



INSTITUTE OF
CHARTERED
SHIPBROKERS

NOVEMBER 2023 EXAMINATION SESSION
TUESDAY 21st NOVEMBER 2023 – MORNING

LEGAL PRINCIPLES IN SHIPPING BUSINESS

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Answer **ALL** parts of the question.

Discuss the following in the context of the International Conventions:

- a) Port State Control
- b) Arrest Convention 1952 and 1999
- c) Registration of Ships

2. Answer **ALL** parts of the question.

With respect to Bills of lading issued within the context of carriage of goods at sea, discuss the following:

- a) Paramount Clause
- b) Lien Clause
- c) Dirty Bills of Lading

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

There is an ongoing dispute between the owner of the vessel and its time charterer. There is an arbitration clause in the charterparty. Comment on the following:

- a) Can either the shipowner or the time charterer bypass the arbitration clause and take their dispute to the High Court of London?
- b) Are there any advantages of arbitration over litigation in the High Court of London?
- c) Charterers have invited the Owners to resolve the matter without arbitration and litigation. Is it still possible?

PLEASE TURN OVER

4. Answer **ALL** parts of the question.

In the context of law of Contract and Tort pursuant to English Law, discuss the following:

- a) Implied term of a contract
 - b) Innominate term of a contract
 - c) Tort of negligence
5. A time charterparty would usually contain a warranty pursuant to which a charterer can trade a vessel only between safe ports. Explain how such a warranty operates in practice, and discuss any practical difficulties that arise from the application of such a warranty?
6. Answer **ALL** parts of the question.

In the context of Law of Agency pursuant to English Law, discuss the following:

- a) Ostensible authority
 - b) Ratification
 - c) Duties of an agent
7. A vessel was chartered for a trip-time charter *"1 tct of 40 days via sp(s) sb(s) sa(s) ... from Rosario (Argentina) to Piraeus (Greece) with cargo of wheat..."* The warranted speed for the vessel in the charterparty was about 16 knots. Whilst on charter, the vessel gave an Estimate Time of Arrival ("ETA") of 10 June 2023 for the load port of Rosario but due to a main engine breakdown she did not arrive until 20 June 2023. The time charterer had to pay a penalty to the shippers at the load port due to the vessel's late arrival. Further, loading was delayed because of continuous breakdowns of ship's cranes, and whilst at the berth, the main engine was overhauled. The vessel then proceeded to the discharge port, but she could only achieve a good weather average speed of 14 knots against the warranted speed of 16 knots. The vessel was delivered to the owner in 52 days.

Advise the time charterer on the various legal issues with respect to the charterparty and the remedies available to them. Assume English law for answering the question.

8. A vessel was voyage chartered to ABC Ltd, which were also the shippers of the cargo of soya beans from Santos (Brazil) to Qingdao (China). The clause in the voyage charterparty provided for a reversible laytime. At the discharge port of Qingdao, the owner could not provide cranes on 22nd and 23rd August 2023 due to a fault in the generators of the vessel. The vessel was already on demurrage from 21st August 2023. Additionally, around 2000 MT of cargo was found damaged on arrival discharge port due to ingress of water in hold No. 3. The vessel had no ingress of water in other four of the five holds. On investigation, it was found that vessel suffered heavy weather for 10 days. Receivers have sued the owner pursuant to the bill of lading contract and threatened to arrest the vessel. The bill of lading provides for Hague-Visby Rules.

Advise the ship owner on the following issues:

- a) that are related to bill of lading to argue against the receiver, and
- b) of demurrage against the voyage charterer.

Assume English law for answering the question.