

SHIPPING & INTERNATIONAL TRADE | INTERNATIONAL ARBITRATION

Security That Sticks: Singapore's Pro-Arbitration Approach to Enforcing an Award Against an Arrested Ship

Introduction

When a maritime dispute arises, a claimant often chooses to arrest a ship to obtain security for its claims, such right being a strategic advantage accorded by statutory regimes in many jurisdictions of the common law tradition. Such proceedings are known as admiralty actions *in rem*, meaning that the proceedings are against the ship itself.

Where the underlying maritime claims are subject to an arbitration agreement, as is commonplace, the admiralty *in rem* proceedings are often stayed in favour of arbitration between the parties. If the claimant is successful in the arbitration, it would then seek to enforce the arbitral award against the ship (or its sale proceeds, if the ship has been judicially sold). However, awards are generally rendered against named defendants *in personam* – that is, against a *person*. Can such an award be enforced in admiralty actions *in rem* commenced against a *ship*? Would the award extinguish the *in rem* claim, leaving the beneficiary of the award with no way to access the fruits of its victory? That was the question left unexplained in the much celebrated decision by Brandon J in *The "Rena K"* [1979] QB 377, which the Singapore High Court had occasion to revisit and to elucidate.

In *The "Yangtze Harmony"* [2026] SGHC 3 ("**The 'Yangtze Harmony'**"), the Honourable Mohan J of the Singapore High Court ("**Court**") noted that these issues had not been the subject of any reported decision in Singapore (or indeed, anywhere in the Commonwealth), and addressed this gap in the law in an eminently sensible and pro-arbitration manner. If arbitral awards were held to extinguish *in rem* claims, this result would: (i) undermine the fundamental purpose of admiralty *in rem* actions as a means of securing maritime claims; and (ii) defeat the very purpose of the enforcement framework under the Singapore International Arbitration Act 1994 ("**IAA**"), thereby counterintuitively placing unwarranted obstacles in the path of the beneficiary of the award. In the circumstances, the Court lifted the stay of proceedings in the action and ordered for judgment *in rem* to be entered in terms of the arbitral award, without resort to a common law "suit on the arbitral award".

In this article, we examine the Court's reasoning above, as well as its consideration of whether the Court had the power to lift the stay on the proceedings for the purpose of enforcing the relevant awards.

The Claimant was successfully represented by Partners [Kendall Tan](#) and [Aleksandar Georgiev](#) from our [Shipping & International Trade](#) Practice Group¹.

Background

The dispute arose from a towage arrangement between the Claimant, a Singapore-incorporated company providing marine services, and the Defendant, the demise or bareboat charterer of the vessel "YANGTZE HARMONY" ("**Vessel**"). The parties entered into a towage contract dated 22 July 2022 ("**TOWCON Contract**"), under which the Claimant's tug was engaged to tow the Vessel from Brisbane, Australia to Singapore for repairs. The TOWCON Contract contained an arbitration clause providing for disputes to be resolved by arbitration in London ("**Arbitration Clause**").

The Claimant subsequently claimed against the Defendant for losses arising out of the TOWCON Contract. On 19 October 2022, the Claimant commenced an admiralty *in rem* action in Singapore and arrested the Vessel on 25 October 2022 as security for its claims relating to the TOWCON Contract and in exercise of its possessory lien.

In view of the Arbitration Clause, the parties obtained by consent an order of Court to stay the *in rem* proceedings in favour of arbitration in London ("**Stay Order**"). The Court allowed the Vessel to remain under arrest as pre-award security, and eventually ordered the Vessel's judicial sale *pendente lite*, on failure of the Respondent to furnish security. Following a partial determination of priorities, balance sale proceeds of S\$2.97 million remained in court pending the outcome of the arbitration.

Following successful pursuit of the underlying claims in the arbitration, the Tribunal issued two awards in favour of the Claimant on 14 August and 15 November 2024 ("**Awards**"). The Claimant thereafter obtained permission to enforce both Awards as a judgment of the General Division of the High Court and entered judgment *in personam* against the Defendant, on 23 April 2025. The Defendant still did not comply with the Awards or satisfy the *in personam* judgment.

Issues to be Determined

The Claimant filed the present application to: (i) lift the Stay Order; (ii) obtain permission to enforce the Awards in the same manner as a court judgment against the Vessel's balance sale proceeds; and (iii) to enter judgment *in rem* against the Defendant in terms of the Awards.

Consequently, the key issues before the Court were whether:

1. the Court has power under the IAA or at common law to lift a stay of admiralty *in rem* proceedings and to enter judgment *in rem* to thereby enable the enforcement of foreign arbitral awards; and
2. the *in rem* claim remained viable after an arbitral award has been made on the *in personam* claim, or whether the causes of action merged upon a claimant obtaining an arbitral award in its favour.

¹ The team thanks our Relevant Legal Trainee Choi Myeong Jun and Associate Rahul Fuad Mohan for their excellent contributions to the case.

Decision of the Court

From Arbitral Award to Judgment in Rem

Under section 6 of the IAA, the Singapore courts are required to stay court proceedings in favour of arbitration unless the said arbitration agreement is null and void, inoperative or incapable of being performed. In granting such a stay, the court is further empowered under section 7 of the IAA to retain arrested property as security (or order equivalent security to be provided) "*for the satisfaction of any award made on the arbitration*". In the context of maritime disputes, these provisions mean that a claimant is entitled to commence admiralty *in rem* proceedings in court to arrest a ship in Singapore as security for its underlying claim that is subject to "*international arbitration*" i.e. even if the arbitration may be seated in or outside of Singapore. When a stay is ordered, section 7 of the IAA allows the *in rem* proceedings to continue only as far as it is necessary to deal with the ship under arrest. As far as the underlying merits of the substantive claim are concerned, the *in rem* action is and remains stayed.

However, neither section expressly addresses the precise mechanism by which a successful claimant may enforce the award against the security that the claimant had earlier obtained by the arrest of the property in question (in this case, the Vessel).

Returning to the principle originally espoused in the English admiralty case *The "Rena K"* [1979] QB 377 ("***Rena K*** principle"), the Court discerned the principle to encompass two aspects:

1. Courts may, when staying *in rem* proceedings in favour of arbitration, order the security (in the form of the arrested ship) to be retained where the arresting party faces a risk of being unable to enforce a foreign arbitral award.
2. Upon a defendant shipowner's failure to satisfy an arbitral award, a claimant/arresting party may need to seek the removal of the stay of the *in rem* proceedings and proceed to judgment *in rem* in order to enforce the award against the retained security.

The first aspect of the "*Rena K*" principle has been at least partially codified in section 7(1) of the IAA, with the important qualification that the arresting party need no longer demonstrate that the defendant shipowner is unlikely to be able to satisfy the award in order for the arrested property to be retained as security.

However, neither section 7 nor existing case law articulates whether the courts retain the power to implement the second aspect of the "*Rena K*" principle. The Singapore High Court held that it indeed retained the inherent power to do so by way of residual common law power for the following reasons:

1. The second aspect of the "*Rena K*" principle was a necessary corollary of the first. Without the power to order a lifting of the stay of proceedings for award enforcement purposes, the retention of security would be rendered meaningless – in the words of the Court, a "*hollow protection offering no practical remedy to successful claimants/award creditors*". This view further aligns with the essence of the "*Rena K*" principle to protect a maritime claimant's ability to effectively enforce arbitral awards against a shipowner/bareboat charterer, particularly where shipowners commonly structure their fleet of ships under the ownership of "one-ship companies" to limit their liability to creditors.

2. Nothing in the IAA or the Rules of Court 2021 excluded this residual power. On the contrary, section 7(1)(a) of the IAA envisages the security being retained "*for the **satisfaction** of any award made on the arbitration*" (emphasis ours). The Court held that, to allow satisfaction of an award from the arrested property as security, Parliament must have intended for the court to be able to lift the stay of proceedings and permit the award creditor to enter judgment *in rem* in their *in rem* action, and ultimately order a payment out of the sale proceeds of the arrested property.
3. This approach would support one of the broader objectives of the IAA, which is to facilitate rather than hinder the enforcement of international awards.

On the present facts, the Claimant found itself squarely within the situation that the second aspect of the "*Rena K*" principle was designed to address. The Court hence ordered the lifting of the Stay Order and permitted the Claimant to proceed to enforce the Awards against the balance sale proceeds of the Vessel.

Merging of In Personam and In Rem Causes of Action

The Court noted that contrasting judicial approaches have emerged across the common law jurisdictions, including in the UK, Australia and New Zealand, on whether the *in rem* and *in personam* proceedings remain separate or merge into one another. Locally, in *Kuo Fen Ching v Dauphin Offshore Engineering & Trading Pte Ltd* [1999] 2 SLR(R) 793 ("**Kuo**"), the Singapore Court of Appeal had established that, in the context of a dissolution of a company, the action continues as a parallel *in rem* and *in personam* action, and the *in rem* characteristics of the action do not become subsumed by the additional *in personam* characteristics.

Although *Kuo* did not concern the enforcement of an arbitral award against an arrested ship, the Court found that the reasoning in *Kuo* was equally apposite and applicable to the present facts:

1. The fundamental principle established in *Kuo* was that *in rem* and *in personam* proceedings remain separate and parallel actions that do not merge or become subsumed into one another. The determination of the Claimant's underlying cause of action through arbitration did not disintegrate the parallel *in rem* actions.
2. If arbitral awards were held to extinguish any *in rem* claims against the arrested property, this would (i) undermine the fundamental purpose of admiralty *in rem* actions as a means of securing maritime claims, and (ii) defeat the very purpose of section 7 of the IAA and instead place unwarranted obstacles in the path of an award creditor wishing to realise the fruits of its victory in the arbitration.

Accordingly, the *in rem* claim did not merge with the *in personam* claim merely because the underlying cause of action had culminated in an arbitral award in the Claimant's favour. The Claimant was hence entitled to pursue the *in rem* proceedings and obtain *in rem* judgment for its claim as determined by the Awards.

Concluding Remarks

The "Yangtze Harmony" exemplifies the Singapore Courts' consistently pragmatic and pro-arbitration approach to the enforcement of awards. By confirming that an arbitral award does not extinguish an admiralty *in rem* claim, and recognising the Court's residual power to lift a stay for the purpose of enforcing that award, the Singapore High Court has ensured that such security as is obtained through a ship arrest remains meaningful and effective to the successful creditor.

This decision underscores two key assurances for maritime claimants and arbitration users alike. First, security truly remains available for enforcement. A claimant who arrests a vessel as pre-award security can be confident that the arrest will not be rendered hollow once an arbitral award is issued. The Court affirmed that the *in rem* claim survives and can be converted into an *in rem* judgment to enable the claimant to access the sale proceeds.

Second, award creditors will not be denied the fruits of their victory. Parties need not fear that success in arbitration will leave them with an unenforceable award or a procedural dead-end under Singapore's ship arrest regime. The Court's interpretation of the IAA and legislative intent ensures that the framework functions cohesively to facilitate, rather than frustrate, enforcement.

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