



INSTITUTE OF
CHARTERED
SHIPBROKERS

MAY 2023 EXAMINATION SESSION
WEDNESDAY 17th MAY 2023 – AFTERNOON

SHIPPING LAW

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. The tanker vessel STAR was successfully salvaged under the LOF 2020 terms, and the salvors prevented any leakage of the cargo of crude oil on board into the sea. Environmental activists have praised the salvors' efforts in minimising any damage to the surrounding environment, as it was crucial for the salvage operation. Please advise the salvors as to the basis of their remuneration with reference to the Salvage Convention 1989.
2. Do you think it is necessary to have withdrawal clauses in time charter party contracts with regard to late payment of hire? Discuss critically with reference to relevant case law.
3. Vessel STAR collided with the stationary vessel DIAMOND while entering port. DIAMOND suffered damages and was dry-docked for 4 months to undergo repairs. The owners of the DIAMOND claim that they have lost a lucrative time charterparty contract as a result of the collision and being dry docked for a lengthy period of time. Discuss the liability of the vessel STAR for such damage caused, and the quantum of recoverable damages. Use case law to support your answer.
4. Discuss the advantages and disadvantages of mediation and arbitration, to that of a litigation before a court in commercial matters. Include in your answer references to the different types of dispute resolution offered in various centres of arbitration for maritime disputes.
5. Under common law, the charterer is under an implied obligation to nominate a safe port. The English courts have held that "*what constitutes a safe port*" purely depends on the circumstances of each case. Discuss the legal principles and "circumstances" which courts will consider while deciding if a port is safe or not.

PLEASE TURN OVER

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

Using suitable case laws, discuss:

- a) Laytime
- b) Demurrage

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

A passenger travelling on board an international cruise ship has been injured whilst reclining on a sun bed provided by the cruise operators, due to no fault of their 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 shipowners. The passenger now seeks your advice on the following:

- a) the rights they may have against the shipowners of the cruise, and/or any other party; and
- b) the circumstances in which the shipowners and/or any other party may be allowed to limit their liability under the Athens Convention 1974 (Merchant Shipping Act 1995).

8. Answer **BOTH** parts of the question with reference to case law.

- 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?