

PANORAMIC

# PORTS & TERMINALS

Netherlands



LEXOLOGY

# Ports & Terminals

Contributing Editor

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HFW

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# Contents

## Ports & Terminals

### GENERAL

- Key ports
- Reform and port models
- State development policy
- Green ports

### LEGISLATIVE FRAMEWORK AND REGULATION

- Development framework
- Regulatory authorities
- Harbourmasters
- Competition
- Tariffs
- Public service obligations
- Joint ventures
- Foreign participation

### PUBLIC PROCUREMENT AND PPP

- Legislation
- Proposal consideration
- Joint venture and concession criteria
- Model agreement
- Approval
- Projects
- Term length
- Fee structures
- Exclusivity
- Other incentives

### PORT DEVELOPMENT AND CONSTRUCTION

- Approval
- Port construction

### PORT OPERATIONS

- Approval
- Typical services
- Access to hinterland
- Suspension
- Port access and control
- Failure to operate and maintain
- Transferrable assets

## MISCELLANEOUS

- Special purpose vehicles
- Transferring ownership interests
- Granting security
- Agreement variation and termination
- Contractual breach
- Governing law
- Disputes

## UPDATE AND TRENDS

- Key developments of the past year

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## Netherlands

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## GENERAL

### Key ports

Which are the key ports in your jurisdiction and what sort of facilities do they comprise? What is the primary purpose of the ports?

Home to world-class and deep-water ports, many rivers, and a dynamic network of canals, the Netherlands has one of the best port infrastructures in the world. The port of Rotterdam, Europe's largest and most important harbour, can reach all major industrial and economic centres in Western Europe in less than 24 hours and is the gateway to Europe. The port of Amsterdam is another major asset for logistics and distribution operations.

Other notable Dutch ports are Groningen Seaports and North Sea Port, a merger between the Dutch Zeeland Seaports (Terneuzen and Flushing) and the Belgian port of Ghent. In 2021, Dutch seaports moved more than 593 million tonnes.

The port of Rotterdam has almost every port facility imaginable, including cruise, container, general cargo, oil and gas terminals, as well as bulk terminals and a liquefied natural gas terminal.

While the port of Amsterdam has the largest cacao and potato terminals in the world, as well as considerable gasoline terminals, the port of Rotterdam is Europe's largest seaport, measured by the total number of containers and bulk (notably crude oil, chemicals, ores and coal) passing through each year. The port of Rotterdam stretches over an area of approximately 42 kilometres, from the heart of the city to the North Sea. Many docks are so deep that they can accommodate even the largest vessels with a draught of up to 24 metres, eliminating the need to pass through locks and allowing the vessels to moor quickly at the quay.

Law stated - 30 juli 2024

### Reform and port models

Describe any port reform that has been undertaken over the past few decades and the principal port model or models in your jurisdiction.

The Dutch government has retreated from port operations under the belief that enterprise-based port services and operations would allow for greater flexibility and efficiency in the market through more competition and a better response to consumer demand. The Dutch landlord port model is the dominant one in large and medium-sized Dutch ports. Under the landlord model, a port authority is usually a separate legal entity with the capacity to conclude contracts (including concession agreements) and to enforce standards. In the Rotterdam and Amsterdam port areas, the landlord port authorities are unlisted public limited companies and, consequently, no longer government agencies. These companies are highly commercialised entities, as public influence is only indirectly accomplished through the ownership interests that the Dutch state or municipal governments maintain in these public limited companies. For example, the Port of Rotterdam Authority is an unlisted public limited company. The shares in the Port of Rotterdam Authority are held by the municipality of Rotterdam (approximately 70 per cent) and the Dutch government (approximately 30 per cent).

Although legal title to the land in the port areas remains with the municipal government in most cases, the port authorities of Rotterdam and Amsterdam have leased this land in perpetuity. These lease agreements with the relevant municipal governments therefore allocate the economic ownership of the port area to the port authorities. To date, the Dutch state has only acquired an ownership interest (29.2 per cent) in the Port of Rotterdam Authority in return for financial investments from the state. These investments were necessary to realise a relatively large expansion of the port area by reclaiming land from the North Sea (Maasvlakte II), on which land modern and fully automated container terminals (APM and RWG) were built. These terminals have been in operation for several years.

**Law stated - 30 juli 2024**

### **State development policy**

#### **Is there an overall state policy for the development of ports in your jurisdiction?**

The government considers Dutch seaports to be of great significance to the Dutch economy and, therefore, the government regularly publishes policy documents with regard to port development and management, as well as environmental and safety issues in ports aimed at safeguarding the competitiveness of Dutch seaports.

**Law stated - 30 juli 2024**

### **Green ports**

#### **What 'green port' principles are proposed or required for ports and terminals in your jurisdiction?**

For the development of a port, it is necessary to obtain a permit under the Nature Conservation Act. The key condition for obtaining such a permit is compensation for the main effects on the surrounding areas. For example, a special protection zone has been created that is 10 times the size of Maasvlakte II to meet this criterion.

Furthermore, during the tender for a concession of land for terminals on the new Maasvlakte II port area, the port authority as the commissioning party also explicitly considered sustainability. The tenders submitted were assessed not only for direct commercial value to the port authority but also for 20 per cent on sustainability, such as the way in which spatial distribution, energy, emissions and hinterland transport issues were addressed. In addition to green standards with regard to port development, port authorities have committed to CO2 emission reductions and a variety of sustainability principles with regard to the operation of the port in their official outlooks and policy documents, such as the World Port Climate Initiative. In accordance with an agreement concluded with the Dutch government, the harbourmaster has set standards for the Safety Environmental Index. Furthermore, there is a large body of applicable international, European and national legislation that imposes environmental and safety standards on vessels, companies, and regulatory and enforcement bodies active within the Dutch ports.

The port of Rotterdam is home to the largest petrochemical complex in Europe and is responsible for some 20 per cent of Dutch greenhouse gas emissions. As a signatory to the Paris Agreement, the Netherlands has agreed to reduce its greenhouse gas emissions by 80 to 95 per cent. The Port of Rotterdam Authority aims to bring the port in line with the Paris Climate Agreement objectives.

The Port of Rotterdam Authority is working step by step towards a carbon-neutral port and industrial sector by 2050. To this end, it has joined forces with the private sector and the government in a series of projects. Examples include:

- the utilisation of residual heat for homes and greenhouses;
- the capture, transport and storage of carbon in the seabed of the North Sea, known as the Porthos Project;
- the generation of green electricity;
- the production of blue and green hydrogen; and
- circular production processes such as chemical recycling (waste-to-chemicals, pyrolysis).

The Port of Rotterdam Authority uses an and/or approach: it aims to innovate the existing industry while also welcoming new, sustainable industry. The energy transition often demands new cooperative agreements, new technologies and new business models. For the transition to other energy systems, new infrastructure is needed for heat, electricity, hydrogen, CO<sub>2</sub> and steam. By realising this, Rotterdam will become a more attractive place for companies investing in clean production processes.

Europe's largest green hydrogen plant will be built on Maasvlakte II. The plant is expected to be operational in 2025.

**Law stated - 30 juli 2024**

## LEGISLATIVE FRAMEWORK AND REGULATION

### Development framework

#### Is there a legislative framework for port development or operations in your jurisdiction?

The Dutch legislator has not enacted specific public–private partnership (PPP) laws in the Netherlands. PPPs and privatisation are therefore undertaken pursuant to the government's general powers. However, port development concessions may be subject to European procurement rules pursuant to:

- Directive 2014/23/EU on the award of concession contracts (current consolidated version 1 January 2022);
- Directive 2014/24/EU on public procurement (current consolidated version 1 January 2022); and
- Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and telecommunications sectors (current consolidated version 1 January 2022).

The Dutch legislator has implemented these directives in a single act – the Dutch Public Procurement Act 2012 (amended 1 July 2016) – and generally requires contracting authorities to put port development concessions out to tender.

Law stated - 30 juli 2024

### **Regulatory authorities**

#### **Is there a regulatory authority for each port or for all ports in your jurisdiction?**

Every local municipal government issues regulations with regard to ports within their jurisdiction, such as the Port Management By-Laws. Some Dutch municipalities have chosen to harmonise their regulations with those of other municipalities in the region. The local regulations are only in addition to the various international and national safety and environmental rules applicable within all port areas and on waterways. International regulations are issued by the International Maritime Organization. An example is the International Convention for the Safety of Life at Sea 1974 (SOLAS) (with additions such as the International Maritime Dangerous Goods Code and the International Code for the Construction and Equipment of Ships carrying Dangerous Chemicals in Bulk). In addition, national regulations apply. Furthermore, on Dutch inland waterways, the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways and the Inland Waterways Police Regulations apply.

Law stated - 30 juli 2024

### **Regulatory authorities**

#### **What are the key competences and powers of the port regulatory authority in your jurisdiction?**

Regulatory authorities, such as the Dutch national legislator and the relevant municipalities, have wide regulatory powers with respect to all aspects of port regulation. Many safety and environmental rules, however, are derived from international conventions, often implemented in national laws. The harbourmaster enforces international, national and local laws and regulations in the ports.

Law stated - 30 juli 2024

### **Harbourmasters**

#### **How is a harbourmaster for a port in your jurisdiction appointed?**

The Minister of Infrastructure and Water Management and the municipal government have delegated certain public powers to harbourmasters. The harbourmasters of the ports of Rotterdam and Amsterdam are employed by the privatised port authorities. At the moment of privatisation of the port authorities, the port authorities concluded agreements with the national and local governments, which, among other things, stipulate that the appointment

of the harbourmasters of the Rotterdam and Amsterdam port authorities are subject to the approval of the respective municipal governments and of the Minister of Infrastructure and Water Management.

Law stated - 30 juli 2024

## Competition

### Are ports in your jurisdiction subject to specific national competition rules?

No. However, Regulation (EU) 2017/352 (the Port Services Regulation) (current consolidated version 28/05/2020) is applicable in the Netherlands. It regulates market access to port services. The Port Services Regulation applies to the provision of the following categories of port services, either inside the port area or on the waterway access to and from the ports:

- bunkering;
- cargo handling;
- dredging;
- mooring;
- passenger services;
- port reception facilities;
- pilotage; and
- towage.

Law stated - 30 juli 2024

## Tariffs

### Are there regulations in relation to the tariffs that are imposed on ports and terminals users in your jurisdictions and how are tariffs collected?

As the port authorities of large ports in the Netherlands have been privatised, these port authorities have set their own tariffs and lease prices. The port tariffs of the seaport dues are established annually by mutual agreement between the port authorities and the parties involved. Despite the monopoly that these port authorities enjoy with regard to the economic ownership of the land in the port areas, the government has decided not to introduce specific regulations.

Some port authorities are not privatised and are government agencies, and therefore part of the local government in which their ports are situated. Local governments are subject to the national Municipality Act and must adhere to certain fiscal principles when they levy harbour dues on vessels in ports within their jurisdiction. For example, they need to maintain clear substantial and non-discriminatory criteria for levying taxes.

The Port Services Regulation determines that the EU Regulation should not limit the managing body of the port in setting up its tariff system, provided that port infrastructure

tariffs are transparent, in particular easily identifiable and non-discriminatory, and contribute to the maintenance and development of infrastructure and service facilities as well as to the provision of services that are needed to perform or to facilitate transport operations within the port area and on the waterways giving access to those ports.

**Law stated - 30 juli 2024**

### **Tariffs**

**Are there restrictions relating to the currency applied to the tariffs or to any fees that are payable by a port operator to the government or port authority? Are any specific currency conditions imposed on port operators more generally?**

Port rates and tariffs in Dutch ports are calculated and invoiced in euros. The rates and tariffs imposed by Dutch ports, such as the Port of Rotterdam Authority and the Port of Amsterdam Authority, are stated in their respective general terms and conditions. Payment must be made in euros.

**Law stated - 30 juli 2024**

### **Public service obligations**

**Does the state have any public service obligations in relation to port access or services? Can it satisfy these obligations through a contract with a private party?**

The state has several public service obligations with regard to the operation and safety of the Dutch waterways and ports derived from international conventions – for example, those based on SOLAS – and from several EU Regulations and Directives, such as the Port Services Regulation. Some public service obligations may be satisfied by agreements and administrative licences given to private entities or persons outside the government, such as a privatised port authority. The Mayor of Rotterdam, for example, delegated his power as port safety officer to the harbourmaster, who is employed by the privatised Port of Rotterdam Authority.

**Law stated - 30 juli 2024**

### **Joint ventures**

**Can a state entity enter into a joint venture with a port operator for the development or operation of a port in your jurisdiction? Is the state's stake in the venture subject to any percentage threshold?**

Yes, this is possible and decided on a case-by-case basis. Although the government has committed to a policy of privatisation, it has formulated four policy conditions that must be fulfilled before the Dutch state may acquire shares in a private entity:

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the national public interests can only be safeguarded by acquiring a position in the private entity;

- these national public interests and how they can be safeguarded must be defined in a precise manner;
- the entity must be able to realise a return on investment; and
- there needs to be a periodic reassessment; if the circumstances leading to the decision to have the state invest in a private entity are no longer present, the government should, in principle, retreat from the private sector.

The Dutch state's investment in the port of Rotterdam is, however, regarded as one of its few permanent investments. Notably, over the last few years, the port of Rotterdam (although no longer a state entity) concluded several joint ventures with other commercial entities and foreign ports. The participations represented a combined value of €183.2 million on the balance sheet at year-end 2022. Examples of participations are joint ventures with the government of Oman regarding the SOHAR Port and Freezone, with the Brazilian company TPK Logística SA for the port development of Porto Central, and with the port authorities of Antwerp, Mannheim and Switzerland for research and cooperation in the area of liquefied natural gas terminals. PT Pelabuhan Rotterdam Indonesia is part of the Port of Rotterdam Authority and the Port of Rotterdam Authority owns 30 per cent of the shares in the rapidly expanding Brazilian port of Pecém.

**Law stated - 30 juli 2024**

## **Foreign participation**

### **Are there restrictions on foreign participation in port projects?**

In principle, there are no restrictions on foreign participation in port projects.

**Law stated - 30 juli 2024**

## **PUBLIC PROCUREMENT AND PPP**

### **Legislation**

#### **Is the legislation governing procurement and PPP general or specific?**

The legislation governing procurement in the Netherlands is based on European Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, and was implemented in the Netherlands in the Public Procurement Act 2012 (amended 1 July 2016) and its delegated legislation and guidelines.

With regard to port development, some more specific rules based on Directive 2014/25/EU (special sectors) are applicable to port development procurement.

There is no comprehensive legislative framework for public–private partnerships (PPPs) in the Netherlands. PPP projects are usually tendered, making use of existing procurement legislation. Dutch PPP projects are typically governed by standardised design–build–finance–maintain(–operate) (DBFM(O)) contracts (version 5.0).

Law stated - 30 juli 2024

### **Proposal consideration**

**May the government or relevant port authority consider proposals for port privatisation/PPP other than as part of a formal tender?**

There are no specific rules applicable to the privatisation of Dutch government entities. Privatisation of a port authority does not necessarily involve a formal tender. Assets previously owned by a local government may be transferred or leased in perpetuity to the newly formed independent port authority, but the government has retained a full ownership interest in the newly formed privatised port authority in Rotterdam.

Law stated - 30 juli 2024

### **Joint venture and concession criteria**

**What criteria are considered when awarding port concessions and port joint venture agreements?**

In many tender procedures, the award criterion is the most economically advantageous tender. Commonly used sub-criteria for the award of a project are the price (net present value), the risk management plan and the value of certain risks listed in the tender guidelines (listed risks) accepted by the private party. The award of port concessions and port joint venture agreements is frequently decided by the relevant port authority or commissioning authority. For example, with regard to the project to reclaim land from the North Sea (Maasvlakte II), the Port of Rotterdam Authority used the criteria below for the concession of a container terminal:

- the financial bid, including volume guarantees and revenue projections (40 per cent);
- the business plan; in other words, the degree to which the new terminal would attract new cargo to the port (25 per cent);
- the sustainability of the bid, including percentages of rail, truck and inland waterway modes of transportation that would be used (20 per cent); and
- the terminal concept, with regard to the efficiency and the quality of the proposed terminal (15 per cent).

Law stated - 30 juli 2024

### **Model agreement**

**Is there a model PPP agreement that is used for port projects? To what extent can the public body deviate from its terms?**

Nowadays, the Dutch government regularly opts for DBFM(O) contracts to realise large public works and transport infrastructure projects. All elements concerning the design, realisation and maintenance of a building project form an integral part of one contract to be commissioned by the commissioning party to the contractor. Distinctive for a

design–build–finance–maintain (DBFM) contract is that the financing of the building project is shifted to the contractor in exchange for regular payments as compensation during the running period of the contract. Since there is a link between the running period and the economic life of the realised works, the contract is usually concluded for a longer period (20 to 25 years).

A consortium is, in most cases, incorporated as a special purpose vehicle (SPV) to conclude and execute the contract for the port development with the commissioning party (government). An SPV is a private company with limited liability financed either by banks and equity capital or by loans from the government itself, all in exchange for shares in the company. It can be said that operating a port has become an interesting business, attracting the attention of large investment groups and equity fund managers.

The Dutch government issued a standard DBFM model agreement for large infrastructure projects initiated by the national government, but parties are free to deviate from this model. Furthermore, there are guidelines that provide a decision model with regard to whether a project is suitable for PPP and, if so, for DBFM. Recently, local governments have also experimented with a light version of DBFM for smaller port development projects.

For existing port areas, the relevant port authorities apply standard terms and conditions in their sublease agreements.

**Law stated - 30 juli 2024**

### **Approval**

**What government approvals are required for the implementation of a port PPP agreement in your jurisdiction? Must any specific law be passed in your jurisdiction for this?**

For the realisation of the project, a variety of permits may be required related to the environment, construction, and occupational health and safety standards. With regard to a DBFM agreement itself, a national government agency will need to obtain approval from the Minister of Finance. Under certain circumstances, large projects financed by the government may be regarded as state aid within the European context and, in these cases, approval from the European Commission is therefore sought before there can be substantial government investment in port areas. However, in May 2017, the scope of Regulation (EU) No. 651/2014 was extended to ports. Public investments of up to €150 million in seaports and up to €50 million in inland ports can now be made without the approval of the European Commission.

**Law stated - 30 juli 2024**

### **Projects**

**On what basis are port projects in your jurisdiction typically implemented?**

Relatively large projects may be implemented as DBFM(O) projects. Other projects can be implemented as a classic government procurement for works, as either a design–build project or a design–build–maintain project.

**Law stated - 30 juli 2024**

### Term length

Is there a minimum or maximum term for port PPPs in your jurisdiction?  
What is the average term?

There is no minimum or maximum term for concessions or PPPs. In the concession for a very large project involving a large investment from private parties, such as the newly built Maasvlakte II, a term of 60 years can be applied. Usually, concessions and lease agreements in port areas are concluded in 20 to 30 years. In principle, government agencies are free to determine the term. However, a term may be regarded as too long if it is not proportional to the investments that the concession holder is required to make (see ECJ 9 March 2006, C-323/03, *Commission v Spain*).

Law stated - 30 juli 2024

### Term length

On what basis can the term be extended?

In principle, the term may be extended if provided for in the concession, but this is not a standard approach.

Law stated - 30 juli 2024

### Fee structures

What fee structures are used in your jurisdiction? Are they subject to indexation?

With regard to the land rent of existing port areas, the port authority leases or subleases plots of the port area to private companies. On the basis of those lease agreements, the port authority may charge an occupancy fee for the site (fixed per square metre or per metre of quay length) and for the facilities (if applicable). These fees may be subject to discounts specifically negotiated with the port authority. Normally, the occupancy fee is revised annually according to inflation. Concessions of port terminals may contain cargo handling fees (revenue sharing).

Additionally, port authorities may collect harbour dues for the provision of services, which are calculated on the basis of several variables such as gross tonnage, the type of the vessel and the type of cargo. The quay dues or berthing fees, buoy dues and dolphin dues are based on a fixed fee per linear metre of the ship (overall length). The waste fees are based on the capacity of the main engine of a ship; exemption from the waste contribution is possible provided that a number of requirements are met.

Law stated - 30 juli 2024

### Exclusivity

## Does the government provide guarantees in relation to port PPPs or grant the port operator exclusivity?

Generally, the government does not provide any guarantees. A concession, lease or sublease agreement inherently grants exclusivity to a port operator for the duration of the concession, lease or sublease agreement.

Law stated - 30 juli 2024

### Other incentives

## Does the government or the port authority provide any other incentives to investors in ports?

The Rotterdam Port Fund (RPF) is an independent investment fund that was established at the end of 2016. It is an initiative by the port of Rotterdam and four private investors. The RPF invests in fast-growing companies that aspire to be a part of the transition to the port of the future. The five investors together put approximately €50 million into the fund. They want to finance fast-growing and innovative companies that have a relationship with the port sector. The Port of Rotterdam Authority aims to speed up the energy transition – the transition from a port aimed at fossil fuels to the use of renewable raw materials.

Companies that invest in the ports of Rotterdam and Amsterdam are being financially stimulated. This is done on an individual and tailor-made basis, depending on the business case at hand. For this purpose, the port authorities can make use of price mechanisms that are available to them. Companies that have a clearly negative impact on the environment or that focus on the storage and transshipment of fossil fuels are no longer offered any land in the Rotterdam and Amsterdam port areas.

Law stated - 30 juli 2024

## PORT DEVELOPMENT AND CONSTRUCTION

### Approval

## What government approvals are required for a port operator to commence construction at the relevant port? How long does it typically take to obtain approvals?

For every port construction project, several permits and decisions are required, which need to be obtained from local, provincial and national governments. These include construction permits, environmental permits, operational permits, land planning decisions and even permits to reclaim land, if applicable.

Law stated - 30 juli 2024

### Port construction

## Does the government or relevant port authority typically undertake any part of the port construction?

Although the government will always instruct private parties to perform construction projects, some projects may be fully financed by the government, as private financing may be difficult to obtain with regard to certain large projects. Furthermore, in some cases, the government or port authority will arrange necessary infrastructure (for example, connecting roads).

Law stated - 30 juli 2024

### **Port construction**

**Does the port operator have to adhere to any specific construction standards, and may it engage any contractor it wishes?**

Building, safety and labour legislation may impose construction standards upon contractors. These must be strictly adhered to in order to obtain relevant permits and to avoid administrative or even criminal liability. Independent certification is often included as a precondition of the validity of permits.

Law stated - 30 juli 2024

### **Port construction**

**What remedies are available for delays and defects in the construction of the port?**

The contractual remedies will be outlined in the agreement between the government or port authority and the contractor or will follow from the Dutch Civil Code. Should there be violations in environmental or safety standards, the relevant authorities may additionally have criminal or administrative sanctions at their disposal.

Law stated - 30 juli 2024

## **PORT OPERATIONS**

### **Approval**

**What government approvals are required in your jurisdiction for a port operator to commence operations following construction? How long does it typically take to obtain approvals?**

Several environmental and construction permits must be obtained from national and local authorities. Although this is a process that takes some time, several permits may be obtained during the building process to prevent considerable delays.

Law stated - 30 juli 2024

### **Typical services**

**What services does a port operator and what services does the port authority typically provide in your jurisdiction? Do the port authorities typically charge the port operator for any services?**

Key competences of the port authority are predominantly related to the operational side of the port. As an example, an overview of the key competences of the Port of Rotterdam Authority is given below.

- Planning and access of vessels in the port area: from two traffic control centres, the traffic service operators monitor all vessels that enter and leave the port of Rotterdam or travel through it.
- The harbourmaster's division checks whether vessels comply with shipping regulations concerning environment and safety. Measures are taken in the event of incorrect or unsafe actions. In addition, systematic checks are carried out to make sure shipping companies and agents comply with the statutory administrative reporting obligations.
- As the Port Security Officer in the port of Rotterdam, the harbourmaster holds the authority for security in the entire port on behalf of the Mayor of Rotterdam.

Under certain circumstances, the harbourmaster may grant permits, exemptions or approvals, or give directions. For example, the harbourmaster grants permits for the operation of communication vessels or for lashing containers on seagoing vessels. Furthermore, the harbourmaster may grant exemptions from certain provisions in the port regulations (eg, under certain conditions, it may be allowed to use anchors or disinfect vessels).

In addition to the public tasks outlined above, the port authorities typically conclude commercial lease agreements with port operators for which the port authorities charge tariffs. Furthermore, they may levy tariffs on vessels accessing their ports.

**Law stated - 30 juli 2024**

**Access to hinterland**

**Does the government or relevant port authority typically give any commitments in relation to access to the hinterland? To what extent does it require the operator to finance development of access routes or interconnections?**

Accessibility and interconnectivity of port areas is one of the policy commitments of the national government. Operators generally do not finance the main access routes as infrastructure is regarded as one of the public service obligations of the government. The national, provincial and local governments will instruct other parties to build main roads and other infrastructure, such as railways, connecting the port of Rotterdam with the European hinterland. Private access routes within the port area may be privately owned.

**Law stated - 30 juli 2024**

## **Suspension**

**How do port authorities in your jurisdiction oversee terminal operations and in what circumstances may a port authority require the operator to suspend them?**

A shutdown of operations (eg, due to an ongoing disaster or breach of cybersecurity), may be ordered by the relevant safety authorities (eg, the mayor of a larger town or city in the region of the port or environmental authorities, such as the harbourmaster).

**Law stated - 30 juli 2024**

## **Port access and control**

**In what circumstances may the port authorities in your jurisdiction access the port area or take over port operations?**

The relevant lease and concession agreements may contain a provision granting a contractual right of unrestricted access to the terminal grounds by personnel of the port authority. Authorised harbourmaster division personnel and other inspection agencies, such as the Human Environment and Transport Inspectorate and environmental and safety agencies, may also access port terminals regularly for inspection purposes when exercising public powers.

**Law stated - 30 juli 2024**

## **Failure to operate and maintain**

**What remedies are available to the port authority or government against a port operator that fails to operate and maintain the port as agreed?**

In addition to general contractual remedies, the government may have administrative sanctions at its disposal if such a breach would also entail incompatibility with permit conditions or safety and environmental regulations.

**Law stated - 30 juli 2024**

## **Transferrable assets**

**What assets must port operators transfer to the relevant port authority on termination of a concession? Must port authorities pay any compensation for transferred assets?**

Legal title to the land in key port areas rests with the municipality in which the port is located. The municipalities of Rotterdam and Amsterdam have concluded a master-lease agreement with the port authorities of Rotterdam and Amsterdam, effectively granting these public limited companies the economic ownership of the port area in perpetuity. The port authorities may sublease the land to private port operators to generate revenue, which can be done through a tender procedure. In principle, the port authorities are free to agree on a transfer arrangement with the port operator on a case-by-case basis. In many sublease

contracts, however, a provision is included that imposes an obligation on the service provider to return the land in the same condition as it was in when it was handed over to the port operator at the start of the lease period. Consequently, the port operator is under an obligation to remove any facilities owned by it on the land. Should the government or port authority wish to acquire any of these facilities, they may negotiate with the port operator whether any compensation will be paid for this transfer.

In the event of a (design–build–finance–maintain (DBFM)) public–private partnership project, a transfer of the facilities to the government is generally part of the DBFM agreement. The transfer usually takes place through a transfer certificate in which all the requirements (eg, refurbishment) and procedures for the transfer of these assets are laid out in detail.

**Law stated - 30 juli 2024**

## MISCELLANEOUS

### **Special purpose vehicles**

**Is a port operator that is to construct or operate a port in your jurisdiction permitted (or required) to do so via a special purpose vehicle (SPV)? Must it be incorporated in your jurisdiction?**

In the event of a design–build–finance–maintain (DBFM) project, the Dutch government requires the parties involved to establish a special purpose vehicle (SPV) in the form of a private limited company. Although this is not required by law, this will normally be a private limited company incorporated in the Netherlands. If no DBFM structure is applied, port operators may, in principle, construct or operate a port without establishing an SPV.

**Law stated - 30 juli 2024**

### **Transferring ownership interests**

**Are ownership interests in the port operator freely transferable?**

Generally, ownership interests in port operators are freely transferable. However, in the event that a new terminal were to be constructed and operated pursuant to a DBFM agreement, this may be different. In accordance with a change of control provision in the model DBFM agreement, the transfer of ownership interests in the SPV may be subject to approval from the government entity or port authority, if applicable. The commissioning authority may only refuse to grant this approval on limited predetermined grounds.

**Law stated - 30 juli 2024**

### **Granting security**

**Can the port operator grant security over its rights under the PPP agreement to its project financing banks? Does a port authority in your jurisdiction typically agree to enter into direct agreements with the project financing banks and, if so, what are the key terms?**

If external finance may be obtained under a public–private partnership (PPP) agreement, the port authority may agree to enter into a direct agreement with project financing banks. However, there have not been sufficient PPP port projects financed by banks to consider the direct agreement between the financing banks, contractors and the port authority as a standard approach.

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### **Agreement variation and termination**

#### **In what circumstances may agreements to construct or operate a port facility be varied or terminated?**

This primarily depends on the contractual arrangement with the contractor. For example, with regard to the Maasvlakte II container terminal, the Port of Rotterdam Authority has the right to terminate the contract in the event the terminal would cause a substantial shift of container volume from other terminals. A provision could be included that entitles the port authority to terminate the agreement at its convenience.

As a general principle under Dutch law, a party may request that the judge vary the agreement concluded in the event of unforeseen circumstances. This only applies if the circumstances are of such a nature that the other party, according to standards of reasonableness and fairness, may not expect the contract to be maintained in unmodified form. Only in truly exceptional circumstances will a court amend a contract on this basis. Although the parties cannot exclude this provision, the DBFM standard agreement contains an unforeseen circumstances provision with the aim of limiting the effect of this general principle of Dutch law.

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### **Contractual breach**

#### **What remedies are available to a government or port authority for contractual breach by a port operator?**

These are often defined in the contract with the port operator. They vary from termination to variation or dissolution of the agreement. For certain breaches, liquidated damages may also be defined in advance. In DBFM contracts, the remedies of the commissioning party are, however, restricted. The model contract restricts the remedies available to claiming specific performance before a competent court.

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### **Governing law**

#### **Must all port PPP agreements be governed by the laws of your jurisdiction?**

No, but usually this will be the case, as the model contracts used by the governments and their lawyers are based on the application of Dutch law. If banks are involved (DBFM), the loan documentation may be subject to English law.

Law stated - 30 juli 2024

## Disputes

### How are disputes between the government or port authority and the port operator customarily settled?

Generally, dispute resolution clauses will be included in the concession or lease agreements, which may confer jurisdiction on a civil court – or, alternatively, on an arbitral panel – for disputes that arise from or in connection with the agreement at hand. The standard DBFM agreement contains a choice of forum clause in favour of the jurisdiction of a Dutch court. The parties may also be required to enter into preliminary dispute resolution procedures as a precondition to seeking a binding judgment from a civil court.

Law stated - 30 juli 2024

## UPDATE AND TRENDS

### Key developments of the past year

#### Are there any other current developments or emerging trends that should be noted?

Cargo throughput in the port of Rotterdam remained virtually unchanged in the first half of 2024 compared to the same period last year. Cargo throughput reached 220.0 million tonnes. This is 0.3 per cent lower than in the same period in 2023 (220.7 million tonnes). The decline was mainly due to less handling of coal, crude oil and other liquid bulk. In contrast, throughput of iron ore and scrap, other dry bulk, mineral-oil products and containers increased. Container throughput increased by 4.2 per cent (in tonnage) and 2.2 per cent (in TEUs – Twenty-foot Equivalent Units) due to increasing (consumer) demand and an early peak season. Port of Rotterdam Authority investments were on track in the first half of the year. These include construction starting on the Porthos CO<sub>2</sub> transport and storage project, awarding of the contract for the construction of the Prinses Alexia viaduct, as well as investment in making the port of Rotterdam more digitally resilient.

There is a lot of construction going on at the Rotterdam port at the moment. The hydrogen pipeline is being constructed, the Porthos CO<sub>2</sub> transport and storage project is being built, and Shell's 200 MW hydrogen plant is emerging on the first conversion park. At the second conversion park, which has space for 1 GW of electrolysis, Zeevonk II will build an electrolyser. The hydrogen economy now seems to have really taken off. At the same time, there are also headwinds. For instance, it was recently announced that the construction of the Delta Rhine Corridor, which includes the hydrogen pipeline towards other Dutch and German industrial clusters, will be delayed by four years. This would greatly slow down the energy transition.

It is vital that everything possible is done to accelerate this process, with a view to increasing sustainability and the competitiveness of industry clusters in the Netherlands and Europe. High grid-connection costs, high electricity prices and regulations inhibiting energy transition are also causing delays. Decision-making relating to investments in hydrogen production is still lagging. There is, however, regulatory movement around the refinery route which will boost demand for green hydrogen. The port authority will continue to promote to the government the importance of a good investment climate. Meanwhile, shore power capacity in the port is growing, four parties are participating in the bidding process for the floating solar park on the Slufter and opportunities are being explored for further cooperation in the field of heat, the use of steam and the development of sustainable aviation through biofuels and hydrogen.

Steps are also being taken in the transition from fossil molecules to carbon-neutral molecules. The Port of Rotterdam Authority is currently developing a vision and strategy on its role in this raw materials transition. This examines not only the port's role in renewable fuel production, but also looks at critical materials. These are essential for achieving the energy transition, and also of great importance for the strategic independence of the Netherlands and Europe.

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