprehensive framework for electronic bills of lading, giving them the same legal force as paper documents for the first time in Chinese law. Carrier liability caps remain unchanged at 666.67 SDR per package or 2 SDR per kilogram but are now expressly extended to domestic carriage. A new bunker oil pollution sub-section aligns Chinese law with the 2001 Bunkers Convention, and Article 202 excludes pollution remediation costs from general average. Article 309 formally recognizes P&I Clubs in Chinese law for the first time, while Article 308 empowers China to impose countermeasures against countries restricting Chinese shipping, a notably geopolitical addition.

Part 2 — What It Means in Practice

Carriers and Shipping Lines

Domestic carriers face materially increased liability from the loss of the nautical fault and fire defences. All carriers on China-touch international routes must audit contracts for conflicts with Article 295 and review P&I cover accordingly.

Cargo Owners and Shippers

Three operational points deserve immediate attention. First, the 60-day auction clock: under Article 95, cargo remaining uncollected sixty days after vessel arrival may be auctioned at the carrier's request: the clock runs from arrival, not from any notice to the shipper. Second, the 15-day notice rule: consignees must give written notice of non-apparent cargo damage within fifteen days of delivery or lose the right to claim against the carrier; open cover policies with shorter notice windows must be corrected. Third, the carrier liability gap: at 666.67 SDR per package, approximately USD 880, the statutory cap covers a fraction of the value of most commercial shipments. Article 295 makes these limits mandatory for all China-touch voyages, removing any reliance on higher foreign limits. All-risk cargo insurance on a CIF plus percentage basis is not optional.



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Marine Insurers and P&I Clubs

Subrogation actions on China-route claims will increasingly be conducted under Chinese law before Chinese courts. Legal panels and survey networks in China must be fit for this purpose. Open cover conditions should be aligned with Article 88 fifteen-day notice standard, and policies that assumed pollution costs could be shared on a general average must be reviewed

Trade Finance Banks and Logistics Operators

Banks holding security over China-bound cargo must calibrate monitoring procedures to the sixty-day auction timeline. The eBL framework provides a statutory basis for accepting electronic bills of lading in documentary credit transactions. Logistics operators handling cargo on China routes should assess whether they now qualify as actual carriers under Article 44 and the liability exposure that entails.

Conclusion — A Strategic Shift

The 2025 revision is not a technical update: it is a strategic repositioning of China as a rule-maker in global maritime commerce. The mandatory application of Chapter IV, the inclusion of domestic carriage, the eBL framework, and the environmental provisions collectively reshape the legal landscape for everyone involved in shipping to, from or within China. Contracts must be reviewed, insurance program reassessed, and operational procedures updated. Those who treat this transition as an opportunity rather than a compliance burden will be best positioned for the new environment.