



INSTITUTE OF
CHARTERED
SHIPBROKERS

NOVEMBER 2025 EXAMINATION SESSION
TUESDAY 11TH NOVEMBER 2025 – 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, using cases and examples to support your answer.
 - a) Discuss an anti-technicality clause in time charter parties.
 - b) Discuss whether a charterer can make deductions from freight payment by way of equitable set-off
 - c) Discuss the New Jason clause.

2. Explain EACH of the following terms.
 - a) Action in rem.
 - b) Innominate term.
 - c) Ratio decidendi.

3. Compare and contrast the Hague Visby Rules with the Hamburg Rules, highlighting the advantages and disadvantages of each.

4. Using relevant case law, explain ALL of the following:
 - a) Contributory negligence.
 - b) Tort of conversion.
 - c) Himalaya clause.

5. Discuss the ship owner's duty to provide a seaworthy ship under common law and under the Hague-Visby Rules.

PLEASE TURN OVER.

6. A vessel is chartered to load 20,000 tons of cement in Liverpool, UK. She is then to proceed to "one or two safe ports in East Mediterranean" where the cargo will be discharged. The charter-party provides for a one-day period for loading and another one day for discharging. Demurrage has been agreed at \$3,000 per day up to a maximum period of three days. On arrival at the loading port the vessel is directed to an anchorage to wait for a berth to become available. After the vessel anchors her master tenders a notice of readiness. Three days later the vessel berths, however as its cargo holds are found to need cleaning, loading is delayed by another day. The vessel eventually loads 18,000 tons of cement and sails for the discharge ports, having spent six days since her arrival at Liverpool, UK. The vessel stops to take on bunkers at Gibraltar, and later Limassol in Cyprus is nominated as the ship's port of discharge. On arrival at Limassol, Cyprus it is found that vessel's draft is too deep to allow the vessel to unload. The vessel is diverted to another port in Cyprus and the vessel berths on arrival at 20:00 that night.

Identify and discuss the legal issues arising from this scenario from the point of view of the shipowner and the charterer.

7. The vessel *Wave Breaker* is time chartered for six months. The charter party includes the following clause:

"Charterers to ensure that the last voyage will not exceed the maximum period of six months. If, however, Charterers send the vessel on a last voyage in excess of the maximum period of six months and the market rises above the charter party rate during this excess period, then hire will be adjusted to reflect the prevailing market level from the 30th day prior to the maximum period date until actual re-delivery of the vessel to the Owners"

Charterers gave a last order for a voyage, which was potentially illegitimate i.e., bringing the re-delivery date beyond the maximum period of six months, and Owners accepted the order. The *Wave Breaker* was redelivered six days late i.e. six days in excess of the six months maximum period. During these six days the prevailing market rate had risen above the charter party rate.

Charterers paid hire at the charter rate to the maximum period of six months, and at the increased market rate for the six days over the maximum period of six months. Owners however claim hire at the market rate for the 30-day period prior to the maximum period of six months in accordance with the re-delivery clause provisions.

Discuss whether Owners' claim under the clause would be enforceable.

8. A director of a ship owning company visits a shipbroking firm and meets with a shipbroker working for the shipbroking firm. Upon negotiation, the director and the shipbroker agree for the fixture of 75,000 tonnes of crude oil for one ship at "any price up to USD 175 per tonne". Following the meeting the shipbroking firm advises the ship owner that the shipbroker they had dealt with at their offices was not in a position to negotiate crude oil fixtures, since the shipbroker's employment and agency contract is being terminated and the shipbroking firm had already withdrawn all authority. The shipbroking firm further suggests that they could get a fixture for 75,000 tonnes of oil at the price of USD 150 per tonne.

With reference to the law of agency, explain and analyse the decisive events which would contribute towards the resolution of the matter under English law.