



INSTITUTE OF
CHARTERED
SHIPBROKERS

POSTPONED MAY EXAMINATION SESSION

THURSDAY 9th JULY - MORNING

SHIP SALE & PURCHASE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Your principal is buying a secondhand vessel and asks you to represent them at the closing meeting. Describe and explain what documentation you will require to demonstrate your authority to act and what risks you should be aware of.
2. Shipbuilding contracts are typically supported by bank refund guarantees. Explain the purpose of these guarantees and describe who usually issues them.
3. Discuss why a shipbroker's role on a newbuild contract negotiation is fundamentally different from the role on a secondhand sale.
4. Ship sale and purchase transactions involve the remittance of large sums of hard currency (usually US Dollars or Euros) through the international bank payments system. Describe the problems that a shipbroker should be aware of in respect of such payments and explain how risks can be mitigated.
5. Describe and explain the role of Class in a secondhand vessel sale.
6. Saleform 1993 and 2012 contain provisions relating to the required condition of a vessel on delivery. Describe the required condition and discuss what the buyer's remedies are, if the vessel is found not to be in the required condition.

PLEASE TURN OVER

7. Answer **ALL** parts of the question:
 - a) Provide a detailed description of a VLCC tanker as would appear on a typical secondhand sale and purchase circular stating size, dimensions, machinery and other significant equipment and features.
 - b) Draw a profile and cross-section of the vessel and label the dimensions and other significant parts of the vessel.
 - c) On the world map provided show **THREE** typical trade routes of the vessel.

8. Your client would like to make an offer for a Capesize bulker on an outright basis. Draft a full terms offer for their approval.