



EXAMINER'S REPORT

MAY 2025

SHIPPING LAW

Q1. Answer BOTH parts of the question: a) Critically discuss how Article III of the Hague-Visby Rules regulate the responsibilities of carriers, and b) what rights and immunities are available to the carrier in cases of cargo loss or damage? Support your answer with relevant case law reference for which marks will be awarded.

A two-part essay type question on Article III of the H-Visby Rules and immunities available to the carrier. Students were expected to be familiar with the provisions of the Hague-Visby Rules, and on how the Hague-Visby Rules grants a set of rights and immunities to the shipowner in return for a set of obligations towards the cargo interest. Answers were to contain **a)** a detailed discussion on responsibilities of a carrier under Article III, Rules 1, 2, and 3 – seaworthiness, care for cargo, issuance of B/L, and **b)** the rights and immunities conferred on the shipowners under Article IV Rule 2 of the Hague-Visby Rules, outlining the list of exceptions upon which the carrier is permitted to rely if a claim is brought against them under Article III(1); the list being *acts of god, perils of the sea, riots and civil commotions, act of war, etc.*, to name a few. Discussions were also to focus on how it creates a system of 'checks and balances' by obligating the shipowner to care for the cargo carried on board the vessel.

Quality of illustrations, both case laws (*The Muncaster Castle* [1961]; *Albacora SRL v Westcott & Laurence Line Ltd* [1966]; *The Bunga Seroja* [1996]; *The Hill Harmony* [2001]; *Volcafe Ltd v CSAV* [2018]) and examples – the cited in the study material/ textbook and student's own choice. General structure and quality of answers - dealing with the issues individually and critically using relevant case laws and references.

Q2. Trading Company A entered into a contract with Shipping Company B to transport machinery from London to Dubai aboard the MV Horizon. During transit, MV Horizon experienced engine failure due to poor maintenance, leading to significant delays. As a result, the machinery arrived three weeks late, causing Trading Company A to incur financial losses due to penalties from their buyers. Trading Company A have now filed a claim against Shipping Company B for damages arising from the delay. However, by the

time legal proceedings began, MV Horizon had left UK waters. It now transpires that another vessel owned by Shipping Company B, namely, *MV Neptune Star*, has docked in Southampton. Critically discuss what legal principles govern sister ship arrest in the UK, and if Trading Company A can arrest *MV Neptune Star* to secure their claim against MV Horizon? Support your answer with relevant case law reference.

A problem scenario touching upon arrest of sea going vessels and *in rem* procedures. Students were expected to be familiar with UK laws with regards to arrest of vessels (Arrest Convention/Merchant Shipping Act), and the procedures involved before the UK Admiralty courts. Students were to present a detailed discussion of the *in rem* procedure before the Admiralty courts to effect a 'sister ship arrest' with reference to the facts at hand, especially touching upon common ownership, *i.e.*, owned by the same business entity. Reference was to be made to Sections 20 & 21 of the Senior Courts Act 1981 and the Arrest Convention 1952, with regards to arrest, together with relevant case laws. The students were also to be aware that the UK is a signatory to the Arrest Convention 1952, and not 1999.

Case laws and examples cited in the study material/ textbook and student's own choice. Case Laws: *The Banco* [1978]; *The Evpo Agnic* [1988], *The Anna H* [1995]; *The Alkyon* [2018]. Answers are to be well structured, dealing with the issues individually and critically using relevant case laws and references.

Q3. Critically evaluate the legal status of straight bills of lading versus negotiable (order) bills of lading under UK law. Discuss with reference to relevant case laws.

An essay type question on the legal status of straight bills of lading versus negotiable bills of lading. Students were expected to be familiar with the status and functionality of straight bills of lading versus negotiable/ order bills of lading. The students were to carry out an analysis of **a)** the legal status of a non-negotiable straight bills of lading and to what extent they function as a document of title, and **b)** the legal status of a negotiable/ order bill of lading – their transferable nature, allowing multiple sales while the cargo is in transit, *etc.* Discussions were to include how a document of title functions, *i.e.*, how they are fully transferable through endorsement and delivery, thereby allowing transfer of ownership during transit; the rights and liabilities of parties – holders right to sue (COGSA 1992) it creates a system of 'checks and balances' by obligating the shipowner to care for the cargo carried on board the vessel.

Quality of illustrations, both case laws (*Sanders Bros v Maclean* (1883); *The Rafaela S* [2005]; *Motis Exports v Dampskibsselskabet AF 1912 A/S* [2000]) and examples – the cited in the study material/ textbook and student's own choice. General structure and quality of answers - dealing with the issues individually and critically using relevant case laws and references.

Q4. Answer BOTH parts of the question. Company A time chartered the bulk carrier *MV Freedom* for six months from its owners Oceanic Carriers. The charterparty includes a standard

off-hire clause, stating that: *'In the event of loss of time from deficiency of men, breakdown of machinery, damage to hull, detention by authorities, or any other cause preventing the full working of the vessel, the hire shall cease for the time thereby lost.'* After three months of service, *MV Freedom* suffers a main engine failure while discharging cargo at the Port of Southampton. Repairs take seven days, during which the vessel is unable to perform its charter obligations. Company A claims that the vessel is off-hire for the entire repair period, refusing to pay hire for those seven days. On the other hand, Oceanic Carriers argue that the breakdown was due to latent defects in the engine that were not due to their negligence, and therefore, the vessel should remain on-hire. Critically analyse if **a)** the *MV Freedom* was off-hire for the period of repair under the off-hire clause and Company A is entitled to withhold hire payments, and **b)** the legal implications of 'latent defects' in the context of an off-hire dispute. Support your answer with relevant case law reference.

A problem scenario touching upon off-hire and latent defect in time charterparty operations. Students were expected to be familiar with primary obligation of payment of hire charges under time charterparties, and how payment is to be made promptly. Students were expected to carry out a detailed analysis of the scenario, followed by a discussion on payment of hire charges under time CPs, **a)** if the *MV Freedom* was off-hire for the entire period under the off-hire clause and if the charterers could withhold hire payments – it is important to note that the burden is on the charterer to prove that the event is within the scope of the off-hire clause, and **b)** the consequences of the legal argument of 'latent defect' by the shipowners, *i.e.*, the engine failure arose not because of their fault, and if could help avoid off-hire deductions.

Case laws and examples cited in the study material/ textbook and student's own choice. Case Laws: *The Laconia* [1976] 1 Lloyd's Rep 395; *Royal Greek Government v Minister of Transport (No1)* (1949) 82 Lloyd's Rep 196. Answers are to be well structured, dealing with the issues individually and critically using relevant case laws and references.

Q5. Answer ALL parts of the question. On a foggy evening in the English Channel, the container ship MV Sea Falcon, collided with the bulk carrier mv Ocean Breeze. The collision results in significant hull damage to both vessels, loss of cargo from mv Sea Falcon, and oil pollution affecting the nearby coastline. An investigation reveals that mv Sea Falcon was navigating at excessive speed given the poor visibility, while MV Ocean Breeze failed to maintain a proper lookout. Both shipowners have now filed claims against each other for damages. On the other hand, the UK authorities are contemplating initiating legal proceedings for environmental damage caused by the oil spill. Assess critically the potential liabilities of the owners of mv Sea Falcon and MV Ocean Breeze arising under UK laws. a) Assess critically the potential liabilities of the owners of mv Sea Falcon and MV Ocean Breeze arising under UK laws and advise b) Advise the shipowners of their legal rights and the remedies available under the given circumstances, c) Discuss the remedies available to the affected cargo owners d) Discuss the remedies available to the UK port authorities for the environmental damage arising from the oil spill. Support your answer with relevant case law reference.

A problem scenario on the application of COLREGS to a collision action. Students were expected to be familiar with the general principles of Collision Regulation (COLREGS), and the liabilities arising therefrom; Maritime Conventions Act 1911; Merchant Shipping Act 1995; CLC 1992. Students were to carry out detailed discussion on the collision regulation – breach of Rule 5 (lookout); and breach of Rule 6 (Safe Speed); and the principles of liability. Also, pursuant to section 1(3) of the Maritime Conventions Act 1911, where both ships are at fault, is liability to be apportioned according to the degree of fault? Students are expected to be aware that most maritime liabilities arise out of some form of negligence and that most cause of action would be covered under the tort of negligence. Importantly, the students are also to discuss if the UK authorities can bring civil action for clean-up costs under Merchant Shipping Act 1995?

Case laws and examples cited in the study material/ textbook and student's own choice. Case Laws: (*The Leverington* (1886); *The Vasilefs* [1921]; *The Empire Jamaica* [1957]; *The San Nicolas and Fraternity L* [1994] 2 Lloyd's Rep 582; *Evergreen Marine (UK) Ltd v Nautical Challenge Ltd* [2021] UKSC 6; *Nordlake v SeaEagle* [2015] EWCA Civ 16. Answers are to be well structured, dealing with the issues individually and critically using relevant case laws and references.

Q6. Answer BOTH parts of the question. Global Commodities voyage chartered the tanker MV Ocean Wave from Blue Horizon Shipping for transportation of crude oil from Houston to Rotterdam. The charterparty stipulates as follows: *Laytime: 72 hours for loading and 72 hours for discharge. Demurrage rate: \$25,000 per day or pro rata.* Upon arrival at the Port of Houston, MV Ocean Wave is forced to wait 48 hours before a berth becomes available due to port congestion. Once berthed, loading takes an additional 96 hours over and above the agreed 72 hours. At Rotterdam, the vessel arrives on time but is delayed for 36 hours due to a strike by port workers before discharge begins. The discharge itself takes 80 hours instead of 72 hours. Blue Horizon Shipping has submitted a demurrage claim for 7 days and 20 hours for the extra time taken during the loading and discharge operations. But Global Commodities are refusing to pay, arguing that the delays were 'beyond their control'. Critically analyse and advise the parties on a) the total demurrage payable under the charterparty terms, b) whether Global Commodities could reject the demurrage claim arising out of delays caused by port congestion and strikes. Support your answer with relevant case law reference for which marks will be awarded.

A problem scenario on demurrage claim arising under a voyage charterparty contract. Students were expected to be familiar with the voyage charter party operations and when can a vessel be deemed to be on demurrage and their legal position. A detailed discussion was to be carried out to determine if the vessel could be deemed to be on demurrage taking into consideration the factual details of the port congestion and strike action at the port of loading and discharge. If the answer were to be in the affirmative, are the calculations correct, and can the shipowners claim demurrage for 7 days and 20 hrs.

Quality of illustrations, both case laws and examples – the cited in the study material/ textbook and student's own choice. Case laws and examples cited in the study material/ textbook and student's own choice. Case Laws: ***The Fanis (1993)***. Answers are to be well structured, dealing with the issues individually and critically using relevant case laws and references.

Q7. Answer BOTH parts of the question: Critically discuss a) the legal rationale for limitation of liability in maritime law and its significance for shipowners and claimants with reference to 1976 LLMC Convention and the 1996 Protocol, and, and b) the effectiveness of the 'recklessness and personal fault' exception in preventing shipowners from unreasonably escaping liability. Support your answer with relevant case law reference.

A two-part essay type question on **a)** the legal rationale for limitation of liability and **b)** the effectiveness of the 'recklessness and personal fault' exception in preventing shipowners from unreasonably escaping liability. Students were expected to be familiar with the provisions of the two limitation conventions and carry out a preliminary discussion of the two conventions and their objectives. Students were to carry out a detailed discussion on **a)** the historical background and legal rationale for limiting shipowners' liability in maritime law and the key differences in the liability limits between the 1976 Convention and the 1996 Protocol, including the methods used to calculate limitation amounts, and **b)** the application of the 'recklessness and personal fault' exception under both regimes – has the 1996 Protocol made it easier for claimants to break liability limits? The discussions were to also include a note if further amendments or reforms are needed to adapt the limitation of liability framework to modern maritime risks.

The students were expected to use both case laws and examples in their discussions – those cited in the study material/ textbook and student's own choice. Case Law: ***The Bramley Moore [1964]***; ***The Aegean Sea [1998]***; ***The Cape Bari [2016]***; ***The Atlantic Confidence [2016]***. General structure and quality of answers - dealing with the issues individually and critically using relevant case laws and references.

Q8. The vessel Ocean Wave was successfully salvaged under the LOF terms and in particular the salvors prevented any leakage of the cargo of oil on board into the sea. Please advise the salvors as to the basis of the remuneration with particular reference to the Salvage Convention 1989. Support your answer with relevant case law reference.

A problem scenario on the legal principles relating to salvor's entitlement to reward and remuneration under the Salvage Convention 1989. Students were expected to be aware of the provisions of the Convention. Students were to present a detailed discussion on the salvor's entitlement to reward under Art 14 and the level of remuneration in comparison

to a reward under Art 13. The discussions were to include a coverage of the 1989 Salvage Convention, which encourage salvors to engage in saving, or minimising the damage done to the environment and seek an up-lift on their salvage remuneration, and how it seeks to reward the salvors for such actions. Reference was to be made to the landmark House of Lords decision in *The Nagasaki Spirit* [1997], where problems in the drafting of the Convention were identified.

Quality of illustrations, both case laws and examples – the cited in the study material/textbook and student's own choice. Case Law: ***The Nagasaki Spirit* [1997]**. General structure and quality of answers - dealing with the issues individually and critically using relevant case laws and references.