



INSTITUTE OF
CHARTERED
SHIPBROKERS

THURSDAY 23rd 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. On a Friday, a vessel while loading her cargo of grain was arrested for non-payment of crew wages. By Monday another creditor of the vessel had joined the action, claiming non-payment for repairs carried out while the vessel was dry-docked a year before.

The creditors are convinced that their claims are sustainable under UK Laws, but not sure about where the liens ranked. Discuss the procedures to be followed before the Admiralty Court and the ranking of the liens, supporting your answer with suitable case law examples.

2. Discuss the main functions of a bill of lading using examples of the relevant case law to support your answer.
3. Article IV bis (2) of the Hague-Visby Rules, 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 himself, and that such defences are not available to independent contractors. Using suitable examples, discuss if a stevedore can invoke the above provision to their advantage.
4. Compare and contrast a shipowner's duty to provide a seaworthy vessel under the common law and the Hague-Visby rules. What consequences are there for a shipowner under the Hague-Visby rules if they fail to provide a seaworthy ship and there is damage due to an accidental fire?
5. Discuss in what circumstances a claimant would contemplate the following actions before the Admiralty Court in England to obtain a freezing order (formerly known as Mareva injunction).

PLEASE TURN OVER

6. A Vessel was time chartered for 12 months plus or minus 15 days. The off-hire clause of the CP read as follows:

'...in the event of loss of time from deficiency of men or stores, fire, breakdown or damages to hull, machinery or equipment, grounding, detention by average accidents to ship or cargo, drydocking for the purpose of examination or painting bottom, or by any other cause preventing the full working of the vessel, the payment of hire shall cease for the time thereby lost; and if upon the voyage the speed be reduced by defect in or breakdown of any part of her hull, machinery or equipment, the time so lost, and the cost of any fuel consumed in consequence thereof, and all extra expenses shall be deducted from hire.'

While cargo was being discharged, the runner wire in one of the ship's cranes snapped, which resulted in slowing down the operations. While the technicians were attending to the crane, the engine broke down, which left her powerless. Once in full operation, she was able to complete discharge, and after a brief delay was able to set sail to the load port.

The charterers have now proceeded to set the vessel off-hire for 2 days, on the grounds that she was not fully operational for the said period and have deducted 2 days hire charges from the following months hire payment. The shipowners intend to challenge the above deductions.

Advise the shipowners using suitable case law examples to support your answer.

7. 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 with particular reference to ;

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

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 examples to support your answer.