



INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2010 EXAMINATIONS

THURSDAY 22 APRIL – AFTERNOON

SHIP SALE & PURCHASE

Time allowed – Three hours

Answer any **FIVE** questions – All questions carry equal marks

1. Demolition sales are likely to increase with the planned IMO phase-out of single-hull tankers. Explain the payment documentation and delivery procedures for a tanker being sold for demolition with delivery India.
2. (a) Discuss in detail the content of the Norwegian Saleform (NSF 1993) 'Drydocking/Divers Inspection' Clause.

and

- (b) Using a ship transaction of your choice, set-out with reasons whether a Buyer should agree to a Divers Inspection or request a full Dry Docking.
3. With the proposed expansion of the Panama Canal and Container Operators showing interest in ever-increasing larger Container ships, address the following:-
 - (a) Produce both a written and sketched description of a Post-Panamax Container ship. Drawings must clearly illustrate dimensions and layout.

and

- (b) On the World Map provided outline the trading patterns for this size of Container ship including loading and discharge Ports.
4. The Arbitration Clause contained in the NSF 1993 can be initiated by either the Seller or the Buyer when a serious dispute arises during the sale and purchase of a second-hand ship. Explain in detail the content and workings of this Clause. Describe at least six (6) possible disputes that could result in this Clause coming into play.
5. As a Ship Sale and Purchase Broker, you must be fully conversant with the following terminology. Fully explain **ALL** of the following:-
 - (a) Errors and Omissions Insurance
 - (b) Notary Public
 - (c) "The Buyers shall inspect the vessel without opening up"
 - (d) KG Finance

6. Your Principals are purchasing a second-hand ship and have decided to change the Classification Society and Flag of Registry when they take delivery. Write an informed Report to your Principal with your recommendations for both Class and Registry. Your Report must cover the choice of Registries available to shipowners and the commercial advantages and disadvantages of each along with details on the various Classification Societies that serve the shipping industry.
7. Referring to the relevant Documentation Clause of MOA of your choice. Analyse all the required documents issued both ashore and on board by Buyer and Seller in a second-hand ship transaction of your choice. In addition to the documents detailed in the printed Clause, comment on any further documentation that a prudent Buyer would have negotiated to be included by way of an addendum to the original terms of the MOA.
8. 'Now is the time to order a newbuilding' - assess the validity of this statement.