



INSTITUTE OF
CHARTERED
SHIPBROKERS

MAY 2024 EXAMINATION SESSION
WEDNESDAY 22nd MAY 2024 – 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 **ALL** of the following in the context of International Conventions.

- a) International Ship and Port Facilities Security Code (“ISPS Code”)
- b) MARPOL Convention
- c) Civil Liability Convention 1992 (“CLC 1992”)

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

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

- a) Letters of Indemnity.
- b) Sea Waybills.
- c) Examples of documents that sellers must present to the bank for obtaining payment pursuant to Letters of Credit.

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

With respect of time and voyage charterparties discuss **ALL** of the following.

- a) Anti-technicality Clause
- b) Hire
- c) Freight
- d) Justifiable Deviation

PLEASE TURN OVER

4. There is an ongoing dispute between the owner of a vessel and a voyage charterer. The voyage charterparty contains an arbitration clause that provides for arbitration according to London Maritime Arbitrators Association (“LMAA”) rules.

The charterparty also provides for English law and jurisdiction.

Discuss ALL of the following:

- a) The voyage charterer plans to bypass the arbitration clause and proceed to the local court in the place of incorporation of their company.
- b) Advise the voyage charterer of the advantages of arbitration over litigation and mediation.
- c) Due to the technical nature of dispute, the ship owner desires to appoint a non-lawyer as an arbitrator.

5. Answer ALL parts of the question.

In the context of English Law, discuss the following:

- a) Remoteness of Damage under law of tort.
- b) Exclusion Clauses in contract law.
- c) Misrepresentation.

6. Answer ALL parts of the question.

Discuss the following issues in relation to Notice of Readiness (“NOR”) in the context of voyage charterparties:

- a) The general requirements for a valid NOR
- b) The relevance of the phrase “whether in berth or not” (“WIBON”)
- c) Whether an invalid NOR becomes valid once the general requirements are met.

7. A container vessel while en route from Port Malacca (Malaysia) to Qingdao (China) experienced heavy weather/typhoon in the South China Sea in the month of June. As a result, the vessel suffered the loss of a life raft placed on the forward part of the vessel, one anchor and some cargo placed on deck was swept away. Railings around Hold No. 1 and hatch cover No 1 suffered extensive damage. As a result, the vessel was listing rapidly to port, and was quickly trimming by the head. The Master decided to jettison cargo overboard to ensure that the vessel was ready to go the port of Wenzhou for temporary repairs. After carrying out temporary repairs, the vessel completed the voyage. Discuss the legal issues and liabilities of owners, time charterers and cargo owners in relation to the above losses and ship additional expenses. Assume York Antwerp Rules are applicable to the issues.

8. Discuss the statement “once on demurrage, always on demurrage”.