



POSTPONED MAY 2020 EXAMINATION SESSION

THURSDAY 16TH JULY 2020 – MORNING

SHIPPING LAW

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. An 18-month time charter party states that the hire is due on 14th of every month, and there is no anti-technicality clause contained in the contract. Charterers have been making the hire payments promptly on or before the due date. In the 9th month, the payment was delayed by one day, and the shipowners duly notified the charterers about the delay, indicating that the vessel will be withdrawn if there were to be a repeat of the delay in hire payment. In response, the charterers made the payment immediately.

In the 12th month the charterers have failed to make payment and have been notified by the shipowners that they are withdrawing the vessel with immediate effect. The charterers are looking to you for advice as to the payment obligations under a time charter party; if the shipowners can withdraw the vessel without further notice; and if the shipowners' actions constituted a breach. Use case law to support your answer.

2. A time charterparty provides for a duration of minimum 12 months plus 15 days more in charterers' option. On the last day of the 12th month of the charterparty, the charterers declared that they were exercising the option to extend the charter period by 15 days and carry out a final voyage, which it was estimated in good faith at the time the order was given, to last for not more than 7 days. Although the vessel departed on its voyage immediately, the voyage could not be completed in such time to be properly re-delivered at the agreed charterparty location in 15 days.

Analyse the options available to the owners of the vessel in respect of the charterers' voyage instructions with reference to suitable case law.

PLEASE TURN OVER

3. Answer **BOTH** parts of the question.

Compare and contrast the arrest of a vessel before the English Admiralty court

- a) for a cargo claim and
- b) for a salvage claim.

Use suitable case law to support your answer.

4. One of the passengers travelling on board an international cruise ship has been injured. The incident happened while they were reclining on the sun bed provided by the cruise operators, and they were injured due to no fault of their own. It later came to light that the operation and maintenance of the swimming pool and sun beds was conducted and supervised by a third party engaged by the owners of the cruise.

The passenger now seeks your advice as to any rights of recourse that they may have against the owners of the cruise ship, and/or any other party and in particular as to the circumstances in which the owners and/or any other party can limit their liability under the Athens Convention (Merchant Shipping Act 1995) and if so, as to the applicable limits under such Convention.

5. A vessel arrived at a loading port and tendered Notice of Readiness outside of the stipulated hours contained in the charter party to load a part cargo of sugar.

The vessel's holds were subsequently rejected by the inspectors and, after cleaning, the vessel loaded two separate parcels of sugar. The vessel then proceeded to the discharge port but could not proceed directly to the berth by reason of congestion. The charter party contained a WIBON Clause. Notice of Readiness was tendered and a few days later the vessel proceeded to the berth and discharged both parcels of cargo.

Please advise the owners as to their right to claim demurrage. Use case laws to support your answer.

6. The inclusion of a 'Himalaya Clause' into the bill of lading contract extends the defences available to the carrier to third parties to the bill of lading contract.

Critically discuss with reference to relevant case law examples.

7. Ship 'A' owned by the Liberian company 'C', sinks just off the United Kingdom coastline in heavy weather due to lack of up-to-date sea charts of the English Channel, taking its entire cargo with it. The charterer who is also the owner of the lost cargo is concerned that even if they succeed in the litigation, it may not be possible to recover any funds because it is believed that the owners of vessel 'A' have no other assets and in any event the vessel, which was carrying their cargo, was also lost. The cargo owner have now discovered that the Liberian company 'C' in fact, continues to own and operate a small tanker vessel, and have also purchased a new gas carrier. All of these vessels regularly trade in and out of United Kingdom ports. Advise the cargo owner as to their options in recovering their loss. Use case law to support your answer.

8. Answer **BOTH** parts of the question using case law to support your answers;

- a) Discuss the rationale and scope of limitation of shipowners' liability under the 1976 Limitation Convention;
- b) Identify the conduct that is necessary to debar the right to limit under the Convention.