



INSTITUTE OF
CHARTERED
SHIPBROKERS

NOVEMBER 2022 EXAMINATION SESSION
THURSDAY 24th NOVEMBER 2022 – AFTERNOON

SHIPPING LAW

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Can a stevedore invoke Article IV *bis* (2) of the Hague-Visby Rules, which provides that if a claim is brought against the servants and agents of the carrier in relation to cargo claims, the servant and agents are entitled to the same defences as are available to the carrier itself, and that such defences are not available to independent contractors? Discuss, using suitable examples to support your answer.
2. The vessel 'Water' arrived at a loading port and tendered NOR outside of the stipulated hours contained in the Charterparty to load a part cargo of sugar. The inspectors subsequently rejected the vessel's holds, as they were not fit to receive the cargo of sugar. After the holds were cleaned the vessel loaded two separate parcels of sugar, and set sail to the discharge port.

Upon arrival at the discharge port, the vessel could not berth due to congestion. The Charterparty contained a WIBON Clause. Notice of Readiness was tendered and 7 days later the vessel proceeded to the berth and discharged both parcels of cargo.

Using suitable case law reference in your discussions, advise the shipowners as to their right to claim demurrage for the delays arising at the load port, and at the discharge port.

PLEASE TURN OVER

3. Answer **BOTH** parts of the question with suitable case law reference.
- a) Discuss the reasons for limitation of liability and the development of the limitation Conventions.
 - b) Discuss the conduct that will bar a person's right to limit their liability.

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

Discuss with suitable case law reference:

- a) What is 'hire' in time charters, and when is it payable?
 - b) How is 'freight' in voyage charters different from hire and when is it payable?
5. A time charterparty provides for a duration of minimum 18 months plus/ minus 15 days in charterers' option. On the last day of the 18th month of the charterparty, the charterers declared that they were exercising the option to extend the charter period by 15 days and carry out a final voyage, which it was estimated in good faith (at the time the order was given), to last for not more than 8 days. Although the vessel departed on its voyage immediately, the voyage could not be completed in such time to be properly re-delivered at the agreed charterparty location in 15 days.

Analyse the options available to the owners of the vessel in respect of the charterers' voyage instructions with reference to suitable case law.

6. Answer **BOTH** parts of the question.

In the case of the 'Timna' it was said "It is a good working rule...to give Notice of Readiness and to go on giving such notices in order that, when later the lawyers are brought in, no one shall be able to say; "If only the Master had given Notice of Readiness, laytime would have begun and the Owners would now be able to claim demurrage".

Discuss the above statement, with particular reference to:

- a) when laytime starts for both port and berth charterparties;
- b) what happens if the Notice of Readiness is invalid.

7. Company X owned vessel A, which was the subject of a cargo claim. Prior to the initiation of any legal proceedings by the cargo interests, Company X sold their vessel, and later purchased vessel B. During her first voyage, vessel B was involved in an accident and was salvaged successfully. Both the cargo claimants of vessel A, and the salvors of vessel B would like to know if they could arrest either vessel A or B to enforce their claims.

Advise both the cargo claimants and the salvors accordingly.

8. Discuss the salvor's entitlement to reward under Article 14 of the Salvage Convention 1989 and their level of remuneration in comparison with a reward under Article 13. Use case law to support your answer.