



INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2011 EXAMINATIONS

TUESDAY 19 APRIL – MORNING

SHIPPING LAW

Time allowed – Three hours

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

1. The vessel *Moon*, while entering the port, collided with the stationary vessel *Star*. The vessel *Star* suffered damage and was dry docked for a considerable period of time, and was subsequently repaired. The Owners of the vessel *Star* claim that they have lost a lucrative time charterparty contract as a result. Please advise the Owners of the vessel *Star* as to the liability of the *Moon* for such damage, the quantum of recoverable damages and whether any security can be obtained from any relevant party.
2. Using relevant case laws, answer **BOTH** questions:
 - (a) In what circumstances is a safe port warranty implied in time and voyage charter parties?
 - (b) What is a *lien* and *cesser* clause intended to achieve and how are such clauses construed under English law?
3. More than 20 countries signed the Rotterdam Rules in 2009. Whilst some people consider the Rules to be the answer to the perceived shortcomings of The Hague, Hague-Visby and Hamburg Rules, others view The Rotterdam Rules with scepticism. The United Kingdom is currently one of the countries that have not signed the Rules to date. Explain whether, in your view, the Rotterdam Rules will or will not be beneficial for the requirements of modern shipping and whether the Rules should or should not be adopted.
4. The vessel *Wave* was chartered on the NYPE 1946 form for a time charter trip. The warranted speed was 12.5 knots. The charter contained the standard printed off-hire clause 15. En route to the load-port the *Wave* gave an ETA of 1st April but due to a main engine breakdown she did not arrive until 10th April. The Charterers had to pay a penalty to the Shippers due to the vessel's late arrival. Loading was delayed because of continuous breakdowns of ship's cranes, and, whilst at the berth, the main engine was overhauled. The *Wave* then proceeded to the discharge port but she could only achieve an average speed of 10 knots.

Please advise Charterers of their legal rights.

5. Discuss the concept of an 'arrived' ship in relation to port and berth charterparties and any relevant case law. Under what circumstances may damages for detention be claimed by Owners and how does this differ from the demurrage regime.

please turn over

6. One of the passengers travelling on board an international ferry has been injured. The incident happened while she was reclining on the sun-bed provided by the ferry operators, and she was injured due to no fault of her own. It later came to light that the operation and maintenance of the swimming pool and sun-beds was conducted and supervised by a third party engaged by the Owners of the ferry.

The passenger now seeks your advice as to any rights of recourse that she may have against the Owners of the ferry, and/or any other party, and in particular as to the circumstances in which the Owners and/or any other party, can limit their liability under the Athens Convention (Merchant Shipping Act 1995) and if so, as to the applicable limits under such Convention.

7. Who has the right to limit liability, and for what type of claims may limitation be sought under the 1976 London Convention (Sections 17 and 18 of the Merchant Shipping Act 1995)?
8. Discuss how environmental concerns over the last few decades have affected the evolution of the laws, rules and regulations regarding salvage operations.