



THURSDAY 24th MAY – AFTERNOON

SHIPPING LAW

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. How do the various functions of the Bill of Lading operate to facilitate the transportation of the cargo by sea; and in the transfer of its ownership from the seller to the buyer, while preserving the rights of the parties to sue?

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

The vessel was chartered on the NYPE Form 93 for 18 months, with amendments and rider clauses. The vessel was described as having 3 cranes and 5 holds. The amended charter party contained a rider clause requiring the owners to give 36-hour notice before proceeding to withdraw the vessel in the event of non-payment of hire charges.

During loading operations one of the cranes broke down and the runner wire of another one snapped, which caused considerable delays to the loading operation. The charterers were constrained to use a less efficient shore crane to complete the operations. They have placed the vessel off-hire.

The charterers have delayed the payment of hire while the vessel was *en route* to the discharge port. The owners are of the view that “delayed payment is no payment” and are intending to issue the charterers with a 36-hour notice.

Advise the owners:

- a) If the charterers are entitled to put the vessel off-hire
 - b) Whether they are entitled to issue a 36-hour notice with the intention of withdrawing the vessel from the charterer’s service
3. What are the advantages of the ‘*in rem*’ procedure as against the ‘*in personam*’ procedure? What are the aims of the ‘*in rem*’ procedure? Using suitable examples, discuss the UK statutory provisions which set out the ‘*in rem*’ procedure.
 4. A cargo claim arose in relation to a vessel owned by a company. The company then sold the vessel and bought a second vessel. The second vessel had an incident and was salvaged successfully. Please advise the cargo claimants and the salvors whether they can arrest either vessel by reference to statutory provisions.

PLEASE TURN OVER

5. It is often stated that the incorporation of a Himalaya Clause into the Bill of Lading contract extends the defences that are available to the carrier to other parties. Discuss this with reference to the relevant case laws.
6. Answer **BOTH** parts of the question.
 - a) Explain the rules regarding 'limitations of liability', and when can a shipowner limit his liability?
 - b) What conduct will bar a person's right to limit his liability?
7. A vessel was chartered to a company under the NYPE form for 12 months. In the middle of the time charter, the company sub-chartered the vessel to load a cargo for a voyage between New Orleans and London and the laycan was 1st -5th April. The vessel arrived at New Orleans on 6th April and the inspectors refused to pass the vessel's holds for loading. The owners wished to withdraw the vessel because of non-payment of hire by time charterers, and sub-charterers wanted to cancel the voyage charter party. Please advise both owners and sub-charterers of their rights.
8. Answer **BOTH** parts of the question.
 - a) What is necessary in the case of a berth charter **AND** a port charter in order to start the running of laytime?
 - b) In what circumstances can laytime start to run if the notice of readiness (NOR) is invalid when tendered?