The New China Maritime Code: key cargo issues for carriers

On 1 May 2026, a comprehensively revised China Maritime Code (CMC) entered into force, replacing a framework that had remained largely unchanged for over three decades. Several amendments are likely to have practical implications for carriers, terminal operators and their insurers. This article highlights the developments most relevant to Gard Members.

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The CMC revision aims to modernise Chinese maritime law, align it more closely with international conventions and commercial practice, and address areas that have historically created uncertainty in cargo claims and enforcement before Chinese courts.

Continuity of the liability regime

Chapter IV of the new CMC, governing contracts of carriage of goods by sea, remains largely aligned with the Hague-Visby Rules, expanding the list of statutory defences to piracy and terrorism. There is only limited influence from the Hamburg Rules and minimal elements drawn from the Rotterdam Rules. Proposals to introduce a full Rotterdam-style regime were not adopted following resistance from the shipping industry.

The core liability framework therefore remains familiar. In practice, Chinese courts have long applied Chinese law to cargo claims involving Chinese ports, often disregarding foreign law clauses incorporated in bills of lading. The new CMC largely codifies this approach rather than introducing a new one.

Mandatory application of Chinese law

A notable development is the introduction of a mandatory conflict-of-laws rule. Article 295 provides that Chapter IV applies compulsorily to any international contract of carriage of goods by sea where either the port of loading or discharge is located in China.

This reflects existing judicial practice: foreign arbitration awards or judgments based on non-Chinese law will continue facing enforcement challenges in China in the light of the mandatory provisions of the CMC.

Period of responsibility and duty of care

The revised CMC introduces a degree of conflict between Articles 47 and 49. Article 47 retains the traditional “tackle-to-tackle” period of responsibility for non-containerised cargo. Article 49, however, expands the carrier’s duty of care to include receipt and delivery of the goods. According to advice received, the intention is not for this to formally extend the carrier’s liability period but rather to extend protection to parties engaged by the carrier—particularly terminal operators—by allowing them to rely on the carrier’s defences and limitation rights as “actual carriers”.

In balance, article 93 of the new CMC offers protection to carriers where no one takes delivery of the cargo:

"Article 93: Where no one takes delivery of the goods at the port of discharge, the master may unload the goods in a warehouse or any other appropriate place, and any expenses or risks arising therefrom shall be borne by the shipper, but the shipper shall be notified a timely manner. If the consignee has exercised the rights thereof under the contract of carriage of goods by sea but delays or refuses to take delivery of the goods, the master may dispose of the goods in accordance with the provisions of the preceding paragraph, and the expenses and risks arising therefrom shall be borne by the consignee."

It remains to be seen how these additions will be interpretated in practice and whether they will cause disputes between vessel and cargo interests.

Unification of domestic and international regimes

The new CMC removes the previous exclusion of domestic coastal carriage from Chapter IV, bringing both domestic and international carriage within a single framework.

However, stricter liability standards apply to domestic carriage, including:

- A continuing obligation of seaworthiness throughout the voyage
- A broader concept of delay, including failure to deliver within a "reasonable time"
- Removal of the nautical fault and fire defences

While primarily relevant to domestic operators, these provisions may affect Members where voyages involve coastal legs within China.

Cargo valuation and shipper's warranty

These are two important amendments:

- Cargo valuation: Loss is now primarily assessed based on market value at the place of delivery, with CIF value at shipment serving as a fallback. This aligns Chinese law more closely with international practice.
- Implied warranty of fitness: A statutory warranty obliges the shipper to ensure that cargo is fit for carriage (Article 67). This strengthens carriers' defences in cases involving inherent vice/natural characteristics of the cargo and hopefully this may prove to be a really positive development

Claim notification

Under the revised CMC, prompt notification of loss or damage remains required, and the evidential weight given by Chinese courts to discharge documentation and survey records is effectively reinforced. While the time bar for claims under bills of lading is still one year counting from the date when the cargo is delivered to the cargo interests, a material change is that it can be interrupted if the cargo claimants simply serve a claim notice on carriers instead of filing a claim before the Court or arbitration body (article 294 of the new CMC).

Limitation of liability

The limitation regime itself remains substantively aligned with Hague-Visby principles. However, the revised CMC more clearly incorporates “actual carriers”, including terminal operators and subcontractors, within the liability framework. This clarification enhances their ability to rely on the carrier’s defences and limitation rights. Compared to the prior position—where the status of such parties could be less certain—the revised Code provides greater legal clarity and may reduce overall exposure in multi-party cargo claims. At the same time, it increases the importance of identifying all parties entitled to limit liability at an early stage. More importantly, tonnage limitation liability limits for shipowners and salvors have been substantially raised, now aligning with the levels set by the 1996 Protocol to the 1976 Convention on Limitation of Liability for Maritime Claims (articles 219, 220). Therefore, large cargo claims are expected to become more expensive where liability is established.

Carriage on deck

With respect to carriage on deck, unlike the previous position, the new article 54 provides protection for loss or damage to the goods, where there is protective clausing on the face of the bills of lading.

Exercising lien over the cargo

Article 94 relaxes the requirement for the goods to be owned by the debtor. The lien can now be exercised over "corresponding goods," focusing on the connection between the goods and the claim (e.g., unpaid freight, GA contribution, demurrage occurred under the same contract or voyage).

Claims for General Average Contribution

Whilst the time limit for lodging these claims remains 1 year from conclusion of the adjustment, the maximum time limit is 6 years from the termination of the common maritime adventure (article 290 of the new CMC), which protects from prolonged adjustment processes and uncertainty in the rights and obligations of the parties involved.

Conclusion

Whilst the impact of the new China Maritime Code remains to be seen in practice, it is our preliminary view that it represents evolution rather than fundamental reform. It modernises and clarifies the legal framework while preserving the established Hague-Visby-based liability regime.

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