


Unusual definitions of a shipbroker

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As it approaches its centenary, the Institute of Chartered Shipbrokers looks back at its aims

THOMAS Devitt of shipowners Devitt and Moore gave his opinion of a shipbroker's attributes more than a century ago: "A shipbroker was born and not made, as he had to possess so many qualifications, and above all had to be a man of action and capable of holding the balance between his clients effectively and intelligently."

At the launch of the Institute of Chartered Shipbrokers more than 100 years ago, Howard Houlder, founder of the shipbroking firm of the same name, said: "A shipbroker must be diligent and painstaking, and careful in carrying out the instructions of his principal.

"The work of the broker should be lifted from a mere haphazard trade into the dignity of a profession."

He went on: "He would be good-looking and of imposing presence. He should be physically strong, athletic and have a first-class education."

To laughter from the audience, he added: "He must know everything; he must be a fluent talker. He must have the faculty of clear expression, and in what he says, he must be to the point."

Other qualities include infinite tact, caution and watchfulness, said Mr Houlder.

"He must be careful in advice, giving it more by suggestion than otherwise, so that when the decision is arrived at, it is due not to the skill of the broker, but to the wisdom of the owner who arrives at the decision."

The institute was established in 1911. It received its Royal Charter in 1920. Other professional bodies have been established longer — naval architects in 1860, accountants and surveyors in the 1880s — and some not as long — the Royal Institute of Navigation was formed in 1947 and was granted Royal Charter in 2007.

All these august bodies were founded to fill a need, usually educational.



Julie Lithgow: director of the Institute of Chartered Shipbrokers.

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In the shipbroking community, the institute was established to put together a basic mixture of industry knowledge, procedures and ethics.

At that time, most of the world's shipping contracts were concluded in London's Baltic Exchange. There was a daily congregational mix of shipbrokers, shipowners and charterers.

Verbal deals were struck and, when the day's session closed, the brokers would return to their offices and draw up contracts that accurately reflected the day's negotiations. This activity of trust was embraced within the Baltic's motto: our word, our bond.

With its mentoring and educational aims, the institute adopted the same motto to underline its ethical and professional aims.

On the educational side, annual examinations were introduced to test applicants on their knowledge of the industry. Successful candidates were entitled to call themselves chartered shipbrokers. A further set of exams could elevate them to become fellows of the institute.

At first, membership of the institute was restricted to residents of the UK. But in the early 1980s, the ruling council decided to open the institute to citizens of any country in the world and also to company membership.

At the same time, it embraced the whole profession of shipbroking. This included chartering, port agency, sale and purchase, liner chartering and so on. This led to changes in the bylaws, which became part of the institute's new Supplemental Charter, presented in 1984 and approved by the Privy Council.

This occasion led ultimately to the establishment of numerous branches on every continent. The institute's distance-learning courses were introduced and examination centres established. Its publications have 16 titles in its educational arsenal, covering all the exam subjects, many updated and reprinted every year as the industry evolves.

In its early days, in 1915, the institute appointed 170 members and membership increased to 237 in the next year.

In April 2013, there were more than 6,000 exams due to be sat, by more than 2,600 students, in 96 examination centres worldwide.

Nowadays, with six years to go before the centenary of its Royal Charter, it has extended its reputation as a uniquely professional body in its field.

Its source of first-class maritime knowledge has been spread to all emerging maritime centres abroad.

The success of the Institute of Chartered Shipbrokers has been remarkable. It has truly come a long way.

The Institute of Chartered Shipbrokers represents shipbrokers, ship managers and agents throughout the world.

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